

Making Today
a Better Tomorrow



Charoen Pokphand Group

Double & Dynamic **Materiality Assessment** **Report 2022**



TABLE OF CONTENTS



| | |
|-------------------------------------------------------------------------------------------|----|
| 3.1 Preliminary Identification of Sustainable Material Issues | 8 |
| 3.2 Identification of Impacts, Risks, and Opportunities | 14 |
| 3.3 Double and Dynamic Materiality Assessment | 15 |
| 3.4 Assessment of Impact of Material Issues by Stakeholders | 24 |
| 3.5 Prioritization of Material Issues that are Significant to C.P. Group and Stakeholders | 27 |



1. INTRODUCTION



Processes for determining materiality are crucial in the field of reporting on sustainability. It makes it possible for Charoen Pokphand Group to recognize and rank the Environmental, Social, and Governance (ESG) concerns that have the greatest impact on our business and stakeholders. The influence of these problems on a company's financial performance has been the primary focus of traditional materiality assessments, but the emergence of the double and dynamic materialism approaches has led to a more thorough understanding of materiality.

The double materiality approach broadens the area of assessment by taking into account not only how an organization affects society and the environment, but also how society and the environment affect the organization in turn. This broader viewpoint acknowledges that businesses are interrelated with and impacted by the larger sustainability landscape rather than being distinct from the world they operate in. The dynamic materiality approach, on the other hand, recognizes that materiality is not static but rather changes over time in response to new ESG challenges,

such as megatrends, emerging risks or opportunities, changing stakeholder expectations, and new business strategies. The Group can develop a thorough understanding of the intricate and constantly changing sustainability landscape by incorporating the double and dynamic materiality approaches into our materiality assessment processes. This will enable us to make wise decisions, improve transparency, and successfully address the opportunities and challenges associated with sustainable development, ultimately promoting a Better Tomorrow.

SIGNIFICANT CHANGES IN 2022

In 2022, Charoen Pokphand Group integrated double and dynamic materiality approaches into our materiality assessment approach as well as take the result into Enterprise Risk Management, in order for C.P. Group to better understand the involving environment, and to connect our business goals with stakeholder expectations, predict emerging ESG risks and opportunities, and generate positive impact across our operations and value chain. Additionally, C.P. Group engaged with external sustainability experts to gain their opinions regarding C.P. Group's materiality assessment process, sustainability material issues, and sustainability management. Their thoughts were not only integrated into the materiality assessment, but also used to improve our sustainability strategy and management system.

Significant changes to Charoen Pokphand Group's material issues are summarized in the tables.

Material Issues with Significant Changes

Ecosystem and Biodiversity Protection

Biodiversity is an important part of ecosystem integrity. It has a direct positive impact on the environment and humans. Unsustainable agricultural and food production systems can lead to deforestation, invasion of coastal areas, illegal fishing, these are factors leading to biodiversity loss.

Occupational Health and Safety

Occupational health and safety of our stakeholders and contractors are one of the top issues among stakeholder groups. Poor statistics of occupational health and safety can cost reputational and operational risks to the Group. Hence, the Group is pursuing a preventive approach and is evaluating the potential risks of workplaces and work processes at an early stage and on a continuous basis.

Inclusive and Diversity

Inclusive and Diversity means people of different ages, genders, ethnicities, sexual orientations, cultural backgrounds, and education levels. C.P.Group create a workspace that supports diversity and inclusion to enable creativity and innovation as well as promote a friendly working Environment.

2. EXECUTIVE SUMMARY



This executive summary provides an overview of the materiality assessment process undertaken by Charoen Pokphand Group. The process is incorporating both the double and dynamic materiality approaches. The purpose of this assessment was to identify and prioritize the Environmental, Social, and Governance (ESG) issues that are most relevant to C.P. Group's operations and stakeholders, taking into account the reciprocal influence between the organization and the broader sustainability landscape. This is to identify key issues for the Group to create long-term values for stakeholders.

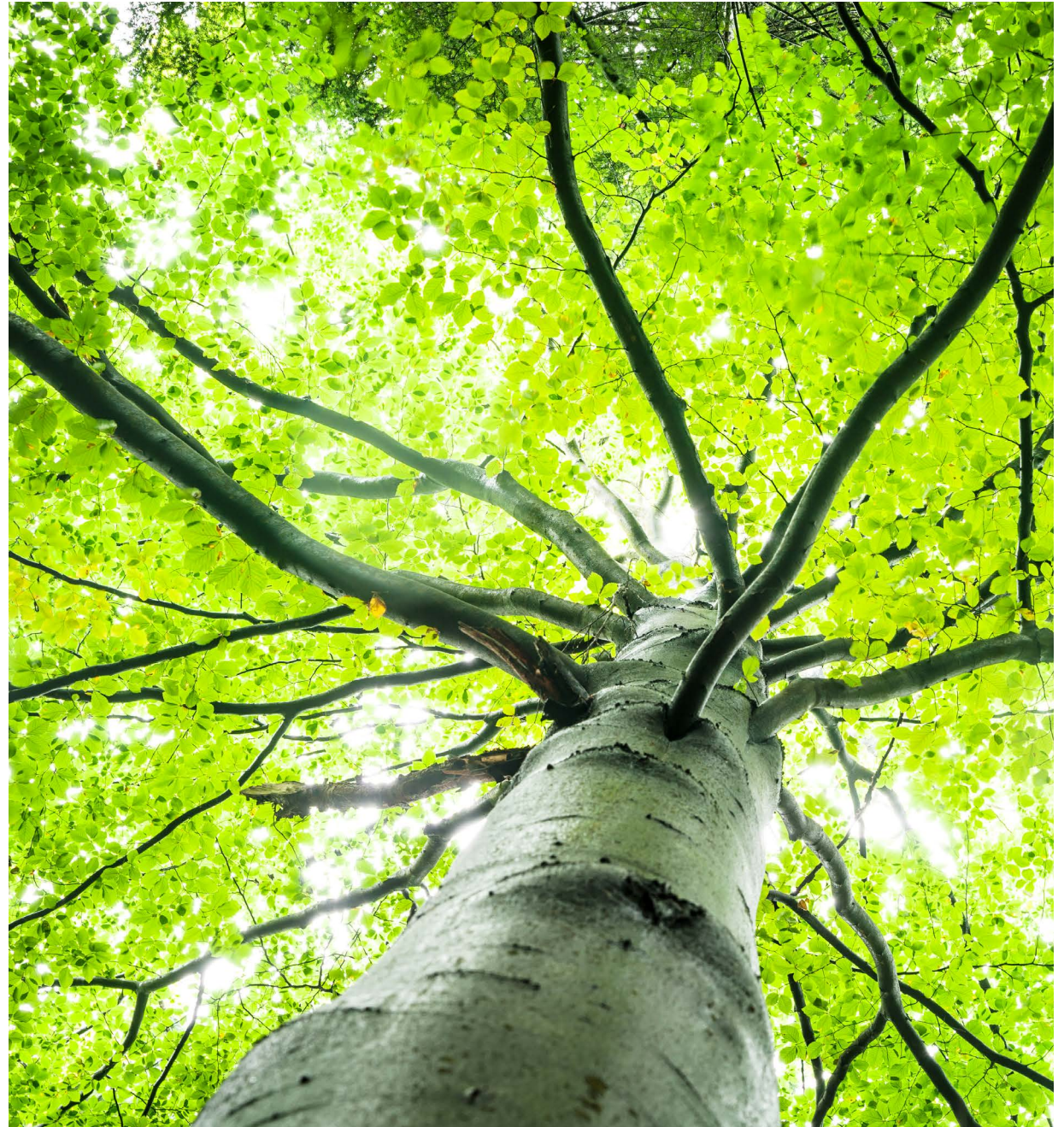
The materiality assessment process began with a thorough examination of C.P. Group's societal and environmental implications. This entailed assessing the direct and indirect consequences of our operations, supply chain, and products /services on diverse stakeholders, such as employees, communities, and ecosystems. Simultaneously, C.P. Group acknowledged the significance of the impact of external circumstances on its operations and decision-making. The assessment included an examination of developing societal and environmental trends, stakeholder expectations, and regulatory changes that may define the future of sustainability.

