



Charoen Phokphand Group
Corporate Governance
Report 2021



**Sustainable Business
At 'Heart'**

Corporate Governance Report 2021

Charoen Phokphand Group



Good Governance and Ethics...

The Heart of Good Corporate Citizenship to Sustainable

We operate our business ethically, manage our organization with transparency and accountability, and aim to create value for all stakeholder groups.

For over a century, Charoen Pokphand Group has earned the trust of Thai and global society. We have progressed and grown sustainably by upholding our core values that passed down from generation to generation as our entrepreneurial spirit strives to develop our business capabilities with integrity, ethics, and corporate governance principles.

Our Group realizes that no organization in the world can achieve independent growth with security and strength. However, it requires the combined strength of citizens, society, and the country along with us, from past to present. The Group, therefore, not only aims to achieve business growth but also to operate as a “good corporate citizen” by conducting business responsibly and participating in economic, social, and environmental development to create benefits for society. This includes benefits for the country of investment and citizens of that country, leading to sustainable mutual growth of the Group and society.

Objectives of the Report:

1. To provide an understanding of Charoen Pokphand Group's corporate governance
2. To communicate Charoen Pokphand Group's corporate governance activities and performance
3. To demonstrate how Charoen Pokphand Group creates value for shareholders and stakeholders



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Section

1

C.P. Group Leader



Message from Senior Chairman

From 2021, Thailand and countries around the world have continuously faced the COVID-19 epidemic. These reversals of the world effect toward significant adaptations in every single parts. CP Group have actually paid attention all the time to those adaptations in managing business along with good governance practices. We hence prepare the group in order to cope with every crisis and keep in mind the group’s Core Values to which every employee holds on and is able to functionally apply at work.

The sudden changes of situation are giving us the world members the signal; we need not anymore to be careless. We need to be alert, enthusiastic, and always prepared for blending in crisis of change. Moreover, we must be ready for what will happen in the coming future.

Among the COVID-19 epidemic, CP Group still keep leveling up our organization. Adaptation into the new normal and social distancing, the group need to develop management strategies to be in consistency with the rapid huge changes. We build creative innovations

for development of products and services that serve the change of needs of consumers. Newly invented digital technology, online shopping, express service and delivery, and building up trust in our products and services’ quality and safety; these have been operated under the good governance practices. Our Core Values bring up to responsibility for stakeholders with sincerity, morality, and honesty. We believe these will drive the business into the magnificent, sustainability and prosperity.

For the past hundred years, CP Group have learned to adapt managing business along with implementing good governance practices. Both executives and employees set goal against problems and obstacles and have great resolution to bring the group to the excellence. We, in response to the group’s Core Values, promise and aim at giving the best to the society.



“

CP Group have actually paid attention all the time to those adaptations in managing business along with good governance practices. We hence prepare the group in order to cope with every crisis and keep in mind the group’s Core Values to which every employee holds on and is able to functionally apply at work.

”

Mr. Dhanin Chearavanont
Senior Chairman
Charoen Phokphand Group

Message from Chairman

2021 is the second year of the ongoing COVID-19 pandemic. It was the challenging time as the pandemic continued to impact on supply chain as governments applied a tight pandemic control in many countries globally. Guided by our 6 core values, Charoen Pokphand Group, consisting of our management and employees, cooperated with our business partners on business risk mitigation in addition to our continued support for impacted employees and communities.

Charoen Pokphand Group’s Board of Directors implemented a close monitoring of global situation and applied a synergy among our parent company and subsidiaries using advanced online platforms as communication tools. Key communications include the Group’s policies and new processes of corporate governance, risk management and compliance for employees to adopt as the ethical and corporate

governance guidelines. This enabled our management to understand the situation at hand, fine-tune perceptions and simplify system structures for a clear vision, and fast and easy handling of situations in line with the international corporate governance standard. So, our management can develop contingency plans and turn crisis to opportunity by creating new products and services to fit with new-normal demands of customers.

Charoen Pokphand Group, as one of the leading multinational companies, we are committed to continue developing our business towards sustainability on the foundation of ethics, integrity, honesty, and good corporate governance. On behalf of the Board of Directors, I am grateful for the continuous support and unity of all directors, management, and staffs on driving our operations in accordance with Corporate Governance Principles so as to manage the risks and overcome this crisis.



“

Charoen Pokphand Group’s Board of Directors implemented a close monitoring of global situation and applied a synergy among our parent company and subsidiaries using advanced online platforms as communication tools. Key communications include the Group’s policies and new processes of corporate governance, risk management and compliance, providing our Business Groups over the past year with guidelines on corporate governance structures and management systems that adheres to international standards.

”

Mr. Soopakij Chearavanont
Chairman
Charoen Phokphand Group

Message from CEO

As the COVID-19 crisis continues to impact business sectors worldwide, in the past year, Charoen Pokphand Group has adapted our strategic and operational management to cope with the situation and enable us to manage our businesses without interruption while ensuring that all stakeholders receive the least possible impacts. Meanwhile, our Group still emphasizes governance processes that accommodate online work platforms in order to operate with integrity and accuracy, disclose with transparency, and discharge our accountability toward stakeholders, the environment, and society. We are committed to being a good corporate citizen and building a strong, ethical corporate culture so that corporate governance can create value for society while promoting the Group’s sustainable growth in accordance with strategies and goals.

In 2021, we successfully accomplished corporate governance, risk management, and compliance tasks with subsidiaries as planned by developing application platforms that not only enabled employees to work together within a convenient, fast, efficient, and centralized system but also facilitated the Group’s monitoring of subsidiaries’ performance on a real-time basis.

Our Group is determined to conduct business with integrity and honesty in line with our 6 Core Values, as well as cultivate an ethics and compliance mindset to all C.P. Group employees worldwide in conducting themselves according to our Code of Conduct. In 2021, the Group promoted suppliers and business partners throughout the supply chain to realize the importance

of participating and building a business environment in accordance with our Supplier Code of Conduct. We also received independent assurance regarding the integrity of our values, the Code of Conduct, and mechanisms for advice and concerns about ethics from LRQA, an external certification agency. All of these efforts resulted in our selection as one of the World’s Most Ethical Companies for the second consecutive year in 2022 from Ethisphere Institute, the global leader in defining and advancing the standards of ethical business practices.

The next step in our second century remains full of challenges, but the Group is steadfast in improving the efficiency and effectiveness of our corporate governance, risk management, compliance, and internal audit even further. To handle this challenge, we plan to create synergies between our people and technology, which will expedite our operations, including in corporate governance, and enable subsidiary liaisons to pass on the knowledge and skills to their employees that will ensure thorough and tangible implementation.

Lastly, I would like to thank all management and staff of our subsidiaries in Thailand and all countries where we have operations, as well as our suppliers and stakeholders, for their kind cooperation and continued support in driving corporate governance and conducting business ethically, as we are prepared to work with all sectors to maintain the balance between economic, social, and environmental dimensions for our sustainable future.

“

C.P. Group successfully planned and accomplished corporate governance, risk management, and compliance tasks with our subsidiary companies through application platforms that increased employees’ work efficiency and independently assured by an external certification agency. These efforts resulted in our recognition as one of the World’s Most Ethical Companies for the second consecutive year in 2022.

”



Mr. Suphachai Chearavanont
Cheif Executive Office
Charoen Phokphand Group



Section

2

Outstanding Achievements in 2021



Outstanding Achievements in 2021

Governance for Sustainable Growth

Building Strong Governance



Conducted Executive Board's Individual Performance Evaluation



Revised the Corporate Governance Policy and Charters of the Board of Directors and Executive Board

Appointed
2
Steering Committee

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

Strengthening Governance Process for Group-wide Implementation



Subsidiary Companies Hearing

Sessions to receive subsidiaries' opinions during the development of new Group Policies



Policy Deployment

Software Application that ensure the dissemination of policies to subsidiary companies

Cultivating a Corporate Culture of Ethics and Governance



100%
of employees

Cultivating a Corporate Culture of Ethics and Governance



91%
of employees

Upheld the Code of Conduct as an integral part of their work



100%
of employees

Sent Liaisons to participate in Corporate Governance, Risk, and Compliance Networks

Creating Value for Society

Social Value



Provided Knowledge and Advice to Suppliers

Ensured their compliance with Group's Supplier Code of Conduct



Formed Sustainability Audit Networks

Drove supplier capacity building across the supply chain

Environmental Value



Committed to implement

12

Sustainability and Environmental Policies



Charoen Pokphand Group

One of the World's Most Ethical

Companies for the second consecutive

ETHISPHERE selected and announced Charoen Pokphand Group Co., Ltd. as one of the World's Most Ethical Companies in 2022 for the second year. This recognition honors organizations that adhere to business operations based on creating value and commitment to ethics and integrity in the organization.



