

FORCE FOR A SUSTAINABLE



CHAROEN POKPHAND GROUP SUSTAINABILITY REPORT 2018



ซีพี...เพื่อความยั่งยืน



LONG LIVE THE KING

on the Auspicious Occasion of the Coronation of King Rama X
B.E. 2562 (2019)



Executives and Employees of
Charoen Pokphand Group Company Limited

CHAROEN POKPHAND GROUP SUSTAINABILITY REPORT 2018



This report was designed to reflect the Group's "3 Benefits Principle" – which is Charoen Pokphand Group's corporate culture. In practice, this means that Charoen Pokphand Group always prioritizes benefiting the country of operation, including that of local communities. Only when the two initial benefits have been addressed, will the Group pursue the 3rd benefit, which is self-interest. "First, the country must benefit. Second, the people must benefit. Only then should the company benefit." This serves as the guiding business principle of the Group – the commitment to prioritize country and community benefits, prior to considering the Group's own interests.

The principle has been developed based on the beliefs and values of 'Gratitude.'

For this year, the concept will be illustrated in the context of community development via agriculture, education, poverty eradication and supply chain management. This approach enables increased income, and thus eradicates poverty.



Agriculture Enabling them to be sufficient in their own agricultural business in a sustainable manner.



Education Enhancing both society's and Thailand's development.



Supply Chain Management Encompassing all steps involved with agricultural production and food, from upstream to downstream.



Poverty Eradication Improving the people's quality of life through social development, job creation, and ameliorating inequality.



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INTERACTIVE USER GUIDE

Charoen Pokphand Group Sustainability Report 2018 was produced as Interactive PDF file.

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Message from
**THE SENIOR
 CHAIRMAN**

We believe that this new generation of leaders will be the strength of C.P. Group.



The year 2019 is a blessed year for all Thais bearing witness to the coronation of His Majesty the King Rama X, King Maha Vajiralongkorn Bodindradebayavarangkun, of the Chakri dynasty. The ceremony is monumental in its historical importance, and has indisputably left imprints on the hearts of all Thais.

The Board of directors, management and employees of Charoen Pokphand Group would like to extend our warmest congratulations and wishes on this auspicious occasion of His Majesty's coronation. With our deepest gratitude for His Majesty's virtue and benevolence, we would like to humbly offer our wishes for His Majesty's continued good health, success and prosperity for years to come.

For 5 reigns across 99 years, C.P. Group has operated under the beneficence of Chakri dynasty's kings. The Group is deeply committed in operating business with integrity, gratitude and responsibility to all stakeholders, inclusive to consumers, community, society and the environment. The Group prides ourselves for our alignment to the Sufficiency Economy Principle of the late His Majesty King Bhumibol Adulyadej, the Great, King Rama IX of Thailand. The principles have always served as the Group's most cherished guidance. The very crux of this Sufficiency Economy illustrates the late His Majesty's wisdom, and has been globally accepted for its sheer practicality in facilitating true sustainability. The late His Majesty's cogitation is reflected in Royal projects, which are inherited and continued by King Rama X. The King's first royal command at the Royal coronation on the 4th of May 2019 was: 'We shall continue, preserve and build upon the royal legacy, and shall reign justly for the benefits and happiness of Thai citizens.'

Since last year, C.P. Group has been consistently moving towards sustainability. This report presents the overall performance of all 8 business lines, expanding across 21 countries in 6 continents around the world. In cognizant of the broad sustainability strategy, the Group gives utmost priority to elevate education quality. The Group recognizes that education is the nation's key strategy towards lasting sustainability. To give an example, Thailand is an agriculture-based country. Water conservation must be prioritized. However, it is crucial to note that no matter how many thousands of water conservation projects we undertake, it would not sustain if people do not have sufficient comprehension of the matter, and if they continue to pollute. In that case, all project investments would have gone to waste. Recognizing this, the Group takes an active role to support and foster for quality

education in all dimensions. This includes the CONNEXT ED project, originated from a collaboration between the public, civil society and private sectors. Parties across these sectors take part in co-developing curriculums and facilitates through the volunteer onsite deployment 'Pracharath school.' Initially, the coverage goal expected was at 15% of all Pracharath schools across Thailand. There are 4,600 schools in total. Presently, over 33 organizations have accepted the invitation to join. Additionally, scholarships are provided to support education and other multiple projects. Beyond supports to education, the Group also prioritizes fostering quality human capital who are knowledgeable, competent and have integrity. This priority is enabled through the Panyapiwat Educational Institute, which produces several thousands of quality university students and graduates. This was further supported by executive training courses at C.P. Leadership Institute, with the goal to develop competent individuals with integrity. This new generation of leaders and empowered human capital who will work to create value and advancement for the well-being of society.

C.P. Group considers it our mission to create opportunities and sustainability for societies of Thailand and the world. We acknowledge that achieving that sustainability goal will take time, perseverance, commitment and action. It is the Group's vision to continue our work in sustainable development, as has been from generation to generation for the past 99 years, in order for the Charoen Pokphand Group to sustainably grow alongside Thai society and the world for years to come.

Dhanin Chearavanont
 Senior Chairman
 Charoen Pokphand Group

Message from THE CHAIRMAN

We will continue to further develop and expand on innovative business models with the goal to help shape a better and sustainable future that creates value for our employees and stakeholders worldwide.



In the past decade, businesses and their survival have faced three major challenges that have transformed the world; namely climate change, technological advancement and structural economic change. Businesses that prosper in the future will be those that utilize emerging innovations and install sustainability at the core of its business strategy to address the needs of a growing global population.

The Charoen Pokphand Group was founded on the 3-Benefit Principle; benefiting the country and its people before the company. We have thrived for nearly 100 years by accepting changes and endeavoring to serve the needs of the people through the application of innovation, simplification, speed and quality with utmost integrity and honesty. Amidst the mounting pressures of turbulent planetary changes, powerful new technologies and the increasing needs of growing urban populations, laying a strong foundation is crucial for our organization to take the leap towards the next centennial.

With the CP Excellence business principle, we must constantly innovate and renovate our operations to achieve business excellence, mitigate risk and ensure business continuity. As the negative impacts of climate change is being felt today, building a climate resilient company through knowledge and skills development as well as improving upon existing operations, infrastructure and supply chains in all communities we invest in, will be of the utmost importance to address the climate crisis, water scarcity and related disruptions. We are committed to leveraging our scope and scale for good. The partnerships and investments into advanced digital technologies and know-how remains one of our primary strategies to sustainably drive our business forward into the new global landscape. Through these innovations and advanced technologies, we aspire to unlock solutions to climate change and societal issues in order to secure the benefits of a connected world. The development and operation of our unique '4-in-1 Partnership' business model has enabled us to achieve inclusive growth and happiness at the Pinggu Layer Chicken Facility in China. We will continue to further develop and expand innovative business models

with the goal to help shape a better and sustainable future so as to create value for our employees and stakeholders worldwide.

Synergy and unity are keys to achieve common global goals. Through the CP Leadership Institute, we pledge to develop our new workforce's competencies, synergies, partnerships, new policies, business models as well as application of technological innovations such as artificial intelligence and automation to help address global challenges. This is to ensure that our global business leaders and each individual employee embrace diversity, climate action, open borders and human rights to achieve our common goals towards sustainability, and support 17 Sustainability Development Goals (SDGs).

Guided by our core values, we pledge to achieve our purpose of enhancing the quality of life, health and well-being of the people today, and for a better and sustainable future. Alongside our global strategic alliances and stakeholders, we determine to strengthen our sustainability foundation and address unfolding global challenges in order to create an inclusive society and a world living in happiness.

Soopakij Chearavanont
Chairman
Charoen Pokphand Group

Message from THE CEO

We have completed half the journey. The goal is framed under Heart-Health-Home strategy, reflecting the Group's objective to bolster stakeholders' quality of life, health, and well-being.



For nearly a century, Charoen Pokphand Group has grown steadily alongside the public. The Group has been a driving force for sustainable development in all community of operations, enabled by the Group's commitment to the Three Benefit Principles, originated from the concept of 'selflessness.' This was substantiated by the Group's vision, 'We are committed to producing food for people, substance for thinking, accessibility to values, for everyone's greater health and well-being.' Moreover, the Group continues to evolve while promoting stakeholder engagement. We are determined to ensuring that our objectives are aligned with our stakeholders' expectations. Lastly, in addition to being committed to the UN Global Compact's ten principles, our work is aimed to support its vision and mission in order to contribute to the achievement of the Sustainable Development Goals (SDGs).

Currently, we live in the era of Industrial Revolution 4.0 with exponential speed of change happening globally. To adapt to the era of science, data, and technology, the Group recognizes the importance of constant adaptation. Adapting is crucial in order to strengthen competitiveness. This includes changes in respond to climate change impacts, to changing social landscape, and evolving consumers' demands. One of the key reasons behind the Group's indisputable sustainability is its adherence to the 6 core values, which have been cascaded through generations. The values guide for business growth, simultaneously with society's and the nation's sustainability. To foster readiness towards an ever-changing world, the Group consistently invested in employee's readiness, determined to create leaders who can bring about changes throughout the entire organization. Additional, the Group also gives priority in good market comprehension and innovation building. Attention is particularly given to digitalization process, reinforcement of understanding, and employees' technological competency. Looking forward, the Group supports research and development or emerging technology, such as food and health biotechnology, Internet of Things (IoT), robotics and artificial intelligence, automation, logistics system and renewable energy.

The year 2018 marks C.P. Group's milestone towards our 2020 sustainability goals. We have completed half the journey. The goal is framed under Heart-Health-Home strategy, reflecting the Group's objective to bolster stakeholders' quality of life, health, and well-being. Concerning performance in Heart, the Group has recently announced C.P. Group's Code of Conduct as expected from companies. Furthermore, we have successfully conducted comprehensive human rights due diligence in business operations and supply chain developed 1,347 leaders in various age groups through cross-functional projects.

Concerning performance in Home, the Group has announced its Sustainable Packaging Policy, along with respective 2025 goals for Thailand. It is expected that 100% of plastic packaging used must be recyclable, reusable, or degradable. Efforts will be invested for further researches to reduce plastic usage and reduce consumers' awareness, steering them towards behaviors aligned with sustainability. The Group is determined to become carbon neutral, and achieve zero food waste by 2030 Furthermore, the Group remains in good relationship with suppliers aspiring to expand traceability system to encompass all key product groups.

Lastly, I hope that our third sustainability report clearly demonstrates the Group's commitment for progress. I am pleased to share some of my proudest moments in the past year. Companies in the Group have been recognized for their success and hard works on the global stage. There includes: listed as part of sustainability investment by Stock Exchange of Thailand, listed as member in Dow Jones Sustainability Indices, listed as member in FTSE4Good Emerging Index, received Asia Sustainability Reporting Awards, and recognized by World Business Council for Sustainable Development. I would like to genuinely express my gratitude to all stakeholders who have supported the Group. I am thankful of C.P. employees around the world for uniting together and making possible positive and sustainable change to both Thai society and the global community.

Suphachai Chearavanont

Chief Executive Officer
Charoen Pokphand Group

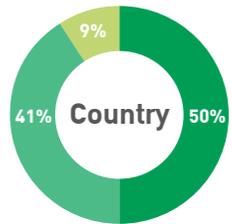
2018 HIGHLIGHTS

ECONOMIC

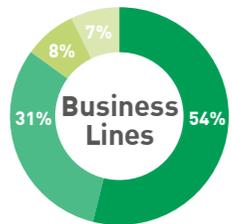


Total Sales Revenues
2,052,647
Million THB

Sales Revenues by Country and Business Line

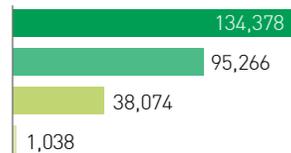


- Thailand
- China
- Others

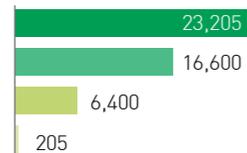


- Agro-Industry and Food
- Retail and Distribution
- Telecommunications
- Others

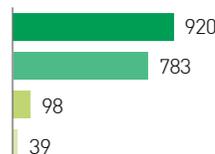
Employees' Benefits (Million THB)



Tax paid to Governments (Million THB)



Community and Social Contribution (Million THB)



- Total
- Thailand
- China
- Others

HEART : LIVING RIGHT



6,915
Number of employees from non-listed companies who completed 'C.P. Group Code of Conduct' Online Course



627
Number of executives in Thailand and China who participated in risk management workshops

Male employees
50.4%
153,436



Female employees
49.6%
150,769

New employees + 50,533
Resigned - 42,959

New employees + 55,111
Resigned - 43,428

Male contractors
6,327

304,205
persons

Female contractors
3,805



1.92
Injury rate
(case per 200,000 hours worked)



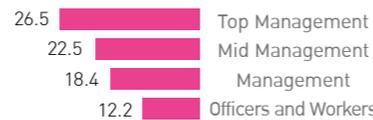
0.40
Lost time injury rate
(case per 200,000 hours worked)



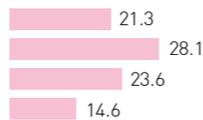
3,411,278
Persons

Number of people gaining access to education and knowledge

12.69
Hours per year



14.82
Hours per year



Average training hours for all employees by level (hours per person per year)

HEALTH : LIVING WELL



Farmers
113,067
Farmers supported



SMEs
543,572
SMEs supported



People in Vulnerable Groups
12,287
Persons supported



283
Number of products promoting health and well-being



Value of Product and Process Innovation (Million THB)
7,921



Number of innovations
2,249
(Innovations in C.P. Innovation Exposition)



R&D Spending (Million THB)
17,533

HOME : LIVING TOGETHER



47.92 Million GJ

28.98 GJ per 1 Million THB



5.71 Million tons CO₂e

3.45 Ton CO₂e per 1 Million THB



329.59 Million cubic meters

199.33 Cubic meters per 1 Million THB



2.11 Million tons

1.27 Tons per 1 Million THB



GHG Emission Reduction
0.91
Million CO₂e



Water withdrawal reduction per revenue
40.74
Percent



9.88%
Ratio of renewable energy



12.06%
Ratio of recycled water



21.20%
Ratio of recycled/reused waste



73.94%
Ratio of recyclable/reusable plastic packaging use

SUPPORTING UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS



PEOPLE : End poverty and hunger in all forms and ensure dignity and equality

1 NO POVERTY 113,067 Persons Farmers in developing countries receive support with jobs and quality of life 12,287 Persons Vulnerable groups, such as disabled people, elderly, and underprivileged children who received support with jobs and quality of life	4 QUALITY EDUCATION 3,411,278 Persons Children, youths, and adults gaining access to education and necessary capability building 32,734 Scholarships Number of C.P. Group's Scholarships accumulated for children of employees
2 ZERO HUNGER 243,280 Persons Children and youths who received support and improved access to food	3 GOOD HEALTH AND WELL-BEING 15 Countries Number of developing countries in which the Group operates horticulture and food production. All operations meet international standards, are of good quality, safe, and are hygienic for consumers.
5 GENDER EQUALITY 51% : 49% Proportion of male employees versus female employees 12.69 : 14.82 Average time of training for male employees and female employees	8 DECENT WORK AND ECONOMIC GROWTH 304,205 Persons The Group's employment globally The Group aims to develop its human rights due diligence (HRDD) according to UN Guiding Principles on Business and Human Rights



PROSPERITY : Ensure prosperous and fulfilling lines in harmony with nature

8 DECENT WORK AND ECONOMIC GROWTH 304,205 Persons The Group's employment globally The Group aims to develop its human rights due diligence (HRDD) according to UN Guiding Principles on Business and Human Rights	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 543,572 SMEs Number of SMEs receiving support for digitalization and e-commerce business 17,533 Million THB R&D Expense
7 AFFORDABLE AND CLEAN ENERGY 4.73 Million GJ Amount of renewable energy 0.23 Million GJ Amount of energy obtained through waste-to-energy process	10 REDUCED INEQUALITIES 1,845 Persons number of disabled people employed 29.2 Million Persons Number of customers using the financial service True Money in 6 developing countries in Southeast Asia
11 SUSTAINABLE CITIES AND COMMUNITIES True's telecommunication business service Internet of Things (IIOT) across Thailand. Tests for 5G technology have been piloted in anticipation of imminent industry revolution and changing lifestyles.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS C.P. Group's Corporate Governance principle acts as a guiding compass to the Board in corporate governance, stakeholder engagement, risk management, and organizational culture



PLANET : Protect our planet's natural resources and climate for future generations

12 RESPONSIBLE CONSUMPTION AND PRODUCTION 91.06% proportion of plastic packaging that is reusable, recyclable and degradable (Data is limited to Thailand only) 21.20% Proportion of waste recycled or reused	13 CLIMATE ACTION 913,407 Tons of CO₂e Amount of greenhouse gas emissions reduced 182 products and services Number of combined products and services certified for carbon footprint label
6 CLEAN WATER AND SANITATION 12% Proportion of reused or recycled water 40% Amount of water withdrawal reduced per revenue unit compared to baseline year of 2015	14 LIFE BELOW WATER 10 Provinces Number of coastal provinces with marine conservation projects for sustainable development
15 LIFE ON LAND 7,034 Rais Forest areas conserved and restored 11,268 Rais Agricultural areas whose water sources and flora have been developed	



PEACE : Foster peaceful, just and inclusive societies

16 PEACE, JUSTICE AND STRONG INSTITUTIONS C.P. Group's Corporate Governance principle acts as a guiding compass to the Board in corporate governance, stakeholder engagement, risk management, and organizational culture



PARTNERSHIP : Implement the agenda through a solid global partnership

17 PARTNERSHIPS FOR THE GOALS Founded Thailand's Global Compact Network The Group has also become a member of the World Business Council for Sustainable Development (WBCSD)

Awards and Recognitions



DJSI

Affiliates of C.P. Group were listed in the Dow Jones Sustainability Indices (DJSI) 2018 in Emerging Markets and World. Achievements in sustainability have been listed in The Sustainability Year Book 2019.

Telecommunication Services
 SAM Gold Class
 True Corporation Public Company Limited

Food & Staples Retailing
 SAM Silver Class
 CP ALL Public Company Limited

Food Products
 SAM Bronze Class
 Charoen Pokphand Foods Public Company Limited

Winner Asia's Best Stakeholder Reporting
Winner Asia's Best Environmental Reporting
 Charoen Pokphand Group Company Limited



CDP

True Corporation Public Company Limited

- Climate change performance (Score: B)

Charoen Pokphand Foods Public Company Limited

- Climate change performance (Score: B-)
- Forestry performance (Score: B-)



FTSE4Good Index Series 2018

Charoen Pokphand Foods Public Company Limited
 True Corporation Public Company Limited
 CP ALL Public Company Limited

- Selected as a member of FTSE4Good Emerging Index



Sustainability Report Awards 2018

Outstanding Sustainability Report Award

- True Corporation Public Company Limited

Excellent Sustainability Report Award

- Charoen Pokphand Group Company Limited
- Charoen Pokphand Foods Public Company Limited

Sustainability Report Recognition Award

- CP ALL Public Company Limited

Best Report Design Award

- Charoen Pokphand Group Company Limited



ASEAN Energy Awards 2018

Winner: Energy Management for Buildings & Industry (Small and Medium Industry)

- Charoen Pokphand Produce Company Limited

2nd Runner-up: Energy Efficient Building (Retrofitted Building)

- C.P. Land Public Company Limited



Thailand Energy Awards 2018

Excellence Award for Designated Factory

- Charoen Pokphand Produce Company Limited
- CP RAM Company Limited

Excellence Award for Designated Building

- CP Land Public Company Limited



C.P. LOTUS CORPORATION (South)

- 2018 CCFA China Retail Technology Innovation Award
- 2018 CCFA Excellent Enterprise University - Best Innovation Practice Award
- 2018 SHOP Awards Silver Award



Recognition from the Ministry of Labor

- Recognition as an excellent establishment in occupational health, safety and environment in 2018
- Recognition for excellent occupational health, safety and environment committee and officers in 2018
- Honorable recognition for excellent establishment in labor relations and welfare in 2018
- Recognition for excellent establishment nationally in labor relations and welfare in 2018



SUPERDROB ZAKLADY DROBIARSKO-MIESNE S.A.

- The Golden 100 of Polish Agriculture (2018) - 40th place in the 'Golden Hundred' (Golden 100) - 4th place in Platin Fifth in the category 'Breeders and slaughter houses'
- Ranking of 500 of a prestigious newspaper 'Rzeczpospolita' The company is located in the first 300 largest companies in Poland



Super Brand Mall SHANGHAI KINGHILL LIMITED

- 2018 Pudong Top Ten Business Innovation Service Desk
- 2018 Pudong Business Innovation Service Star



C.P. VIETNAM CORPORATION

- Recognition as a top 100 sustainable company in Vietnam's sustainable company assessment and ranking
- Awarded second runner up from the Government of Vietnam



CPF Foods (UK) Ltd.

- The Worcestershire Apprenticeship Awards 2018 - Medium Apprenticeship Employer of the year
- Finalist in the Technical Champion category of the BFFF People Awards 2018

CP FOR SUSTAINABILITY PROJECT

Charoen Pokphand Group founded CP for Sustainability in 2015. It aims to recognize community projects launched by the Group's employees, highlighting them as examples of actions for the greater good. It was revealed that multiple projects were launched because local employees felt pain at times themselves. Employees driven to solve problems engage with, and disseminate knowledge to communities. Such collaboration enables effective and successful solutions. This exemplifies that 'CP People can make a difference anywhere, anytime.' As of 2018, the second year of the CP for Sustainability Project, there were 28 projects out of 204 submissions that received recognition. This is a great starting point for management and employees to work together in realizing the Group's 2020 Sustainability Goals.



Education
Thailand

U-Project
Siam Makro worked with training institutions for University students to teach management of small shops (Sho-Huay). Students are able to improve their own shop and modernize their management approach, ensuring competition.
Result : Since 2009, over 33,637 students have joined the project. This amounts to over 343 million THB/year.



Education
Thailand

Braille Recorders
True worked with Mahidol University in developing Braille Note Taker (MEM) for those without sight. They will be able to take notes promptly, giving them greater efficiency in learning.
Result : Successfully raised funds to produce over 1,000 MEM machines to be given to those without sight.



Education
Thailand

ICT Talent
True worked with the Office of Basic Education Commission to address the problem of insufficient teachers. Trainings in technology, education, and ICT skills were provided to ICT teacher leaders, who will help improve teaching with greater efficiency.
Result : Currently, there are over 765 ICT-skilled individuals, who have elevated ICT skills of over 33,000 teachers.



Social Impact
China

CP Lotus Volunteer
CP Lotus, the southern branch, recruited a team of volunteers and worked with the local government to improve the quality of life for those in need, as well as promote education among youths in Guangdong province.
Result : Built a library and music room in two schools, as well as founded the first CP Lotus Hope Primary school.

Social Impact
Vietnam

Building Shelters for Patients and Families
CP Vietnam built shelters for patients and their families at Cancer-Specialized Hospital, Tan Trieu Branch. The rental fee is low, and helps support the hospital's operation. The government now duplicates the project and expands it on a national scale.
Result : 3 shelters with 240 beds were built.



Social Impact
Laos

Dream for All
CPF employees in Lao collaborated with communities to renovate classrooms and provide the learning materials needed. It became a collaboration between the Thai Embassy to Laos and the Thai Business Council, and facilitated sustainable development.
Result : Mitigated the struggles of Ban Pu Gao Nang school and Ban Na Yang school in remote areas.



Social Impact
USA

Minneapolis Crisis Nursery
Employees of Bellisio Foods collaborated with Crisis Nursery in Minneapolis, Minnesota, USA, providing shelters and support to newborns and children up to six years old. The project mitigated violence against children and abandonment.
Result : Over 1,200 families have received support.



Social Impact
Thailand

Sustainable Community
CP All collaborated with co-ops and other local enterprises to foster effective and safe farming of golden bananas throughout the supply chain.
Result : Over 1,890 farming families have improved their livelihood, having been provided a minimum of 30,000 THB/crop/rai.



Social Impact
Thailand

Job Opportunities in Agriculture for Disabled People
True supported career and competency training related to agriculture, enabling disabled people to become self-sufficient and to remain in their hometowns.
Result : Disabled people earned an average of 3,000 THB/month from mushroom farming, resulting in a newly established social enterprise.



Social Impact
Thailand

Pracharath Paddyfield in Suphanburi
International trade business line facilitates efficient rice production for the health of farmers in Dermang Nang Buach district. This includes all the steps involved with production and marketing.
Result : Increased yields by 78 Kg/Rai, with increased farmers' income by 2,058 THB/Rai, and increased community's income by 41,160 THB/household/season.



Social Impact
Thailand

Novice Monks for Global Dhamma
True scaled up their project with novice monks to a global scale of Dhamma (Buddhist teaching) sharing. It aims to instill morale into youths across the world.
Result : Audience in over 190 countries around the world have watched the show, enabling spreading the message of peace.



Social Impact
Thailand

Chan Rong Honey
CPF employees work with communities to promote Chan Rong bee keeping in Cha Lae subdistrict, Songkhla province, as opposed to typical wild honey collection in mangrove forests. This creates jobs and yields sustainable income.
Result : Restored over 105 Rai of mangrove forests, with locals earning more than 5,500 THB/person/month.



Social Impact
Thailand

Safe Oranges, Happy Thais
Siam Makro works with multiple sectors to create the 'Fang Model' community prototype to enhance farmers' knowledge in maintaining safe orange plantations.
Result : Farmers earn more income. Orange rejection rate drops to zero. Generates economic value of over 170 million THB.



Social Impact Thailand

Moving Forward to Careers
CP ALL works with the Department of Juvenile Observation and Protection to restore incarcerated youths' mental health and help them develop skills as a barista. This creates opportunities for good and honest careers post-sentencing.

Result : Reduced the rate of repeated offenses among these youths by 100%



Health and Well-Being China

Funds for Lotus Da Ai Employees
Management and employees at CP Lotus, southern branch, created a fund in 2014 to aid those employees and families with bad health, those who recently lost someone, or those who were suffering homelessness due to natural disasters.

Result : Collected over 800,000 RMB for the fund. It has supported 80 families so far.