By adopting the double materiality approach, C.P. Group gained a holistic understanding of our role as both an influencer and influenced entity. This realization resulted in a more thorough identification and prioritization of major ESG concerns. Climate change mitigation, ethical supply chain management, human rights, biodiversity protection, and product/service innovation were highlighted as vital to C.P. Group's long-term sustainability and stakeholder value development.

Moreover, C.P. Group embraced the dynamic materiality approach in our assessment process. This is to better understand that ESG issues and stakeholder concerns evolve over time. To capture evolving concerns, expectations, and trends, the assessment process included continuous monitoring and consultation with key stakeholders and third-party experts are conducted on an annual basis. In 2022, several stakeholders and external experts were included in the consultation process, including community, employee, customer, supplier, government, NGO, etc. This iterative methodology guaranteed that materiality remained relevant and in line with the developing business plans of C.P. Group. Additionally, to ensure that the Group will continuously and sustainably grow in fast changing environment, the opinions have been integrated into the Enterprise Risk Management. This is also allowing the Group to identify risks and opportunities at an early stage.

The materiality assessment results served as the foundation for C.P. Group's sustainability reporting and decision-making. To address the identified material concerns, the Group devised focused action plans and activities. These activities included integrating sustainable practices throughout the value chain, establishing aggressive emission reduction objectives, improving supply chain transparency and responsible sourcing, supporting employee well-being, protecting human rights, and stimulating innovation to produce sustainable goods and services.

By integrating the double and dynamic approaches into its materiality assessment process, C.P. Group has demonstrated a commitment to comprehensive sustainability management. Using this strategy, the Group can connect our business goals with stakeholder expectations, predict emerging ESG risks and opportunities, and generate a positive impact across our operations and value chain.



3. PROCESSES AND RESULTS OF MATERIALITY ASSESSMENT

The process of materiality assessment involves evaluating and determining the significance of Environmental, Social, and Governance (ESG) issues that are relevant to Charoen Pokphand Group's business activities and stakeholders. The materiality assessment process of C.P. Group begins with the preliminary identification of sustainable material issues, then follows by the identification of impacts, risks, and opportunities, the evaluation of material issues by stakeholders, and the endings with prioritization of material issues. The materiality assessment process included not only descriptions of processes suggested by international reporting frameworks such as GRI Standards 2021, but also opinions obtained through consultation with external expert. Furthermore, to increase the reliability and transparency of the C.P. Group materiality assessment process and results, the Group engages an independent third party to conduct a process and result verification. The Assurance Statement issued by an independent third party can be found in [the Group Sustainability Report 2022](#), Pages 256-257.



Preliminary Identification of Sustainable Material Issues

Identification of Impacts, Risks and Opportunities

Assessment of Impact of Material Issues by Stakeholders

Prioritization of Material Issues that are Significant to C.P. Group and Stakeholders

PRELIMINARY IDENTIFICATION OF SUSTAINABLE MATERIAL ISSUES

Heart: Living Right



21

Issues were Identified as Main Topics

57

Issues were Identified as Sub-topics

Preliminary Identification of Sustainable Material Issues

| Sustainability Main Topic (Level 1) | Sustainability Sub-topic (Level 2) |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Corporate Governance | 1.1 Responsible Governance 1.2 Corporate Governance and Sustainability Leadership 1.3 Responsible Organization and Operation of the BoD 1.4 Capital Allocation and Asset Management |
| 2. Transparency and Disclosure | 2.1 Materiality |
| 3. Business Ethics | 3.1 Strengthening of Ethical Management 3.2 Business Ethics and Integrity |
| 4. Political Engagement | 4.1 Public Policy Engagement 4.2 Lobbying, Tax, and Corporate Compliance 4.3 Advocating Laws and Supporting Sustainability 4.4 Policy Influence |
| 5. Anti Bribery and Corruption | 5.1 Competitive Behavior 5.2 Anti-competitive Behavior |
| 6. Compliance Management | |
| 7. Risk and Crisis Management | 7.1 Crisis and Resilience Management 7.2 Systematic Risk Management 7.3 Critical Incident Risk Management 7.4 Integrated Management of Financial and Non-financial Risks 7.5 ESG Risk Management 7.6 Tax Strategy |
| 8. Competitiveness and Productivity | |
| 9. Geopolitics and Economic Context | |

Preliminary Identification of Sustainable Material Issues

| Sustainability Main Topic (Level 1) | Sustainability Sub-topic (Level 2) |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10. Human Rights and Labor Practices | 10.1 Child Labor 10.2 Forced Labor / Compulsory Labor 10.3 Modern Slavery 10.4 Freedom of Association and Collective Bargaining 10.5 Discrimination, Equality and Harassment 10.6 Labor Practices 10.7 Living Income and Living Wage 10.8 Working Conditions (Wages, Working Hours) 10.9 Land Rights 10.10 Access to Waster and Sanitation 10.11 Community Rights 10.12 Rights of Indigenous Peoples 10.13 Rights of Refugees and Migrants1 |
| 11. Employee Wellbeing | 11.1 Communicable Diseases / Infectious Diseases 11.2 Employee Engagement 11.3 Fair Employment 11.4 Equality in the Workplace 11.5 Fostering of Enjoyable Corporate Culture |
| 12. Diversity, Equity and Inclusion | 12.1 Workforce Diversity 12.2 Addressing Unemployment 12.3 Respect for Employee Diversity and Ban on Discrimination |
| 13. Occupational Health and Safety | 13.1 Employee Health and Safety 13.2 Strengthening Safety Management 13.3 Workplace Safety 13.4 Safe and Healthy Working Condition |
| 14. Human Capital Development | 14.1 Future of Work 14.2 Training and Development 14.3 Human Resources |

| Sustainability Main Topic (Level 1) | Sustainability Sub-topic (Level 2) |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 15. Talent Management | 15.1 Attraction and Training Talented 15.2 Development of Talented Individuals and Fair Compensation based on Performance 15.3 Talent Attraction and Retention |
| 16. Customer Relationship Management | 16.1 Customer Relationship Management 16.2 Enhancement of Customer Satisfaction Activities 16.3 Customer Service Engagement |
| 17. Retail Relationship | 17.1 Small Holder Farmers |
| 18. Education for all and Communities Development | 18.1 Opportunities for Technical and Vocational Training |
| 19. Improving Access to Education | 19.1 Providing Education for Disabilities, and Underprivileged 19.2 Improving School Facilities |
| 20. Youth Disillusionment | |
| 21. Involuntary Migration | |



PRELIMINARY IDENTIFICATION OF SUSTAINABLE MATERIAL ISSUES

Health: Living Well



21

Issues were Identified as Main Topics

22

Issues were Identified as Sub-topics

Preliminary Identification of Sustainable Material Issues

| Sustainability Main Topic (Level 1) | Sustainability Sub-topic (Level 2) |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Innovation and Creation | 1.1 Innovation Management 1.2 Research and Development 1.3 Technical Innovation and R&D Investment 1.4 Digital and Technology 1.5 Innovative Business Models 1.6 Securing New Growth Engines 1.7 New Business Centered Portfolio Management |
| 2. Product Transparency | 2.1 Product Labelling |
| 3. Health and Nutrition | 3.1 Human Health, Including Community Health and Safety, Spread of Human Diseases |
| 4. Product Quality and Safety / Food Safety | |
| 5. New Consumption Pattern / Changing Consumer Behaviors | 5.1 Sustainable Consumption |
| 6. Economic and Social Value Creation | 6.1 Support Community Building and Engage with Citizens on Sustainable Topics 6.2 Establishment of Social Contribution Strategy and Management of Performance 6.3 Economic Performance 6.4 Economic Contribution to Society 6.5 Community Development 6.6 Economic Inclusion |
| 7. Social Integration and Regeneration | |
| 8. Stakeholder Engagement | |