Section

3

Conducting Business with Corporate Governance



Conducting Business with Corporate Governance Principles

Charoen Pokphand Group believes that conducting business in line with corporate governance principles is the key foundation for ethical business practices, leading to systematic and efficient management, as well as enabling the Group to adapt to change and increase its competitiveness. This results in good long-term performance while creating value to society, the environment, and other stakeholders, culminating in the business' sustainable growth.

Nature of Business

Charoen Pokphand Group is one of Thailand's leading conglomerates operating worldwide, with investments in 21 countries and economies. Charoen Pokphand Group Co., Ltd. serves as the parent company, operating as a holding company that holds shares in both listed and non-listed companies, as well as joint ventures with business partners.

The Group operates in various businesses across 8 business lines comprising over 200 subsidiaries that covers 14 business groups, including Agro-Industry and Food, Retail, Media and Telecommunications, E-Commerce and Digital, Property Development, Automotive and Industrial Products, Pharmaceuticals, and Finance and Investment.



8 BUSINESS UNITS Cover 14 Business Units

- 1 Agro-Industry and Food Business Group
- 2 Feed Ingredients Trading Business Group
- 3 Crop Integration Business Group
- 4 Pet Food Business Group
- 5 Seed, Fertilizers, and Plant Protection Products Business Group
- 6 Pharmaceuticals Business Group
- 7 Automotive Business Group
- 8 Packaging Business Group
- 9 Retail and Distribution Business Group
- 10 International Trading Business Group
- 11 E-Commerce and Digital Business Group
- 12 Telecommunications Business Group
- 13 Finance and Banking Business Group
- 14 Property Development Business Group

Corporate Governance at Charoen Pokphand Group

To ensure that our operations are conducted in accordance with corporate governance principles, Charoen Pokphand Group Co., Ltd, as the parent company, has established the Corporate Governance Vision, which serves as the direction for our business operations, as 1 of 15 goals in the implementation of the Group's sustainability strategy that provides the Group with a clear performance target.

Corporate Governance Vision

Build trust and deepen relationships with all stakeholders who interact with our business and society at large by applying our values of integrity and honesty in everything that we do, by committing to high standards of transparency and disclosure, and by seeking to always realize shared values with our stakeholders.

The Group also emphasizes upholding our Six Core Values, leading to the corporate culture of ethical conduct. Our employees' honesty and integrity mindset serves as the working foundation of our "Three Benefits" principle, where the country of operations' benefit comes first, followed by its people and, finally, the company. This philosophy has brought much success to our business operations, expanding into one of the world's leading companies.

Furthermore, our employees believe that accepting change will promote further learning, leading to their ability to work with speed and quality, simplification, and innovation. This enabled our Group to introduce innovations quickly through an efficient management system that can respond to the needs of diverse stakeholder groups, which increases business competitiveness and secures our growth in the midst of a rapidly changing business environment.

Six Core Values

Three Benefits

Always consider the benefits of the country first, followed by its people and the company.



1

Speed with Quality

Think fast and act before others while maintaining our standard of quality to meet the needs of our customers and consumers.



2

Simplification

Have a positive mindset and always look to streamline or break down complex and complicated processes.



3

Accept Change

Always be prepared to face changing circumstances at all times, and be able to adapt to work in diverse cultures.



4

Innovation

Always look to introduce or create new innovations and work processes that will benefit society.



5

Integrity and Honesty

Uphold our integrity and ethical values with honesty towards our customers and the organization.



6

11 Corporate Governance Principles

As C.P. Group operates in various industries worldwide and we are facing a disruptive competitive landscape, our Group is committed to doing business in accordance with our 11 Corporate Governance Principles. By always thinking ahead to constantly adapt and evolve ourselves, we are able to see new business opportunities in addition to using the body of knowledge acquired from business operations to create synergies and innovations, enabling our Group to deliver products and services that meet the needs and expectations of diverse customers. The Group also operates by considering our social roles and responsibilities while sustainably managing natural

resources and the environment as well as upholding integrity, honesty, and our Corporate Governance Principles to create value with all stakeholder groups.

The Group oversees its subsidiaries to operate in compliance with our corporate governance system, with the Board of Directors and its various committees responsible for overseeing business operations in accordance with Group-level vision, strategy, policy, and goals, as well as providing an up-to-date and comprehensive perspectives and oversight to ensure effective management planning and implementation.

1

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

2

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

3

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

4

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

5

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

6

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

7

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

8

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

9

We are committed to open, effective, and ongoing

10

We are committed to the rights of minority shareholders.

11

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

Furthermore, our subsidiaries' Board of Directors are responsible for providing oversight to ensure that the companies have the necessary systems, including risk management and internal controls, compliance, and internal audit in addition to following up on evaluation and reporting of the subsidiaries' performance for consideration and approval before reporting to the parent company. This results in efficient and prudent management while increasing competitiveness and protecting the interests of shareholders and all stakeholder groups. Moreover, this creates checks and balances, which promote corporate governance growth in the same direction.

Our Group has continued to disclose our corporate governance performance on the C.P. Group website and the Corporate Governance Report, which builds trust and confidence in all stakeholder groups as a credible organization that we are today.



Publicly Listed Companies

The publicly listed company's Board of Directors is responsible for determining and approving their respective company's policy and guidelines as well as the governance process by considering their alignment with Group policies in order to ensure that their corporate governance operations are aligned with the parent company.



Non-Listed Companies or Company Limited

As a major shareholder of our subsidiaries, Charoen Pokphand Group Co., Ltd. determines the strategic direction and appoints subsidiaries' Board of Directors, who are responsible for supervising the company's business operations with care and honesty while protecting the company's best interests. In addition, the Board oversees management's operations in compliance with laws, rules, regulations, policies, and business ethics standards in accordance with the parent company's vision, strategic direction and goals.



Joint Ventures

Charoen Pokphand Group Co., Ltd. has investments with business partners, whereby Charoen Pokphand Group Co., Ltd considers appointing representatives to serve on the Board of Directors of these entities in proportion to shares held or as agreed in the terms and conditions of the contract in order to communicate the Group's policy and direction as well as to jointly discuss business issues.

In the event where we are have management control, the joint venture must have a corporate governance system in accordance with the standards set by the parent company while appropriate to the venture's business context.

In the event where we are a minority shareholder, the Group will exercise our voting rights in line with the Group's business policy to maintain the best interests of Charoen Pokphand Group Co., Ltd.

Section

4

Governance and Social Value Creation in 2021



Governance and Social Value Creation in 2021

In 2021, business operations continued to face various challenges, including the COVID-19 pandemic, threats from technological advances, and changes in policies and regulations. C.P. Group has, therefore, prioritized the following:

Governance for sustainable growth

The Executive Board has closely supervised business operations by providing measures to monitor risk and compliance to conform with laws and regulations, as well as maintaining a robust internal audit system. These enable C.P. Group to operate our business as usual while continuing to explore new business opportunities.

Creating social value

C.P. Group places great value on building good relationships and caring for communities in which our Group operates by establishing networks with local communities and external stakeholders as well as promoting and developing job opportunities through social projects and activities. These help to reduce social inequality, improve the quality of life and strengthen the economy of local communities together with our business growth. Additionally, we encourage our suppliers to operate by taking into account the environment, societies, and communities in line with ethical business conduct, allowing communities and societies to benefit from our operations, which creates shared value for society.