Health and Well-Being Thailand

Development for People with Autism
True developed an application, 'True Autistic Series,' to aid those living with autism with physical and intellectual development, preparing them for vocational skills development. This enables them to earn an income and become self-sufficient.

Result : Since 2014, there are over 3,000 children living with autism participating in the program. True offered employment to 124 persons.



Health and Well-Being Thailand

Missing (Not)
True worked with the Mirror Foundation to develop the Thai Missing Application, which helps track and notify missing individuals promptly, with even greater efficiency.

Result : Able to notify and track 10% of the patients with Amnesia who disappeared from home during 2018-2019



Health and Well-Being Thailand

Cycling to Conserve
The Stronger CP Crop Cycling Team collaborated with the R&D Center for Coastal Marine Lives, Prachuap Khiri Khan, to raise coastal fishermen's awareness of marine conservation.

Result : Provides jobs to coastal fishermen and conserves the marine ecosystem.



Health and Well-Being Thailand

CPF Run for Charity
The CPF Running Club worked with Feed Plant Bangna, in collaboration with other internal and external parties, to organize the CPF Run for Charity. The run raises funds for good causes.

Result : As much as 5.77 million THB has been collected for donation from across the country.



Health and Well-Being Vietnam

Blood Donation and Knowledge Sharing on Thalassemia
In 2009, CP Vietnam worked with both the public sector and alliances to organize nation-wide blood donation events, aiming to change Vietnamese mindsets regarding blood donation. Previously, Vietnamese were likely to donate to families only. There was also a knowledge-sharing session on Thalassemia.

Result : As of now, 13,400 people have donated - with 127,700 unit of blood collected.



Health and Well-Being China

Spring Pink Charity
CP Lotus, the southern branch, collaborated with the Women's Council of Guangdong province to help women in the suburbs receive cervical and breast cancer diagnoses. The project increased access to healthcare and mitigated poverty.

Result : Since 2009, over 10 million RMB has been raised. Over 5,000 women have been diagnosed, with 103 treated and fully recovered.



Health and Well-Being Myanmar

Milk for Kids
Employees of Myanmar C.P. Livestock donated milk for homeless children and orphans, enabling them to have better health and readiness in learning.

Result : Since 2018, approximately 5,000 students in 6 different schools have had access to milk. Over 30,000 liters have been provided.



Health and Well-Being Vietnam

Vietnam's Youth Doctor Following Ho Chi Minh's Teaching
The CP Vietnam Fund has worked with the public sector since 2010 to operate a youth doctor volunteer project across Vietnam, providing healthcare knowledge and treatment to those in remote areas.

Result : As of 2018, there are over 6,000 youth doctor volunteers. Over 100,000 have been treated.



Ecosystem & Biodiversity Thailand

Wild Elephants Warning
True collaborated with Thailand's Department of National Parks to deploy communication devices that warn against wild elephants encroaching in agricultural areas, specifically around Guiburi National Park.

Result : From 2017 - present, damages to agricultural areas decreased. The system was duplicated to other areas with national parks across the country.



Ecosystem & Biodiversity The Philippines

Mangrove Planting
CPF Philippines' employees worked with communities and the public sector to convert mangrove forests into eco-forest parks. It also created jobs for the communities.

Result : Over 38,000 mangrove trees were planted in Bataan city across 30 Rais of land.



Ecosystem & Biodiversity Thailand

Coastal Restoration with Artificial Corals
Charoen Pokphand Group placed concrete artificial corals in Songkhla, Pattani, and Naratiwas. The area serves as a nursery for marine life.

Result : Found increase in fish that have great economic value, young marine life, and a larger area of coral reefs.



Climate Change Management Thailand

Plastic Reduction in Universities
CP All works with universities to campaign against excessive plastic bags use among youths and the general public.

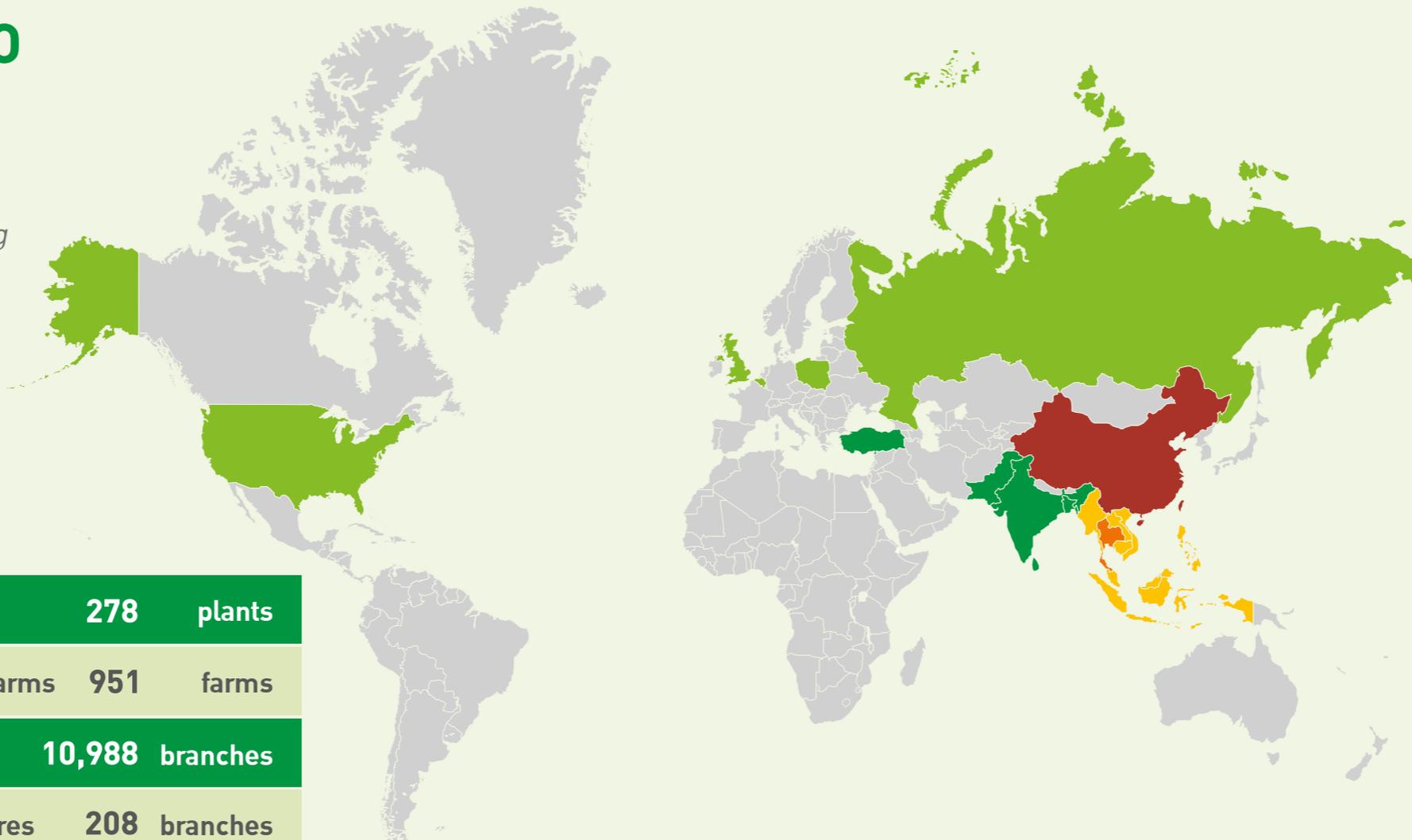
Result : Reduced plastic bags usage by 125 million bags, which was converted to a monetary equivalent of a 25 million THB donation to Siriraj Hospital.



OUR PORTFOLIO

C.P. Group's Vision

'We are committed to providing food for both body and mind that creates shared value and brings health and well-being for all.'



	Production Plants	278	plants
	Livestock/aquaculture farms	951	farms
	7-Eleven stores	10,988	branches
	Hypermarkets/Superstores	208	branches
	R&D Center/Research Centers	52	centers
	Total Employees	304,205	persons
	Countries and economies	21	countries
	Population in operating countries	4,381	million people

Symbol Index:

Main Business Lines

- a** Agro-Industry and Food
- b** Retail and Distribution
- c** Media and Telecommunications
- d** E-Commerce and Digital
- e** Property Development
- f** Automotive and Industrial Products
- g** Pharmaceuticals
- h** Finance and Investment

Thailand (Headquarters) a b c d e f

	Production plants	73
	Livestock / Aquaculture farms	352
	7-Eleven Stores	10,988
	Hypermarkets / Superstores	129
	R&D centers / Research centers	37
	Total employees	202,869

East Asia a b e f g h

	Production plants	117
	Livestock / Aquaculture farms	193
	7-Eleven Stores	-
	Hypermarkets / Superstores	76
	R&D centers / Research centers	11
	Total employees	58,309

Southeast Asia a d f

	Production plants	49
	Livestock / Aquaculture farms	233
	7-Eleven Stores	-
	Hypermarkets / Superstores	1
	R&D centers / Research centers	-
	Total employees	31,442

South Asia and West Asia a

	Production plants	26
	Livestock / Aquaculture farms	163
	7-Eleven Stores	-
	Hypermarkets / Superstores	2
	R&D centers / Research centers	2
	Total employees	7,776

Europe and North America a f

	Production plants	13
	Livestock / Aquaculture farms	10
	7-Eleven Stores	-
	Hypermarkets / Superstores	-
	R&D centers / Research centers	2
	Total employees	3,809

OUR BUSINESS



Charoen Pokphand Group Co., Ltd.



Main Companies

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

Main Business

Charoen Pokphand Group Co., Ltd. serves as a parent company of C.P. Group. As a holding company, Charoen Pokphand Group Co., Ltd. holds shares of subsidiaries in Thailand and overseas. The Group operates across many industries ranging from industrial to service sectors, which are categorized into 8 Business Lines covering 13 Business Groups. Currently, the Group has investments in 21 countries and economies.

Highlights 2018

● 2017 ● 2018

Employees (persons)



Lost time injury rate (case per 200,000 working hours)

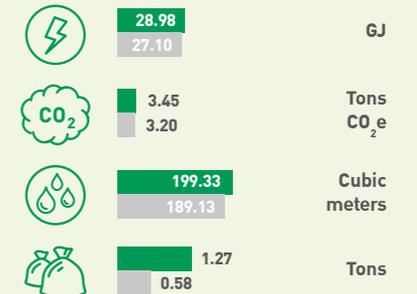


Job promotion and improved quality of life (persons)



3,411,278
Children, youths and adults gained access to education

ECO - Efficiency (per 1 million THB revenue)



Agro-Industry and Food Business Group

Agro-Industry and Food Business Line



Main Companies

- Charoen Pokphand Foods Public Co., Ltd.
- C.P. Pokphand Co., Ltd.
- Charoen Pokphand Enterprise (Taiwan) Co., Ltd.
- C.P. Bangladesh Co., Ltd.
- Myanmar C.P. Livestock Co., Ltd.
- Charoen Pokphand Pakistan (Pvt.) Ltd.

Main Business

The Agro-Industry and Food Business Group operates integrated businesses covering animal feeds, animal farming, foods, medical supplies, animal medicine, and agricultural equipment. The Business Group is committed to strengthening food security with high-quality and safe food, in a socially and environmentally-friendly manner. Furthermore, the Business Group applies various technologies creatively that are certified by international standards and traceable throughout the entire supply chain.

Feed Ingredients Trading Business Group

Agro-Industry and Food Business Line



Main Companies

- Bangkok Produce Merchandising Public Co., Ltd.

Main Business

Feed ingredients are part of an important production chain for upstream businesses. Therefore, the Group is responsible for sourcing the highest quality feed ingredients up to standard, and delivering the ingredients to customers as per their expectations. This was achieved through integrated logistics system building and development, an effective risk management, support after harvesting to maintain quality of feed ingredients, reduce waste, and reduce overall costs. The Business Group sources a variety of animal feed ingredients, including maize, soybean, wheat, rice bran, and fishmeal.

Highlights 2018

2017 2018

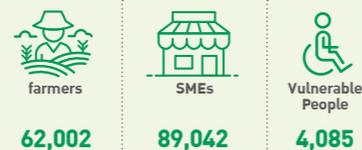
Employees (persons)



Lost time injury rate (case per 200,000 working hours)

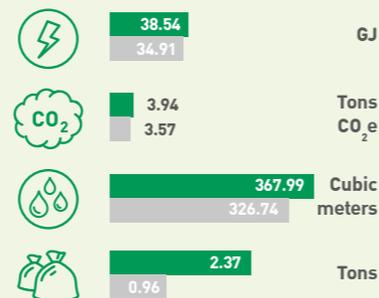


Job Promotion and Improved Quality of Life (persons)



263,252
Children, youths and adults gained access to education

ECO - Efficiency (per 1 million THB revenue)



Charoen Pokphand Food Co., Ltd. holds shares in Bangkok Produce Merchandising Public Co., Ltd. Its performance is therefore included in Agro-Industry and Food Business Group.

International Trading Business Group

Agro-Industry and Food Business Line



Main Companies

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

Main Business

Headed by C.P. Intertrade Co., Ltd., the International Trading Business Group comprises 2 main businesses, including rice and food, and integrated logistics. The first business focuses on rice integration, covering from rice cultivation, rice mills, rice processing, and distribution. There are rice mills to receive rice directly from farmers. There are also rice quality improvement plants (one of the most modern in the region, on 279 Rai in Nakhorn Luang district, Phra nakorn Sri Ayuttaya). The combined production capacity is at 1.08 million tons per year for both domestic and international trading across the world, under the brand 'Royal Umbrella.' (This was the first transportation on water, which is environmentally friendly. Ships with motors were utilized instead of trucks)

Highlights 2018

2017 2018

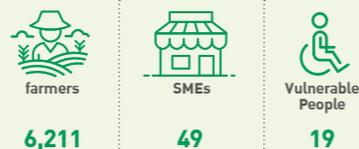
Employees (persons)



Lost time injury rate (Case per 200,000 working hours)

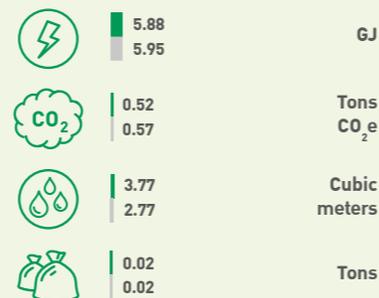


Job Promotion and Improved Quality of Life (persons)



6,951
Children, youths and adults gained access to education

ECO - Efficiency (per 1 million THB revenue)



Crop Integration Business Group

Agro-Industry and Food Business Line



Main Companies

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

Main Business

The Crop Integration Business Group specializes in research and development of fruits, and production of rice and maize seeds. The Business Group also operates other businesses including plant nutrition, large-scale crop farming, rubber plantations, orchards, and service centers for industry term. Furthermore, the Business Group also produces and distributes agricultural machines to farmers within the country and overseas, and provides technological and engineering advice and innovation for sustainable business growth.

Highlights 2018

2017 2018

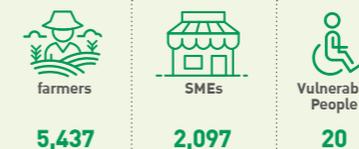
Employees (persons)



Lost time injury rate (case per 200,000 working hours)

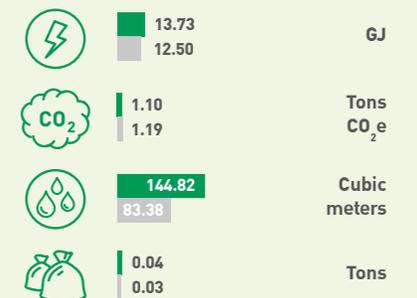


Job Promotion and Improved Quality of Life (persons)



3,038
Children, youths and adults gained access to education

ECO - Efficiency (per 1 million THB revenue)



Seeds, Fertilizers and Plant Protection Products Business Group

Agro-Industry and Food Business Line



Main Companies

Chia Tai Co., Ltd.

Main Business

Led by Chia Tai Co., Ltd., the Seeds, Fertilizers and Plant Protection Products Business Group operates an agricultural input business, which consists of 3 main areas including seeds, fertilizers, and plant protection products. The Business Group emphasizes product research and development, and distributing products selected from world-leading sources to Thai and foreign markets. Moreover, the Business Group also distributes agricultural and housing equipment, and fresh fruits and vegetables. In terms of services, the Business Group has expert teams in place to promote and advise farmers and entrepreneurs across Thailand on seed cultivation, and appropriate use of fertilizers and plant protection products.

Highlights 2018

● 2017 ● 2018

Employees (persons)



Lost time injury rate (case per 200,000 working hours)



Job Promotion and Improved Quality of Life (persons)



106 Children, youths and adults gained access to education

ECO - Efficiency (per 1 million THB revenue)



Pet Food Business Group

Agro-Industry and Food Business Line



Main Companies

Perfect Companion Group. Co., Ltd.

Main Business

With Perfect Companion Group Co., Ltd., at the helm, the Pet Food Business Group is a leading pet food manufacturer, established to elevate the quality of life of pet owners and their pets by caring and constantly innovating new products. They can therefore be confident that the Business Group's products and services can help build a good relationship between pets and their owners. The products include pet foods for dogs, cats, fish, horses, birds, rabbits, mice and others. The pet foods are produced from production plants that have been certified with international standards, sourced from high-quality and nutritious raw materials, which enhances the quality of life of pets and helps them live a long and happy life.

Highlights 2018

● 2017 ● 2018

Employees (persons)



Lost time injury rate (case per 200,000 working hours)

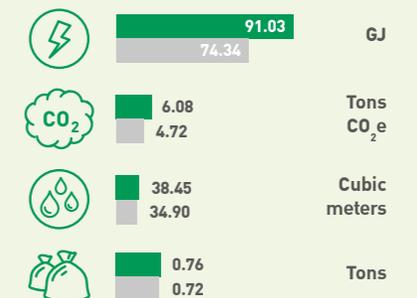


Job Promotion and Improved Quality of Life (persons)

19 Vulnerable People

271 Children, youths and adults gained access to education

ECO - Efficiency (per 1 million THB revenue)



Retail and Distribution Business Group

Retail and Distribution Business Line



Main Companies

- CP All Public Co., Ltd.
- Siam Makro Public Co., Ltd.
- C.P. Lotus Corporation

Main Business

Led by CP All Public Company Limited, the Retail and Distribution Business Group provides services for convenience of customers in communities through various product and service distribution channels. Currently, the operations in Thailand have 3 businesses including retail, wholesale, and related businesses which consist of 10,988 7-Eleven stores country-wide, 129 Makro cash and carry retail stores, and bakery and ready meal production and distribution. Other businesses in Thailand include financial services, education, logistics, information communication technology, and media marketing. In China, the Business Group is led by C.P. Lotus Corporation, a leading retailer in China who operates shopping malls under the name 'Lotus.'

Highlights 2018

2017 2018

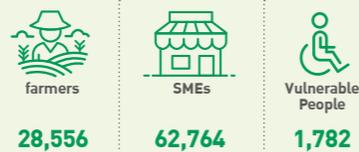
Employees (persons)



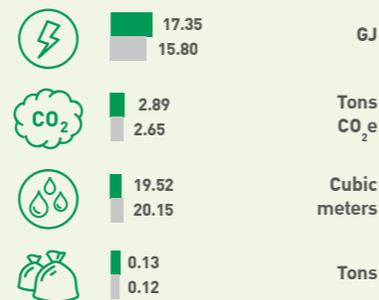
Lost time injury rate (case per 200,000 working hours)



Job Promotion and Improved Quality of Life (persons)



ECO - Efficiency (per 1 million THB revenue)



Telecommunications Business Group

Media and Telecommunications Business Line



Main Companies

- True Corporation Public Co., Ltd.

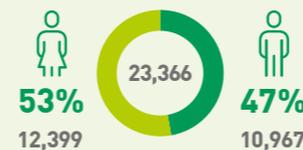
Main Business

Headed by True Corporation Public Company Limited, the Telecommunications Business Group is the first fully integrated telecommunication and digital technology provider in Thailand, and is also a leader in convergence business that responds to various lifestyles. The Business Group operates 3 main businesses: TrueMove H offering mobiles services, TrueOnline which provides broadband internet, and TrueVisions which is a nationwide television subscription service provider.

Highlights 2018

2017 2018

Employees (persons)



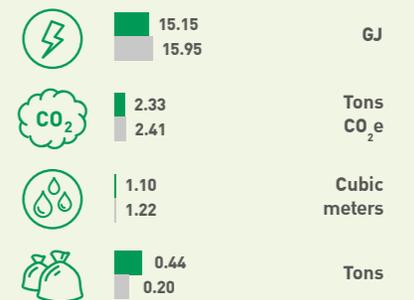
Lost time injury rate (case per 200,000 working hours)



Job Promotion and Improved Quality of Life (persons)



ECO - Efficiency (per 1 million THB revenue)





E-Commerce and Digital Business Group

E-Commerce and Digital Business Line



Main Companies

- Ascend Group Co., Ltd.
- Freewill Solutions Co., Ltd.

Main Business

The E-Commerce and Digital Business Group is a digital platform service provider in areas of FinTech, E-Commerce, and Digital Solutions, and is a software developer in information security and services, and Information Technology (IT). The Business Group also provides business advisory services, a central platform for E-Procurement and E-Auction, knowledge sources, and cloud services.



Property Development Business Group

Property Development Business Line



Main Companies

- C.P. Land Public Co., Ltd.
- Shanghai Kinghill Ltd.
- C.P. Property Co., Ltd.
- Chia Tai Land Co., Ltd.

Main Business

The Property Development Business Group in Thailand is a property developer in rental and sales services, and real estate for hotels and international conventions and exhibition centers. In Thailand, the Business Group also provides facility and industrial estate management services. In China, the Business Group is represented by Shanghai Kinghill Limited, a developer of the Super Brand Mall in Shanghai, and Chia Tai Land Co., Ltd., which develops real estate, and provides consultation and property management services.



Automotive Business Group

Automotive and Industrial Products Business Line



Main Companies

- SAIC Motor-CP Co., Ltd.
- MG Sales (Thailand) Co., Ltd.
- Luoyang Northern Ek Chor Motorcycle Co., Ltd.
- ECI Metro Investment Co., Ltd.

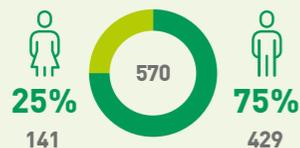
Main Business

The Automotive Business Group focuses on investing in the industrial sector, and distribution and manufacturing of heavy equipment in China. The Business Group also specializes and is experienced in producing automobiles, motorcycles, and electric vehicles. The processes are certified with international standards, with emphasis on the importance of high-quality materials, resulting in internationally recognized products, such as MG automobile brand (Thailand), CHOK-Cross electric vehicles, CATERPILLAR heavy equipment and motors (9 Provinces in China) and Dayang motorcycles

Highlights 2018

● 2017 ● 2018

Employees (persons)



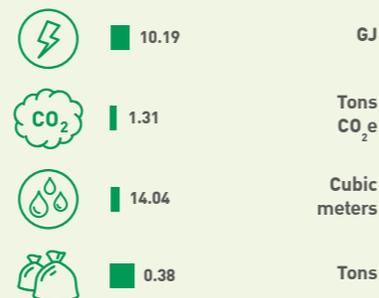
Lost time injury rate (case per 200,000 working hours)



Promotion of Education (persons)



ECO - Efficiency (per 1 million THB revenue)



Packaging Business Group

Automotive and Industrial Products Business Line



Main Companies

- CPPC Public Company Limited

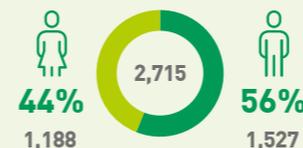
Main Business

Led by CPPC Public Company Limited, the Packaging Business Group. There are 6 main production groups in Thailand which include woven bags, food and beverage packaging, PVC sheet and coating, PVC pipe and fitting, paper core, and non-woven packaging products. In China, the Business Group produces jackets and woven bags. In Vietnam, the Business Group produces sacks and jackets.

Highlights 2018

● 2017 ● 2018

Employees (persons)



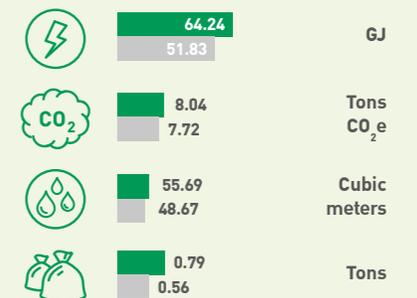
Lost time injury rate (case per 200,000 working hours)



Job Promotion and Improved Quality of Life (persons)



ECO - Efficiency (per 1 million THB revenue)



Pharmaceuticals Business Group

Pharmaceuticals Business Line



Main Companies

Sino Biopharmaceutical Limited

Main Business

The Sino Biopharmaceutical Limited Group is a leading pharmaceutical and innovation organization in China. Businesses of the Group consist of centers for research, development, production, and distribution of medicine, chemical products, modern Chinese medicine, and other health products. The Group specializes in hepatitis, heart diseases, respiratory diseases, bones and joint diseases. The Group has collaborated with other leading pharmaceutical organizations in China and abroad, anticipating expansion to cover broader aspects of healthcare.

Finance and Banking Business Group

Finance and Investment Business Line



Main Companies

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

Main Business

C.P. Group has collaborated with leading integrated banking, finance, and insurance companies at an international level covering China and Japan. In China, the Ping An Insurance (Group) provides integrated financial services in 3 main businesses including insurance, banking, and investment. CITIC Group Corporation focuses on investment whereas Zheng Xin Bank Company Limited provides financial services, such as short-term deposits for retail customers, and long-term loans. In Japan and overseas, ITOCHU Corporation manages finance and business investments.

Highlights 2018

2017 2018

Employees (persons)



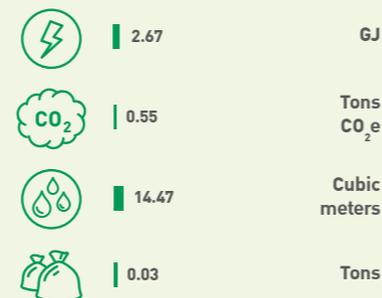
Lost time injury rate (case per 200,000 working hours)



Job Promotion and Improved Quality of Life (persons)



ECO - Efficiency (per 1 million THB revenue)



Not included in this report.