Preliminary Identification of Sustainable Material Issues

| Sustainability Main Topic (Level 1) | Sustainability Sub-topic (Level 2) |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9. Community Relation / Engagement | |
| 10. Responsible Marketing | 10.1 Selling Practices and Product Labelling |
| 11. Product Safety and Quality | 11.1 Customer Safety and Product Quality |
| 12. GMOs | |
| 13. Health and Nutrition | |
| 14. Food Security / Food Safety | 14.1 Accessible Nutrition 14.2 Sustainable Design 14.3 Reinforcement of Responsibility of Products / Services 14.4 Environmentally-friendly Products |
| 15. Mental Health Deterioration | |
| 16. Animal Welfare | |
| 17. Social Cohesion Erosion | |
| 18. Livelihood Crisis | |
| 19. Social Security Collapse | |
| 20. Public Infrastructure Failure | |
| 21. Backlash Against Science | |



PRELIMINARY IDENTIFICATION OF SUSTAINABLE MATERIAL ISSUES

Home: Living Together



12

Issues were Identified as Main Topics

81

Issues were Identified as Sub-topics

Preliminary Identification of Sustainable Material Issues

| Sustainability Main Topic (Level 1) | Sustainability Sub-topic (Level 2) |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Climate Resilience | 1.1 Climate Partnership and Advocacy 1.2 Climate Action 1.3 Climate Action Failure 1.4 Carbon Pricing 1.5 Climate Protection 1.6 Climate Adaptation and Resilience 1.7 Climate Change Response System 1.8 Climate Change 1.9 Extreme Weather 1.10 Physical Impacts of Climate Change 1.11 Responding to Natural Disaster 1.12 Geophysical Disaster 1.13 Climate Strategy 1.14 Climate |
| 2. Greenhouse Gas Emissions | 2.1 Energy Consumption 2.2 Emissions 2.3 Net Zero Carbon / Low Carbon Products 2.4 Emission from Transportation 2.5 Value Chain GHG Emissions 2.6 Air Quality 2.7 Poor Air Quality / Air Pollution 2.8 Sustainable Agriculture Practices / Farming 2.9 Deforestation |
| 3. Energy Efficiency | 3.1 Access to clean Energy 3.2 Energy Management 3.3 Renewable Energy Use 3.4 Excessive Energy Use and Declining Energy Resources 3.5 Energy Saving Reinforcement 3.6 Operational Eco-efficiency 3.7 Energy and Resource Use 3.8 Fuel Efficiency 3.9 Building Materials |

Preliminary Identification of Sustainable Material Issues

| Sustainability Main Topic (Level 1) | Sustainability Sub-topic (Level 2) | Sustainability Main Topic (Level 1) | Sustainability Sub-topic (Level 2) | |
|----------------------------------------|-----------------------------------------------------------------------|-----------------------------------------|--------------------------------------------------|------------------------------------------------------------|
| 4. Water Stewardship | 4.1 Water Partnership and Advocacy | 7. Nature Protection and Restoration | 7.1 Ecological Impacts | |
| | 4.2 Water and Effluents | | 7.2 Natural Ecosystem Conversion | |
| | 4.3 Water Withdrawal and Consumption | | 7.3 Biodiversity Loss | |
| | 4.4 Water and Wastewater Management | | 7.4 Nature and Biodiversity | |
| | 4.5 Water Reuse and Recycling | | 7.5 Key Biological Areas | |
| | 4.6 Water Intensity | | 7.6 Soil Health | |
| | 4.7 Poor Water Quality | | 7.7 Pesticides Use | |
| | 4.8 Shortages of Available Fresh Water | | 7.8 Accumulation of Toxic Substances | |
| | 4.9 Respond to Water Shortages | | 7.9 Natural Resource Crises | |
| | 4.10 Water | | 7.10 Resource Conservation & Resource Efficiency | |
| | 4.11 Water Related Risks | | 7.11 Land and Ocean | |
| 5. Circular Economy | 5.1 Packaging Collection and Processing | | 8. Supply Chain Stewardship/ Responsibility | 7.12 Deforestation |
| | 5.2 Product Packaging / Packaging | 8.1 Supplier Code of Conduct | | |
| | 5.3 Recyclable Packaging | 8.2 Critical Supplier Identification | | |
| | 5.4 Reusable and Refillable Packaging | 8.3 Supply Chain Risk Exposure | | |
| | 5.5 Product Design and Life Cycle Management | 8.4 Supplier Risk Management Measures | | |
| | 5.6 Sustainable Product Design and Life Cycle Management | 8.5 ESG Integration in SCM Strategy | | |
| | 5.7 Sustainable Handling of Natural Resources and Material Efficiency | 9. Responsible Purchasing | | 9.1 Responsible Sourcing and Traceability |
| | 5.8 Expansion of Eco-friendly Technologies | | | 9.2 Local Sourcing and Rural Development |
| | 5.9 Product Stewardship | | | 9.3 Limited Availability of Sustainable Products/ Services |
| 6. Waste Management | 6.1 Zero Waste | | | 9.4 Scarcity of Raw Materials |
| | 6.2 Energy from Waste | | | 9.5 Scarcity of Raw Materials |
| | 6.3 Food Loss and Waste | | | 9.6 Conflict Minerals |
| | 6.4 Waste | 10. Environmental Policy and Management | | |
| | 6.5 Single-use Plastic | | | |
| | 6.6 Plastic / Packaging Waste / Waste from Operations | 11. Noise Pollution | | |
| | 6.7 Reduction in Waste and Hazardous Chemicals Disposal | 12. Human Environmental Damaged | | |

IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES

A detailed study was undertaken in the second stage of the materiality assessment process for C.P. Group to determine the impacts, risks, and opportunities related to our business. This entailed a thorough examination of our operations, supply chains, products/services, and the use phase of our consumers and customers to comprehend our possible consequences on the environment, society, and government. Moreover, the assessment took into account both direct and indirect impacts, such as greenhouse gas emissions, resource consumption, waste generation, labor practices, human rights, community engagement, product/service provision, and corporate governance practices. This comprehensive process enables C.P. Group to gain a better understanding of key areas where we can contribute to long-term value creation for the environment and all stakeholder groups.

At the same time, the materiality assessment process concentrated on identifying associated risks and opportunities. Megatrends, emerging trends, regulatory changes, climate change impacts, and supply chain