4.1 Governance for Sustainable Growth

C.P. Group has integrated corporate governance, risk management, and compliance (GRC) in order to manage and systematically coordinate all departments, work systems, processes, employees, and information. This reduces risks and increases operational efficiency within the framework of rules, regulations and ethics, resulting in the Group achieving its set objectives and goals. Our framework of operations in each area is as follows:

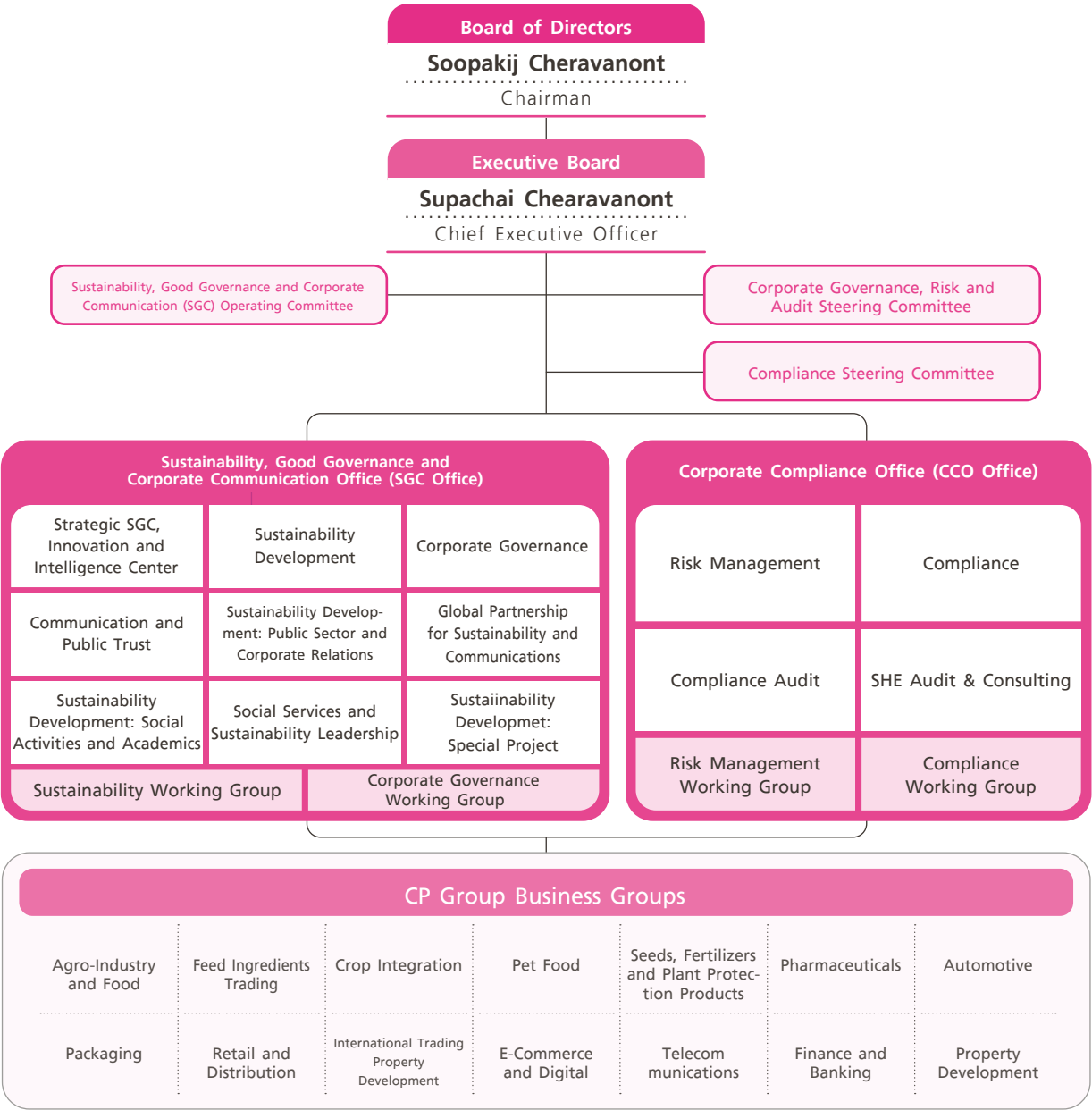
► Corporate Governance

• Governance Structure and Role of Leadership

The Board of Directors establishes the governance structure by determining the roles and responsibilities of the Executive Board and other Board Committees as well as requiring the Executive Board to annually report on business performance in accordance with corporate governance principles, policies and the Code of Conduct.



Charoen Pokphand Group Co., Ltd., in its capacity as the parent company, oversees subsidiary operations to ensure efficiency in line with Group policies and the Code of Conduct. The Board of Directors formulates the strategic business direction that reflects its vision, and delegates its authority to the Executive Board regarding business oversight, corporate governance, risk management and internal controls, compliance and audits to meet Group targets.



The Executive Board has regularly monitored the Group's Corporate Governance Performance from reports of Steering Committees, namely the Corporate Governance, Risk, and Audit Steering Committee and the Compliance Steering Committee. Both committees are responsible for reviewing and considering their opinions before recommending to the Executive Board.

Governing Bodies	Board of Directors	<ul style="list-style-type: none">Establishes the company vision, mission, core values, strategies, policies, and goals.Oversees the company's transparency and accountability to create long-term value and sustainability for all stakeholders.Monitors management to operate in compliance with laws, regulations, policies and the Code of Conduct.
	Executive Board	<ul style="list-style-type: none">Oversees the implementation of strategic plans and performance of business operations.Oversees corporate governance, risk management and internal controls, compliance, internal audit, and sustainable development.
	Corporate Governance, Risk, and Audit Steering Committee	<ul style="list-style-type: none">Reviews and considers plans and policies regarding corporate governance, risk management and audits.Monitor the efficiency of corporate governance, risk management and internal controls, and audit systems.
	Compliance Steering Committee	<ul style="list-style-type: none">Review and consider compliance plans, policies, standards, and guidelines.Monitor the efficiency of compliance, complaints and whistleblowing systems.Considers whistleblowing and complaints reports as well as investigation reports.

The Corporate Governance, Risk, and Audit Steering Committee reviews and considers the action plans and performance of the Group, where Group-level departments collect information from subsidiaries approved by the subsidiary's Board of Directors. This demonstrates the tangible implementation of corporate governance across the Group.

Management	Corporate Governance Department	<ul style="list-style-type: none">Develop the Code of Conduct and Group policies that align with corporate governance standards.Roll out Group Policies to subsidiaries for tangible implementation.Advise on corporate governance structures and charters of governing bodies.Set up governance processes and governance systems for the Group.Monitor and evaluate corporate governance performance of subsidiaries.Provide knowledge and build understanding of corporate governance.
	Corporate Compliance Office	<ul style="list-style-type: none">Manage enterprise risks and internal controls.Monitor business operations to ensure compliance with laws, rules, regulations, policies and guidelines, and the Code of Conduct.Manage whistleblowing, complaints and investigations.Conduct compliance audits.Conduct safety, health, and environment audits.Develop procedures for subsidiaries to implement policies in the same standard.

• The Role of Leadership in Governance 2021

- + Appointed the Corporate Governance, Risk, and Audit Steering Committee comprising of C.P. Group's top executives responsible for corporate governance, risk management, audit, human resources, accounting and finance as well as nominated an external female director to gain diverse perspectives in knowledge and experience.
- + Appointed the Compliance Steering Committee comprising of C.P.Group's top executives responsible for compliance, risk management, legal, accounting and finance, internal audit, investigations, and procurement.
- + Approved Charoen Pokphand Group Co., Ltd.'s revised Corporate Governance Policy, the charters of Board of Directors and Executive Board to align with corporate governance principles at both local and international levels.
- + Conducted the annual performance evaluation of the Executive Board. The assessment criteria covers their roles and responsibilities as specified in the Charter. The Executive Board conducted its individual director evaluation for the first time in 2021.



Corporate
Governance Policy

Evaluation Criteria



Structure and Qualifications



Duties, Roles, and Responsibilities



Meetings



Self-Development

Performance Evaluation Results of the Executive Board

Entire Board
Evaluation

Very Good



Average Individual
Director

Very Good

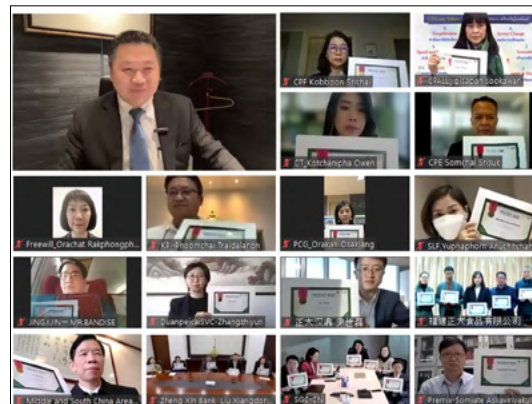


- + Participated in Annual Code of Conduct Training and Test.

- + Participated in training courses on “Internal control measures to prevent bribery of government officials” and “Integration of Corporate Governance, Risk Management, Compliance and Audit for Organizational Sustainability”.

- + Promoted the driving of corporate governance in subsidiaries by awarding certificates to the Corporate Governance Working Group to show appreciation and recognize their efforts in C.P. Group's corporate governance development.

- + Communicated the vision and strategy on corporate governance, ethics and compliance to employees within the Group as well as external stakeholders.



Mr. Soopakij Chearavanont, Chairman of C.P. Group, awarded honorary certificates to the Corporate Governance Working Group as appreciation for their efforts.



Mr. Suphachai Chearavanont, CEO of C.P. Group, communicated the Group's successes in driving corporate governance, ethics, and compliance that resulted in the Group's selection by Ethisphere as one of the World's Most Ethical Companies.