SIX CORE VALUES

They have been an intrinsic part of how we conduct business since our foundation and they have helped us to advance and grow our business sustainably with integrity.

1. Three Benefit

C.P. Group has always operated our business by adhering to the 'Three-Benefit Principle.' This states that the business should benefit not just the Company and employees but also the communities we engage with and the countries of operations. Since our Company's foundation, this principle has guided how we have grown and also ensured that operations both in Thailand and around the world benefit, not just the Group's business but society as a whole.

2. Speed with Quality

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

3. Simplification

C.P. Group holds investments in 21 countries and economies worldwide, operating through more than 200 subsidiaries and employing over 300,000 people. The Group is therefore committed to implementing technology and innovation to streamline the systems and operations across the entire Group, which leads to improved efficiency and greater effectiveness. Simplification is one of the key practices which has enabling much business success to the Group.

4. Accept Change

Global businesses face circumstances that change daily, from political events and environmental issues through to consumer needs and technological development. Our key strategy is to embrace change. This allows us to manage our response to evolving circumstances across all our markets. To ensure this, we encourage all our employees to stay informed about new opportunities so that we can deliver more to our customers.

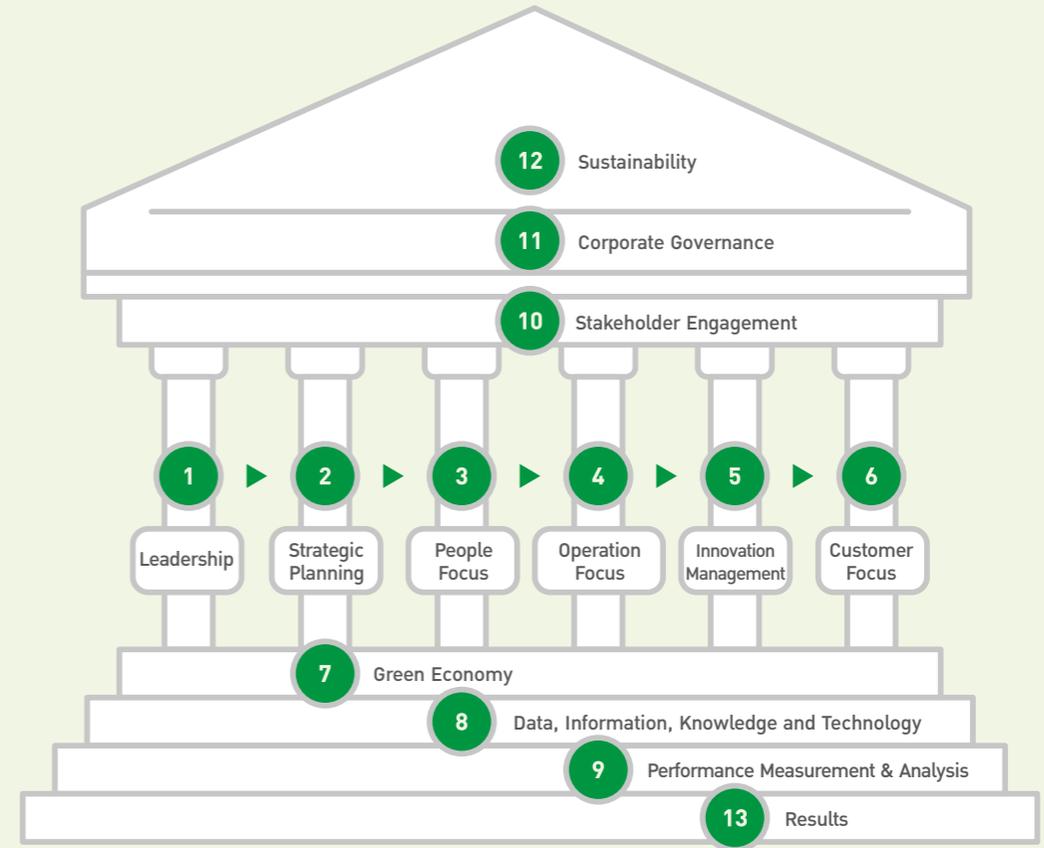
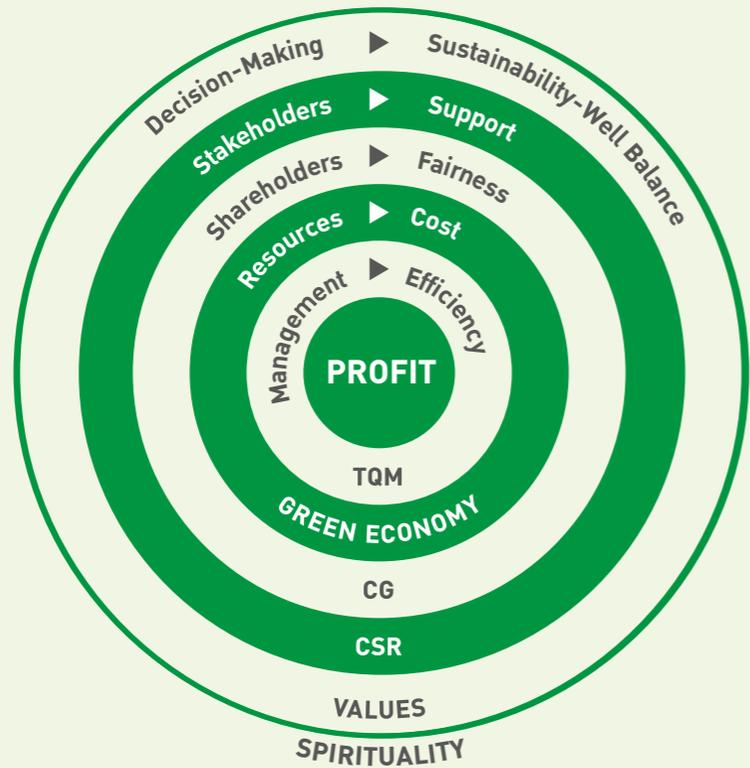
5. Innovate

Innovation is the force that drives every aspect of a business from process through to products. Businesses must constantly innovate to keep pace with a rapidly changing world. We actively encourage innovation in our employees and our goal is to foster innovation across all our businesses to enable us to deliver the best products and services to our customers.

6. Integrity

Since the day we were founded, we have operated our business with integrity, and this applies to every action we take, whether large or small. Even as we expand into new industries, integrity remains key pillars of our philosophy. We firmly believe that a business that focuses solely on enriching itself without regard to these values will ultimately erode the trust of all its stakeholders, and will not be able to operate in the long term. Whether it was a sell for one product, or hundred of tons, the Group is committed to integrity and transparency.

C.P. EXCELLENCE



For more than 9 decades since its beginnings as a small shop in 1921, Charoen Pokphand Group has grown into a multinational conglomerate, with businesses in diverse industries, operating in 21 countries and economies worldwide.

There is corporate governance process to ensure the Group operates justly and treat all stakeholders fairly. The Group strive to conserve natural resources, as well as attending to community and society. These are reflected in the Group's 6 Core Values, serving as the foundation for unity among within the Group.

C.P. Excellence Management Approach (or C.P. Excellence) serves to as operational framework to facilitate alignment between employees and management. There is one goal all companies aspire to meet. C.P. Group's management approach is illustrated with an analogy of a house, comprising 13 components. The components make up the foundation, the pillars and the roof.

The framework is an inclusive house for all within the Group, co-existing peacefully under the same rules. The Group is confident that we can enhance employees' happiness. This collaboration of work efforts enables beyond employees' benefits, it contributes to development of the broader public and the country. The framework ensures the Group's continuous and sustainable growth.

SUSTAINABILITY MANAGEMENT

C.P. Group believes that a business must be based on social and environmental responsibility in order to operate in a sustainable manner. Therefore, the Group has set our Sustainability Framework accordingly, and strives to achieve our sustainability goals. This approach will enable the Group to realize its vision: 'to provide food for both body and mind, to create shared values, and to bring health and well-being for all.' To accomplish this vision, the Group is committed to giving back to the country and community. This also supports the Group's

'Three-Benefit Principle,' under its Sufficiency Economy Philosophy. The C.P. Excellence Management Approach is committed to operating its business with good governance, and the Group's sustainability structure serves as the key mechanism in driving forth continuous progress towards the Group's sustainability goals. Furthermore, the Group also supports the United Nation's 17 Sustainable Development Goals (SDGs) to effectively manage sustainable material issues.



**Sustainability
Strategy**



**Sustainability
Governance**



**Materiality
Assessment**



**About
This Report**

SUSTAINABILITY STRATEGY



C.P. Group operates our businesses in a sustainable manner through our C.P. Excellence Management Approach, along with the 'Three-Benefit Principle,' which aims to create benefits for the country, the people, and only then the company. We are committed to operating our businesses founded on good governance, social responsibility, and strict compliance with the rules, regulations, and standards of the countries in which we operate, and are in line with the UN's 17 Sustainable Development Goals.

Three-Benefit Principle			
Sufficiency Economy Philosophy	C.P. Excellence Management Approach	The Ten UN Global Compact Principles, 17 UN SDGs & UNGP	Regulations and Standards
Heart Living Right	Health Living Well	Home Living Together	
Corporate Governance	Social Impact	Climate Change Management	
Human Rights and Labor Practices	Health and Well-being	Water Stewardship	
Leadership and Human Capital Development	Stakeholder Engagement	Ecosystem and Biodiversity Protection	
Education	Innovation	Responsible Supply Chain	

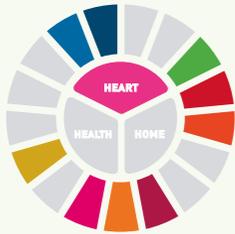
The foundation of C.P. Group's sustainability approach is built upon gratitude and integrity. All employees adhere to the 'Three-Benefit Principle,' which has been an ongoing practice since the Group was first founded nearly 100 years ago. The Group has adopted a Sufficiency Economy Philosophy and has integrated it into our entire supply chain. It emphasizes that businesses must strive for excellence through continuous improvement, and must adhere to the principles, national laws, regulations, and rules of the countries where we operate. The Group has set 12 sustainability goals that comply with the UN SDGs. Each component under this Sustainability Strategy falls under one of the following three categories of the 3H Framework: HEART-HEALTH-HOME. This Framework drives the Group towards stability, fostering social responsibility from stakeholders across areas in 21 countries and economic zones.

Due to continuous adherence to our sustainability strategy, the Group and our key businesses have been accepted globally. In 2018, three of the Group's businesses consisting of Charoen Pokphand Foods (Public) Co. Ltd, CP ALL (Public) Co. Ltd, and True Corporation (Public) Co. Ltd., were listed as members of the Dow Jones Sustainability Indices (DJSI), a global corporate sustainability assessor. Furthermore, the Group announced our C.P. for Sustainability Project that will encourage our global executives and employees to be proactive in local communities where the organization has operations. The goal is to achieve long-term sustainability and provide benefits to all impact to initiatives will be shared as best practice models.

Strategic Framework



HEART: LIVING RIGHT



HEALTH: LIVING WELL



HOME: LIVING TOGETHER



▲ Opportunities to enhance positive impacts
▼ Opportunities to decrease negative impacts

Sustainability Management



Corporate Governance	100% of businesses within C.P. Group publicly disclose their corporate governance and sustainability performance through the Group's Report.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	16 FAIR LABOR AND TRADE PRACTICES	▼	▼	▼	▲	▼	▼	▼
Human Rights and Labor Practices	100% of businesses within C.P. Group conduct human rights due diligence.	3 GOOD HEALTH AND WELL-BEING	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	▼	▼	▼	▼		
Leadership & Human Capital Development	All leaders and employees are provided with the training necessary to create business sustainability.	4 QUALITY EDUCATION	5 GENDER EQUALITY	17 PARTNERSHIPS FOR THE GOALS			▲			
Education	4,350,000 children, youths and adults will be provided with access to education and necessary skills development by 2020.	4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE			▲	▲		
Social Impacts	Improve employment prospects and quality of life for 100,000 farmers, small and medium-sized entrepreneurs (SMEs), and persons vulnerable groups.	1 NO POVERTY	4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	▲	▲		▲	
Health & Well-being	30% of new products will help promote health and well-being.	2 ZERO WASTE	3 GOOD HEALTH AND WELL-BEING					▲	▲	
Stakeholder Engagement	100% of Business Groups within C.P. Group will develop a stakeholder engagement process.	16 FAIR LABOR AND TRADE PRACTICES	17 PARTNERSHIPS FOR THE GOALS			▲	▲	▲	▲	
Innovation	Increase value of product and process innovation by 50%, compared to the 2016 baseline.	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	17 PARTNERSHIPS FOR THE GOALS		▲	▲	▲	▲	▲
Climate Change Management	Reduce greenhouse gas emission per revenue unit by 10% compares to base year 2015 Reduce plastic packaging in Thailand, by aiming to achieve 100% reuse, recycling and degradable packaging by 2025 Become carbon neutral by 2030 Achieve zero food waste by 2030	7 AFFORDABLE AND CLEAN ENERGY	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	▲	▼	▼	▼	▼
Water Stewardship	Reduce water withdrawal per unit of revenue by 10%, compared to the 2015 baseline.	6 CLEAN WATER AND SANITATION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	14 LIFE BELOW WATER		▼	▼	▼	▼	
Ecosystem & Biodiversity Protection	100% of key raw materials come from responsible sources without depleting forests and marine resources.	6 CLEAN WATER AND SANITATION	14 LIFE BELOW WATER	15 LIFE ON LAND		▲	▼	▲		
Responsible Supply Chain Management	100% of critical suppliers have been assessed for sustainability.	4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE		▲	▲	▼		

Progress Towards 2020 Sustainability Goals (Thailand)

C.P. Group has invested the effort to ensure our performance meets target, in accordance with our strategy. Presently, we are halfway towards our 2020 Sustainability Goals, and there has been continuous progress. For some goals, the targets have already been achieved. This is the case with Corporate Governance. Furthermore, the Group has also added a target. Additionally, the Group has recently added more goals as follows:

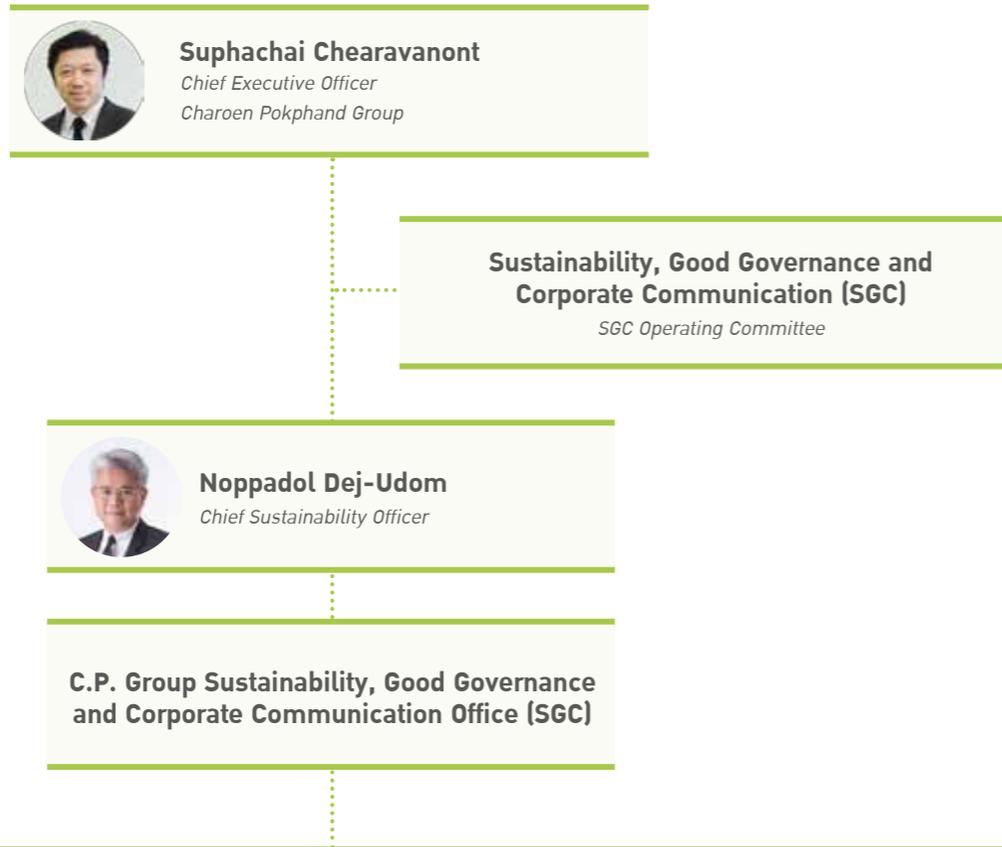
- 1.Reduce plastic packaging in Thailand, by aiming to achieve 100% reuse, recycling and degradable packaging by 2025
 2. Become carbon neutral by 2030
 3. Achieve zero food waste by 2030
- Notably, success is a result from collaboration of employees and all executives in the Group; driving forth greater sustainability performance

Icons:

- Achieved targets (≥100%)
- Progress according to targets (>50%)
- Progress behind targets (<50%)

HEART: LIVING RIGHT 	HEALTH: LIVING WELL 	HOME: LIVING TOGETHER 
<p>Corporate Governance All businesses within C.P. Group publicly disclose their corporate governance and sustainability performance through the Group's Report.</p> <p>100%</p>	<p>Social Impacts Improved employment prospects and quality of life for 554,087 farmers, SMEs entrepreneurs, and vulnerable groups from a target of 100,000.</p> <p>100%</p>	<p>Climate Change Management Amount of greenhouse gas emissions per revenue decreased by 3.4% from a target of 10% in base year 2015.</p> <p>34%</p>
<p>Human Rights and Labor Practices 12 of 13 businesses' salient human rights issues have been assessed.</p> <p>92%</p>	<p>Health & Well-being 29% from a target of 30% of new products developed will help promote health and well-being.</p> <p>97%</p>	<p>Water Stewardship Volume of water withdrawal per revenue decreased by as much as 32.12% from a target of 10% in base year 2015.</p> <p>100%</p>
<p>Leadership and Human Capital Development 62% of leaders and employees are provided with the training necessary to create business sustainability.</p> <p>62%</p>	<p>Stakeholder Engagement 100% of business groups within C.P. Group will develop a stakeholder engagement process.</p> <p>100%</p>	<p>Ecosystem & Biodiversity Protection 72% of key raw materials have been sourced responsibly and are traceable.</p> <p>72%</p>
<p>Education 3,400,133 children, youths, and adults will gain access to education and necessary skills development by 2020, out of a target of 4,350,000.</p> <p>78%</p>	<p>Innovation Value of product and process innovation selected from the C.P. Innovation Exposition increased to 7,921 million THB, from a base year value of 4,058 million THB</p> <p>100%</p>	<p>Responsible Supply Chain Management 89% of key suppliers have been assessed on their sustainability performance, either through self-assessment or audits.</p> <p>89%</p>

SUSTAINABILITY GOVERNANCE



C.P Group Sustainability, Good Governance and Corporate Communication SGC Working Group

Agro-Industry and Food	Seeds, Fertilizers and Plant Protection Products	International Trading	Crop Integration	Pet Food	Feed Ingredients Trading	Retail and Distribution
Telecommunications	E-Commerce and Digital	Property Development	Automotive and Industrial Products	Packaging	Pharmaceuticals	

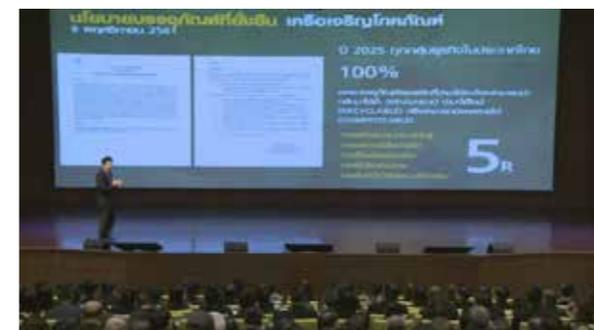
Driving Sustainability Strategy Forward through C.P. Group Leadership Institute

Reporting on progress against sustainability strategy is one of the staple agenda where C.P. Group’s CEO presents to high-level executives from all business groups, domestic and international. The high-level executives, comprises more than 400 people and convenes every 2 months in ‘C.P. Group’s Vision to Action’ seminar. The seminar is organized 5 times in total at the C.P. Leadership Institute in 2018.

Roles of the Executive Board at Charoen Pokphand Group

The Executive Board of Charoen Pokphand Group, comprises the Group’s high-level executives, whose role is to consider and make decisions on matters relating to sustainability governance. Each year, key agenda topics are set beforehand:

- Materiality verification for C.P. Group’s sustainability report preparation
- Progress monitoring on the Group’s performance against sustainability goals; provision of recommendations and support facilitating achievement of goals



Key Decisions on Sustainability in 2018

1) Announced policy and 2025 goal on sustainable packaging

C.P. Group’s CEO announced the sustainable packaging policy in November 2018, along with respective goals for all business groups in Thailand. It is expected that 100% of plastic packaging used must be recyclable, reusable, and degradable by 2025.

2) Reprioritized farmers to become 1 of the 10 key stakeholders

The farmer group is now separated from the supplier group. This is because farmers are crucial stakeholders requiring a specific engagement process.

3) Adjusted materiality under 3Hs framework: Heart-Health-Home

To improve alignment in operational context, ‘education’ is now part of Heart: Living Right; similarly, ‘stakeholder engagement’ is now part of Health: Living Well.

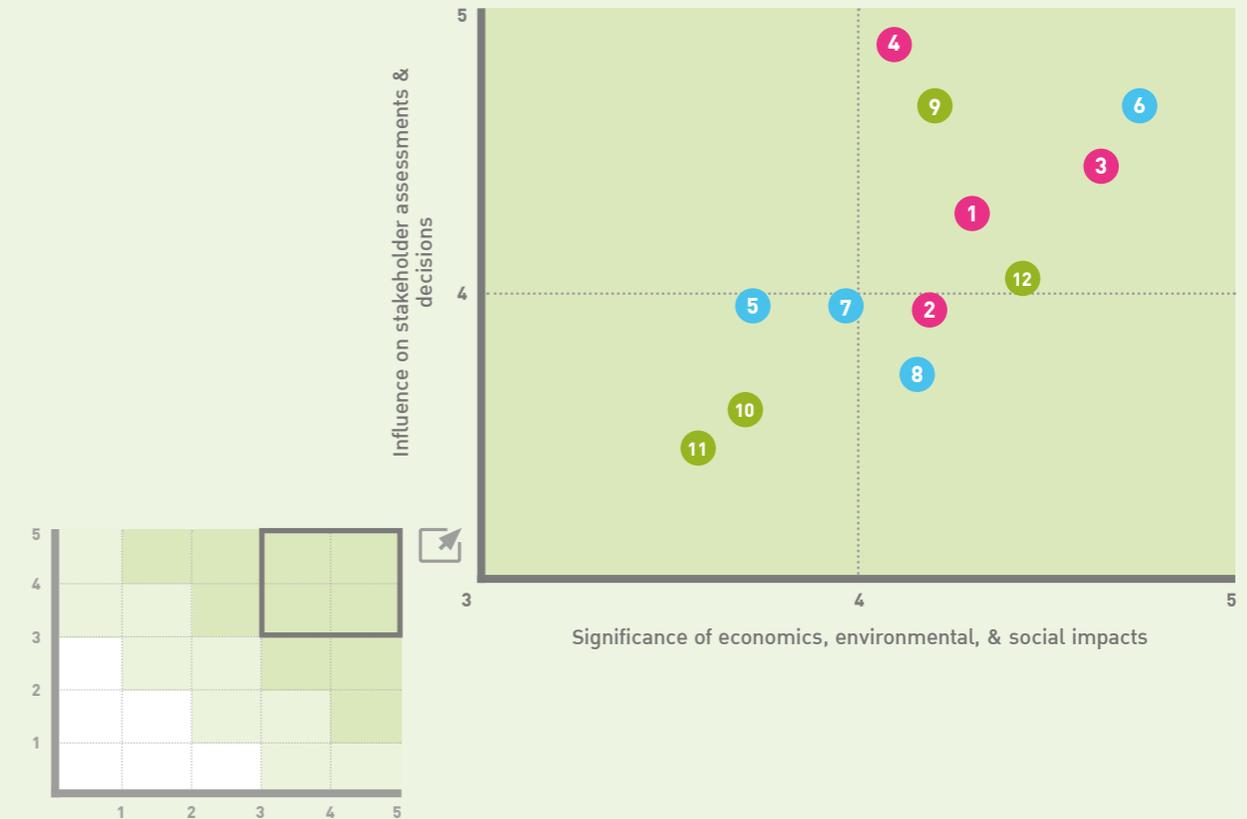
Suphachai Chearavanont, CEO of Charoen Pokphand Group presented the need to address the issue of plastic waste to over 400 high-level executives. This took place at ‘C.P. Group’s Vision to Action No. 5/2018’ in November at the C.P. Group Leadership Institute.

MATERIALITY ASSESSMENT

C.P. Group published this report as a channel to inform stakeholders of the Group’s commitment and performance according to the Group’s Sustainability Framework. Performance presented covers all 3 dimensions: economic, social, and environmental. Considerations are given to both internal and external factors related to performance in order to accurately assess material sustainability issues. This is in accordance with Global Reporting Initiative (GRI) Standards that comprise stakeholder inclusiveness, sustainability context, materiality, and completeness. The process and steps for materiality assessment are described below.



Materiality Assessment Results of C.P. Group



HEART

- 1. Corporate Governance
- 2. Human Rights and Labor Practices
- 3. Leadership and Human Capital Development
- 4. Education



HEALTH

- 5. Social Impacts
- 6. Health and Well-Being
- 7. Stakeholder Engagement
- 8. Innovation



HOME

- 9. Climate Change Management
- 10. Water Stewardship
- 11. Ecosystem and Biodiversity Protection
- 12. Responsible Supply Chain Management

Materiality Assessment at Business Line Level

C.P. Group consolidates material issues relevant to all 8 business lines, while at the same time identifying issues according to each business line's nature. Stakeholders affected are also considered. The Group has held workshops to consolidate and present material issues from other business lines to ensure an accurate representation of the Group's material issues. Each of the Group's business lines has its reporting practice assessed by GRI Standards.