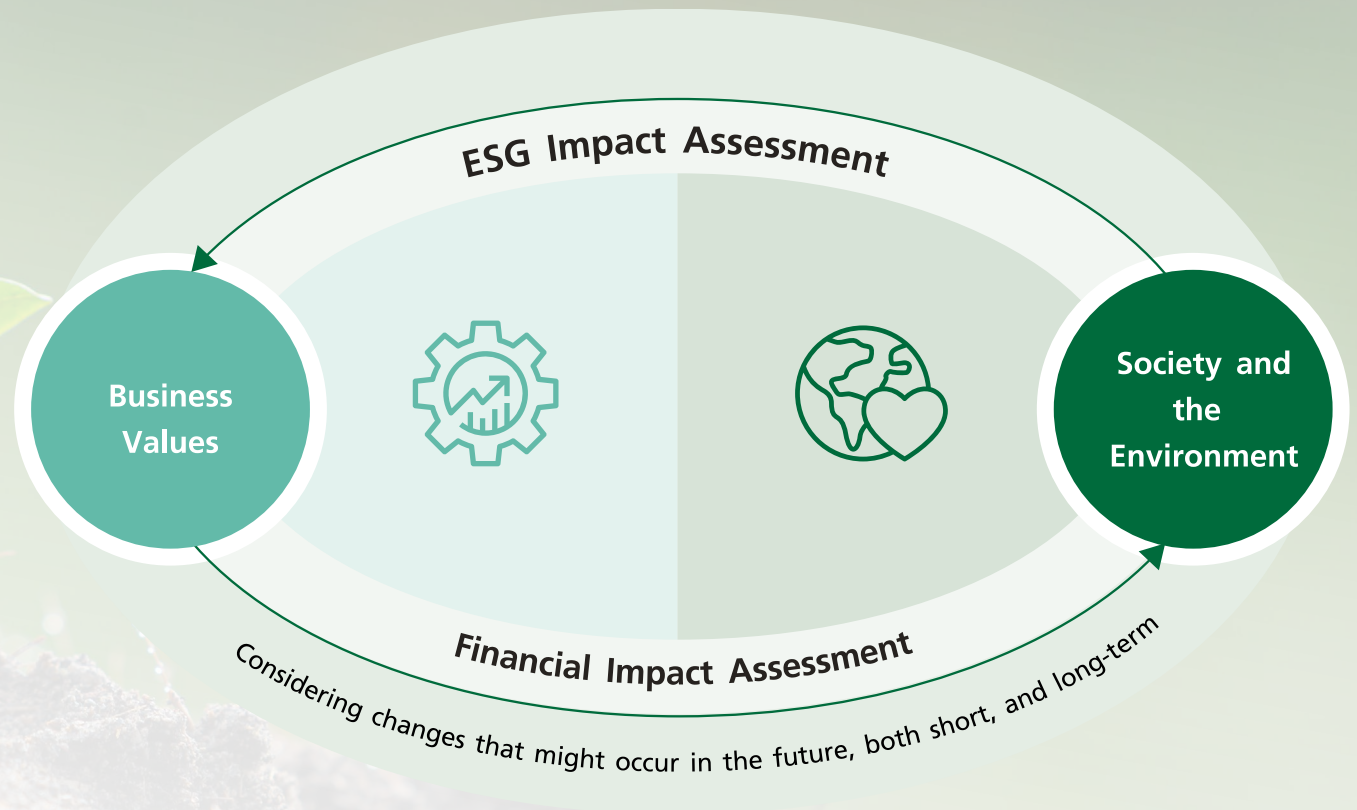
vulnerabilities were used to assess risks. Simultaneously, opportunities for innovation and advancement in technology, market and consumer behavior trends, and long-term value generation through sustainable products/services were recognized.

C.P. Group obtained significant insights into the sustainability problems and possible areas for development by analyzing the impacts, risks, and opportunities across multiple dimensions of our business. This data laid the groundwork for the subsequent creation of strategies and action plans to manage risks, capitalize on opportunities, and create beneficial environmental and social results.

DOUBLE AND DYNAMIC MATERIALITY ASSESSMENT

Charoen Pokphand Group implemented a comprehensive materiality assessment process that included both the double and dynamic approaches, allowing for a comprehensive understanding of sustainability issues and their evolving nature. These evaluation methods acknowledged the Group’s reciprocal link with the larger sustainability environment, while also noting that materiality is not a static concept that develops over time.

The double materiality assessment conducted by Charoen Pokphand Group, includes assessing between external impact on society or the environment and internal impact on enterprise value. This broad view provided a complete knowledge of C.P. Group’s role and responsibilities in tackling sustainability concerns. The Group identified tangible environmental, social, and governance (ESG) concerns crucial to its long-term sustainability and stakeholder value creation by examining the direct and indirect implications of our operations, supplier chains, and products/services on stakeholders and the environment.



Double and Dynamic Materiality Assessment

Moreover, Charoen Pokphand Group embraced the dynamic nature of materiality. The evaluation approach recognized that ESG issues and stakeholder concerns vary over time as a result of growing trends, changing legislation, and altering company plans. The Group was able to catch growing concerns, expectations, and trends by regular

monitoring and involvement with stakeholders, such as employees, customers, suppliers, investors, and communities. C.P. Group ensured that our materiality evaluation stayed current and connected with the developing sustainability environment by regularly monitoring these developments.

Impact Materiality Assessment

The negative impact materiality entailed a thorough examination of Charoen Pokphand Group's operations, supply networks, and products/services to identify and comprehend the possible negative effects on the environment and society. Greenhouse gas emissions, resource depletion, pollution, waste creation, deforestation, community displacement, and human rights problems were all examined in this review. The Group received insights into areas where changes and mitigation measures were needed to reduce unwanted effects on stakeholders and the environment by measuring and qualitatively analyzing these negative consequences. At the same time, positive impact materiality analysis detected and evaluated C.P. Group's good contributions to society and the environment. Job creation, economic growth, ethical sourcing procedures, community contributions, employee well-being initiatives, sustainable product innovation, and environmental conservation measures were all included of this assessment.



Financial Materiality Assessment

The negative financial materiality study entailed examining the possible risks emerging from ESG issues that might have a negative impact on the financial stability and performance of C.P. Group. Regulatory changes, reputational risks, supply chain disruptions, environmental liabilities, legal and compliance concerns, and social disputes were all addressed in this study. By identifying these risks, C.P. Group could implement appropriate Enterprise Risk Management strategies, and allocate resources for mitigation measures. While positive financial impact materiality analysis discovered and analyzed

value creation prospects coming from sustainable business practices and ESG integration. Cost savings from resource efficiency, increased market demand for sustainable products and services, improved reputation and brand value, increased stakeholder trust and loyalty, access to sustainable finance and investment opportunities, and potential competitive advantages were all factors considered in this assessment. C.P. Group aspired to achieve long-term financial success while simultaneously contributing to beneficial environmental and social results by capitalizing on these possibilities.

Most Significant Impacts

| Impact | Relevant Sustainability Main Topic (Level 1) | Description of Impact, Risk, and Opportunity for Main Topic (Level 1) | Relevant Sustainability Sub-topic (Level 2) | Financial Impact Occurring along Value Chain | | | | | |
|------------------------|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------|------------|----------|------------|----------|
| | | | | Upstream | | Mid Stream | | Downstream | |
| | | | | Negative | Positive | Negative | Positive | Negative | Positive |
| Climate Emergency | Climate Resilience | Climate resilience has both negative and positive implications for C.P. Group’s activities. Risks include catastrophic weather occurrences that interrupt supply chains and damage infrastructure, as well as governmental changes and shifting customer preferences for sustainability. C.P. Group, on the other hand, can avoid these risks and grasp possibilities by implementing climate adaptation techniques such as sustainable agriculture practices and renewable energy integration. Among these prospects include the development of novel climate-resilient products, investments in research and renewable energy, and the promotion of environmentally responsible practices | <ul style="list-style-type: none"> Climate Adaptation and Resilience Physical Impact of Climate Change | High | Medium | High | Medium | Low | Low |
| | Greenhouse Gas Emissions | The influence of greenhouse gas (GHG) emissions on the activities of the C.P. Group poses both hazards and opportunities. C.P. Group, as a conglomerate, suffers regulatory penalties and reputational damage if it fails to reduce its emissions and comply with environmental standards. Consumer attitudes toward sustainability are also threatening market share and brand reputation. C.P. Group, on the other hand, can avoid these risks and gain from possibilities such as cost savings, greater brand recognition, access to green markets, and enhanced competitiveness in the developing business landscape by executing emission reduction plans and adopting sustainable practices | <ul style="list-style-type: none"> Energy Consumption Net Zero Carbon / Low Carbon Products Value Chain GHG Emissions Sustainable Agricultural Practices / Farming | High | Medium | High | Medium | Low | High |
| Resources Preservation | Nature Protection and Restoration | Nature protection and restoration have a significant impact on C.P. Group’s operations, presenting both risks and opportunities. By preserving and restoring natural habitats, C.P. Group can ensure the availability of vital resources and support the health of ecosystems. However, the risks lie in the degradation of habitats, which can disrupt supply chains and harm the company’s reputation. Adhering to environmental regulations and meeting consumer demands for sustainability are crucial in mitigating these risks. | <ul style="list-style-type: none"> Biodiversity Loss Natural Resources Crises Resources Conservation and Resource Efficiency | High | Medium | High | High | Low | Low |
| | Responsible Purchasing | Responsible purchasing has a significant impact on C.P. Group’s operations, presenting risks and opportunities. By prioritizing sustainable and ethical sourcing practices, C.P. Group can enhance its reputation, build strong supplier relationships, and contribute to the overall sustainability of its supply chain. However, there are risks associated with irresponsible purchasing, including reputational damage and supply chain disruptions. Meeting consumer demands for transparency and responsible sourcing is crucial to mitigate these risks. Responsible purchasing also offers opportunities for C.P. Group, such as accessing new markets, building consumer trust, and driving innovation. By implementing robust supplier engagement programs and promoting sustainable and ethical criteria, C.P. Group can improve supplier performance, achieve cost efficiencies, and foster long-term partnerships for sustainable business growth. | <ul style="list-style-type: none"> Scarcity of Raw Materials Limited Availability of Sustainable Products / Services | High | Low | High | Medium | Low | High |