• Policies and Code of Conduct

To align subsidiaries' corporate governance with the Group, we established Group-level policies and the Code of Conduct to guide employees on working in accordance with corporate governance principles and ethical standards. The Group has taken the following steps to ensure tangible implementation of our policies and the Code of Conduct:

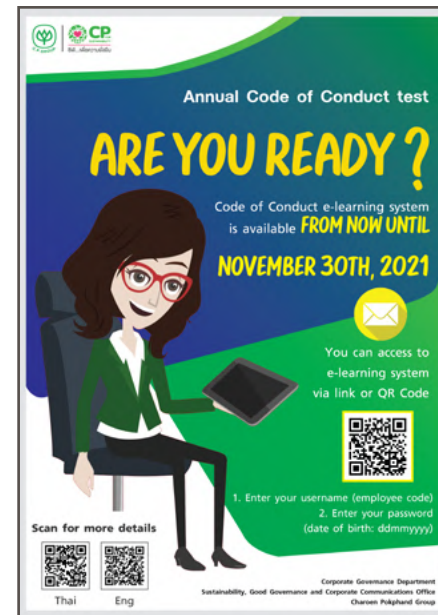
+ Prepared and reviewed Group policies and the Code of Conduct by keeping up with corporate governance trends and standards at both domestic and international levels as well as comparing corporate governance practices of other companies in the same industries.

+ Announced the deployment of policies and the Code of Conduct to subsidiaries for tangible implementation.

+ Provided corporate governance training sessions in various modalities on policies and the Code of Conduct.

+ Published the Code of Conduct in different languages for deployment in overseas subsidiaries.

+ Provided the Code of Conduct Training and Test for employees across the Group annually.



In 2021, the Group has made the following progress regarding its policies and the Code of Conduct:

Development and Improvement of Policies and the Code of Conduct

+ Revised the template of Group Policies and Guidelines to simplify subsidiary implementation.

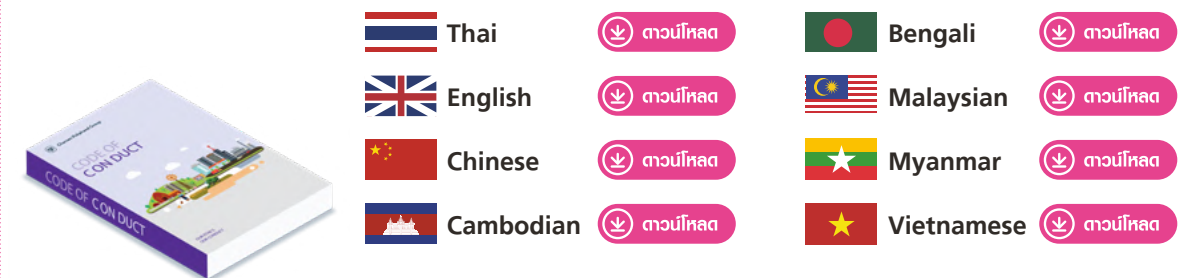
+ Developed new policies to drive operations in alignment with the Group's 2030 Sustainability Goals, including:

- Sustainability Policy and Guidelines; and
- Environmental Policy and Guidelines, including 10 Sub-Policies.

+ Prepared drafts of Human Rights and Labor Practices Policy and Guidelines, Responsible Supply Chain Management Policy and Guidelines, and Conflicts of Interest Policy and Guidelines to meet Thai and international standards as well as trends and expectations of stakeholders.

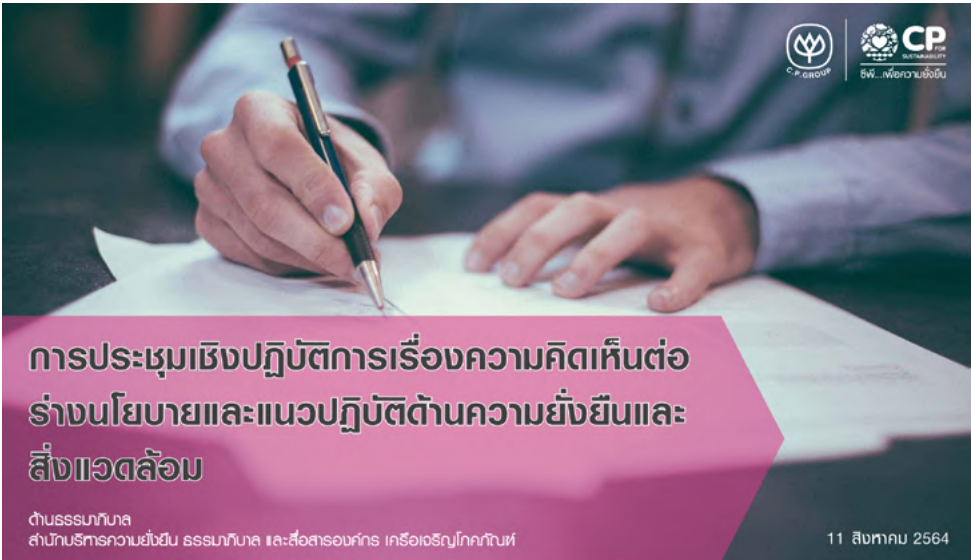
+ Published the Code of Conduct in 2 additional languages, Bengali and Malay. The Code of Conduct is now available in 8 different languages: Thai, English, Chinese, Cambodian, Bengali, Malay, Burmese, and Vietnamese.

Code of Conduct

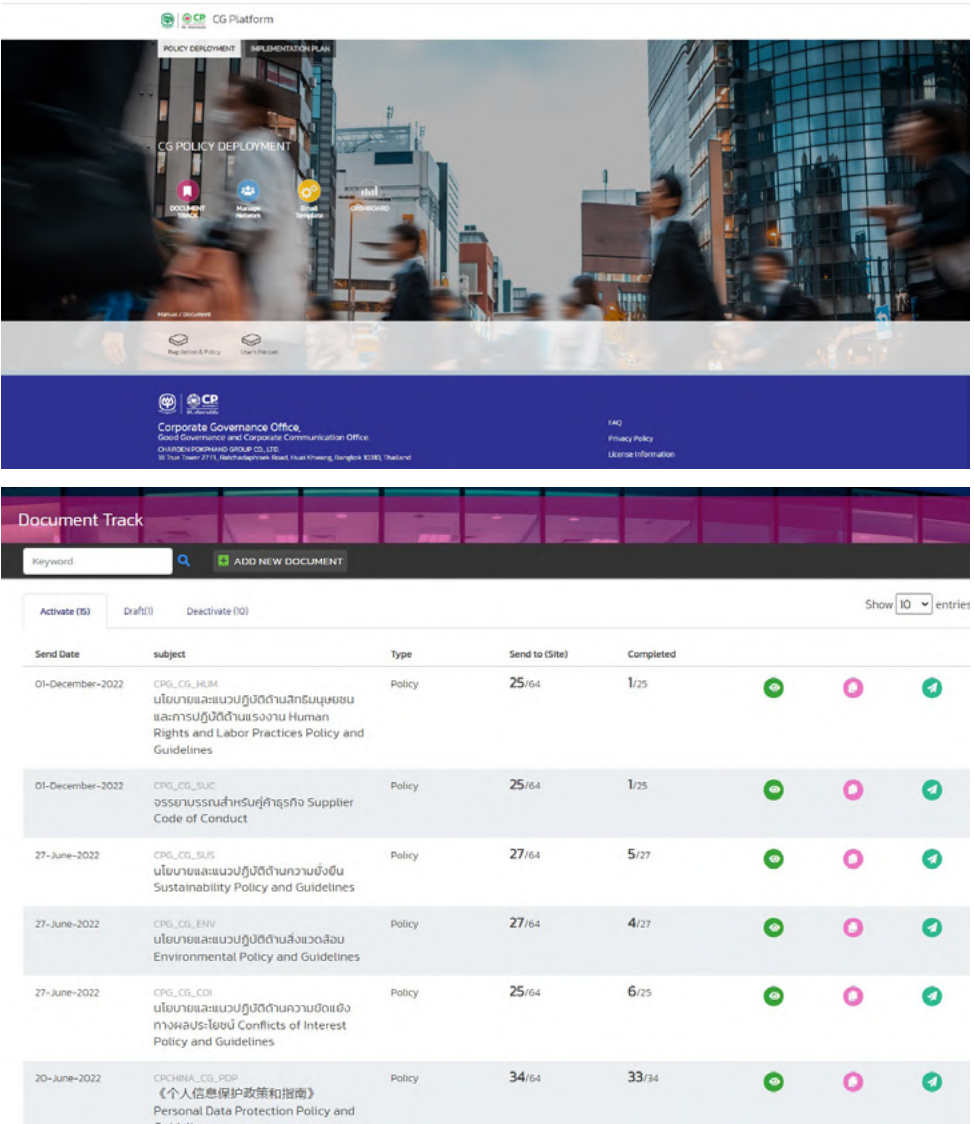


Progress of Governance Processes

+ Accommodated hearing sessions with subsidiaries for the development of Group Policies and Guidelines to reach an informal agreement, leading to their visible implementation.