HEART

- 1. Corporate Governance
- 2. Human Rights and Labor Practices
- 3. Leadership and Human Capital Development
- 4. Education



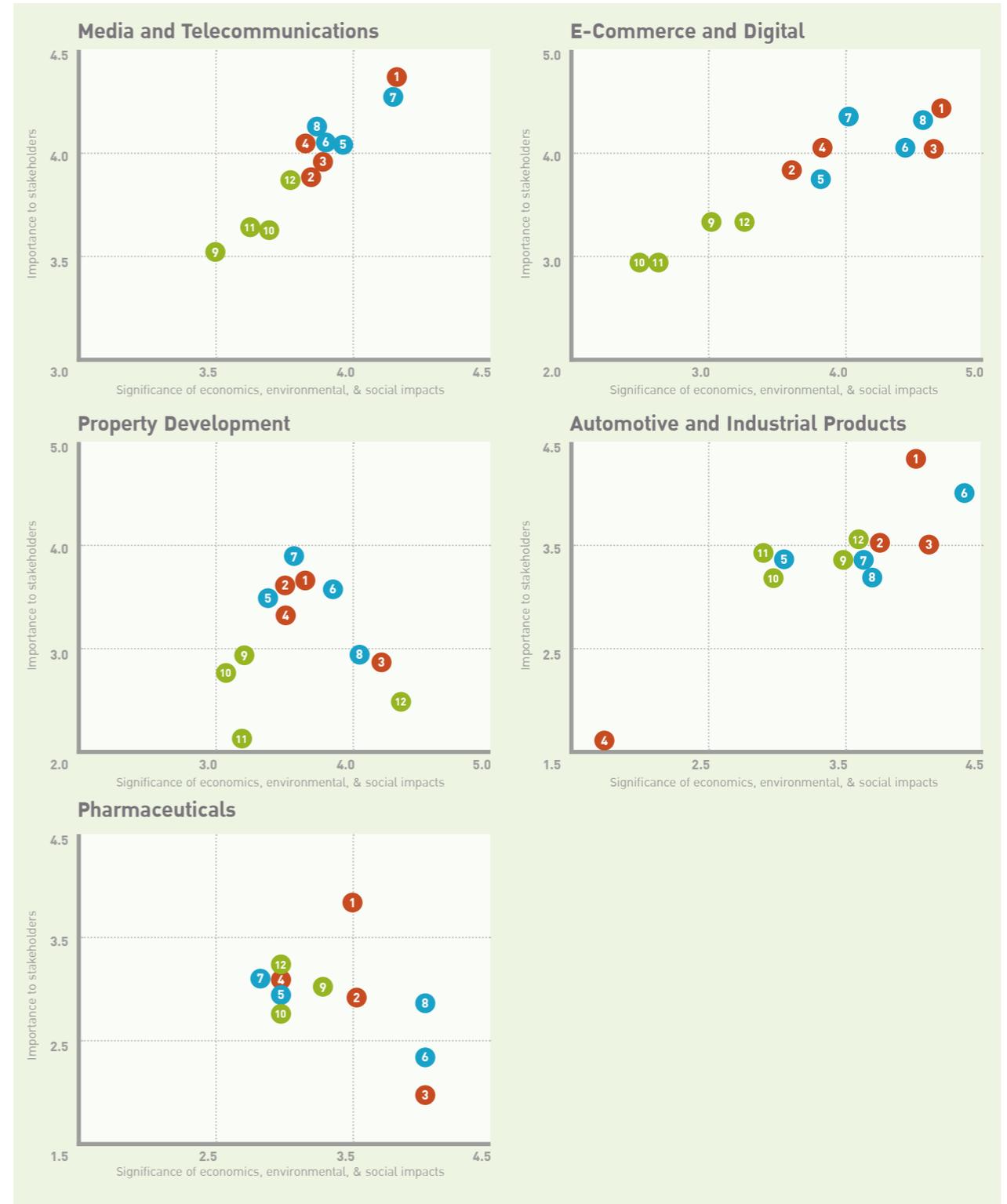
HEALTH

- 5. Social Impact
- 6. Health and Well-Being
- 7. Stakeholder Engagement
- 8. Innovation



HOME

- 9. Climate Change Management
- 10. Water Stewardship
- 11. Ecosystem and Biodiversity Protection
- 12. Responsible Supply Chain Management





Communication in Sustainability

It is important for Group to communicate our sustainability performance to stakeholders, and we have therefore launched communication channels via social media such as YouTube and Facebook. Furthermore, communication channels also serve to build stakeholders' trust, ensuring good corporate governance, fair business practices, community development, and social responsibility towards farmers, SMEs, and other vulnerable groups. C.P. Group aims to ameliorate inequality, eradicate poverty, and protect the environment.

YouTube

Sustainable Life



scan here for more information



sustainablelife.co/cpgroup

Website

cpgroupglobal.com/sustainability



www.cpgroupglobal.com/sustainability



scan here for more information

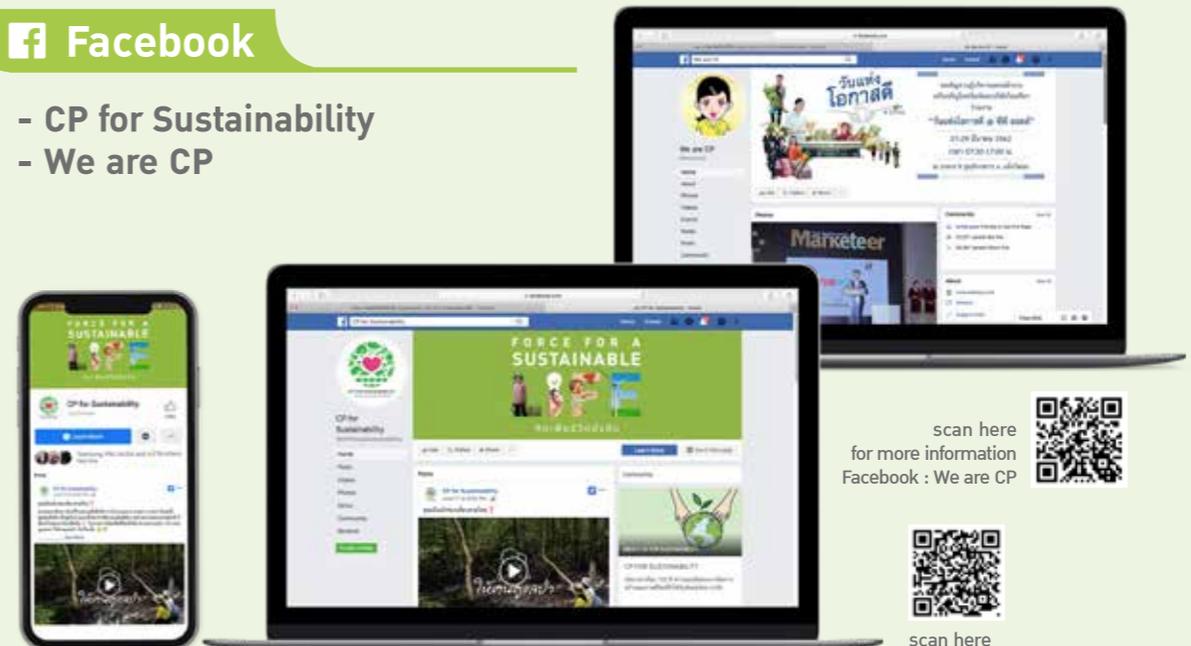
Bua Ban Magazine

Seeds of Sustainability



Facebook

- CP for Sustainability
- We are CP



scan here for more information
Facebook : We are CP



scan here for more information
Facebook : CP for Sustainability

ABOUT THIS REPORT

Sustainability Reporting

Charoen Pokphand Group Co., Ltd. has published our Sustainability Report for the third consecutive year, carrying on from the 2017 Sustainability Report, which was published in July 2018. The Sustainability Report will be published annually.

Reporting Framework

This report has been prepared in accordance with the GRI Standards: Core option.

UN Sustainable Development Goals (SDGs)

C.P. Group is committed to consistently operate our business in accordance with the 17 SDGs. (Details can be found on page 297).

Objective of This Report

The objective of this report is to communicate the Group's commitments to driving our business toward economic, social, and environmental sustainability.

Third-Party Assurance

The accuracy and completeness of our data in this Sustainability Report was verified by Lloyd's Register Quality Assurance (LRQA), a reliable and internationally recognized independent assurer. Data validated include GRI 302-1, GRI 303-1, GRI 305-1, GRI 305-2, GRI 306-2, and GRI 403-2. (Details can be found on pages 298-299.)

Reporting Boundary

Human resources data cover 100% of all C.P. Group subsidiaries. Data on energy, water, waste, air quality, and occupational health and safety cover 12,477 departments across all subsidiaries under C.P. Group.

Reporting Scope

This report discloses the overall domestic and international performances of our 8 Business Lines, from 1 January to 31 December 2018.

Communication on Progress (CoP)

Communication on Progress to The United Nations Global Compact (UN Global Compact) has been reported consecutively since 2015. In 2018, the Group enhanced our transparency by committing to the 21 Principles of the UN Global Compact at the Advanced level.

Contact Us

For more information on this Sustainability Report, please contact:
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True Tower 25th Floor, 18 Ratchadaphisek Road, Huai Khwang, Huai Khwang, Bangkok 10310
Tel: +66(0)-2858-6254
Email: prcpgroup@cp.co.th
Website: www.cpgroupglobal.com

In addition to the Group's Sustainability Report, some of our subsidiaries have published their own 2018 Sustainability Report (or equivalent) including:

- Charoen Pokphand Foods Public Company Limited
- CP All Public Company Limited
- Siam Makro Public Company Limited
- True Corporation Public Company Limited
- C.P. Intertrade Co., Ltd.
- Charoen Pokphand Enterprise (Taiwan) Co., Ltd.
- C.P. Pokphand Co., Ltd.
- C.P. Lotus Corporation
- Chia Tai Enterprises International Limited
- Sino Biopharmaceutical Limited

Furthermore, we have integrated material sustainability issues from the Sustainability Reports below into our Materiality Assessment. Details on Materiality Assessment can be found on pages 56-59.

Sustainability Reports (or equivalent) of our affiliates and subsidiaries



HEART

LIVING RIGHT



Charoen Pokphand (C.P.) Group operates our business on the principles of good governance and in strict accordance with rules, laws, regulations, contracts, and agreements. Our operations are transparent and verifiable, and uphold human rights principles and fair labor practices. We communicate our business practices with all stakeholder groups to foster good mutual understanding and engagement. Furthermore, C.P. Group does not overlook the importance of managing our human resources and systematically developing leaders, in terms of both professional skills and ethics, in order to promote the sustainable growth of the organization and to create the highest benefits for stakeholders.



**Corporate
Governance**



**Human
Rights and
Labor
Practices**



**Leadership
and Human
Capital
Development**



Education

CORPORATE GOVERNANCE



Challenges

C.P. Group recognizes the importance of good governance, and has announced its Code of Conduct, policies, and guidelines, and requires that all employees receive annual Code of Conduct trainings and certifications. We strongly emphasize compliance with all laws, rules, and regulations, especially those regarding ethical standards. Because our Group encompasses a wide range of businesses in over 20 countries globally and employs more than 300,000 people, it is a challenge for the organization to ensure that all of our employees strictly uphold good governance principles and eliminate misconducts from the workplace.

Another important challenge concerns establishing an efficient corporate governance system and monitoring process - one that integrates risk management, laws, rules, regulations, and corporate governance principles. Achieving this is crucial for meeting organizational targets and for building trust among stakeholders.

Progress Against Goal

2020 Goal (Thailand)

100%

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

Year-on-year Progress



● 2017: 13 Business Groups

● 2018: 13 Business Groups

Key Performance in 2018



Corporate Governance
11,268 employees from non-listed companies passed the 'Code of Conduct' training.



Risk Management
627 executives from Thailand and China participated in the risk management workshop.



Compliance
 Announced the implementation of C.P. Group Compliance Policy and Guidelines.

Supporting the SDGs



SDG 12 Responsible Consumption and Production
 12.6 Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle.



SDG 16 Peace, Justice, and Strong Institutions
 16.5 Substantially reduce corruption and bribery in all their forms.
 16.7 Ensure responsive, inclusive, participatory, and representative decision-making at all levels.

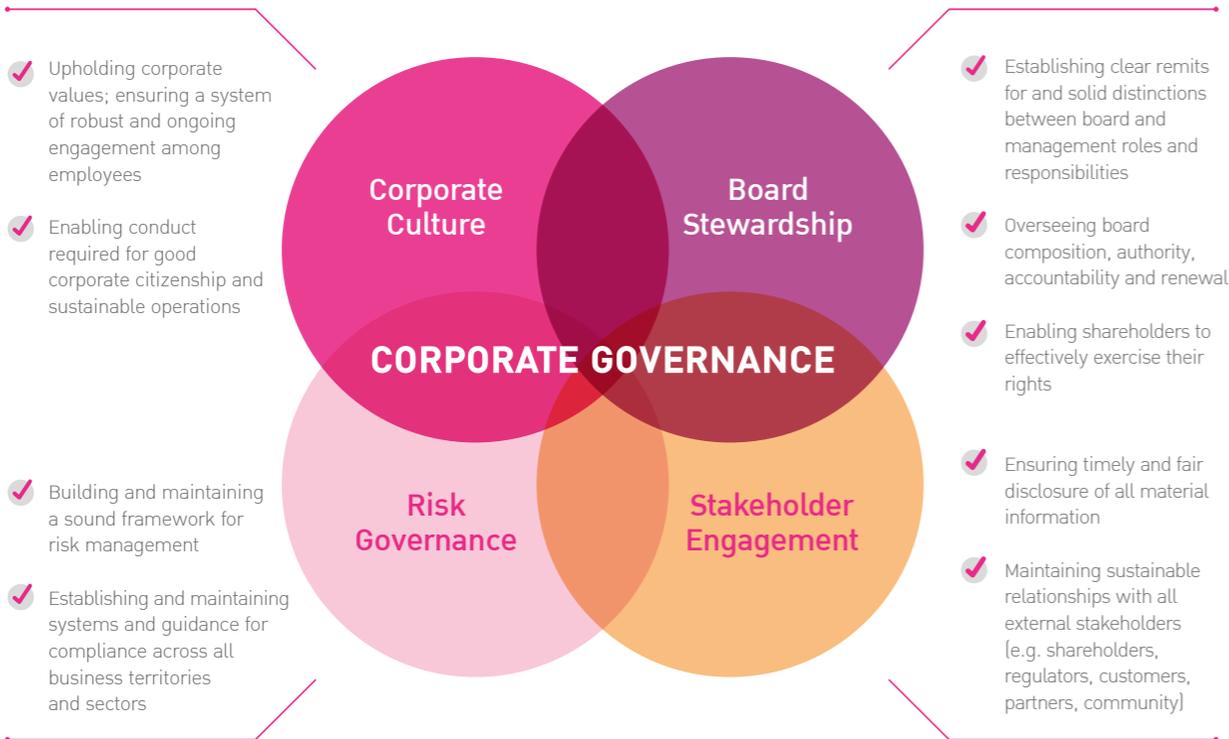
Corporate Governance

For transparency, value creation and sustainable growth

C.P. Group adheres to Corporate Governance Principles in our business conduct with fair treatment of all stakeholders. This ensures that we operate transparently, with accountability to the principles of corporate governance, and move forward as a leading business in Asia under the vision of leaders who strive to achieve a close understanding of the needs of the communities and countries in which we operate. Essentially, these corporate governance principles serve as a foundation for the board of directors in their business oversight, to ensure respect for the rights of all stakeholder groups, and to control and manage risks for highest business efficiency.

In addition, the Group improved upon our Corporate Governance Principles and announced the use of various policies and guidelines, such as: 1) Conflicts of Interest Policy and Guidelines; 2) Anti-bribery and Anti-corruption Policy and Guidelines; 3) Gifts and Benefits Policy and Guidelines; 4) Supply Chain Management Policy and Guidelines; 5) Human Rights and Labor Practices Policy and Guidelines; and 6) Personal Data and Privacy Policy and Guidelines. The Group also organized various training sessions and activities to raise awareness of business ethics and suggested best practices in the workplace, enabling the sustainable growth of the organization.

Corporate Governance Framework



Employees with access to the e-Learning system



Employees without access to the e-Learning system

During the past year, C.P. Group adhered to the Corporate Governance Framework by focusing on creating an organizational culture - a critical foundation of corporate governance. The Group distributed the Code of Conduct, along with policies and guidelines for collective implementation by directors, management, and employees. We also implemented the 'Governance Continuous Process Improvement' program, a collaboration between C.P. Group businesses, to build and promote a robust corporate governance system at the Group level. The system consists of working stages that identify responsible owners, monitor and report processes, and establish success indicators. The Group further developed an e-Learning system to efficiently distribute knowledge to employees at all levels and across all lines of work. This has enabled us to communicate knowledge on corporate governance according to target, in particular for the Code of Conduct training course, which was the first course on the e-Learning system.

Number of employees and mid-level managers that passed the Code of Conduct training and assessment

	Via the e-Learning system—for employees and mid-level managers who have access to e-mail and the internet.	6,915 persons
	Via classroom learning—for employees who do not have e-mail and are unable to access the internet. Trainings are held by the human resources or training departments of each company.	4,353 persons

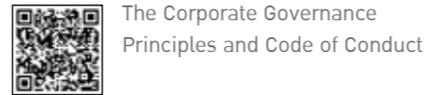
C.P. Group requires that all employees acknowledge, learn, and develop an understanding of the Code of Conduct and the 12 related policies and guidelines where employees from non-listed companies receive trainings. For these, the Group set a target of 100% for their training and assessment, which began on 12 November 2018 and will run until the second quarter of 2019. Trainings on the Code of Conduct are divided into three levels, as follows:

1. Workshop for high-level executives in Q3 of 2019
 2. Learning and knowledge assessments on the Code of Conduct through the e-Learning system
 3. Learning and knowledge assessments on the Code of Conduct through classroom learning
- In addition, the Group organized a 'Train the Trainer' course and developed learning materials for over 50 participants from all 13 business groups so that they can apply the content and materials as appropriate in their own training of employees within each business group.

Code of Conduct

For streamlined implementation through business operations

In 2017, C.P. Group developed the Charoen Pokphand Group Code of Conduct for all business groups to implement and drive their organizations in the same strategic direction. Subsequently, in 2018, the Group released the Corporate Governance Principles and Code of Conduct, along with related policies and guidelines to cover all business groups within C.P. Group. The Code of Conduct comprises policies and guidelines covering four areas: 1) Integrity, 2) Quality, 3) People, and 4) Assets, where they reflect the organization's working standards and values on integrity and honesty. Moreover, the Code of Conduct is communicated to management and employees to help them better understand the organization's values, which can then be implemented as a pathway towards transparency and global leadership.



“C.P. Group is globally recognized for its business operations. This is why corporate governance is very important. Today, we cannot only excel in business; we have to ensure that the world understands that we operate on the basis of integrity and honesty. This company does not embody the soul of the CEO. Instead, all employees are the soul of this company. Under the CEO’s leadership, all employees and personnel must learn about and implement the Code of Conduct in their work for the benefit of the company’s reputation, and to create trust and confidence among stakeholders.”

Dhanin Chearavanont, Senior Chairman of Charoen Pokphand Group. announces the Group’s Code of Conduct and policies and guidelines at the C.P. Leadership Institute, 10 September 2018.

1. INTEGRITY



Avoiding conflicts of interest



Preventing fraud, bribery and corruption



Handling gifts and hospitality



Upholding fair competition



Maintaining transparency

2. QUALITY



Delivering quality products and services



Using resources sustainably



Sourcing ethically



Selling and marketing responsibly

3. PEOPLE



Promoting respect and fair treatment



Upholding equal opportunity, diversity, and inclusion



Protecting personal information



Ensuring a safe and healthy workplace

4. ASSETS



Managing company information



Trading securities



Countering money-laundering

C.P. Group Policies and Guidelines

Integrity	Quality	People	Assets
<ul style="list-style-type: none"> 1) Conflicts of Interest Policy and Guidelines 2) Anti-bribery and Anti-corruption Policy and Guidelines 3) Gifts and Benefits Policy and Guidelines 	<ul style="list-style-type: none"> 1) Sustainability Policy and Guidelines 2) Supplier Code of Conduct 3) Supply Chain Management Policy and Guidelines 	<ul style="list-style-type: none"> 1) Human Rights and Labor Practices Policy and Guidelines 2) Whistle-blowing Policy and Guidelines 3) Personal Data and Privacy Policy and Guidelines 4) Safety, Occupational Health and Workplace Policy and Guidelines 	<ul style="list-style-type: none"> 1) Information Management Policy and Guidelines 2) Anti-money Laundering Policy and Guidelines

Anti-corruption

Fostering sustainable business growth

C.P. Group recognizes the importance of combatting corruption and encouraging employees to be conscious of preventing corruption in all forms. Over the past year, we achieved this with the cooperation of company directors, management, employees, suppliers, and other relevant parties. We announced the Anti-bribery and Anti-corruption Policy and Guidelines and the Gifts and Benefits Policy and Guidelines, and require that directors, management, and employees all strictly adhere to these policies, that they do not engage in fraud or bribery, and that they follow the criteria on gift handling and other protocols. These requirements create a culture of honesty and integrity.

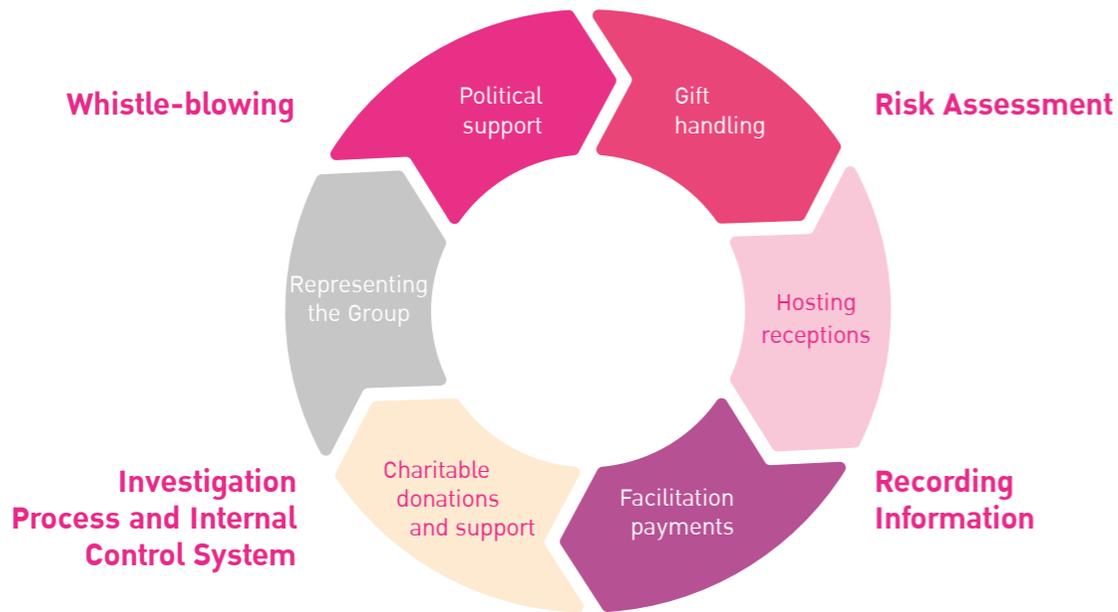
Our management, employees, and businesses also demonstrated their commitment as good corporate citizens by becoming members of the Anti-corruption Network, which involves upholding business transparency, combatting corruption at work, and encouraging good deeds to foster a strong Thai society with sustainable economic development.



C.P. Group companies that received certifications as members of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC):



Anti-bribery and Anti-corruption Guidelines



Corporate Governance Dashboard

CORPORATE GOVERNANCE



6,915

Number of employees from non-listed companies that passed the online 'Code of Conduct' training.



3,131



3,784

BUSINESS GROUP	NUMBER OF EMPLOYEES
C.P. Group Co., Ltd. and subsidiaries	625
Seeds, Fertilizer, Plant Protection	604
International Trading	1,316
Crop Integration	333
Property Development	949
Packaging	487
Automotive & Industrials	25
Pet Food	460
E-commerce & Digital	2,116

RISK MANAGEMENT



627

Number of managers in Thailand and China that participated in the risk management workshop.

NEWLY ANNOUNCED MANUALS AND GUIDELINES

Crisis Management Manual

Risk Management Policy and Guidelines

COMPLIANCE



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

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

C.P. GROUP GRIEVANCES AND WHISTLE-BLOWING MANAGEMENT, 2018

ISSUE	NUMBER OF GRIEVANCES	NUMBER OF RESOLVED
Services	29	29
Products	17	17
Fair practices	9	9
Conflicts of interest	7	4
Labor practices	6	6
Environment	6	5
General inquiries	4	4
Data security	1	1
Safety	1	1
Others	1	1
Total	81	77

Risk Management

Protecting against the impacts of risks

C.P. Group established the Corporate Risk Management Committee to drive risk management according to our designated framework. The Group engaged with various business groups to revise approaches for risk management system development and monitoring measures, and to report their performance to the Corporate Governance Committee. Such steps are geared towards raising awareness among management and responsible departments. With the Group's continued commitment to risk management, we also developed a risk management approach based on the COSO Enterprise Risk Management Framework to elevate the Group's risk owners of both our overseas and domestic business groups.

This corresponds to C.P. Group's sustainable development goals. Good Enterprise Risk Management (ERM) drives the Group towards success in tandem with being socially and environmentally responsible.

In 2018, C.P. Group achieved our targets in development of a risk management system for our non-listed business groups in Thailand. This was driven via the 'ERM Mentorship' program, which enables business lines under C.P. Group to assess risks in a comprehensive manner, and ultimately achieve the value of 'C.P. Excellence.'



- | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>2018</p> <ul style="list-style-type: none"> • Non-listed business groups have a risk management system in line with ERM standards • Expand the system to business groups in China | <p>2019</p> <ul style="list-style-type: none"> • Continue expanding the system to business groups overseas • Compile risks from business groups in key countries | <p>2020</p> <ul style="list-style-type: none"> • Continue expanding the system to business groups overseas • Enhance the system to protect against new, unexpected risks | <p>2021</p> <ul style="list-style-type: none"> • All business groups have an ERM system and manage risks within acceptable levels • Begin integrating the ERM system across all processes to foster an organizational risk culture |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



Workshop on sustainability and organizational risk management for managers from the Agro-Industry and Food Business Group in Hohhot, Inner Mongolia, and People's Republic of China

Compliance Governance in Business Groups

Ensuring alignment with internal and external rules and regulations

In an age of constant change - whether in social, economic, technological, environmental, or customer behavioral aspects - C.P. Group must revise our business approach, create opportunities, and expand our business appropriately. The Group is committed to risk management and has therefore developed a crisis management plan, the details of which have been communicated to all members across the organization so that it can be efficiently implemented in line with the Group's policies and guidelines. Similarly, the Group has developed an online organizational assessment tool to cover other overseas departments.

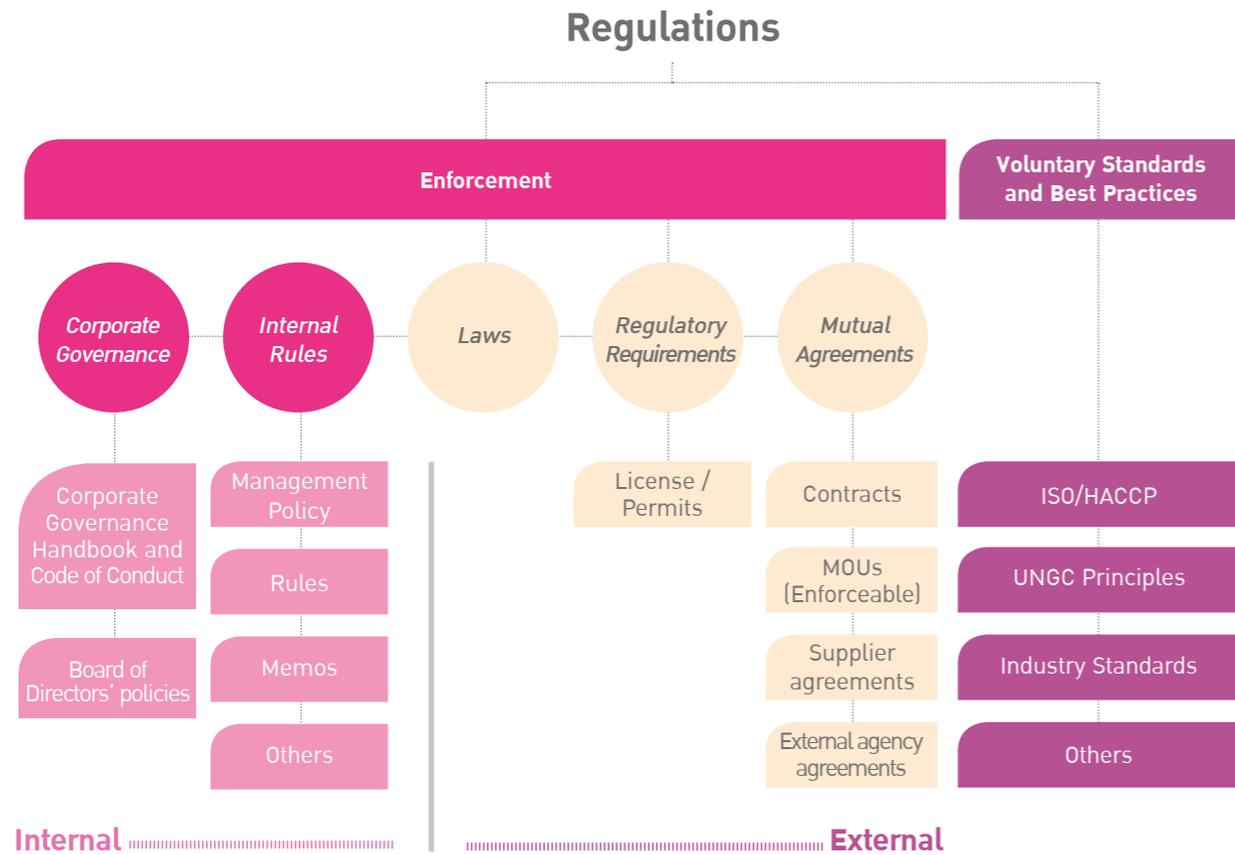
In addition, C.P. Group set up the Compliance Audit Team to carry out cross-functional audits within both overseas and domestic networks. Executives regularly receive training to create an awareness of risk management from different aspects, including on human rights, labor practices, climate change risks and transparency in business operations.

C.P. Group's Compliance Plan, as base on Maturity Model Stages (5C)



C.P. Group has released a Compliance Policy and Guidelines for all business groups' management and operations to comply with external laws and regulations, as well as with the organization's internal requirements and regulations, the Group's Code of Conduct, operating permit conditions, contracts, standards, and best practices. Compliance to these requirements will allow the Group to successfully achieve targets and establish credibility and trust among stakeholders. The Group's directors, management, employees, and relevant officials must strictly adhere.

Different Types of Regulations

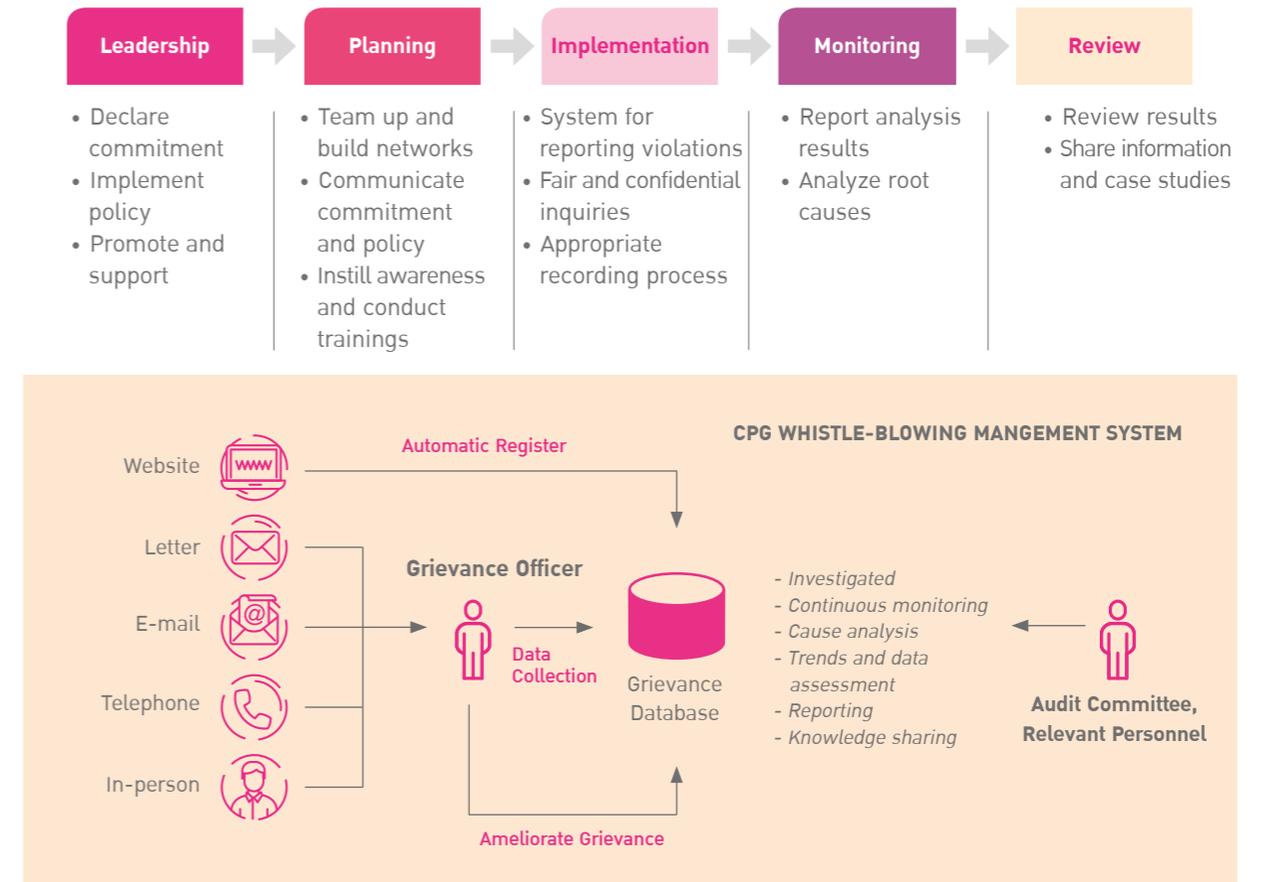


Grievances and Whistle-blowing

C.P. Group has always promoted a transparent and accountable approach to corporate governance and operations. Given this, there are five channels through which whistle-blowers can report their grievances: website, telephone, e-mail, post, and in person. The Grievance Center will record, investigate, and forward the issue to the Group-level Audit Committee for investigation, whereby the Committee will report the investigation results via the C.P. Group Whistle-blowing Dashboard for management to undertake any further necessary steps.

In 2018, C.P. Group received a total of 81 grievances, consisting of 46 issues related to products/services, 9 issues related to fair practices, 6 issues related to the environment, 6 issues related to labor practices, and 14 issues related to other matters all of which have been efficiently resolved. This achievement demonstrates the Group's unwavering commitment to upholding good governance on the basis of integrity, honesty, and ethics, and thereby increases the organization's competitiveness and sustainable growth.

CPG Whistle-blowing Management System



HUMAN RIGHTS AND LABOR PRACTICES



Challenges

Human rights is an issue that C.P. Group continuously deemed highly important. The Group demonstrates this in its operations by considering and respecting human rights, protecting the rights of stakeholders, averting all rights violations, and remedying any inadvertent negative impact that may occur in the Group's activities.

The Group is cognizant of the challenges in managing human rights issues. As the Group's businesses have complex supply chains in over 21 countries worldwide, covering more than 13 business groups, it has continuously developed and verified a comprehensive Human Rights Due Diligence process in order to ensure alignment with specific country and business contexts, as well as unique risk profiles, and adherence to the United Nations Guiding Principles (UNGPs) on Business and Human Rights. The Group has placed high importance on this comprehensive Human Rights Due Diligence process that will encompass all business groups and will promote occupational health and safety among all of its employees and contractors by 2020.

Performance Against Goal

2020 Goal (Thailand)

100%

of businesses within C.P. Group conduct Human Rights Due Diligence

Progress



● 2017: Completed for 10 business groups

● 2018: Completed for 12 business groups

Key Performance in 2018



Human Rights

397

Number of top-level and mid-level management staffs who have received human rights training



Labor Practices

20,000

Number of employees who have passed business ethics training.



Environmental, Health, and Occupational Safety Management

185

Number of business units whose safety management has been inspected

Supporting the SDGs



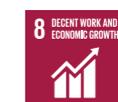
SDG 3 Good Health and Well-being

3.6 Reduce deaths and injuries from road traffic accidents



SDG 5 Gender Equality

5.1 Stop discrimination against women



SDG 8 Decent Work Jobs and Economic Growth

8.5 Promotion of equal pay for work of equal value
8.6 Stop modern slavery, human trafficking, and child labor
8.8 Protect labor rights and promote safe and secure working environment, including migrant workers



SDG 10 Reduced Inequalities

10.3 Create equal opportunities and eliminate discrimination
10.7 Facilitate and manage immigration policies well

Management Approach

C.P. Group has developed a human rights policy that reflects the organization's steadfast determination in driving this agenda. The policy is in effect for all of C.P. Group's business groups. In addition, the Group has developed a Human Rights Due Diligence process that includes conducting a human rights assessment, determining actions and approaches to remedy and reduce risks, and monitoring indicated risks. C.P. Group is also determined to continuously propel other stakeholders to respect and uphold human rights by supporting trainings, practices, and other control measures.

The Human Rights Due Diligence process ensures that all business groups have full responsibility over their human rights risks and impact management, while proactively preventing negative impacts that may occur during recruitment. This is accomplished with clear policies that prohibit and do not support using any form of forced labor, including hiring illegal migrant workers.



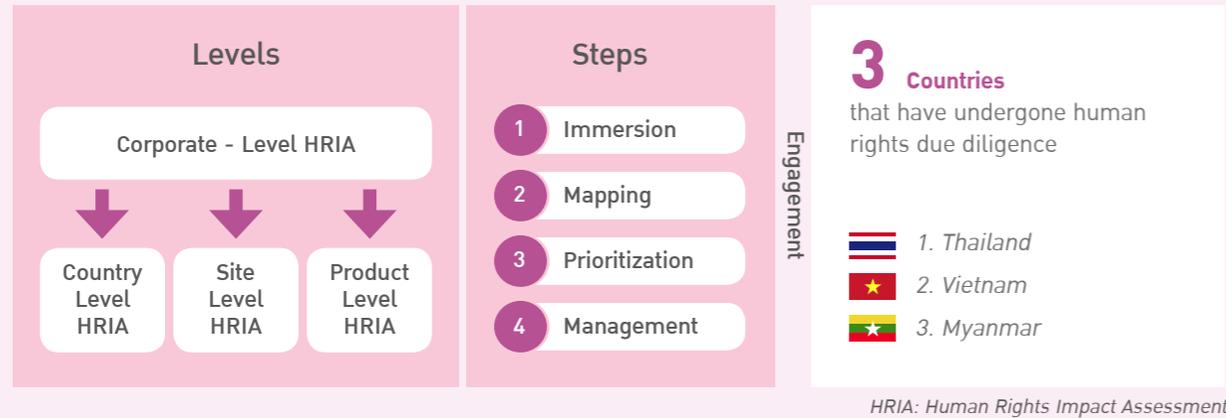
In addition, the Group prioritizes creating an inclusive working culture for its employees that are diverse in age, gender, culture, and personality, among other characteristics, in order for them to have career advancement opportunities. Concurrently, the Group also strives to create a safe working environment for its employees and all involved parties, with the goal to create an organization that is free from accidents and work-related illnesses by integrating cooperation both inside and outside the organization.

The Group is committed to carrying out Human Rights Due Diligence to encompass all business groups as well as promoting safety and health in the workplace for all employees and contractors within 2020.



Human Rights Management Dashboard

HUMAN RIGHTS DUE DILIGENCE PROCESS



HUMAN RIGHTS DUE DILIGENCE RESULTS



Performance on Salient Human Rights Issues

Salient Issues	Action	Outcome
<p>Occupational Health and Safety</p>	<ul style="list-style-type: none"> Conducted audits in Thailand and expanded coverage to overseas (China, Myanmar, Laos, and Cambodia) Project to create a sustainable safety culture (pilot project in 5 business units) 	<ul style="list-style-type: none"> Management staffs and employees of every organization are aware of the importance, and contributions to efforts on safety Reduced the number of fork lift accidents in pilot unit (CP-Meiji) from a frequency of 12.24 to 5.16, and reduced severity from 7.22 to 0.67
<p>Forced Labor</p>	<ul style="list-style-type: none"> Sustainable Sourcing Policy and Guidelines for CPF customers Foreign Worker Relationships Management (in CP RAM) Pilot project in the telecommunications business group (True) to conduct human rights assessment 	<ul style="list-style-type: none"> Conducted trainings to increase knowledge and support critical suppliers' sustainability self-assessment Oversaw migrant workers' welfare, health, and living conditions, including promoting their knowledge and capabilities Achieved 75% organizational coverage
<p>Child Labor</p>	<ul style="list-style-type: none"> Employment and Labor Management Policy 	<ul style="list-style-type: none"> Communicated requirements to Suppliers Initiated monitoring with critical suppliers
<p>Discrimination</p>	<ul style="list-style-type: none"> Developed and communicated Code of Conduct Project by the telecommunications group (True) to support improving the quality of life of people with disabilities 	<ul style="list-style-type: none"> Communicated through an e-learning system to every employee in all business groups to raise awareness and verify understanding Employed 254 people with disabilities in the telecommunications group and 757 people in the CPF group
<p>Environmental Impacts</p>	<ul style="list-style-type: none"> Policy and Standards on Environmental Management Surveys to identify community opinion and concerns 	<ul style="list-style-type: none"> Performed according to policy and standards Developed action plans to respond to community concerns

Employees

Promotion of Equal Opportunities, Diversity, and Multiculturalism of Employees

C.P. Group promotes fundamental human rights among the Group's companies in all facets of employment throughout its value chain to ensure equal opportunities. The Group believes that diversity and multiculturalism are highly important and is devoted to creating an environment that is conducive to work by accepting differences in education, gender, nationality, work style, age, and personality, among other characteristics. Per 2018 personnel statistics, the Group hired employees based on qualification, merit, performance, and other criteria connected to professionalism, as indicated in the Group's Code of Conduct, for all employees to adhere to and uniformly practice within the organization.

Employee Training

C.P. Group is determined to continuously train its employees in order for them to recognize opportunities to reach their full capacity. This includes acquiring experience through various learning platforms such as classroom, off-site, and on-the-job training, and adhering to a resolution to create 'good, skilled people.' As such, the Group has conducted its trainings systematically, beginning with a training needs assessment, then developing training plans, and finally, keeping an accurate record of trainings in order to make accessible equal opportunities for career advancement and continuous improvement. Per 2018 training statistics, C.P. Group spends an average of 13.3 total hours of training per person, per year. (GRI 404-1)

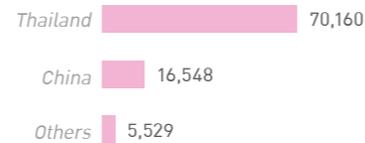
AVERAGE TRAINING TIME PER STAFF

(hours per person, per year)



Average employee training by level (hours per person, per year)

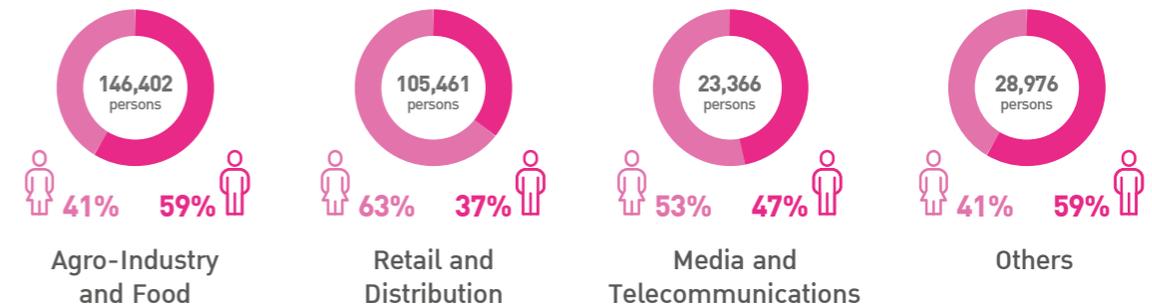
NUMBER OF EMPLOYEES WHO HAVE RECEIVED TRAINING ON SUSTAINABILITY (persons)



Human Resource Management Dashboard



Employee Breakdown by Business Type (%)



Number of employees taking maternity leave (persons)

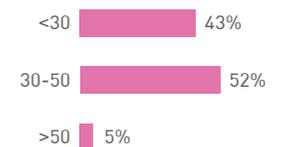


Number of local management staff* (persons)



*Top and Mid-level management

Employee age breakdown (%)



Occupational Health, Safety and Working Environment at C.P. Group

C.P. Group recognizes that safety and good health are fundamental rights to which all employers are entitled, and places continued importance on the occupational health and safety of its employees and stakeholders.

Nevertheless, even though C.P. Group has developed and implemented its Safety Management system and created a Work Safety Culture, the sheer size of more than 300,000 people in its global workforce in its various business types presents challenges in achieving its 'Zero Accident' organizational goal.

In the past year there have been seven employee fatalities and two contractor fatalities. Some were attributed to employees working with electricity and some involved vehicle accidents on the way to work. The respective company has investigated these fatalities to identify the root causes, and has created preventive safety measures to avert recurrence, including examining job factors and human factors. This has included examining related operating safety measures, such as 'Lock-out/Tag-out' and vehicle-usage. The Company has conducted trainings with at-risk employees and has shared lessons learned to relevant units in order to facilitate inter-unit learning with the hope of preventing more fatalities within the organization.



2018 Occupational Health & Safety Management Dashboard

		Number of injuries (without leave)		Number of injuries (with leave)		Fatalities from Accidents	
		Cases (male)	Cases (female)	Cases (male)	Cases (female)	Persons (male)	Persons (female)
Employees	Employees	1,989	2,278	633	478	7	0
	Contractors	45	27	26	38	2	0

Injury Rate

Cases per 200,000 working hours

	2017		2018	
	MALE	FEMALE	MALE	FEMALE
Employees	3.03	1.92	2.81	3.26
Contractors	0.30	0.20	0.32	0.24

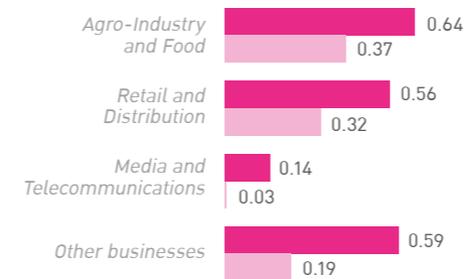
Lost time Injury Rate

Cases per 200,000 working hours

	2017		2018	
	MALE	FEMALE	MALE	FEMALE
Employees	0.27	0.40	0.37	0.18
Contractors	0.08	0.12	0.09	0.05

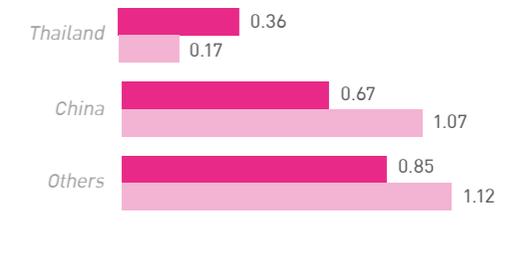
Lost Time Injury Rate by Business Line

Cases per 200,000 working hours



Lost Time Injury Rate by Country

Cases per 200,000 working hours



Male Female

Improving Crisis Management Standards and Safety Management Audits at C.P. Group

Due to fatalities that occurred in the Group's subsidiary in 2017, the Group initiated group-level assessments on its Safety and Occupational Health, starting with over 100 management staff of business units in Thailand. We also conducted unit-specific assessments of high-risk units. This was done through joint knowledge-sharing in order to lead to improvements that could be applied overseas from mid-2018 onwards.

In addition, the Group has developed an organizational and country-level emergency management handbook and guidelines, encompassing emergency management procedures, in order to apply them to every business unit in the C.P. Group. This can be considered as action to manage risks, protect the safety of employees and sub-contractors, and increase effectiveness in safety management and continuous improvement.

SAFETY, HEALTH AND ENVIRONMENT (SHE) PERFORMANCE AUDIT FRAMEWORK



Group Safety, Occupational Health and Environment System Assessment Results

Safety Health and Environment (SHE) effectiveness assessment program follows criteria set by the Risk Management Committee and covers six main issues: leadership, prevention of severe accidents, developing an operational permission approval system, emergency response, crisis management, accident reporting and investigation, and the environment. Assessment results will be used to determine best practices to guide uniform organization-wide guidelines, share experiences among business groups, and determine action on issues that need improvement, with the

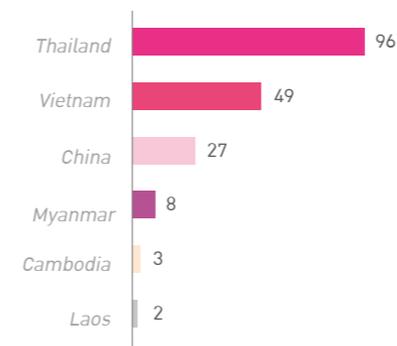
goal to continuously improve its safety management performance. This will enable the Company to achieve its goal of becoming a 'Zero Accident' organization by 2020.

As the Group is cognizant of safety issues and the engagement of all parties, management from every business group will be part of a committee to conduct assessments across business groups in order to engender engagement and create a sustainable organizational safety culture.



Key 2018 Performance

Number of key businesses that passed assessments in 2018



185 factories have been assessed, covering 6 countries



420 management staff in the Group are part of the Assessment Committee

Vehicle Safety Management

Importance

As C.P. Group has a high usage of vehicles and many employees continuously working on rotation, we have given importance to vehicle safety by elevating and improving organizational knowledge about road safety for employees within the group, as well as for our suppliers.

Performance

Leveraging the Group's vehicle safety management approach to achieve its 'Zero Accident' goal, the Group has strived to widely share safety knowledge in order to allow all employees to work effectively, and to usher the Thai people into a society where safety exists everywhere at all times.

GPS (Global Positioning System) and Vehicle Camera System

Route Management and Pre-trip Planning

Drivers' Physical Fitness Assessment



Group-level Vehicle Safety Management Unit

Business Group-level Vehicle Safety Management Committee

Defensive Driving Training Curriculum

For its driving personnel, and to keep with the Group's specific standards, the Group has test and quality control centers that deliver defensive driving training curriculum to prevent accidents, examine physical fitness

of drivers, and issue the Group's drivers licenses. It has continuously done so, and has expanded such practices to business groups overseas such as Vietnam, Cambodia, and Laos.



11,572* driving personnel who have passed trainings and have been issued the Group's drivers licenses



2,006* suppliers who have passed safe driving training by the Group

*Data referenced from 2016-2018



CASE STUDY 1

Vehicle Safety Management of The freight business at C.P. Group



Context

In the Freight Business-composed of Dynamic Transport Co., Ltd. Dynamic Logistics Co., Ltd. and other businesses in the Group that use vehicles-ensuring safe vehicle usage that is accident-free is an important part of a smooth business operation.

Performance

The Group has appointed a Group-level Platform Logistics Board that has safety targets as part of its performance evaluation. In addition, the Group has a monitoring and control center to track the operation of every freight vehicle in the Group in order to assess behaviors of driving personnel in real-time, and to collect information to be processed for operational improvements and development.