Level of Financial Impact or Risk ● Low <10 MB. ● Medium >100-500 MB. ● High >1000 MB. Level of Financial Opportunity ● Low <10 MB. ● Medium >100-500 MB. ● High >1000 MB.

Most Significant Impacts

| Impact | Relevant Sustainability Main Topic (Level 1) | Description of Impact, Risk, and Opportunity for Main Topic (Level 1) | Relevant Sustainability Sub-topic (Level 2) | Financial Impact Occurring along Value Chain | | | | | |
|----------------------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------|------------|----------|------------|----------|
| | | | | Upstream | | Mid Stream | | Downstream | |
| | | | | Negative | Positive | Negative | Positive | Negative | Positive |
| Elimination of Packaging Waste | Circular Economy | The elimination of packaging waste has both consequences and economic possibilities for the Group. Packaging waste, particularly plastic packaging, has serious environmental consequences, such as pollution, resource depletion, and landfill buildup. Furthermore, it has a direct impact on customer perception and brand image. Consumers are increasingly expecting environmentally friendly packaging, and the Group's inability to address packaging waste problems risks losing market share and consumer confidence. | <ul style="list-style-type: none"> • Packaging Collection and Processing • Recyclable Packaging • Reused and Refillable Packaging • Sustainable Product Design and Life Cycle Management | | | | | | |
| Education and Lifelong Learning | Education for all and Communities Development | Building education and encouraging lifelong learning can have a number of beneficial effects for the CP Group and society as a whole. The Group can empower individuals by equipping them with information, skills, and capacities to excel in their personal and professional lives by consistently investing in education and lifelong learning. This can result in improved employability, job growth, and personal development. Furthermore, by increasing access to quality education and lifelong learning opportunities, the Group may help to reduce poverty, social mobility, and economic growth in the areas in which it operates. | <ul style="list-style-type: none"> • Opportunities for Technical and Vocational Training | | | | | | |
| Inequality Society | Human Rights and Labor Practices | Human rights and labor practices have a significant impact on C.P. Group's operations, presenting both risks and opportunities. By upholding fair working conditions, respecting employee rights, and promoting social responsibility, C.P. Group can enhance employee satisfaction, productivity, and overall well-being while safeguarding its reputation and stakeholder relationships. However, inadequate human rights and labor practices pose risks such as reputational damage, legal non-compliance, labor disputes, and supply chain disruptions. By implementing responsible labor policies, providing training opportunities, and promoting fair trade practices, C.P. Group can attract top talent, build strong partnerships, and gain a competitive edge. Aligning with international human rights standards enhances the company's reputation as a socially responsible organization. | <ul style="list-style-type: none"> • Forced Labor / Compulsory Labor • Living Income and Living Wage • Community Rights • Rights of Indigenous Peoples • Rights of Refugees and Migrants | | | | | | |
| | Diversity, Equity and Inclusion | Diversity, equity, and inclusion (DEI) have a significant impact on C.P. Group's operations, presenting both risks and opportunities. By embracing DEI, C.P. Group can create an inclusive and equitable workplace that fosters innovation, employee engagement, and productivity. However, inadequate DEI practices pose risks such as reputational damage and legal challenges, while prioritizing DEI provides opportunities to attract top talent, enhance the company's reputation, and better serve diverse customer bases | <ul style="list-style-type: none"> • Workforce Diversity • Respect for Employee Diversity and Ban on Discrimination | | | | | | |

Most Significant Impacts

| Impact | Relevant Sustainability Main Topic (Level 1) | Description of Impact, Risk, and Opportunity for Main Topic (Level 1) | Relevant Sustainability Sub-topic (Level 2) | Financial Impact Occurring along Value Chain | | | | | |
|-----------------------------------|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------|------------|----------|------------|----------|
| | | | | Upstream | | Mid Stream | | Downstream | |
| | | | | Negative | Positive | Negative | Positive | Negative | Positive |
| Safety and Well-being | Employee Well-being | The Group is well aware that ignoring employee and contractor safety and well-being can have a number of detrimental consequences. Inadequate attention on safety measures and protocols, for example, can lead to a rise in workplace mishaps, injuries, and accidents. This can impair employees' physical and emotional health, disrupt operations, and reduce productivity. Negative occurrences, accidents, or claims of hazardous working conditions can result in public scrutiny, a loss of confidence from stakeholders, and customer boycotts. To make matters worse, failing to protect the safety of employees and contractors can be accounted for as a violation of safety norms and standards, which can result in legal responsibilities, fines, and penalties. In addition to workplace health hazards, it is critical for the Group to pay inadequate attention to health and pandemic threats, which can expose the C.P. Group to health crises and epidemics. Employee health difficulties, lower labor capability, and reputational harm can all arise from failing to follow basic health standards. | <ul style="list-style-type: none"> • Communicable Diseases / Infectious Diseases • Employee Engagement • Fair Employment • Equality in the Workplace • Fostering of Enjoyable Corporate Culture | | | High | High | | |
| Water Quality and Scarcity | Water Stewardship | One of the impacts from climate change is the availability of water resources, and its quality for utilization and consumption. Water Scarcity and quality can disrupt the Group's operations, especially if water is a critical input for its production processes. Insufficient water availability can lead to decreased production capacity, increased costs, and potential supply chain disruptions. | <ul style="list-style-type: none"> • Water Partnership and Advocacy • Water Withdrawal and Consumption • Water and Wastewater Management • Water Reuse and Recycling • Poor Water Quality • Shortages of Fresh Water • Water Related Risks | High | High | High | High | | |

Level of Financial Impact or Risk ● Low <10 MB. ● Medium >100-500 MB. ● High >1000 MB. Level of Financial Opportunity ● Low <10 MB. ● Medium >100-500 MB. ● High >1000 MB.

Management Approach for Most Significant Impacts

Climate Resilience

The Group has prepared several management approaches to present ourselves with the challenges of climate change, for instance Group wide target to become Net Zero organization was announced and action plans are in place. The targets was validated with SBTi to confirm the Group's alignment with global goals. One of the plans to meet Net Zero target is the transitioning to renewable energy sources and adopting energy efficient technologies to reduce energy consumption and optimizing resource utilization. This is not only enhancing operational efficiency, but also improve the company's bottom line. Moreover, the Group invests greatly in research and development to develop innovative and sustainable solution to partners, suppliers, and customers. This included advance farming techniques, renewable energy sources, and efficient supply chain management systems.