+ Developed a Policy Deployment Application system to disseminate Group policies to subsidiaries in order to formalize communication of Group Policies. This system works by firstly receiving acknowledgement of deployed policies from subsidiaries' Chief Executive Officer or top most executive, then the policies are adopted and subsequently communicated, leading to effective implementation at the subsidiary level. This system enables the Group to monitor the progress for each subsidiary in real-time.



Instilling an Ethical Corporate Culture

- + All C.P. Group Employees completed and passed the Code of Conduct Training and Test, which the Group updates on an annual basis.
- + Provided corporate governance training for Group directors, management, and staff to build their knowledge and understanding in “Integrated Corporate Governance”, “Internal control measures to prevent bribery of government officials” and “Effective CG Communication” which are available in onsite and online formats.



- + Provided various training and communication modalities in different languages to instill good corporate governance culture, including e-Learning and micro-learning videos, posters promoting compliance with policies, Code of Conduct and Core Values for subsidiaries to efficiently communicate to their employees.



Introduction to CG



Speak Up Culture



How to be an ethical manager



Corporate Governance KPI 2030



Cybersecurity and Remote Working

- + Conducted interviews with subsidiaries' executives to share their perspectives on ethical behavior in business operations. From these communications, employees realize the importance of practicing business with ethics, which will help to instill an ethical culture across the Group. The contents are published in CG Voices, which is the Group's online Magazine dedicated to corporate governance.



➡ Risk Management

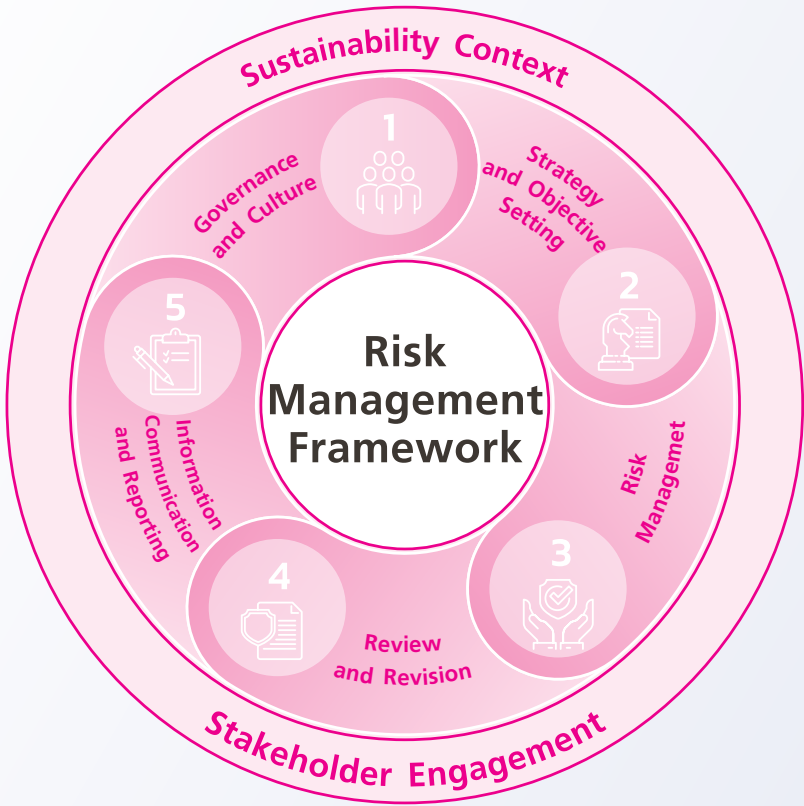
C.P. Group has established systematic Enterprise Risk Management to increase awareness of business risks across the organization, including environmental, social, and governance risks, resulting in the Group being agile and well prepared to cope with complex and constantly changing business environments, which may affect the organization’s ability to achieve its goals.

The Corporate Governance, Risk, and Audit Steering Committee oversees the Group’s risk management framework in line with the international standard COSO (The Committee of Sponsoring Organizations of the Treadway Commission). The Committee has integrated risk management into work processes to enable the appropriate and timely identification of risks and business opportunities as well as managing risks to be at an acceptable level to ensure that the Group’s businesses are operating with care and prudence by conducting the following:

- + Announced the Risk Management Policy and Guidelines, as well as communicated to employees for acknowledgment.
- + Included risk management as one of the Group’s Sustainability goals, highlighting it as an organizational strategy that must be prioritized and practiced.
- + Assessed enterprise risks by covering environmental, social, and governance risks.
- + Determined risk tolerance level that align with the Group’s strategies.
- + Implemented a risk management process and continued to monitor progress of risk management.

The Board of Directors, executives, employees and every unit are treated as the risk owner, with the duty to take responsibility of assessment, monitoring and support the establishment of an efficient risk-management procedure. The Group, therefore, promotes a corporate risk culture by building a knowledge base and conscience for risk in their area of responsibility to create a common understanding by:

- + Conducting risk management training to increase employees’ knowledge, stay updated with current events, and be able to evaluate risks efficiently.
- + Holding regular Risk Working Group meetings composed of representatives responsible for risk management from all Business Units to monitor their progress and exchange their experiences.





1 Cyber Attacks and Data Security

Currently, C.P. Group has adopted the use of technology to increase operational efficiency, which has helped the Group to achieve its goals in a precisely and timely manner while enabling to more easily engage with customers or consumers. However, the use of this technology can expose the Group's networks to third-party cyber threats, such as data breaches, ransomware, which is malware designed to lock out important company information to ransom, and cyber extortion. These cyber attacks can damage the Group's personal data and business information as well as cause financial and reputational damage.

C.P. Group has, therefore, made sure that its operations are in accordance with international information security standards such as ISO27001 and National Institute of Standards and Technology (NIST) standards, with the Digital Transformation Committee responsible for oversight of cybersecurity management in line with policies and standards regarding cybersecurity, information technology, and data protection. Moreover, the Group has also established the CPG Cyber-security Center of Excellence and promoted awareness to management and staff of all levels through various training modalities as well as providing a communications and threat notification system.



2 Food Safety and Product Reliability

As a business leader in agro-food and retail industries, we have always operated our businesses by prioritizing safety and quality in our products, as we realize well that product safety and quality is at the heart of how customers choose products, which is important in creating value and customer satisfaction.

Our Group is, therefore, determined to research and develop products using international management standards regarding quality and safety in mind as well as developing different control processes to ensure product safety and meet international standards. This begins with sourcing raw materials for production, moving products for storage, preventing product damage, delivering products, and finally controlling product quality in order to obtain the right product that meets the needs of our customers.

Furthermore, C.P. Group has continued to monitor, supervise and determine measures to prevent the spread of contagious diseases by closely working with the public sector to follow up on news in a timely manner. We also provided employees with the knowledge and understanding of standards and efficiently comply with them through attending training courses. Additionally, the Group has received audits on our production process from credible third-parties to ensure our practices align consistently with relevant standards.



3 Corporate Reputation

Social media provides users with the freedom to write messages, pass on information, and express their opinions. Users can also see and share old messages, where messages containing incorrect or misleading information about the Group, can easily spread in social networking sites, cause misunderstandings, and affect the Group's image and reputation.

To manage potential crises on social media, the Group has established a Group-level Corporate Communications department to supervise the Group's communication activities by complying with the following steps:

1. Monitor impacts from information and news sources in social media through social listening.
2. Monitor impacts on reputation risk
3. Prioritize the top reputation risks cases and conduct fact-finding
4. Communicate findings to improve the situation
5. Report and follow-up results continuously



4 Accountability and Traceability in the Supply Chain

Due to the diversity of businesses, C.P. Group has numerous suppliers located in Thailand and other countries around the world. While all suppliers can be considered as representatives of the Group as producers, vendors, service providers, and distributors, their operations may have risks that can impact the Group's reputation and lead to disruptions in the Group's business operations.

The Group has, therefore, integrated sustainability issues that cover economic, environmental, community, and social dimensions as part of the procurement process in addition to operating under the responsible supply chain management framework and promoting our suppliers to operate in compliance with the Supplier Code of Conduct.

Furthermore, our Group has developed a sustainability risk assessment tool for suppliers through the use of information technology to find opportunities for improvement and implement proactive measures in cooperation between the supplier and the Group. We also developed a traceability system throughout the supply chain to ensure that raw materials come from sustainable sources.