Key 2018 Performance



All company freight vehicles have installed GPS and vehicle camera systems that are tracked by a monitoring center



No fatalities of freight vehicle driving personnel in the Group since 2016

Freight vehicle accident rate within C.P. Group's Logistics (road traffic accident/million kilometers)



Total freight vehicle distance (million kilometers)



■ 2018 ■ 2017

LEADERSHIP AND HUMAN CAPITAL DEVELOPMENT



Challenges

C.P. Group is constantly adapting to rapid changes in technologies and innovations for the Industry 4.0 era. The Group has a clear vision, mission, strategy and direction for these changes that focus, at the core, on developing the potential of our 'people' and increasing their capabilities. Our priority is to strengthen the readiness of our people so that they may respond efficiently to changes within the organization, drive the Group's human capital development strategy in line with global standards, and become a proud 'Global Employer Brand.'

Challenges for the Group include fostering engagement and creating more participation channels for generation Y employees. This will retain high-potential individuals within the Group and will help them transform into a new generation of leaders, accumulate experiences, and learn and grow alongside us on the path of CP 4.0 for the sustainable growth of the business, and for the benefit of Thailand and all of the countries in which we invest.

Performance Against Goals

2020 Goal (Thailand)

100%

of leaders and employees will pass the sustainability knowledge training

Progress



- 2017: Sustainability knowledge course under development
- 2018: 62% of leaders and employees passed the sustainability knowledge training

Key Performance in 2018



Developing Leaders
1,621 managers and employees completed training courses at the C.P. Leadership Institute



Developing Young Leaders
475 young leaders participated in the Future Leaders Development Program



Developing a Modular Organization
1,347 employees passed the cross functional, cross business group training courses on leadership development

Supporting the SDGs



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



SDG 5 Gender Equality
 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making



SDG 17 Partnership for the Goals
 17.6 Enhance cooperation and access to science, technology, and innovation, and enhance knowledge sharing

Management Approach

The C.P. Leadership Institute serves as the focal point for leadership-building efforts at all levels. It helps current leaders build future leaders by focusing on real-life applications and real business problem-solving. Top-level executives all have a part to play in promoting educational innovations within the organization by operating under the vision, 'Joining forces, Creating leaders, Driving business.' This vision is achieved through annually rotating

seminars, training sessions, and the Action Learning Program. The Action Learning Program aims to strengthen employees' capabilities and entrepreneurial perspectives, ensuring that we build well-rounded leaders in both professional and personal capacities. Training courses are divided into three groups, based on leadership level.

Ultimately, our top executives are responsible to share the Group's vision and strategy, promote knowledge-sharing, and foster cross-functional experiences between different business groups in Thailand and overseas. This will develop the organization and strengthen the business in all areas.

Leadership and Human Capital Development through the C.P. Leadership Institute

Synergize to appoint authority and responsibility for decision-making and operations to those on the front lines



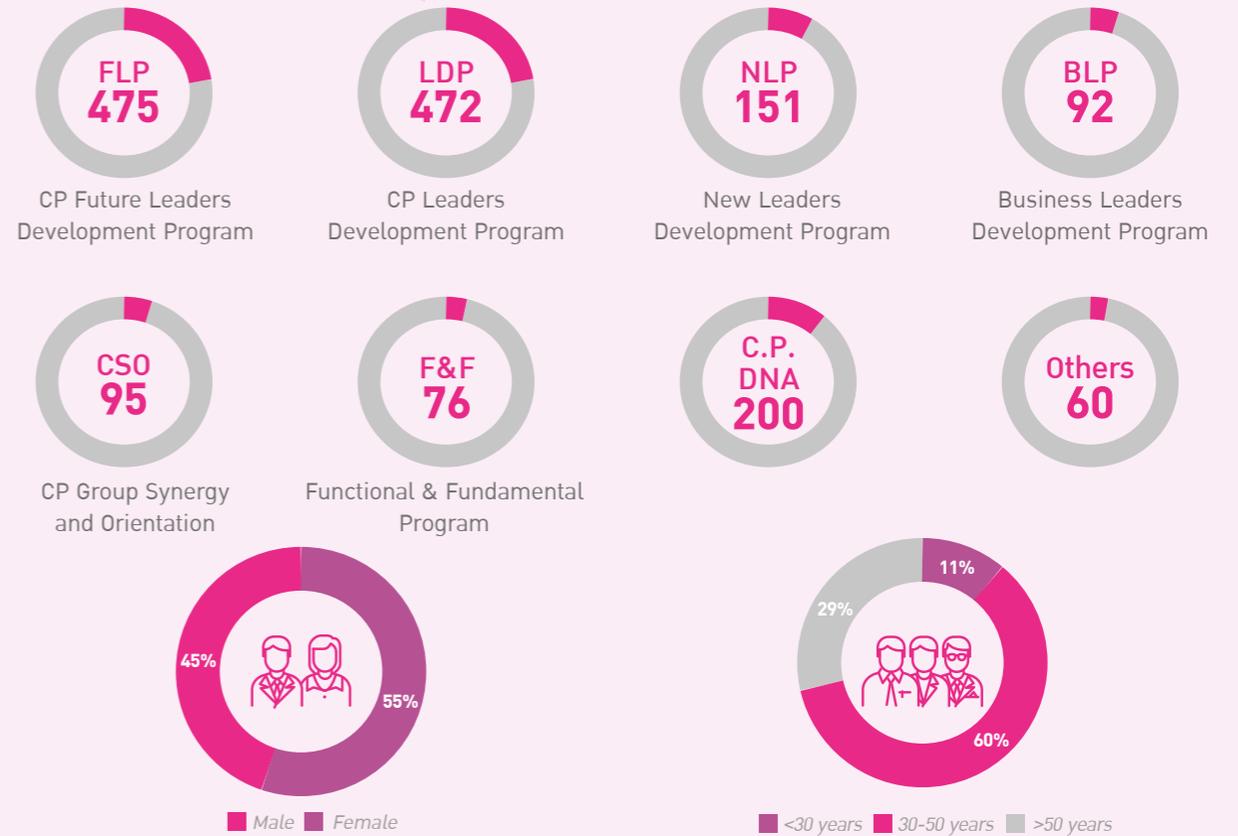
Develop and enhance the business model for management excellence

Build and develop leaders at all levels, as well as successors

Leadership Development Dashboard



1,621
PARTICIPANTS RECEIVED TRAININGS IN 2018



Leadership Development Training



The C.P. Leadership Institute serves as the center of action on leadership development at all levels. Its role is to respond to business growth by organizing C.P. leadership development training courses, and providing opportunities for individuals from within and outside of the country to participate. Courses are designed to fit the needs and responsibilities of leaders at each level, as well as to ensure their readiness and mindsets for a higher-level leadership role.

C.P. Group Senior Chairman, Dhanin Chearavanont, recognizes the importance of the new generation of promising young men and women who will become the future of C.P. Group In China, four classes of this young generation of managers have already passed the Future Leadership Program training course. During the past year, Senior Chairman, Dhanin Chearavanont, and Senior Vice Chairman for China, Mr. Bai ShanLin, visited the operations of CP Freshmart in Lanzhou, Gansu Province, People's Republic of China, to help these young men and women achieve success in their work.



Narong Chearavanont
Senior Vice Chairman
Charoen Pokphand Group

"Environmental problems impact all individuals in society. C.P. Group recognizes this and we have arranged for all-around environmental impact assessments of our operations. We have integrated the issue of raising awareness and concern for environmental issues into the development of the Group's new generation of leaders, so that it will develop environmental innovations that can be applied to our core business operations and social and environmental activities."

CASE STUDY 2

Real-Life Learning for Sustainability Plastic Waste Reduction Project

The problem of plastic waste today is a global one. Thailand is currently ranked 6th in the world for its contribution to ocean waste, producing 1.03 million tons/year. C.P. Group recognizes that, by reducing plastic waste in our supply chain, we can be a part of the solution. The Plastic Waste Reduction Project, established as an outcome of the Business Leaders Development Program (BLP)-which emphasizes collaboration between businesses within the Group-aims to study the behaviors behind plastic use. The Project also involves designing a campaign to reduce plastic waste in people's

daily routines and studying business models to reduce plastic waste across the Group's supply chain. One way this latter point can be achieved is through innovation, where for instance corn cobs can be used for packaging C.P. Group's food products instead of plastic. As a result of regular communication and raising awareness on plastic waste, there has been a steady decline in the use of plastic bags and cups. Partnerships have also been created to repurpose plastic waste into a publicly beneficial good, such as into footpaths for schools in remote areas.



Results and Benefits

153.72 million plastic bags reduced per year

187 tons/year of plastic bottle cap wrappers reduced

13.55 million THB in total joint donations to Siriraj Hospital

Human Resources Development

Throughout C.P. Group's many years of operation, people have always been a highly valuable resource-especially now as we enter the Industry 4.0 era in which the business is undergoing rapid change and where technology and innovation are assuming a bigger role in operations than ever before. Therefore, C.P. Group, a multinational conglomerate, makes sure that our more than 300,000 personnel are ready to respond to changes in the business world by fostering knowledge, developing the needed skills, and

shifting mindsets to embrace the changes of the digital era. Central to this is the Group's strategy, "Workforce 4.0" which drives our human resources development. The strategy consists of four pillars: 1) Becoming a 'Global Employer of Choice'; 2) Developing a Modular Organization Structure for fast adaptation; 3) Digitizing Employee Experience; 4) Leadership, Talent, Career Development and Acquiring and Learning from World Class Capabilities to strengthen our people.

Progress on 'Workforce 4.0' C.P. Group's Human Resources Development Strategy



Employer of Choice

- Study leading global businesses and comprehensively survey employee engagement.



Developing a Modular Organization Structure

- Create a modular approach within the organization by developing cross-functional projects and/or projects across business groups, such as the Strategic Project for Leadership Development.



Digitizing Employee Experience

- Build joint work processes on digital platforms using the 'Connect' system of each business group.



Leadership, Talent, and Career Development

- Develop a new generation of leaders through the Future Leaders Development Program (FLP), where 97% of the participants who completed the program were appointed new responsibilities; 56% received the opportunity to rotate to a different role in another business group, and 49% were promoted.
- Collaborate with Thai Students' Associations in oversea leading universities to identify and recruit good and capable individuals at the global level.



"Developing future skills for employees in a way that aligns with the Group's core values is critical for building a successful business in a technologically-driven era. Human resources development in each of our business groups will factor in two key principles. The first involves identifying the necessary skills for learning, and planning and developing employees' skills quickly and efficiently. This may involve teaming up with global experts. The second principle is that any skills promotion should cover all employees within the Group to ensure their equal participation and advancement. At the moment, the Group has laid out a plan to develop all employees' digital literacy skills, as well as their skills in various other aspects, for living life in the digital era."



Kulshaan Singh
Co-Chief People Officer
Charoen Pokphand Group



"The Group's human resources leaders are committed to promoting and advancing the potential of our people to ensure that they have the necessary knowledge and skills to help the business and society move towards sustainability."



CASE STUDY 3

Inspiring People



Results and Benefits



12,013
followers
on LinkedIn

162.6%
increase in the application
rate

713
individuals
participated in the Store
Development Program

Rigorous competition in the retail and wholesale business and rapid advancements in technology have led to market expansions and the creation of new markets. Makro has a target to expand domestically and internationally, and because of this, the attraction, development, and retention of high-potential employees is an issue of vital importance. It is what will help Makro and its employees create value and grow sustainably. Makro is thus driven to develop human resources

management in three areas: 1) implementing a system to improve human resources management; 2) developing employees' skills so that they dare to think, to do, and to express themselves; and 3) caring for employees' well-being. In addition, it is important to create a clear organizational identity, and to use modern tools to recruit employees that line up with the organization's direction.

Following continuous and well-rounded efforts in this regard, employees have the opportunity to advance their careers and grow alongside the organization. In addition, Makro has an approach that fosters employee engagement and satisfaction, making Makro an 'Employer of choice for all generations' where employees come to work happy.

CASE STUDY 4

C.P. One Young World



In 2018, Mr. Suphachai Chearavanont invited to be on One Young World 'Global Advisory Board.' 'C.P. One Young World' is another C.P. Group project that demonstrates how we promote tangible ideas for building a new generation of young leaders. Through a rigorous selection process held by an Expert Committee, young leaders are provided the opportunity to demonstrate their maximum potential in all areas expected of a future leader.

As a result, in 2018, 20 young leaders were selected internally from various business groups, as well as some externally. All those selected were able to take part in the 9th annual 'One Young World Summit 2018' at The Hague in the Netherlands, and also served as CP Sustainable Development Ambassadors, where they were responsible for driving positive and impactful changes to the organization and society.

...The Power of Thought, The Power for Sustainability...

Since 2015, C.P. Group has participated as a 'Delegate Partner' by sponsoring 20 delegates each year.



The Hague Summit 2018



Bogota Summit 2017



Ottawa Summit 2016



Bangkok Summit 2015

Representatives of One Young World 2018 from C.P. Group



"If we recognize that humans and nature must rely on one another, we would eliminate the focus on ourselves, allowing natural abundance to return."

Kamonnart Ongwandee



"Innovation has the power to determine the future of our world, especially with the potential of young leaders who will play an important role in driving economic and social advancements to improve livelihoods and living conditions."

Ivana Istochka



"We cannot breathe without nature. Every breath comes from a living being, and so even that is from nature."

Natnapin Kiatbampen



"Education is the starting point for a wave of change."

Tarin Yuangtrakul



Results and Benefits



100 young leaders attended the One Young World Summit

4 consecutive years of participation

196 countries in the Young Leaders network

EDUCATION



SUSTAINABLE
DEVELOPMENT
GOALS



Challenges

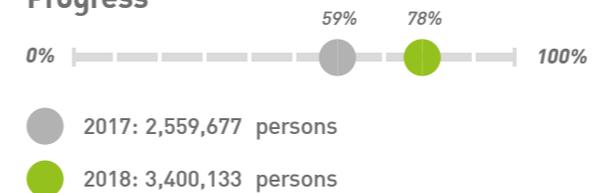
Technological innovation has become an essential foundation for today's changing education models and for enhancing vital professional skills. However, such rapid changes in technological innovation have also led to rising inequalities around the world, such as in the areas of education and job security. Given this, promoting and developing quality basic education, enhancing lifelong learning pathways, and using educational innovation to help develop and improve knowledge, management, and various skills are important for reducing inequalities between member of society. This is why education plays a key role in driving the country's economy. Promoting and supporting education for Thai youths is one way we can achieve sustainable economic growth. C.P. Group recognizes our role in social development and national education development, and fulfills this by promoting various education activities, which are carried out by all businesses within the Group.

Performance Against Goals 2020 Goal (Thailand)

4,350,000

children, youths, and adults will be provided with access to education and necessary skills development.

Progress



Key Performance in 2018

Connecting the Future of Education



1,592

Number of Pracharat schools under the Group's oversight

Supporting Education Scholarships



32,734

Number of scholarships sponsored by companies in the Group

Supporting the SDGs



SDG 4 Quality Education

- 4.3 Ensure equal access for all men and women to affordable and quality technical, vocational and tertiary education, including university
- 4.5 Eliminate gender disparities in education
- 4.B Substantially expand globally the number of scholarships available to developing countries
- 4.C Substantially increase the supply of qualified teachers in developing countries



SDG 8 Decent Work and Economic Growth

- 8.6 Substantially reduce the proportion of youths not in employment, education or training



SDG 9 Industry, Innovation and Infrastructure

- 9.C Significantly increase access to information and communications technology

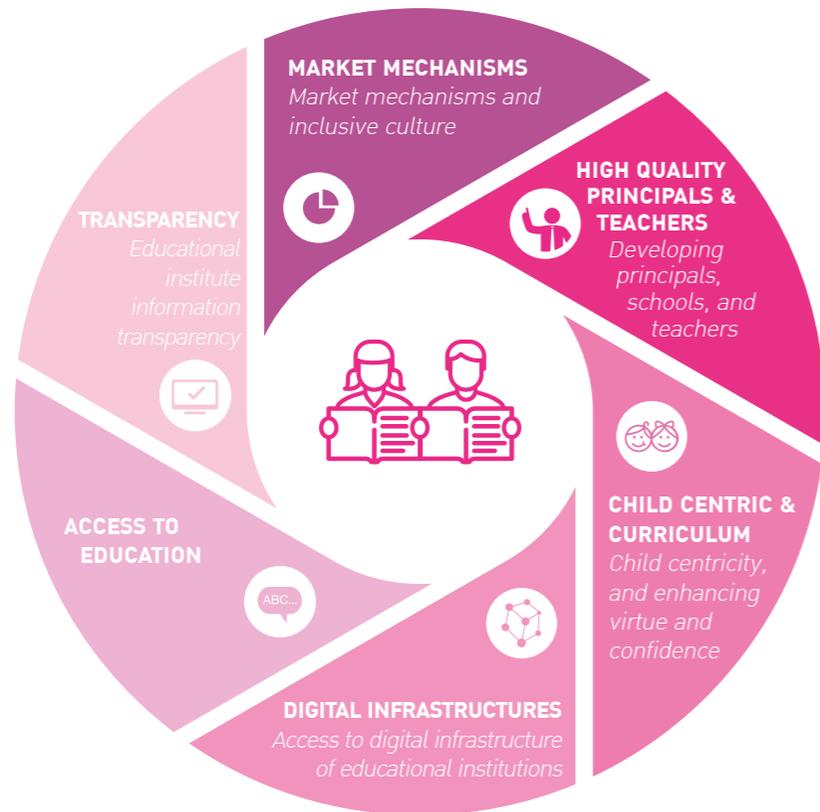
Management Approach

C.P. Group firmly believes that building an inclusive culture for education and creating opportunities for knowledge access involves developing the potential of Thai youths and adults of all ages. This will prepare them to tackle various challenges, reduce inequalities, and increase Thailand's competitiveness. The Group adheres to five key strategies in our effort to sustainably enhance the quality of education management in Thailand, in accordance with global megatrends. These are: transparency; market mechanisms and an inclusive culture; developing high quality principals and teachers; creating value and a child-centric

curriculum; and providing access to basic digital education infrastructure.

Moreover, the Group is committed in supporting the UN Sustainable Development Goals (UN SDGs), and has developed an implementation plan for UN SDGs alignment with targets that focuses on eliminating inequalities in education, providing opportunities and expanding access, and improving the capabilities of students and teachers to improve the quality of life for all.

Education Development Framework



Education Dashboard

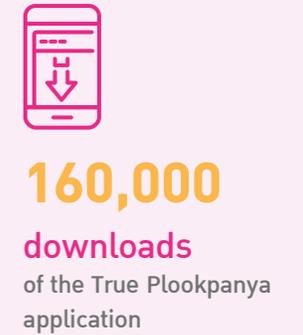
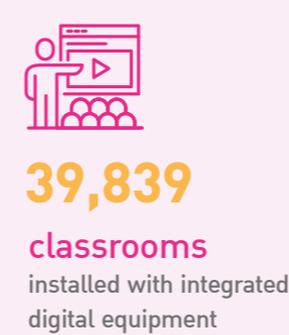
Knowledge Assets and Skills



Education Scholarships



Preparing for the Digital Age



Opportunities for Education and Knowledge Access





Connecting and engaging across all sectors... Creating an inclusive culture for sustainable education



CONNEX ED: The Leadership Program for Sustainable Education was launched in response to the major strategies of the Pracharat Initiative, with a specific focus on the E5 Strategy: Basic Education and Leadership Development. It involved collaboration between three parties: the public sector, civil society, and the private sector, to address strategies for reducing inequalities, developing human potential, and increasing Thailand's competitiveness.

The Program was established and run by 12 leading private organizations fueled by their commitment to transform Thai education and develop Thai children and youths into good and competent individuals. Their efforts created a new development model for the next generation of leaders called the 'School Partner.' The Program integrates the capabilities of personnel from each private organization into the Leadership Program for Sustainable Education, and allows them to implement the Program on field at 'Pracharat Schools' by sharing their knowledge with principals, teachers, and students. In so doing, they can enhance the connectivity between these parties and ultimately help them create their own school and community development plans that fit in with their local contexts.

School Partner Phase 1 (2016-2018)



Remark: 1,925 schools are currently seeking additional supporters

At present, more than 33 private organizations have recognized the importance of the CONNEXT ED Project and responded positively through educational engagement. This has resulted in various projects being implemented, as well as School Partners volunteering to participate in the Project. Aside from receiving knowledge, and skills development for various hard and soft skills, these Partners are the driving force behind these joint efforts to build an inclusive education culture that delivers the highest benefits to Pracharat schools all over the nation. The project's target is for 15% of schools under the oversight of the Office of Basic Education Commission (OBEC) comprising 4,600 schools to be improved using the five key strategies, in order to elevate the quality of education management in Thailand for the 21st century.

Phase 1: Launched by 12 organizations



Phase 2: Expand collaboration to 33 organizations



5 Key Strategies for Enhancing the Quality of Education Management



TRANSPARENCY
Educational institute information transparency



MARKET MECHANISMS
Market mechanisms and inclusive culture



HIGH QUALITY PRINCIPALS & TEACHERS
Developing principals, schools, and teachers



CHILD CENTRIC & CURRICULUM
Child centricity, and enhancing virtue and confidence



DIGITAL INFRASTRUCTURES
Access to the digital infrastructure of educational institutions

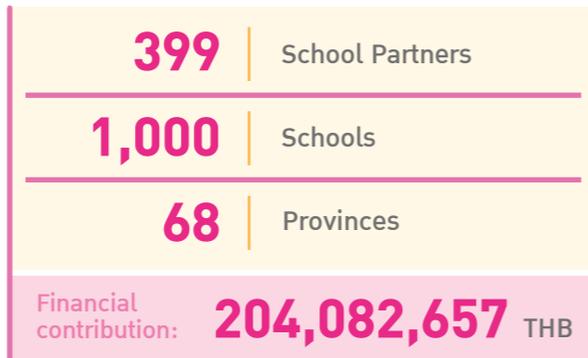
CASE STUDY 5

Successes of Projects Designed to Elevate the Quality of Thai Education in the 21st Century



1 Leadership for Sustainable Education (School Partner)

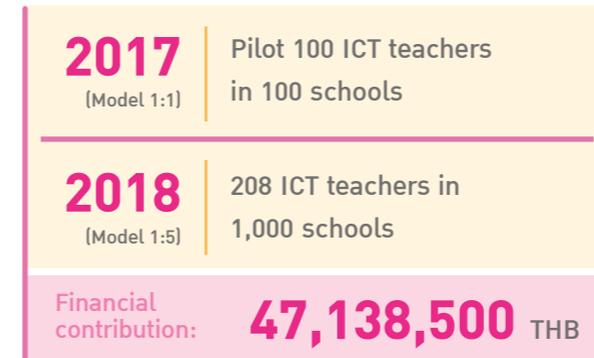
The School Partner Program draws upon the potential of each individual and involves close, face-to-face engagement with principals, teachers, students, and communities, to collectively design quality development plans for schools. More than 1,700 projects from over 1,000 Pracharat schools submitted requests for funding support for the 2018 academic year.



2 ICT Talent Project



True Corporation Public Company Limited, a company from the private sector focusing on the telecommunications business, initiated and launched the 'ICT Talent' Project after recognizing the role of technology as a window of opportunity for Thai children and youths to access information, news, and knowledge in an equal and encompassing manner. The Project serves as an important tool to help both teachers and students apply technology in learning processes-to enhance the quality of Thai education management in the digital era. The Project is open to applicants who are graduates from relevant fields of study, and whose hometowns are close to Pracharat schools.



- Role and Responsibility: Engage-Enable-Empower. Promote understanding, provide access, and maximize the use of ICT in education.
- Achievement: Successfully encouraged the public sector to expand the ICT Talent Project to develop over 600 additional ICT teachers in the civil service.



3 Community Learning Center

The Project aims to link problem-based learning models, in which students understand the problems of communities and are able to think, analyze, research, and facilitate partnerships with communities, parents, guardians, or local thinkers, to collectively identify approaches for solving problems or to create learning processes that promote schools as "belonging to communities." The Project focuses on student-centricity and connects community problem-solving for sustainability. Nine community learning centers have been established across all regions of the country.



Financial contribution: **3,808,835** THB

4 Notebook for Education

The Notebook for Education Project is guided by the belief that all children have their own individual talents. It provides opportunities for Thai children and youths to access sources of learning from all corners of the globe, to widen their minds and imagination, and to promote learning and analysis on their own terms. Using the capabilities of True Corporation, 5,000 pilot packages of 'TRUE SMART BOOK' notebook computers and equipment have been distributed in 17 provinces throughout the country.



Financial contribution: **40,357,836** THB



5 Digital Infrastructures Project



The project provided opportunities to access digital infrastructures in educational institutions:

- Installed digital infrastructure in 3,351 schools
- Covering 39,839 classrooms

Financial contribution: **1,264,661,746** THB

6 True High-Speed Internet for Education



The Project involved installing True High-Speed Internet networks with 80-100 Mbps speed in 1,294 schools.

(*Replaced the Ministry of Education Network system (MOENet) of the Office of Basic Education Commission)

Financial contribution: **214,311,831** THB



Charoen Pokphand Foods Public Company Limited

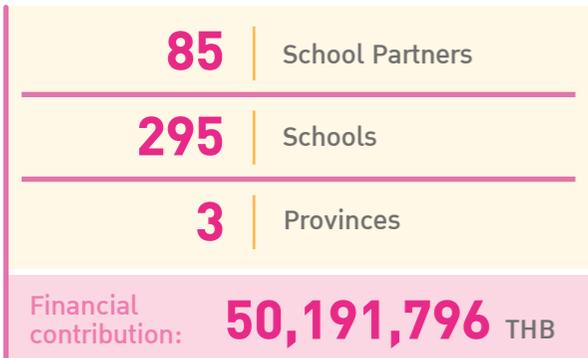


Target

CPF's target is to instill values among children in order for them to become good and capable individuals who are equipped with both technical and vocational knowledge and integrity. This enables children to think creatively and determine their own life paths, according to their strengths and capabilities. CPF volunteer leaders consult closely with school principals and teachers to determine appropriate activities for teachers and students, and to further help develop occupational learning for students to start building their future careers. Indeed, this will be beneficial for elevating the standards of living for Thai people and society, and will contribute to the nation's sustainable development.