More information available in: [Sustainability Report 2022](#) – Climate Resilience Page 174-191

Resources Preservation

The Group has been conducting the business with resources efficiency for decades, which help reduce our reliance on natural resources and operating cost. The Group is expanding the practices to cover wider business groups, and suppliers, in order to create scalable positive impacts. Moreover, the Group has announced commitment to protecting natural resources and restoring ecosystems to avoid the impact from biodiversity loss, including:

1. All business groups conduct projects or collaborate with relevant national and international partners to manage and monitor biodiversity by 2030
2. Procuring raw materials from sources that do not involve forest encroachment and deforestation by 2030
3. Plant 20 million trees by 2025

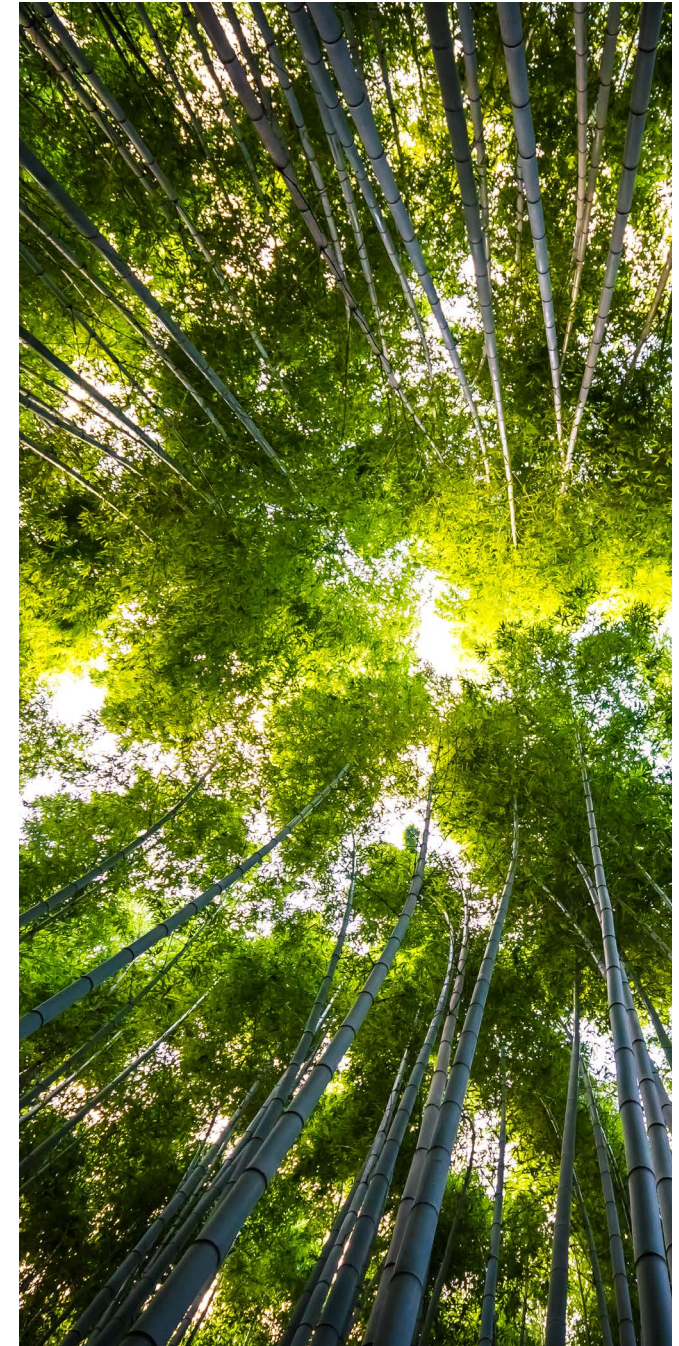
More information available in: [Sustainability Report 2022](#) – Ecosystem & Biodiversity Protection Page 214-229
Responsible Supply Chain Management Page 230-237

Elimination of Packaging Waste

To address the impact of packaging waste elimination, the Group must transition to more sustainable packaging options, which will involve additional costs owing to investments in new packaging materials, equipment, and processes. The transition to sustainable packaging may need changes in the supply chain, such as sourcing, manufacture, and distribution. During this transition period, disruptions such as the availability and suitability of sustainable packaging materials can impact operations and customer satisfaction. If CP Group's packaging decisions do not fit with consumer expectations and sustainability preferences, it may result in negative comments, social media reaction, or a drop in sales.

Nonetheless, if the Group can successfully decrease packaging waste and convert to sustainable packaging, it may improve its brand name as a leading environmentally responsible firm, attract eco-conscious consumers, and differentiate itself in the market. Furthermore, it can generate long-term cost savings by optimizing materials, reducing waste, and improving supply chain efficiency. Packaging that is lighter and more compact can help minimize transportation costs and associated emissions. Another management strategy is to proactively match our processes with new regulations. The Group may avoid compliance risks and protect its market position by staying ahead of regulatory developments.

More information available in: [Sustainability Report 2022](#) – Circular Economy Page 192-203



Management Approach for Most Significant Impacts

Education and Lifelong Learning

To further our endeavor in the areas of education and lifelong learning, the Group will expand our collaboration with educational institutions, both national and international, to share knowledge and develop new innovations, as well as increase the access to education to wider areas. This, in turn, can fuel economic growth, social progress, and sustainable development in the communities where C.P. Group operates. Additionally, the Group is also working with governmental sectors to strengthen the foundation of education which focuses on prompting children and youths with knowledge and skill for the digitalization era.

More information available in: [Sustainability Report 2022](#) – Education and Inequality Reduction Page 88-97

Inequality Society

Addressing social inequalities is crucial for the Group to mitigate these negative impacts and foster a more inclusive and sustainable business environment. The Group has announced several policies relevant to diversity promotion, and discrimination and harassment protection. Moreover, policies and guidelines on human rights and labor practices has also been announced at the group-wide level, and expended to suppliers, contractors, and business partners with an intention to prevent human rights violation along the value chain. To ensure that the policies are being implemented correctly, dedicated department conducts human rights assessment on regular basis, mitigation plan will be developed for business groups or suppliers that are found to at risks.

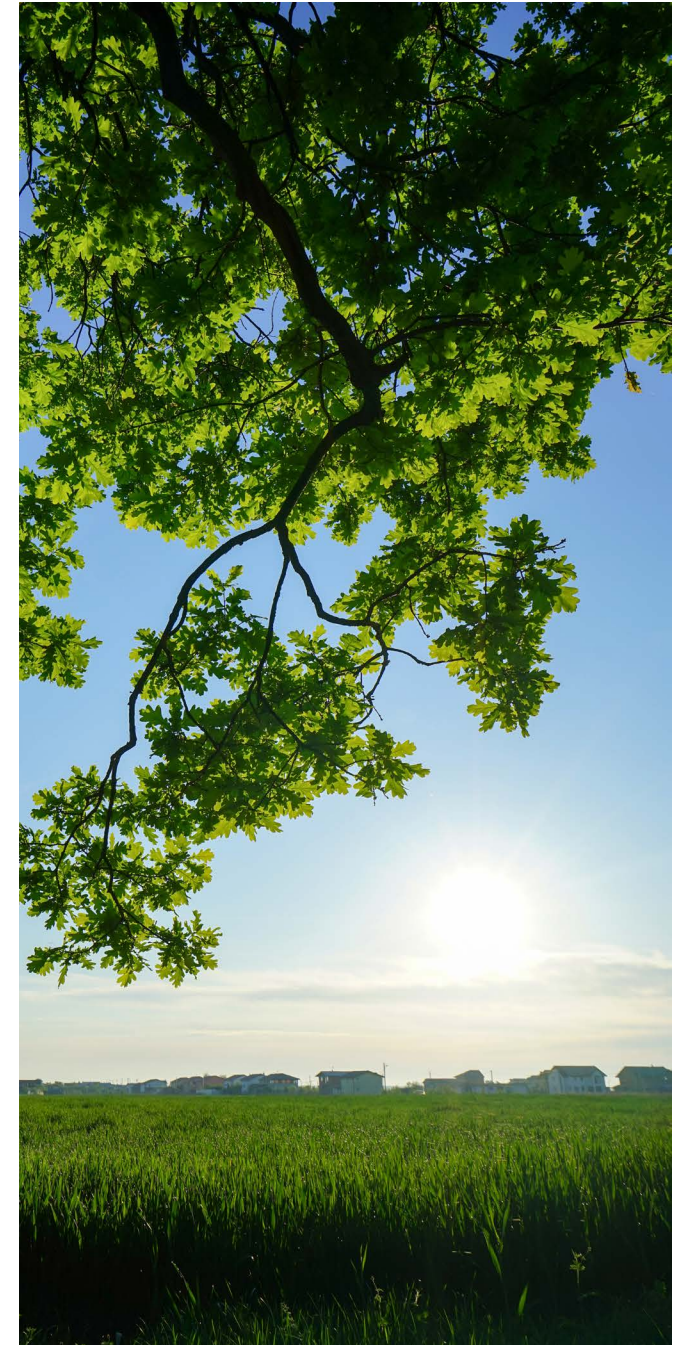
More information available in: [Sustainability Report 2022](#) – Human Rights and Labor Practices Page 74-87