5 Fraud and Corruption

Fraud and corruption are both legal and Code of Conduct offenses that have significant financial and non-financial impacts on business operations and are obstacles to sustainable business operations. The Group is therefore committed to operating its businesses with transparency and auditability. These measures include an anti-corruption policy, assessments of potential fraud and corruption risks, creating awareness through various public relations media and training employees, providing channels for complaints and whistleblowing as well as conducting compliance audits.



7 Laws and Regulations

Since the Group operates in many countries and various industries, we established our priority in complying with relevant laws and regulations rigorously. Failure to comply with laws and regulations can affect our business operations, reputation, competitiveness, and sustainable growth.

The Group, therefore, comprehensively and systematically monitors the announcement of new laws and regulations as well as their impacts, including providing knowledge to prepare relevant employees and departments for such changes.



6 Safety and Environment

Safety, occupational health, and the environment are fundamental factors for business operations. If the Group's safety, occupational health, and environment are not up to standard, this may impact our production process as well as the business operations of our suppliers and stakeholders throughout the supply chain. Additionally, business practices without consideration for the environment may lead to fines or lawsuits that will affect our reputation further.

In response, the Group has announced its Safety, Occupational Health, and Workplace Policy and Guidelines together with revised Safety, Occupational Health and Environment Management Standards that is in line with international standards. Both guidelines are for our subsidiaries to implement in order to decrease the rate of serious accidents.

Additionally, the Group has safety, occupational health, and environment audit process to ensure that operations are in line with the aforementioned Policy and Standards. The Group has also provided the knowledge and understanding to instill a safety awareness culture among all employees.

Regarding the environment, C.P. Group has established its Environmental Policy and Guidelines as well as long-term conservation goals such as greenhouse gas emissions reduction, sustainable use of natural resources, circular waste management, circular water management, ecosystem and biodiversity protection, etc.



8 Compliance with Personal Data Protection Laws

In accordance with the Personal Data Protection Act (PDPA) B.E. 2565 that will be effective on 1 June, 2022. If we failed to comply with this law, it would result in the risk of litigation and penalties that might cause further financial and reputational damage to the Group.

The Group has deployed the Personal Data Protection Policy and Guidelines and hired advisors with experience in PDPA to plan the Group's operations in order to comply with the new law. This is in addition to organizing training sessions on PDPA for management and staff in order for them to acknowledge and realize the impacts and changes that may occur in the workplace.



9 Employee Readiness for Long-term Business Growth

The Group realizes that human resources are a key factor in driving business towards digitalization in a highly competitive and fast-paced business environment. If human resources do not receive relevant or adequate development of knowledge and abilities, this will affect the Group's ability to operate in accordance with its set goals.

The Group's People Steering Committee has supervised operations in line with policies on human resource development and management by planning the career path for employees along with knowledge development, reskilling, and upskilling to align with the changing environment and future business growth. This ensures that all employees are ready to perform their duties in the present and future with speed and quality. The Group established the C.P. Leadership Institute as the center for developing employees from all business groups to become future leaders with potential.

In addition, the Group has recruited a younger generation with an entrepreneurial spirit who are knowledgeable, disciplined, and have a can-do attitude through the C.P. Future Leaders Development Program (FLP) or "Tao Kae Noi" to become new leaders in order to support the Group's future business expansion.



► Compliance

The Group respects and complies with laws of all countries where we have operations and investments as well as conform to policies, the Code of Conduct, and regulations. This is considered as a major challenge, since the Group operates in many countries with their own laws and regulations, which there are further amendments to existing laws or new legislations to respond to the rapidly changing business environment. In response, the Group has developed compliance systems to ensure effectiveness and efficiency in preventing risks of non-compliance with rules, regulations or relevant laws in order to provide all stakeholder groups with confidence that we are maintaining high operating standards, helping to create a working environment in which C.P. Group can succeed over the long term.

The Compliance Steering Committee oversees the Group's operations in line with the Compliance Framework as follows:

- + Announced the Compliance Policy, which is published in Thai, Chinese, and English as well as communicated to employees for acknowledgement.
- + Included compliance as one of the Group's sustainability goals and one of the duties that all employees must carry out.
- + Consistently assessed and managed compliance risks in addition monitoring the progress of risk management to prevent or reduce the opportunity for non-compliance.
- + Develop the criteria for Compliance Maturity Self-Assessment to enable subsidiaries to assess their maturity level in order to develop effective compliance processes.



Compliance Framework

- + Collect compliance information that might cause risk of non-compliance, such as laws, rules, regulations, policies, procedures, standards, manuals, and contracts, etc., in a central information system, which enabled the Group to manage compliance efficiently.
- + Evaluated, followed up, and reviewed subsidiaries' compliance to analyze and find opportunities for improvement, enabling the Group to comply with laws and regulations efficiently. In addition, once non-compliance with laws and regulations is detected, those issues are prioritized in order of importance, analyzed to find their root causes, and determined measures to correct and improve them. The improvements are then followed up to serve as future case studies.
- + Conducted compliance audits and followed up on corrective actions to meet standards.
- + Provided channels for submitting complaints and whistleblowing reports, established procedures for receiving and managing stakeholder complaints as well as treated whistleblowers and relevant persons fairly by protecting their rights and preventing retaliation. The information of the complaints handling process is recorded using information management technology. Only employees with access rights will be able to access the information. To ensure the system's system security, there is an annual verification and review process. Furthermore, summary reports are prepared for management and relevant persons to track and conduct further improvements.



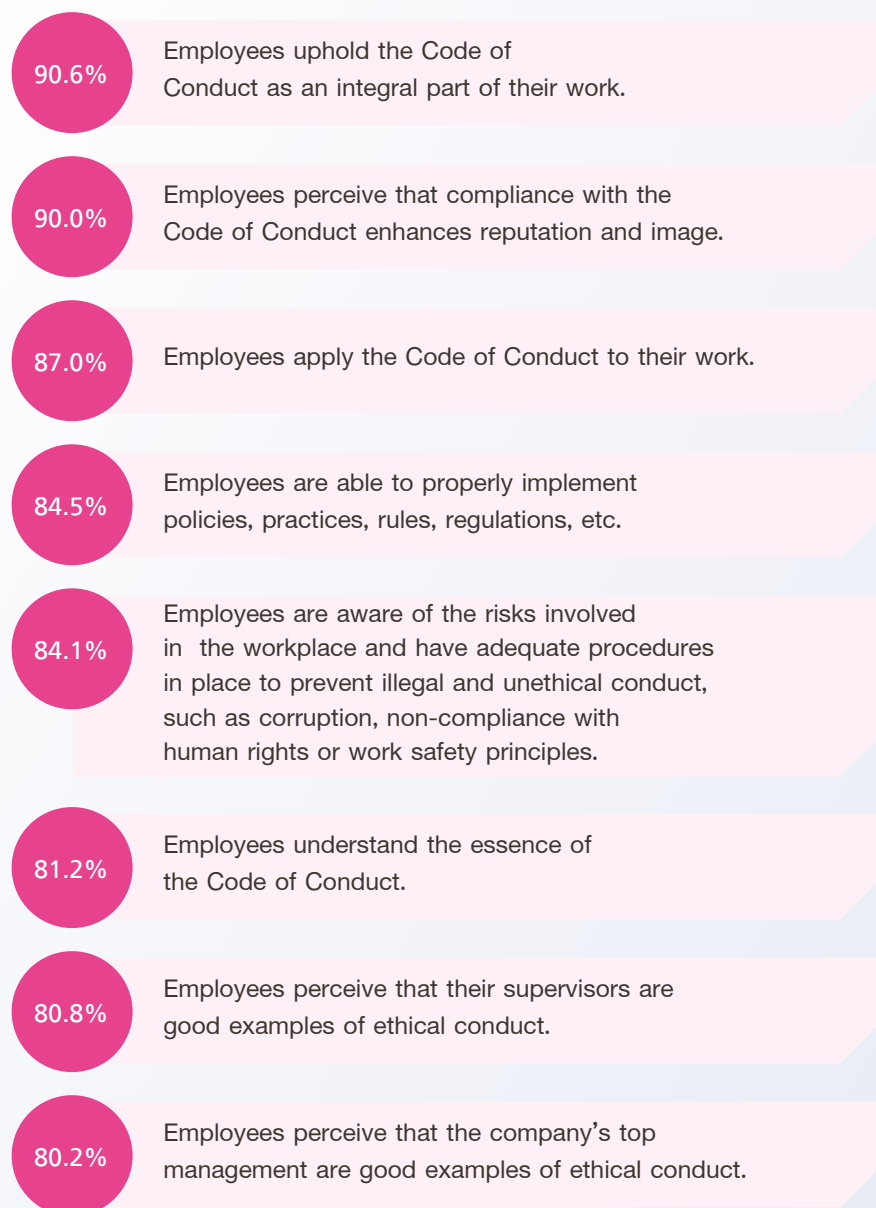
Number of Complaints
relating to Employee
Misconduct and
Management Measures

In order to instill a corporate compliance culture among employees and related parties, such as suppliers, and customers etc., as well as realize the importance of and comply with relevant laws and regulations in all work processes, the Group has conducted the following:

- + Followed up new regulations issued by regulatory bodies related to the Group's business operations.
- + Held regular Compliance Working Group meetings comprising of representatives from all business units to monitor the progress of operations, as well as shared their compliance information and experience.
- + Communicated laws and regulations with employees through training and learning materials to equip them with the knowledge and understanding to apply in their work.
- + Provided channels to advise employees on any changes, revisions, or announcements of Group policies, rules and regulations in compliance with the law. Submitted issues will be used to develop communications media to help Group employees understand better.
- + Surveyed employees' perceptions on compliance with the Group Code of Conduct and Corporate Governance on an annual basis.