Methods of contribution

- Financial support in line with school development plans
A focus on integrating technical and vocational skills
- Knowledge assets and budget for raising layer eggs
Work with the Rural Lives Development Foundation
- Provided 2 training courses:
 - '7 Habits of the Highly Efficient': Instilling such habits at the elementary school level allows schools to develop a clear criteria for identifying approaches and tangible goals, and helps to improve management processes.
 - 'The Leader in Me': Developing leadership potential among students.



CP ALL Public Company Limited and Panyapiwat Institute of Management

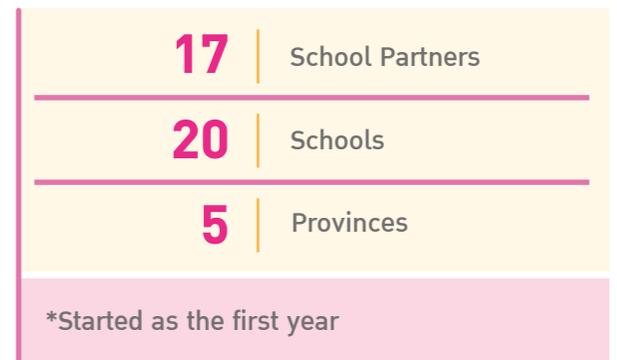
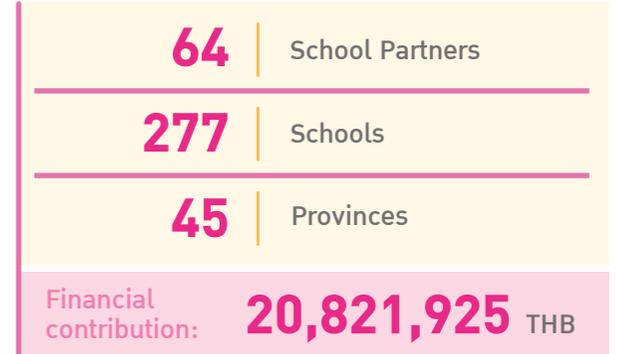


Target

CP All is committed to operating its business with the responsibility to improve societies and communities. The company merges its capabilities as a leader in the retail business to share knowledge and opportunities with youth, and inspires children to find their own capabilities and expertise. CP All also works with the Panyapiwat Institute of Management to integrate knowledge, skills, and expertise with education to develop processes that will prepare Thai people to respond to the future industry labor market.

Methods of contribution

- Financial support in line with school development plans: Leverage the skills of personnel and networks from various agencies throughout the country; collaborate on studying local contexts; provide financial support to enhance students' skills and expertise according to their strengths; and integrate management activities in order to build a foundation for their future professional careers.
- Provided 2 training courses:
 - STEM Education course: Enable teaching personnel to adjust plans for active learning, and provide opportunities to students for well-rounded learning.
 - STEM Robotics course: Help students develop new ideas, plan, and design their own robotic innovations. Give students opportunities to learn 'outside the box' and enter robotic competitions.





Establish Educational Institutions to Build Quality Graduates

C.P. Group recognizes the opportunity to leverage our expertise and understanding of business operations to support education and to cultivate youths. For this reason, we established various educational institutions to create leaders, with a focus on developing skills for teachers and promoting knowledge among children and youths to help them build careers aligning with their own strengths. We also focus on community engagement in all stages to ensure that all stakeholder groups receive benefits in a sustainable manner and obtain better qualities of life.

Since 1995, the Group has seen outstanding results from its efforts on education among a wider society. Beginning with vocational-level training, to date we have established educational institutions that respond to the diverse needs of society. In doing so, we have embedded individuals with the skills and readiness to take on work in various industry sectors, and contribute to the improved livelihoods and development of all members of society.



“Diplomas today are not an insurance for a secure future. Instead, it merely serves as a ‘pass’ that paves the way for opportunities to find work. After that, everyone must use their own capabilities to prove themselves. Our institutions, therefore, focus especially on real work, and seek to instill students with qualities according to the maxim, ‘Know how to learn, to think, and to work. Focus on culture, and embrace integrity.’”



Korsak Chairasmisak
Chairman of Executive Committee
CP ALL Public Company Limited

Panyapiwat Technological College

The Group, through CP ALL Public Company Limited, is committed to sharing value with others. The Panyapiwat Technological College emphasizes ‘Strength for Competency,’ and encourages people to possess both technical knowledge and applicable real-life skills. The College develops curricular to prepare students for the retail business and electrical power fields. Scholarships are available for all students.



Panyapiwat Institute of Management

The Group, through CP ALL Public Company Limited, is driven to expand its support for education from the level of vocational certificates and high-level vocational diplomas to the Bachelor’s Degree level. Relying upon our knowledge of business operations gathered from diverse industry groups, the Group established a Faculty of Business Administration, Faculty of Engineering and Technology, and programs on Modern Trade Business Management and Human Resources Management. All of these learning and teaching modules are designed to foster the capabilities of Thai youths and shape them into high quality Thai citizens.



Panyapiwat Institute of Management Demonstration School

The Institute was established in 2017 in response to the Group’s goal to establish a foundation for future success and to provide Thai youths with opportunities to learn about fields that interest them. The Institute works to enhance and improve efficiency in learning experiences through digital classrooms, and has created an environment that is conducive to learning and further education by using the concept of a ‘Green Building’ to design and build its classroom building. This serves as a solid example of sustainable practices.



Nanjing Tech University Pujiang Institute

The Group, through CP ALL Public Company Limited, is aware of the benefits of an education that allows students to gather real-life work experience. Given this, we partnered with Nanjing Tech University to develop an education system that focuses on building knowledge of the business sector. The Institute works with both Chinese and international businesses to prepare students and give them opportunities to develop the in-demand skills of industry. Learning is accomplished through a ‘Practice-Oriented Approach.’

Supporting Education Scholarships Creating opportunities for access to quality education

For over 40 years, C.P. Group and its business lines have joined hands to improve the capabilities of individuals in society through education scholarships. In 2018, the Group sponsored more than 1,034 million THB worth of scholarships for students to pursue higher-level education across the country. We also provided scholarships to the high-performing children of our employees. All

youths are able to access and apply for these scholarships. As a result, each year more than 300,000 youths have the opportunity to access higher-level education and develop their potential to contribute to the sustainable development of society and the country.

Scholarships awarded in 2018	Level	Number of people	Value (million THB)
C.P. Group			
• C.P. Group scholarships	Bachelor's Degrees	264	17.20
• Scholarships for employees' children	All levels	2,081	15.36
Agro-Industry & Food	All levels	598	25.19
Retail	Vocational and higher education	28,518	966.63
Telecommunications	All levels	599	5.98
Other business lines	Bachelor's Degrees	674	4.03
Total		32,734	1,034.40



HEALTH

LIVING WELL



Charoen Pokphand Group is committed to strengthening and driving society toward sustainability in all dimensions by implementing projects to promote good health; income and career stability; along with access to information, education, and technology. We also communicate with all our stakeholders to ensure they understand our business well. Furthermore, Charoen Pokphand Group shares its knowledge and innovations, and collaborates with various organizations to promote the sustainable well-being of society. We are committed to continuously and sustainably driving society to change for the better.



SOCIAL
IMPACT



HEALTH AND
WELL-BEING



STAKEHOLDER
ENGAGEMENT



INNOVATION

SOCIAL IMPACT



Challenges

Inequality is one of the main causes of social polarization and a lack of social trust, resulting in reputational risks for businesses and an increase in government supervision. It may also impact business performance in the long run. As such, inequality is no longer just a social problem, but has also become a business risk. Furthermore, the business sector can no longer generate profits without considering existing stakeholders and society's survival. Therefore, businesses need to help society understand and align with the inequality issue. At the same time, organizations must connect the business and social sectors and integrate social expectations into their organizational goals. The business sector must commit to continuously promoting and strengthening community relations through social impact activities and supporting the Sustainable Development Goals, especially those delegated to ending poverty. The challenge for C.P. Group is to inspire every member of the organization to think outside the box, do good deeds, and create an organizational culture that encourages charitable actions, loyalty, and integrity.

Performance Against Goal 2020 Goal (Thailand)

100,000

Improve employment prospects and quality of life for 100,000 farmers, SMEs, and vulnerable groups.

Progress



● 2017: 121,246 individuals

● 2018: 554,087 individuals

Key Performance in 2018



Total Agricultural Support
113,067 farmers received support



Small and Medium-sized Enterprise Support
543,572 Small and Medium-sized Enterprises (SMEs) employment prospects were improved



Vulnerable Group Support
12,287 vulnerable persons' employment prospects and quality of life were improved

Sustainable Development Goal Support



SDG 1 No Poverty

- 1.2 Reduce poverty by at least 50%
- 1.4 Equal rights to ownership, basic services, technology, and economic resources



SDG 4 Quality Education

- 4.4 Increase the number of people with the necessary financial skills



SDG 8 Decent Work and Economic Growth

- 8.6 Increase youth employment, education, and training



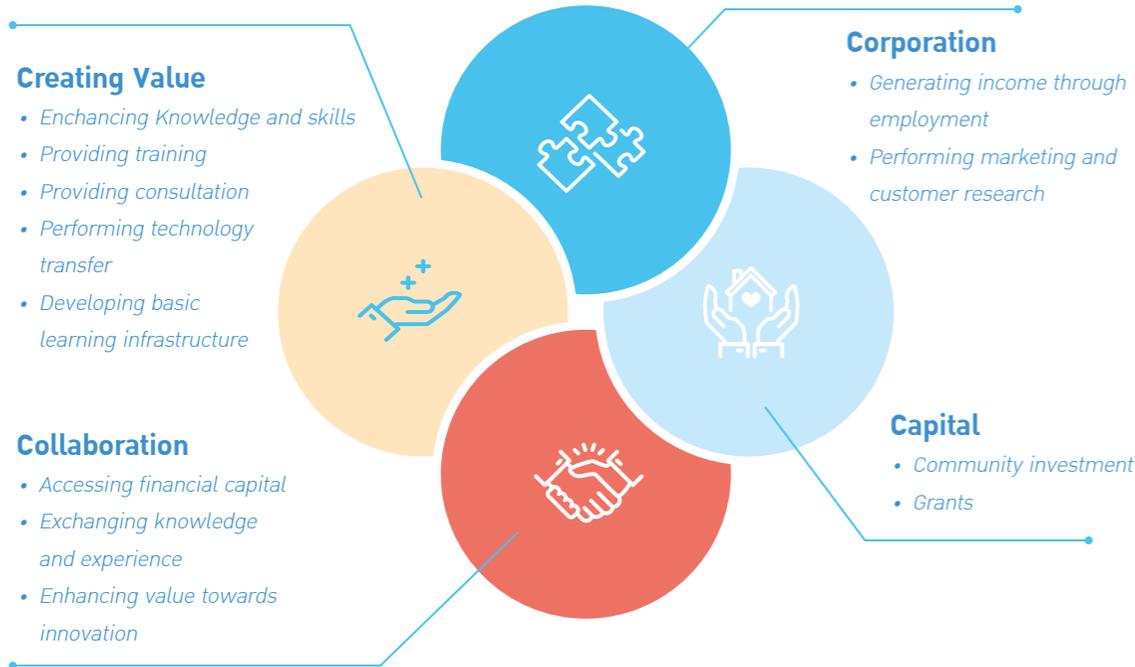
SDG 10 Reduced Inequalities

- 10.1 Reduce income inequality

Management Approach

C.P. Group is aware that social and economic issues have a large impact on business operations. As a result, we actively seek to support and integrate farmers, SMEs, and vulnerable groups in our businesses. We provide financial support, encourage their participation, create shared value, and help generate income. Recognizing the importance of addressing social issues, C.P. Group continues its commitment to improving the quality of life of communities and vulnerable groups so that they can access basic social necessities and become self-sufficient.

Moreover, C.P. Group has established the 'C.P. for Sustainability Program' where every Business Group collaborates to formulate strategies to ensure cohesion. In addition, C.P. Group is committed to improving communities' quality of life as seen from its approaches in community development, poverty reduction, and agriculture. There are also events giving recognition to outstanding projects.



The C.P. for Sustainability Program

Charoen Pokphand launched the C.P. for Sustainability Program that sees executives and employees from every country in which C.P. Group operates proactively run social impact projects. Outstanding projects are selected for special recognition.

This year, 28 of 204 projects under the C.P. for Sustainability Program have received recognition and honor awards. The C.P. for Sustainability Program can be seen as a positive start in inspiring executives and employees to participate in activities that support the 2020 Sustainable Development Goals, under C.P. Group's 'Heart, Health, Home' strategy. C.P. Group aims to unite with our business partners and allies to improve the economy, the people, and the country.

Social Impact Management Dashboard

Performance in 2018

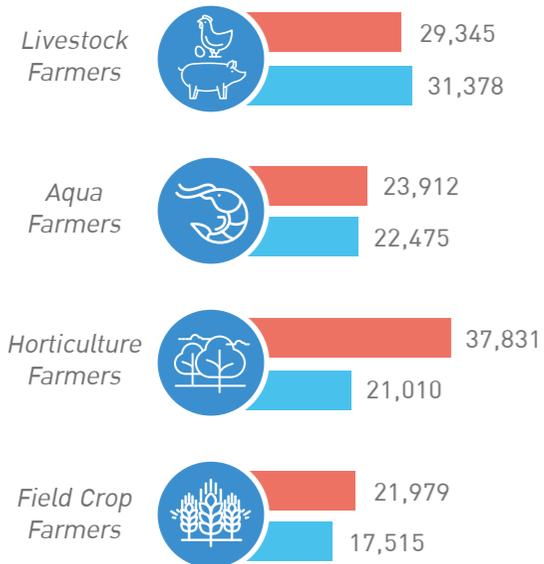


Agricultural Support and Rural Community Development

Number of Farmers Receiving Support (persons)

● 2018
● 2017

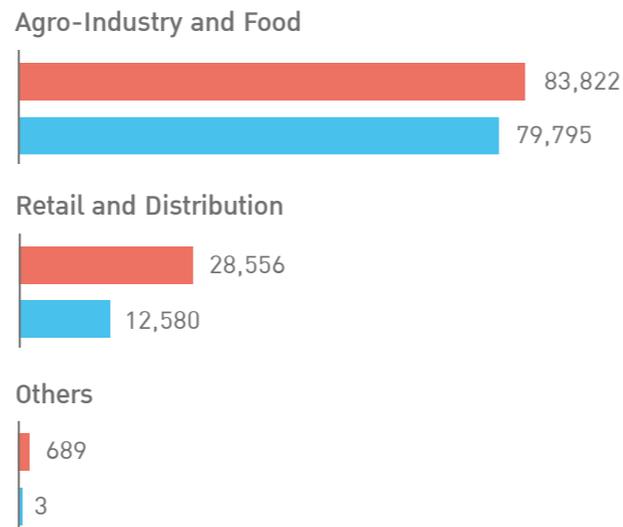
By Category (persons)



By Country (persons)

Country	2017	2018
Thailand	58,333	75,035
China	7,402	8,521
Others	26,643	29,511

By Business Line (persons)



Supporting Small Entrepreneurs

SMEs Receiving Support (persons)

● 2018
● 2017



	2017	2018
CP Pork Shop	7,276	9,898
Five Star Business	5,876	5,152
Business Partners and SMEs	34,280	522,319
Others	10,214	6,203
Total	57,646	543,572

Agro-Industry and Food



Retail and Distribution



Others



Supporting Disabled Persons, Children and the Elderly

Number of Disabled persons, Children and the Elderly Receiving Support (persons)

● 2018
● 2017



Employment for disabled persons

Improved quality of life of elderly persons

Care of the orphans

	2017	2018
Employment of disabled persons	1,811	1,845
Promoted employment for disabled persons	3,954	7,793
Improved quality of life of elderly persons	8,910	2,273
Care of the orphans	570	376
Total	15,245	12,287

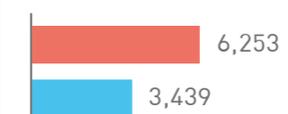
Agro-Industry and Food



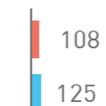
Retail and Distribution



Media and Telecommunications



Others



Examples of Charoen Pokphand Group's Social Impact Projects for Shared Value Creation Around the Globe

1 Crisis Nursery in Minneapolis, USA by Bellisio Foods Inc.

A volunteer program to support the operations of the Crisis Nursery for newborn babies and children up to the age of 6.



2 Forest of Victory in Russia

A joint program with the government sector to develop forest areas, once destroyed by wildfires, through reforestation, forest area creation, and community participation.



3 Support for Underprivileged Children in Turkey

Improves children's potential and development at the Koruncuk Orphanage by providing food with high-quality protein



4 Local Village Fund (LVF) in Myanmar

A Local Village Fund to provide working capital for sustainable community development.



5 Raising Layer Chicken for Orphans Lunch in Vietnam

A program that supports orphanages in Ben Tre province by reducing food costs. Also, children learn how to raise chickens, develop self-sufficiency, and enhance future employment prospects.



6 The Four-in-One Project in China

A joint program between Charoen Pokphand Group and the public, agricultural, and financial sectors for agro-industry development.



7 Religious Site Renovation in Pakistan

Encourages community participation in renovating religious sites (mosques) that are spiritual anchors of the community.



8 Support for the Elderly and the Disabled in India

Improves the quality of life for the elderly and the disabled through prosthesis and orthosis donations, and financial support to boost their morale and provide encouragement.



9 Blood Donation in The Philippines

A joint program with the Red Cross Philippines to encourage blood donation among employees and community members in order to address the shortage of blood needed for emergency patients.



10 U-Project 'Sustainable Retailer Growth Project' in Thailand

A joint project to improve the competitiveness of retailers in the modern world. The project is a cooperation between Makro and universities to maximize the younger generation's potential and combine it with the experiences of the older generation.



10 Nongwa Farming Village in Thailand

A joint program between Charoen Pokphand Group and the public, agricultural, and financial sectors to address poverty among farmers through technology transfer and pig farm management. Nongwa has become Thailand's most innovative farming village.



10 Management of Forests with Multi-benefits for Sustainable Development in Baan Kong Kai in Thailand

A network for solving community issues related to forests, such as wildfires and smog in Amphoe Maejam, that rehabilitates forests, rivers, and natural resources; improves the quality of life for communities who live upstream; and generates more income for locals.



10 Improving Capabilities and Quality of Life for Individuals with Autism in Thailand

An Autistic Thai Social Enterprise to promote self-sufficiency for individuals with autism and help them generate income to fund future development for the next generations.



Supporting Farmers and Developing Rural Communities

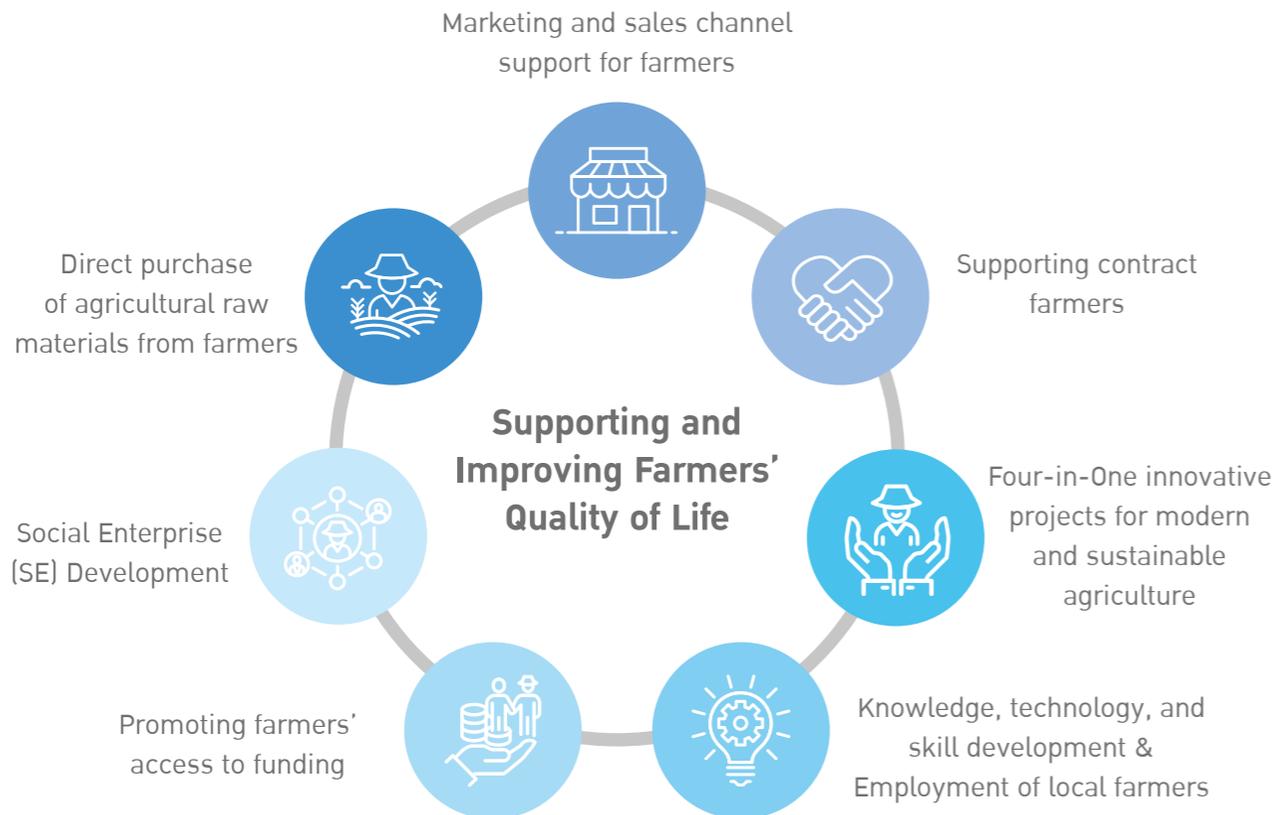
for a Better Quality of Life

Importance

The agricultural sector is still an integral part of the economies of Thailand, China, and many other countries around the world, as it is relevant to the livelihood of many people. Yet, most farmers are still in poverty due to the lack of capital, knowledge, technology, and access to markets. Meanwhile, C.P. Group has the resources and can collaborate with relevant parties in order to improve the farmers' quality of life, especially to eradicate poverty as part of addressing Goal 1 of the SDGs.

Our Performance

C.P. Group's holistic operations seek to support farmers by developing their skills and enhancing their land management capability. Our operations prioritize programs that can create economic, social, and environmental values and align with the Four-in-One approach comprising the public sector, private sector, financial institutions, and farmers. We also support the legislation of Contract Farming and other integrated projects to ensure self-sufficiency and sustainability for farmers.



CASE STUDY 6

Supporting Farmers through Social Enterprise (SE) Development

Project Background:

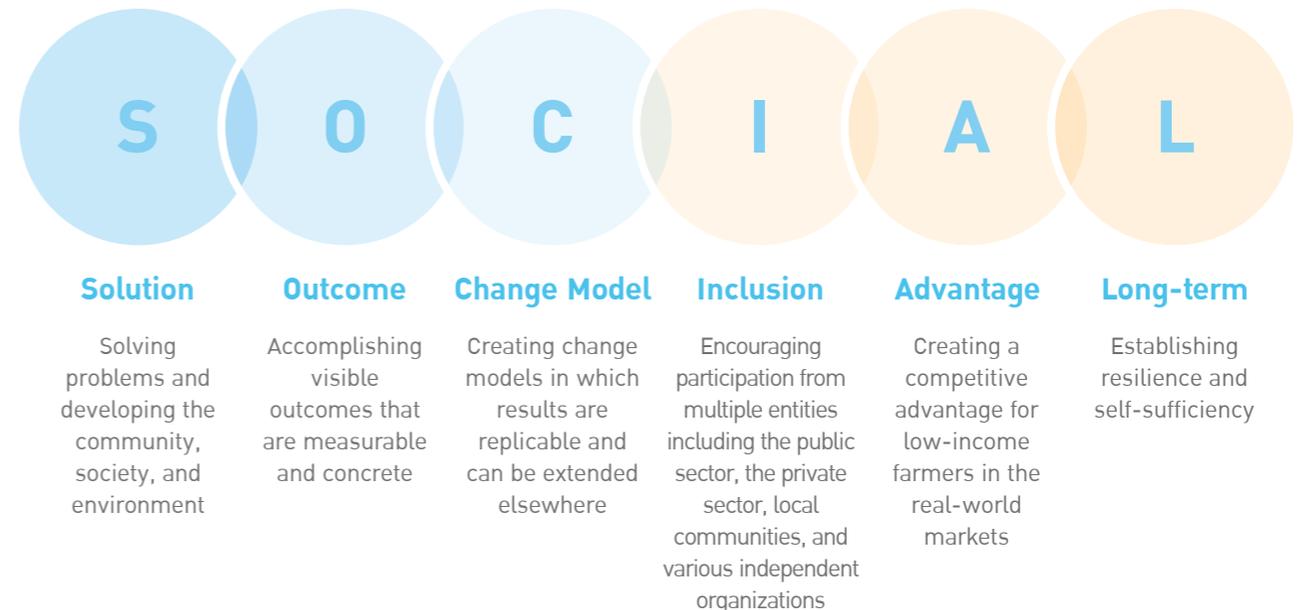
True Lifestyle Retail Company Limited is determined to be a model in social sustainability for retail businesses and other related businesses. Through good business practice and social impact and community activities, the company is committed to being sustainable as detailed in the Sufficiency Economy philosophy and the international guidelines set by the United Nations.

Performance:

To support farmers, the Company has set a corporate social responsibility strategy, referred to as Social Enterprise (SE)

Development, that is in line with the Company's aim to become the 'organization that helps every community' under the 'Build Trust and Create Shared Value' guideline.

The Company collaborates with the community of Sob Khun Village in Nan Province to support coffee farming among local farmers. Collaboration includes coffee bean selection and knowledge transfer regarding fertilizers and soil fertility maintenance. This results in purchasing good-quality coffee beans from the farmers.





"C.P. Group is committed to promoting sustainability in society across all dimensions. We strive to build a strong society in various ways, including supporting stable jobs and incomes, and providing opportunities to access educational information and technology."

CASE STUDY 7

Improving Contracts for Farmers in the Contract Farming Program



Project Background:

Since 1975, Charoen Pokphand Foods Public Company Limited (CPF) has been involved with improving the quality of life of farmers through the Contract Farming program.