Safety and Well-being

To prioritize safety and well-being in its activities, the Group has adopted a comprehensive management system. The organization realizes that the health and well-being of its employees is critical to long-term success. CP Group has built comprehensive safety policies and procedures that meet with industry standards and relevant legislation to maintain a safe working environment. Risk assessments, hazard identification, incident reporting, and emergency response planning are all included in these protocols. In addition, by increasing employee knowledge and involvement, the Group develops a culture of safety and well-being. Training sessions are held on a regular basis to educate employees about safe practices, equip them with critical skills, and empower them to actively engage in maintaining a safe workplace. Employees are encouraged to report safety issues or make changes through open communication channels, encouraging a proactive and collaborative approach to safety management.

The Group's approach to safety and well-being management extends beyond its own businesses. To guarantee that safety requirements are met throughout the supply chain, the organization constantly interacts with suppliers, contractors, and stakeholders. The Group encourages the adoption of safety and well-being concepts across its business ecosystem through responsible sourcing methods and collaborations.

More information available in: [Sustainability Report 2022](#) – Human Rights and Labor Practices Page 74-87



Management Approach for Most Significant Impacts

Water Quality and Scarcity

One of the impacts from climate change is the availability of water resources, and its quality for utilization and consumption. Water Scarcity and quality can disrupt the Group's operations, especially if water is a critical input for its production processes. Insufficient water availability can lead to decreased production capacity, increased costs, and potential supply chain disruptions.

Recognizing the importance of responsible water management in its activities, the Group has implemented a comprehensive management approach to water stewardship. Throughout its value chain, the organization is committed to reducing water consumption, increasing water efficiency, and maintaining water quality.

The Group's approach to water management includes several critical components. First, the organization undertakes regular water assessments to identify and understand its water risks and possibilities. This includes assessing water availability, quality, and potential implications on ecosystems and communities in the areas where it operates. The Group conducts water conservation measures and supports efficient water management methods to ensure responsible water use. This includes investment in innovative water-saving technology, infrastructure, and processes, such as water-efficient equipment and irrigation systems. Additionally, the organization regularly involves employees and stakeholders in water conservation activities, raising awareness and encouraging behavioral adjustments to optimize water usage.

The Group understands the value of collaboration and teamwork in water stewardship. The company collaborates closely with local communities, governments, and organizations to address common water issues and establish long-term solutions. CP Group aspires to improve water security, maintain ecosystems, and promote the well-being of communities that rely on water resources by participating in collective water stewardship activities.

Furthermore, the Group prioritizes the preservation of water quality. To ensure that discharged water meets or exceeds regulatory standards, the company employs stringent water treatment and monitoring systems. It also invests in wastewater treatment plants to reduce its environmental impact and conserve water habitats.

More information available in: [Sustainability Report 2022](#) – Water Stewardship Page 204-213



After a careful consideration and analysis of impacts and risks resulted from Charoen Pokphand Group's activities, products and services along the value chain, our opportunities to address the identified challenges, as well as influence from external environment that might have on the Group operations. The Group had finalized 23 sustainability topics. These topics are then used in multi-stakeholder engagement survey.

Shortlist Sustainability Topics

Heart: Living Right

- Corporate Governance
- Child Labor
- Forced Labor / Compulsory Labor
- Land Rights
- Diversity, Equity and Inclusion
- Labor Practices
- Occupational Health and Safety
- Education and Lifelong Learning
- Human Capital Development
- Responsible Marketing & Customer Management
- Cybersecurity & Data Protection

Health: Living Well

- Health & Nutrition
- Social & Community Engagement & Integration
- Inclusive Business
- Food Security
- Innovation
- Stakeholder Engagement

Home: Living Together

- Climate Resilience and GHG Emissions
- Environmental Management & Protection
- Waste Management and Circular Economy
- Water Stewardship
- Nature Protection and Restoration
- Responsible Supply Chain Management

ASSESSMENT OF IMPACT OF MATERIAL ISSUES BY STAKEHOLDERS

The assessment of the impact of material issues by stakeholders is a critical process in ensuring effective corporate governance and sustainability practices within the Charoen Pokphand Group. Stakeholders play an important role in identifying and evaluating material issues that can have a significant impact on a company's performance, reputation, and long-term viability. The Group takes a multi-stakeholder approach to assessing the impact of material issues. We actively engage with various stakeholder groups, including farmers, communities & societies, suppliers, creditors, employees and families, NGOs, government, competitors, media, shareholders & investors, and customers & consumers. The Group collects feedback and insights from stakeholders based on their priorities and concerns about our business activities and sustainability performance through a variety of channels, such as surveys, interviews, focus groups, and collaborations.

This process assists the Group in identifying and prioritizing the most important concerns and expectations of stakeholders, allowing us to allocate resources and develop appropriate strategies to address them. It also allows stakeholders to have a say in decision-making and hold organizations accountable for their actions. In addition, The Group also engaged with external experts to get their opinions on our materiality assessment process as well as the extent to which the Group affects the outside environment and vice versa.

Stakeholders typically assess the impact of material issues based on their level of influence, dependence, and vulnerability to the organization. Employees, for example, may be concerned about workplace safety, fair wages, and professional development opportunities. Customers can rank product quality, ethical sourcing, and environmental impact as priorities. Financial performance, risk management, and corporate governance may be of interest to investors. Local communities may place a premium on social responsibility, community involvement, and environmental stewardship.



Multi-stakeholder Engagement Methodology

In 2022, the Charoen Pokphand Group conduct multi-stakeholder engagement survey by using the survey process outlined in the graphic. The process is based on international standards, research of globally recognized practices, and existing business engagement surveys. We conducted the survey using an online platform with the assistance of management representatives from our

business units. This is to ensure that it included an adequate number of participants and was carried out in a transparent manner. After analyzing the results, we informed our management executives and business units. Finally, the engagement mechanisms and the results are publicly disclosed for all stakeholders.