2021 Survey Results of Employees' Acknowledgement of Corporate Governance and Compliance



In 2021, the Group has developed the following processes for compliance:

1. Employee Engagement in Compliance Development The Group has used the survey results of employees' acknowledgement of corporate governance and compliance to develop operational processes as well as training and communications.

79.8%

Employees perceive that the company has an effective compliance management system

79.3%

Employees feel comfortable enough to file in or report misconducts involving a manager or colleague directly to their supervisor.

78.5%

Employees understand that they can seek advice on complying with rules, regulations, or the Code of Conduct with their supervisor, HR, or the Compliance Department.

77.2%

Employees can easily access the Code of Conduct, policies, guidelines, rules and regulations through channels such as the company website, application, announcement board or internal database.

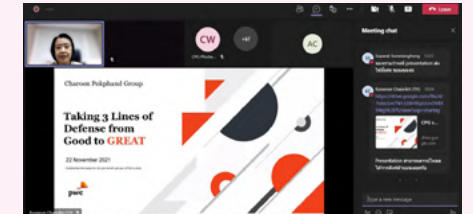
75.8%

Employees perceive that your company has monitored and conducted ethics and compliance reviews, as well as using the results to improve processes on a regular basis.

In 2021, the Group used the survey results that received 75-80% acknowledgement to plan for the improvement of employee acknowledgment, as follows:

+ Awareness Development in compliance operations

in which the Group has provided training courses on “3 Lines of Defense from Good to Great” for employees from 1st line and 2nd line functions, consisting of corporate governance, risk management and internal controls, and compliance in addition to employees from 3rd line functions, consisting of internal audit. This is in order for employees to understand their roles, responsibilities and integrated approaches to develop operations in line with compliance systems for continuous efficiency.



+ Awareness Development in whistleblowing and complaints

in which the Group has produced micro-learning videos under the topic “Whistleblowing: Speak up Environment” to promote a speak-up culture in recognizing non-compliances and reporting them, as well as to ensure employee awareness of advice channels where they can seek compliance with rules, regulations, or the Code of Conduct.



+ Awareness Development in Accessing the Code of Conduct, policies, guidelines, and regulations

in which the Group has set up a system to deploy policies via the Policy Deployment Application that officially communicates Group Policies to subsidiaries' top executives and staff. Additionally, the Group is developing a Policy Tracking System and a central database for policies and regulations to ensure quick information access, efficiency and to the same standard.



2. Development of Operational Processes to Prevent Significant Risks In 2021, the Group has prioritized the prevention of significant risks that may occur through developing the following important operational processes:

+ Anti-Bribery and Anti-Corruption

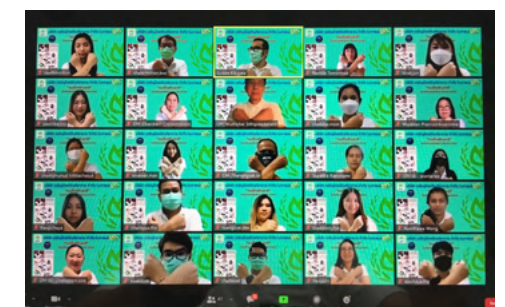
The Group has emphasized to instill a corporate culture of transparent and corruption-free operations by deploying the Anti-Bribery and Anti-Corruption Policy and Guidelines for subsidiaries to follow in order to prevent and fight against corruption in all forms, leading to business operations that comply with laws and the Code of Conduct.

Moreover, the Group has strengthened corporate culture in this area by conducting the following tasks:

- Conducted the Anti-Bribery and Anti-Corruption self-assessment of non-listed subsidiaries. The self-assessment form references the Thai Private Sector Collective Action Against Corruption's Self-Evaluation form, which is an institution that sets anti-corruption standards for the private sector in Thailand. The aim is for our subsidiaries to utilize the results in developing internal anti-corruption processes. The Group also uses the results as criteria for anti-corruption audits.
- Conducted annual no gift campaign to subsidiaries in refraining from accepting gifts to promote compliance with the "Gifts and Benefits Policy and Guidelines".



- Provided training courses to employees to promote understanding, and strengthen awareness on the importance of complying with anti-corruption laws throughout the year, which is available in Classroom Training and E-learning formats.
- Engaged with external organizations in the fight against corruption, where the Group has annually participated in National Anti-Corruption Day activities organized by the Anti-Corruption Organization of Thailand (ACT) in collaboration with the public and private sectors, civil society, and media. In 2021, the Group participated in National Anti-Corruption Day activities held under the theme "Cultivating a New Generation to Establish a Corruption-Free Nation" to demonstrate the Group's standpoint in doing business with transparency and its commitment to fighting against all forms of corruption.



+ Personal Data Protection

In today's digital economy, businesses have access to the latest digital and cloud computing technologies, which help increase productivity and cost savings while enabling direct connection with customers, suppliers, business partners and other stakeholders. All these technologies involve the collection of personal data, including the user's name, surname, email address, phone number, address, or other personal information. Sometimes, however, personal data is collected for use in areas not consistent with the purpose stated to the data owners or stolen for other purposes that cause damages to the data owners. This has resulted in the enforcement of the Personal Data Protection Act B.E. 2562. The Group, therefore, oversees compliance with the Personal Data Protection Act B.E. 2562 by announcing the Personal Data Protection Policy and Guidelines in order for employees to carry out at work to prevent the possible damages that may be caused by fraudulent exploitation or misuse of personal data.

In 2021, the Group promotes its subsidiaries in maintaining personal data security, as follows:

- Shared personal data security guidelines among the Compliance Network. Business units that are experienced in driving personal data protection participated in sharing their practices and knowledge, including laws, roles and responsibilities of employees and other related persons, impacts and risks. Additionally, the Compliance Network shared communication materials to assist in cascading knowledge.
- Reviewed relevant documents and contracts, determined the responsibility structure i.e. the Data Protection Officer, prepared Privacy Notices and Consent Forms, as well as notifying staff to provide consent digitally.
- Had subsidiaries prepared Cyber Security work plans, in addition to following up regularly to ensure that they lead to tangible implementation across the Group.



Personal Data Protection
Policy and Guidelines

4.2 Creating Social Value

The Group is committed to conducting business with integrity and ethical standards, including to closely engage with customers, suppliers, and employees. We demonstrate our responsibility towards stakeholders, society, and the environment. By adhering to the Group's "Three Benefits" principle in our operations, we firstly create benefits for the country, then to its people, and finally to the organization for our sustainable mutual growth.

The Group has determined its sustainability goals as an operating framework to demonstrate accountability to our stakeholders in 3 different areas: Heart – Living Right, the commitment to conducting business with integrity; Health – Living Well, the commitment to providing and creating value for stakeholders and society; and Home – Living Together, the commitment to fostering the well-being of communities and societies by protecting and conserving natural resources and the environment. In 2021, the Group created value for stakeholders by conducting business with integrity in terms of corporate governance, risk management, and compliance, as follows:

+ Supporting supplier operations' conformance to the Code of Conduct

Suppliers are the heart of business operations, serving as a key force in increasing competitiveness, responding to consumer needs, and reducing business risks. By supporting and promoting supplier capacity building through Corporate Governance Principles, considering social and environmental factors, as well as delivering raw materials sourced from sustainable practices, this will enable suppliers to grow together with the Group.

In this regard, the Group has created value for suppliers by supporting and promoting capacity building in line with ethical business conduct, in addition to connecting sustainable practices regarding governance, society, and environment into the supplier management process throughout the supply chain, as follows:

- + Promoted all suppliers' adherence and compliance with the Group's Supplier Code of Conduct, where the Group has provided knowledge and advised suppliers on a regular basis to ensure that suppliers abide by the Code.
- + Built networks and enhanced the competency of sustainability audits to drive supplier capacity building across the supply chain by providing training sessions on "Capacity Building Program - CPG Cooperate Sustainability Management System Compliance Audit." This is to enhance auditor skills in supplier audits for increased effectiveness as well as to cover all sustainability issues, including ethical conduct, risk management, compliance, environmental management, etc.

The developments build credibility for product quality and safety, thereby creating value added for suppliers, resulting in sustainable supplier business growth.



Supplier Code of Conduct

► Creating Shared Value for Society

The Group has developed its operations in accordance with corporate governance principles that follow international standards while aligning with the expectations of all stakeholder groups and continuing to instill an ethical corporate culture since its founding days, enabling us to grow and overcome economic challenges over the past 100 years.

Additionally, the Group aims to create shared values by instilling a culture of good corporate governance in society by sharing the Group's information and guidelines, which includes sharing executives' knowledge and experience via external activities throughout 2021, as follows:

• Activities promoting corporate governance

Chief Executive Officer of Charoen Pokphand Group, Mr. Suphachai Chearavanont, shared his experience and wisdom on the topic of “Chairing a Virtual Board Meeting” in the Chairman Forum held by the Thai Institute of Directors for chairpersons from listed and non-listed companies.



• Activities promoting ethics

- + Participated as guest speakers for C.P. University under the topic “Business Ethics: How to Create an Ethical Organization” to provide knowledge for Group employees and external parties.



- + Participated with a focus group comprising experts to provide opinions on the topic of “Developing guidelines and tools for overseeing, monitoring and evaluating the promotion of ethics in state agencies”, a joint project between the Offices of the Civil Service Commission (OCSC) and Thammasat University.



- + The Group Code of Conduct was recognized by OCSC as one of the best Code of Conduct models, which include examples of Do and Don't actions, and was disseminated to other organizations.



► Promoting Business Operations with Environmental Responsibility

The Group prioritized the importance of protecting and conserving natural resources and the environment, realizing well that the abundance of natural resources will help sustain life on Earth and foster sustainable business operations for today and future.

In this regard, the Group has set environmental goals towards becoming a Zero Carbon organization by 2030, which is an organization that emits “net zero” carbon dioxide, planting 20 million trees by 2025, and becoming a Zero-Waste organization that reduces waste to zero by 2030.

Additionally, in 2021 the Group has deployed the Environmental Policy and Guidelines, as well as 10 Sub-Policies covering the following topics:



The Group has communicated the Environmental Policy and Guidelines to subsidiaries, raised employee awareness on the importance of protecting and conserving natural resources and the environment, while also promoting environmentally-friendly business operations in its subsidiaries.

Furthermore, the Group has extended its commitment to suppliers and business partners across the supply chain through responsible supply chain management as well as promoting suppliers and business partners in adopting the Group’s guidelines to jointly protect and conserve natural resources and the environment, leading to sustainable mutual growth.



The Group has instilled a corporate culture of ethics and compliance by promoting mindset and behavior in management and staff to comply with ethical standards and the Code of Conduct. This is in addition to raising awareness among stakeholders across the supply chain in practicing and engaging in creating an environment for ethical business operations in line with good corporate governance principles. These efforts have led to our recognition as one of the World’s Most Ethical Companies for the second consecutive year by Ethisphere Institute, a global leader in evaluating ethical business standards.

The Group operates its business ethically by aligning with international standards, holding accountability for stakeholders, and upholding its corporate governance principles as the key to creating an effective management system that creates stakeholder value in the long term. These factors have resulted in the Group’s business growth and contribution to the sustainable development of the economy and society in all dimensions.

Section

5

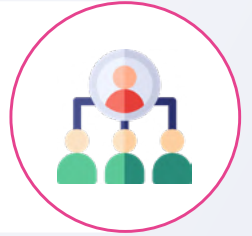
Next Steps for 2022



C.P. Group remains committed to further improving our corporate governance standards by planning systematically to integrate corporate governance, enterprise risk management, compliance, and internal audit. Moreover, we monitor strictly to continuously improve our operational performance.

In 2022, the Group has plans to improve its governance processes in order to provide an information-sharing system for responsible departments in driving tangible implementation, as follows:

Develop corporate governance structures for non-listed subsidiaries in Thailand and overseas to serve as the foundation in further increasing efficiency in driving governance processes involving corporate governance, risk management and compliance.



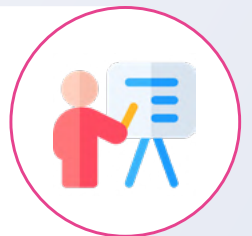
Revise the development process of Group Policies and Guidelines by including opinions from management and representatives from all subsidiaries during the development of new Group Policies.



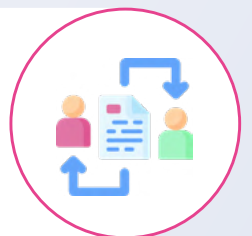
Develop digital technologies and platforms to provide oversight, monitoring and reporting of performance, enabling the Group to follow up on developments in subsidiaries immediately and at any time.



Develop efficient communications media on Group Policies and Guidelines for subsidiaries by training representatives from subsidiaries (Train the Trainer) for thorough and tangible communication with subsidiaries' employees.



Support and promote information, knowledge, and experience sharing regarding corporate governance, business ethics, risk management, compliance and audit with suppliers, business partners, and other stakeholders to instill a culture of ethical business conduct and corporate governance principles throughout the supply chain.



Appendix

Six Core Values



1. Three Benefits

C.P. Group has always operated our business by adhering to the 'Three-Benefit Principle'. This states that our business should first benefit the countries where we operate; then the communities we engage with and lastly the company and employees. Since the founding days, this principle has guided our growth and ensured that our operations benefit the society as a whole.



2. Speed with Quality

Modern businesses must be fast-moving, without compromising quality. They must be able to adapt to new circumstances, adopt the latest technologies, respond to both consumers' changing tastes and preferences, and evolving regulations. As a result, C.P. Group places great importance on the efficiency and effectiveness of our business and employees.



3. Simplification

C.P. Group invests in 21 countries and economies worldwide, operating through more than 200 subsidiaries and employing over 300,000 people. The Group is therefore committed to applying technology and innovation that simplifies its systems and operations while improving efficiency and effectiveness across the entire Group. Simplification is one of the key practices that has enhanced the Group's success.



4. Accept Changes

Global businesses face daily changing circumstances: from political, socio-economic and environmental issues to consumers' needs and technological development. Our key strategy is to embrace changes. We encourage our employees to stay informed of new opportunities so that we could deliver more to our customers. This also helps us to manage the evolving circumstances across all of our markets.



5. Innovation

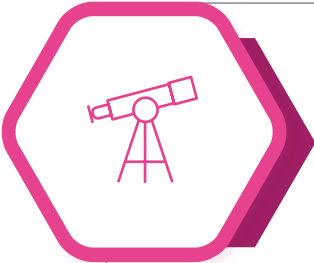
Innovation drives every aspect of our business from processes to products. Businesses must constantly innovate to keep pace with a rapidly changing world. We actively encourage our employees to be innovative. Our goal is to foster innovation across our business to deliver the best products and services to our customers.



6. Integrity

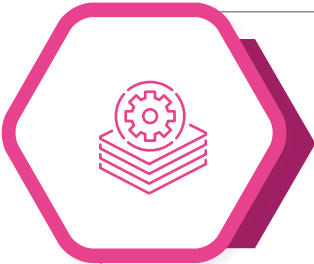
Since the very first day of C.P. Group, we have operated our business with integrity and transparency in every transaction – big or small. We firmly believe that any business focusing solely on self-enrichment and disregarding integrity will ultimately lose trust of its stakeholders and ability to operate in the long run.

Corporate Governance Principles



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

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



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

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



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

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



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

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



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

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



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

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



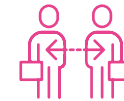
7. We compose our Boards carefully to ensure that they have the knowledge and experience to make informed decisions.

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



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

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



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

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



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

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



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

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

Corporate Governance Committee Membership (2016-2018)

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

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

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

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

External Independent Members

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

Ethisphere's “World’s Most Ethical Companies”

About Ethisphere

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

Methodology and Scoring

Grounded in Ethisphere’s proprietary Ethics Quotient®, the World’s Most Ethical Companies assessment process includes more than 200 questions covering corporate governance, ethics and compliance, culture of ethics, environmental and societal impact, third-party management, ethical leadership and reputation.

Membership comprises over 300 of the world’s top organizations, including H&M, Microsoft, Kohl’s, L’oreal, and Sony.

Honorees

The full list of the 2021 World’s Most Ethical Companies can be found at <https://worldsmoethicalcompanies.com/honorees>