KEY FIGURES

Number of Participant

16,425 people

By Stakeholder Groups



61%

Employees & Families



23%

Customers & Consumers



5%

Business Partner



4%

Communities & Societies



2%

Farmers



2%

Government



2%

Medias



1%

Shareholders & Investors



1%

NGOs



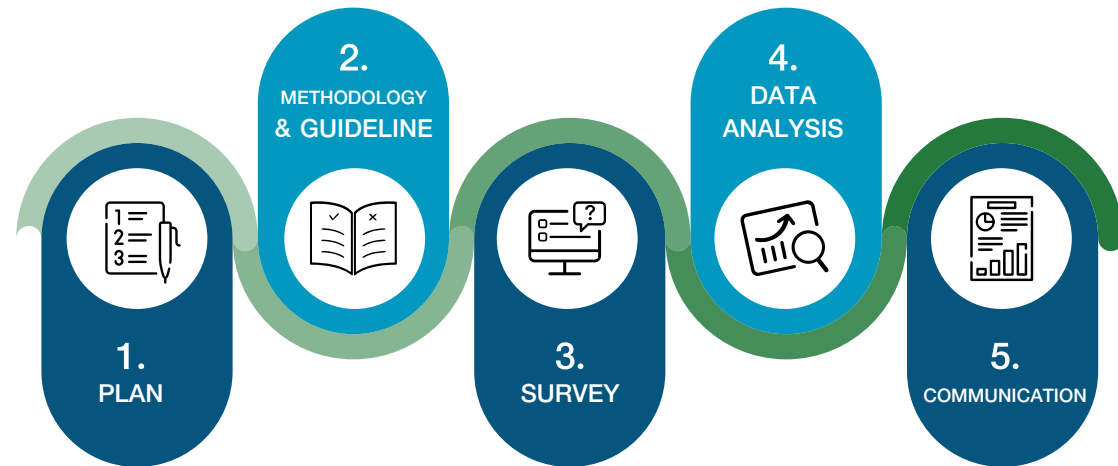
0.1%

Competitors



0.1%

Creditors



To capture stakeholder’s perspectives in different area, the survey questionnaires divided into three sections:



Section 1

SUSTAINABILITY EFFECTIVENESS

1.1 Effectiveness of Company’s Sustainability Development 15 Topics under Sustainability Strategy.



Section 2

CORPORATE COMMUNICATION

Effective is the company’s process of :
 2.1 Communication
 2.2 Listening
 2.3 Responding



Section 3

OVERALL SATISFACTION

3.1 Overall satisfaction with the company



More information available in [Stakeholder Engagement Report 2022](#)

Material Issues Prioritization by Stakeholders

Results from stakeholder engagement survey in 2022 revealed that majority of stakeholder ranked Environmental Management & Protection, Climate Resilience and GHG Emissions, Waste Management and Circular Economy, Nature Protection and Restoration, and Education and Lifelong Learning as top five most significant issues, respectively, for them. The survey results were in alignment with Charoen Pokphand Group’s Impact and financial materiality assessment. The Group sees that these issues are having significant impact on the Group’s operation, if no proper measures or management actions will be implemented on time to lessen the impact.



PRIORITIZATION OF MATERIAL ISSUES THAT ARE SIGNIFICANT TO C.P. GROUP AND STAKEHOLDERS

Charoen Pokphand Group places great importance on the prioritization of material issues that are significant to our operations and stakeholders. The process of prioritization of material issues involves a thorough analysis and understanding of various factors to identify the most critical issues that require attention and action. Additionally, the Group considers the potential impact of material issues on its business and stakeholders. This assessment involves evaluating the financial, operational, reputational, and regulatory implications of each issue. Issues that have the potential to significantly affect the group's performance, profitability, and sustainability over the period of time are given higher priority.

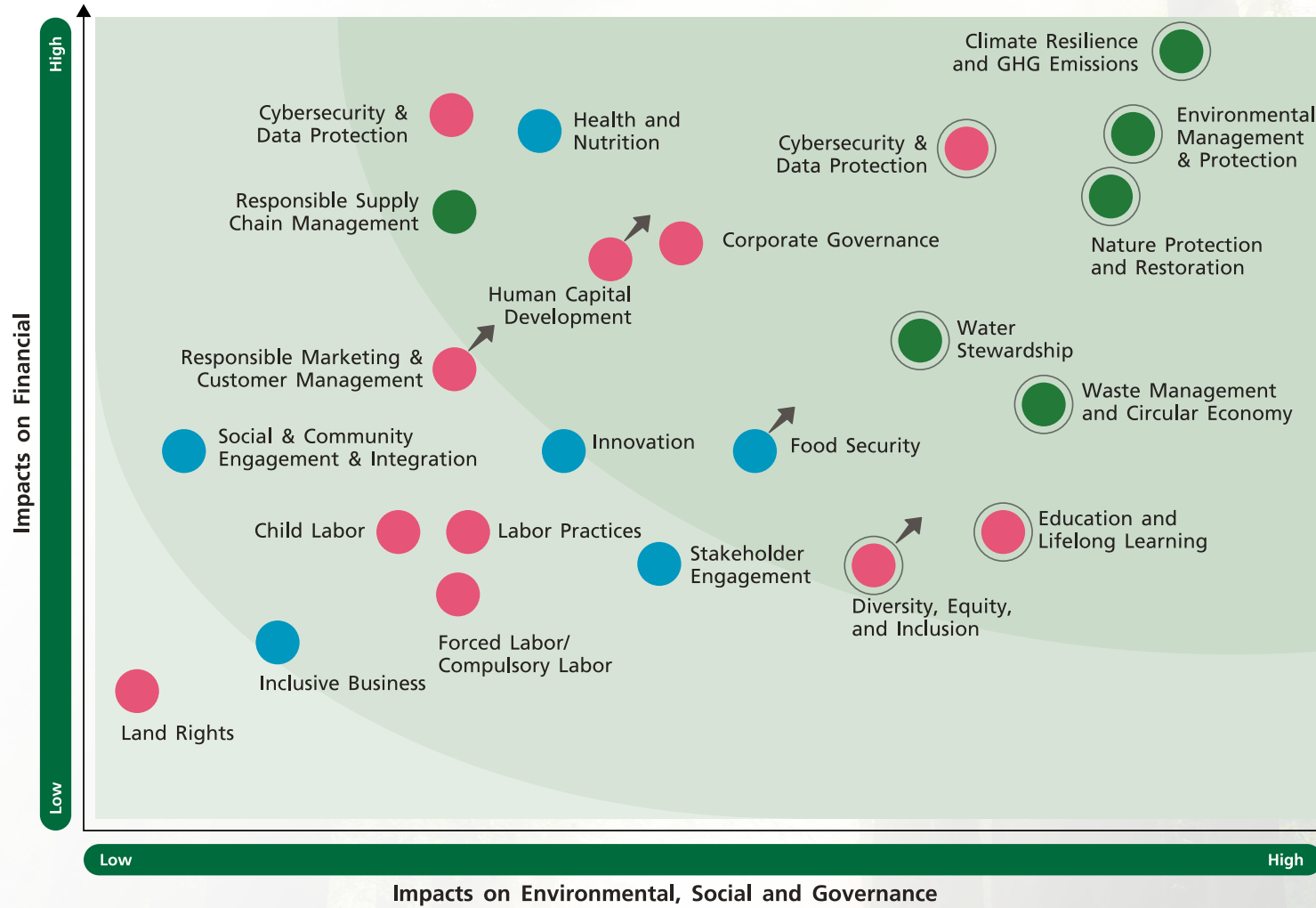
In 2022, eight sustainability topics are prioritized as significant material issues to the Group and our stakeholders, namely climate resilience and GHG emissions, nature protection and restoration, waste management and



circular economy, education and lifelong learning, diversity, equity and inclusion, water stewardship, and occupational health and safety. The external experts specifically mentioned the potential financial impact that climate resilience and GHG emissions, nature protection and restoration, and waste management could have in the future if appropriate measures are not put in place promptly.

The final result was communicated to Sustainability Committee and senior managements, which have a responsibility to report to Board of Directors, for confirmation and sign-off prior to disclose to the public. Similar to the materiality assessment process, the result was verified by an independent third-party. The assurance statement can be found on [Charoen Pokphand Group Sustainability Report](#) page 256-257.

Materiality Assessment Result 2022



- HEART: Living Rights
- HEALTH: Living Well
- HOME: Living Together
- C.P. Group Significant Material Issues
- Emerging Topics



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