However, in 2013, the Company developed and modified the contracts between the Company and the farmers in the program in order to ensure effectiveness and adaptability to current circumstances. The initiatives aim to support the role of farmers as business partners in areas such as risk-management and decision-making, compensation and incentives, and the new method of registering farms.

Performance:

CPF has developed and modified the contracts based on the international guidelines of UNIDROT (International Institute for the Unification of Private Law), an organization recognized as the world's most well-known independent legal organization. The revised contracts, evaluated by the Faculty of Law, Chulalongkorn University, are considered fair and adhere to international standards. Meanwhile, the contracts have been recognized as examples for many other countries by the FAO-Food and Agriculture Organization of the United Nations.

Furthermore, CPF is also the first company in Thailand to recognize the importance of risk management for its partner farmers. CPF also helps insure its contract farmers even though it is not required by law. Therefore, Farmers are not required to pay for insurance.

Results & Benefits

5,147
farmers in the Company's Contract Farming

98%
of farmers in the program able to pay back loans

10,000
insurance coverage (value in million THB)

Important Contract Components According to the UNIDROIT International Guidelines

Production

Quality and effectiveness are suitable to the market needs and can create income stability.



Safe Food

No usage of growth hormones, drug administration based on necessity, or residue testing before processing.



Investment

Farmers and companies invest together in a stable and systematic manner.



Markets for Sales

No need to find markets on their own and able to forecast prices.



Damage Prevention

Encourage insurance in contracts and disease control.



Animal Husbandry and Agricultural Technical Officer

Transfer knowledge in raising cattle and growing crops.



Equality and Fairness

Legal procedures in line with international standards, price guarantee system, and animal raising support.



Participation of Farmers

Mutual collaboration for the best joint results.



Clear Communication

Comprehensive, easy-to-understand, and reasonable. Every party has the same understanding.





CASE STUDY 8

Evaluation of Economic, Social and Environmental Values Pinggu Modern Agricultural Integrated Project

Project Background:

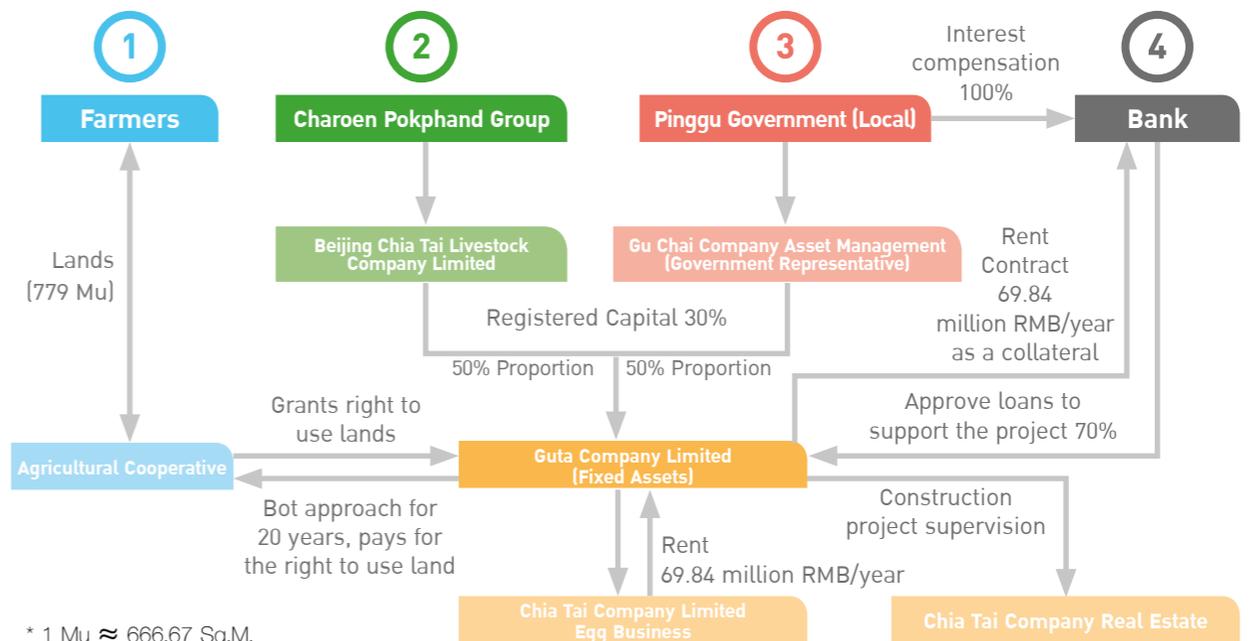
In 2009, the Chinese government provided an opportunity for Charoen Pokphand Group to participate in the operation of the Pinggu Modern Agricultural integrated Project, Pinggu District, Beijing, China. The project is one of many projects that are under the 'New Agriculture' policy that was implemented through a 'Four in One' collaboration between four parties: the public sector, private sector, financial institutions, and

farmers. As such, with this project, farmers become project owners by forming a cooperative supported by the Chinese government. The government provides support in seeking funding sources and the Bank of Beijing provides loans. After 20 years, the property ownership will be transferred to a cooperative owned by farmers.

Charoen Pokphand Group will rent land and manage the project. The Group will

also invest in technology, marketing, distribution, and sales channels in order to alleviate risks for the farmers. The goal is to produce safe food with high nutritious value for consumers. Furthermore, the Pinggu Modern Agricultural Integrated Project also helps improve the quality of life of farmers. Farmers as a cooperative rent out their land to the project. The project in turn pays the cooperative to distribute rental capital bank to farmers.

Pinggu Modern Agriculture Integrated Project According to the 'Four-in-one' Approach



The Pinggu Modern Agricultural Integrated Project,
Pinggu District, Beijing, China



Performance:

The Pinggu Modern Agricultural Integrated Project is considered an innovative project in modern agriculture and sustainability due to high technology use. The project is also the most modern of chicken egg farms capable of raising 3 million layers. Moreover, for maximum efficiency, peach trees were planted in the 25,000 Rai area using chicken manure resulting from the project as fertilizer. Crocodile farming is also implemented to help with chicken carcass disposal.

Apart from the economic benefits, the project also has positive benefits for society, the environment, and communities. A total of 1,608 farming families who are landowners receive land rents. Of that number, more than 756 families are disabled veterans. In terms of the environment, the project has environmental management systems such as electricity production from solar panels and waste management.



“The Pinggu Modern Agricultural Integrated Project is an innovation in agriculture.”

Mr. Wu Lian Jiang
Pinggu District Political and Legal Committee Secretary & Director of the former District Agriculture Committee

Mr. Wu Lian Jiang

The Four-in-One model originated from the idea that a common benefit can be achieved by all parties: the government, farmers, businesses, and banks. Farmers own land but do not have the knowledge nor the capital. Businesses have technology, knowledge, market access, and capability. The government wants to increase farmers’ income but does not have the know-how. Banks want to develop agriculture but are unable to provide loans. Therefore, all of the parties collaborate to develop the project using the Four in One approach.

The Pinggu Modern Agricultural Integrated Project is an innovation in agriculture. Farmers are also business owners. The people managing the business are employed by the farmers. Farmers delegate work to the business, which in turn generates income for the farmers. Farmers benefit from this project as they rent land to the business. The benefits belong to the farmers and are higher than what they received previously.

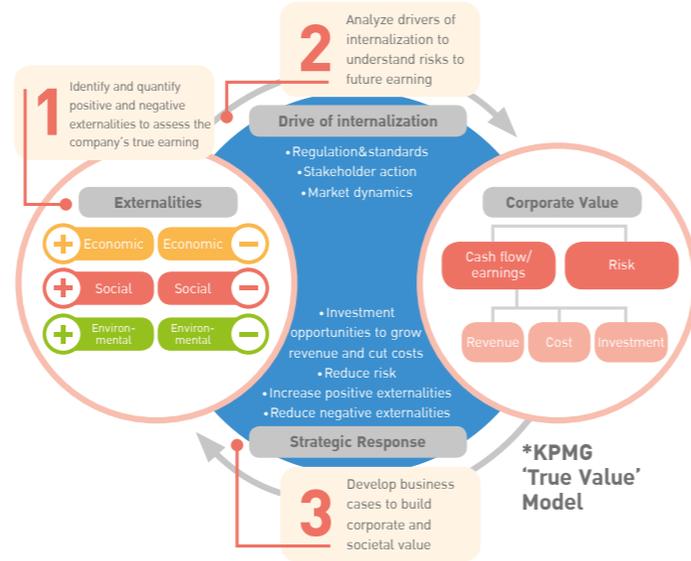
The government already has the resources to support the farmers. Therefore, this new model is suitable for the present



Evaluating the Economic, Social and Environmental Values Pinggu Modern Agricultural Integrated Project

The KPMG 'True Value' method can be employed in evaluating the economic, social, and environmental values of the Pinggu Modern Agricultural Integrated Project. The method comprises three key elements as follows:

- 1. Assess The Company's 'True' Earnings**
Identify key issues that have both positive and negative impacts on the project in economic, social, and environmental areas
- 2. Understand Future Earning At Risk**
Analyze issues' impact on the project
- 3. Create Corporate And Societal Value**
Analyze results of business development projects to create value and opportunities for society



Economic Externalities		
Employee Benefits The economic impact of the benefits that employees receive from employment and welfare benefits such as compensation, bonuses, and free accommodation for some employees	Taxes The economic impact of taxes to the country where the project operates	Dividends The economic impact from the income farmers and the cooperative receive in land and real estate rents
Social Externalities		
Employee Training The impact of employees and farmers receiving various skills training	Health & Safety Impact on the health of employees and nearby communities due to the project	Food Safety Impact on the general public from safe, qualified, and transparency of information on foods and products from the project
Environmental Externalities		
GHG Emissions Impact on climate change due to greenhouse gas emissions from the project	Water Consumption Environmental impact due to water consumption of the project	Waste Environmental impact from all types of waste created during the project

Results & Benefits

Economic Value

The Pinggu Modern Agricultural Integrated Project both directly and indirectly develops the local economy in many ways through employment, taxes, and increase in farmers' income. The value of the net economic benefit to society in 2018 is 117.7 million RMB.

Social Value

The value of the net benefits from social externalities is 4.3 million RMB, most of which comes from benefits that employees and farmers gained from the project's training investments. The training investments amounted to 99% of the total net benefits from social externalities.

Environmental Value

The value of the net costs of environmental externalities is 55.3 million RMB, with water consumption being the most significant environmental externality. Water consumption is calculated to be 59% of the environmental impact to the project. The next highest impact is GHGs, which are calculated to be 40%

The results from evaluating the economic, social, and environmental values of the Pinggu Modern Agricultural Integrated Project demonstrate that positive social and environmental externalities, both direct and indirect from the project, are higher in financial value than economic benefits from the project by 72 million RMB.

Important positive externalities of the project are the income farmers and the cooperative receive in land and real estate rents, benefits employees receive from the project, and the taxes that China and the community collect from the project. This results in the value of positive externalities exceeding 117.7 million RMB.

Meanwhile, the negative impacts of the project include water consumption, GHGs from fuel, energy consumption, and waste.



*This impact evaluation does not include the use of food production
 *Only CP Egg impact assessment was shown here

Supporting Small Entrepreneurs for Creating Career Opportunities

Importance

Charoen Pokphand Group is committed to helping small entrepreneurs become business owners who can expand their businesses sustainably. We provide basic knowledge regarding career, increase small entrepreneurs' access to funds, and create new business opportunities. Furthermore, our commitment seeks to help with career advancement for SMEs, create more wealth, and drive the economy forward.

Our Performance

Backed by C.P. Group, the project supporting small entrepreneurs has allowed them to improve their quality of life and their local economies. It also provides them with more channels and opportunities to become entrepreneurs. Furthermore, C.P. Group encourages community participation in product improvement and development, which can sustainably grow the country's economic capabilities.



CASE STUDY 9

Supporting Small Entrepreneurs Through the 24 Shopping Program by CP All



Project Background:

24 Shopping Company Limited, under the Retail and Distribution Business Group, answers the needs of modern consumers by selecting and selling quality and unique products through an Omni Channel approach. It is the project's policy to support and promote SMEs by being their sales channels; SMEs increasingly sell their products through 24 Catalog. A Store Hub

delivery is also planned to accommodate expansion and sustainable growth.

Performance:

SME owners can store their products at nearby 7-Eleven stores. The stores can temporarily hold the products until vehicles from the 7 Catalog distribution centers pick them up for delivery. The storage helps decrease logistic costs for SME owners

and also preserves the freshness and quality of the goods. It also aims to support SME owners to develop products that match with diverse customer needs.



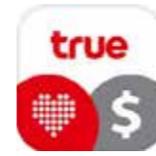
Results & Benefits

2,772
SMEs sell products through 24 Shopping

6,170
million THB in income generated for participating SMEs

CASE STUDY 10

True Smart Merchant, a Modern Store Assistant



Project Background:

The digital world is becoming part of everyone's life. Currently, Thai people use their mobile phones for almost every purpose including financial transactions and mobile payments. This is a trend with great prospects for growth due to the expanding smartphone markets, which continually increase in number. As a result, retail businesses have adjusted themselves accordingly. They sell or do their online marketing and promotions together with offline methods.

Performance:

True Corporation Group has developed the True Smart Merchant application as a store assistant manager. True Smart Merchant understands the pain points of small stores that want to access their target customers and promote their stores. Thus, the True Smart Merchant application is a marketing tool that helps create business opportunities for small entrepreneurs.

Results & Benefits

161,438
store owners who use the service

177
million THB in the sales value from the application



Promotion Support
A suite of marketing tools to spur store sales

Save time
Hassle-free, scan and instantly get money

Promote the Store
Promote your store through integrated media

More sales, More True Points
Buyers and sellers get True Points that can be exchanged for reward items

Daily Sales Summary
Check it anywhere anytime

CASE STUDY 11

True Money and Its Role in Supporting Small Entrepreneurs in Six Southeast Asian Countries



Results & Benefits

62,622
True Money agents

29.2
million total year round customers who perform transactions overseas with True Money

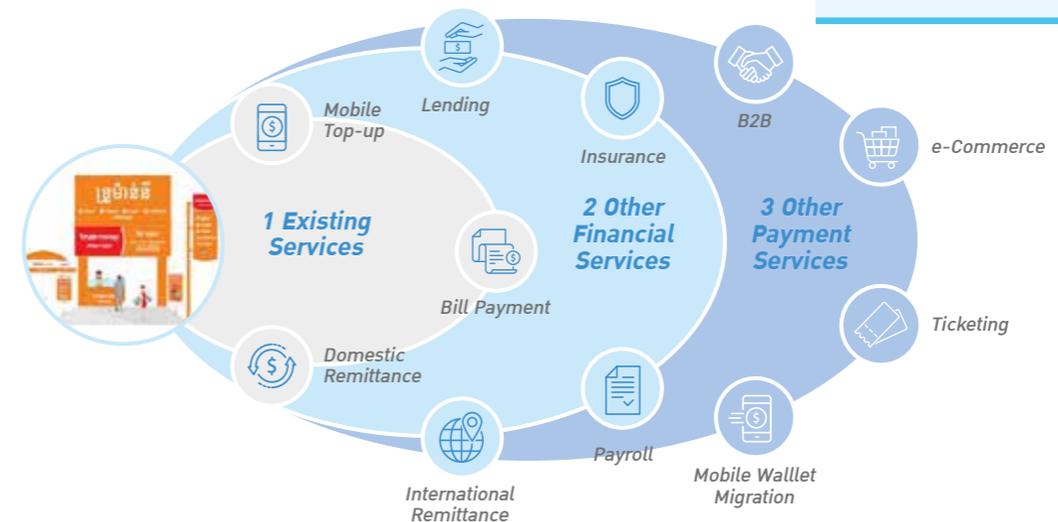
123,000
million THB in value of payments through the platform

Project Background:

True Money is a leading fin-tech company in Southeast Asia offering e-Payment services that facilitate daily transactions for businesses and individual customers. Its services also include mobile top-up through the mobile wallet application, along with True Money agents in other countries such as Myanmar, Cambodia, Vietnam, Indonesia, and the Philippines.

Performance:

In 2017, True Money's overseas businesses have supported small entrepreneurs by servicing more than 16 million customers through the platform, with the value of payments totaling 62,000 million THB. Moreover, True Money is committed to developing its business and capability to allow everyone access to financial services through an innovative and modern method. New technology will be used to develop the business to create a better quality of life for its customers.





Supporting Vulnerable Groups for Social Equality

Importance

One challenge the world is currently facing is the continuous rise in the global population. To reduce the resulting social inequality, it is important to support vulnerable groups and improve their quality of life so that they receive equal treatment in society. C.P. Group is cognizant of the concept that 'a strong business foundation requires us to build a foundation for a good quality of life in society.'

Performance

To improve the quality of life for vulnerable groups, Charoen Pokphand Group has initiated projects to support the disabled, the elderly, children, and the underprivileged. Furthermore, C.P. Group has provided career support, capability and skill training, and knowledge. We also have provided sustainable career opportunities to vulnerable groups by cooperating with various associations, which together lead to a sustainable community and social development.

The Children and the Underprivileged Support Project



The Elderly Project

The Disabled Project

Charoen Pokphand's Performance in Projects Supporting Vulnerable Groups



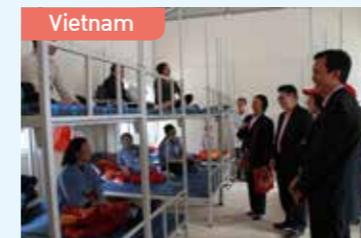
With 120 orphans under the care of the SOS Orphanage in Ben Tre Province, CP Vietnam has built a layer chicken house. Eggs from laying chickens are used as ingredients for children's meals. The children also learn to raise layer chickens through hands-on experience, which can be helpful in their future careers and create self-sufficiency.



The Food for Life project was founded through employees' charitable contributions to help Yangon orphans who lack nutritious food. The project has provided food, medicine, and other necessities. Currently, the project supports over 1,600 orphans and has organized many activities to bring smiles to every orphan.



Remote schools in Laos still lack access to books and school equipment. School facilities are also run down and not suited for learning. CP Laos and its employees have provided financial assistance to buy books, school and sports equipment, and clean water filters. School facilities have also been renovated to create better classrooms for children to study.



Cancer patients with financial difficulties and their families face the problem of lengthy cancer treatment with high costs. CP Vietnam has built homes for patients who receive treatment from the National Cancer Hospital in Vietnam. Three homes were built and equipped with 240 patient beds, providing both physical and moral support for patients and their families.



Xu Mei Jiao, a CP Lotus employee, formed a team of volunteers to provide help to children and the elderly with impoverished backgrounds. Thus, the 'Sharing Warmth' project was created. The project provided support for improving education. The first Lotus library was built at the Chang Wu San high school. Volunteer teams from each branch are cooperating with the local governmental unit to establish the CP Lotus Hope Primary School.



Child abuse and abandonment in Minneapolis, Minnesota, USA, leave many families in a crisis. Bellisio Foods' volunteers, together with nurseries, temporarily help care for more than 1,247 newborn babies and children up to the age of six. They provide for school equipment, food, and clothes. The volunteers also established a fund to create a good environment for children and encourage employees to do charitable work.

CASE STUDY 12

Charoen Pokphand Foundation for Rural Lives Development*



Project Background:

On the auspicious occasion of the late His Majesty King Bhumibol Adulyadej's 60th Birthday in 1987, Charoen Pokphand Group and its employees were deeply grateful for his values and virtues. Thus, executives and employees established the

'Rural Lives Foundation' to humbly follow in his royal footsteps to benefit and improve the quality of life of people, and to create jobs and careers for rural societies and city communities. The 'Charoen Pokphand Foundation for Rural Lives Development'

operates under three strategies that include children and youth, poverty and the elderly.

Main Projects of Charoen Pokphand Foundation for Rural Lives Development



The Layer Chicken Raising Project for School Meals



The Attentive Care for Orphans at Cultural Community Project



The Farm Youth Training Center Project



The Academic Scholarship Student under His Royal Patronage

*Name changed from "the Rural Lives Development Foundation" to "Charoen Pokphand Foundation for Rural Lives Development" in 2018

The Attentive Care for Orphans at Cultural Community Project



The project promotes and encourages children and underprivileged youths to be with their families and communities so that they are loved, cared for, and can learn and develop characteristics suitable to their ages. They also learn the culture of love, caring, and giving in their communities. This can be their spiritual anchor and a key to sustainable and continuous community development.

Results & Benefits

296
families in the Project received foster care

Addressing Sustainable Development Goals



The Farm Youth Training Center Project



With permission from the Education and Development Center Huay Sai, the project collaborated with the working committee to develop the Farm Youth Training Center. Buildings for training and accommodations were built. The opening ceremony took place on February 27, 1988. The project involves three areas that include a career demonstration for business in agriculture, a learning and technology transfer center, and an expansion of the Education and Development Center Huay Sai.

Results & Benefits

500
youths have received training in farming and have completed field visits

Addressing Sustainable Development Goals



CASE STUDY 13

Collaboration for Persons with Disabilities

Charoen Pokphand Group is continuously committed to supporting disabled groups. Following the ‘Pracharath’ approach, the Group collaborates with governmental and independent organizations and the private sector. The Group is determined to improve livelihoods, create jobs, develop skills, provide production knowledge, and support marketing channels in order to respond to society’s needs.



‘No One Left Behind’ built the ASEAN Disability Training Center Universal Foundation for Persons with Disabilities

In collaboration with the Universal Foundation for Persons with Disabilities and the Ministry of Social Development and Human Security, the ‘No One Left Behind’ project was planned to run a fundraising activity where individuals with normal sight ride bicycles, along with blind individuals, from Bangkok to Amphoe Chiang Dao in Chiang Mai Province. In 2018, the event helped raise 32 million THB, before expenses, to build the Chiang Dao Disability Training Center in Chiangmai.



‘Create Sales Channels and Increase Income’ The Thailand Association of the Blind

Products from the Association, such as dried crunchy bananas, were sold at the True Coffee IT Mall Branch in an effort to ‘empower the disabled and guarantee an equal, fair, and inclusive integration into society.’

Laddaporn Kosum, one of the individuals with sight disabilities who received the Association’s career training supported by True, was recognized as a Role Model with a Disability from the Minister of Social Development and Human Security on the International Day of Disabled Persons in 2018. She successfully increased household income from 15,000 THB to 75,000 THB within 1 year. She also invented a formula for the oyster mushroom cube with a blooming period longer than other formulae.



Torpong Selanont
President of the Thailand Association of the Blind

“I believe that the help and support from True and Charoen Pokphand are a valuable encouragement for us. They are also a key factor to ensure a successful and sustainable plan to promote agricultural jobs for blind individuals.”



Prof. Wiriya Namsiripongpun
Founder of the Universal Foundation for Persons with Disabilities

“Skills training and other opportunities from Thai society are key to the success that we have today. I hope that the ASEAN Disability Training Center in Chiang Dao will continue to be a beacon of hope for disabled people who want to be sustainably self-reliant.”



Wityoot Bunnag
President of the National Association of The Deaf in Thailand

“True Coffee Deaf Barista is a project that provides opportunities for the deaf to demonstrate their capabilities and work alongside other employees. It is a model for other companies in Thai society.”



‘Creating a Better Life for Vulnerable Groups’ Concept Develop potential and improve the quality of life for underprivileged individuals in society.

- True Coffee provided opportunities for disabled people to become professional baristas so they can happily work with others. True Coffee Deaf Barista Batch 2 currently has six baristas.
- Deaf Sim Package by TrueMove H ensures inclusive communication for deaf people and unlimited access to information.

HEALTH AND WELL-BEING



SUSTAINABLE DEVELOPMENT GOALS



Challenges

C.P. Group is determined to develop products and promote projects that support good health and well-being of consumers, based on Thai and international guidelines for health, by leveraging the Group's capacity and resources in creatively protecting and solving the health problems of all groups in society. This supports Sustainable Development Goals (SDGs) 2 and 3, aimed at eliminating hunger and promoting good health and well-being. Moreover, to raise society's awareness and understanding, the Group creates communication materials through information media that are complete, easy-to-understand, and accurate in order to help society understand nutrition and good health. This approach is based on research results from the World Economic Forum (WEF) that identified the challenge of communicating health and well-being to all internal and external stakeholders of the company. Should this issue not generate a direct solution, the WEF research indicated that populations of Southeast Asia and South Asia will risk not receiving adequate nutrition, even if they consume adequate amounts of food (Hidden Hunger).

Performance Against Goal 2020 Goal (Thailand)

30%

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

Progress



- 2017: 37% of new products
- 2018: 29% of new products

Key Performance in 2018



Development of products that promote health
283 Products



Support given to food accessibility
243,280

Number of children, youth, the poor, and members of vulnerable groups who gained access to food



Safe and quality production process
100%

Percentage of farms that comply with the responsible and prudent use of antibiotics



Promoting animal welfare
100%

Percentage of concerned businesses in the Group that comply with animal welfare principles

Support for the Sustainable Development Goals



SDG 2 Zero Hunger

- 2.1 Access to food that is nutritious and safe based on international standards
- 2.2 End all forms of malnutrition



SDG 3 Health and Well-being

- 3.4 Reduce mortality from non-communicable diseases and support good well-being
- 3.B Support research, development, and access to medicine and vaccines in internationally accessible prices

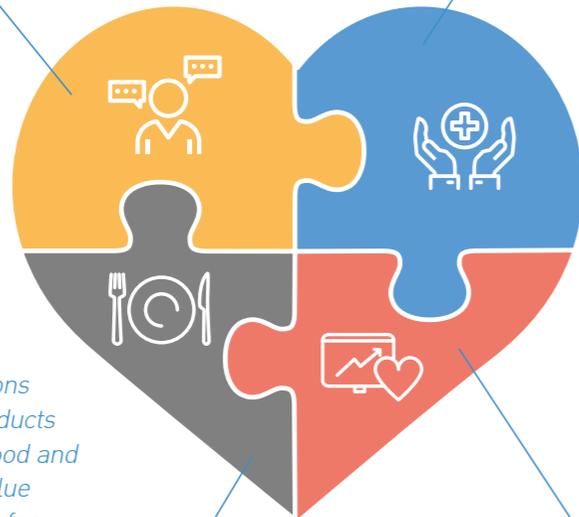
Management Approach

Good health and well-being of all citizens is an important element in increasing the capabilities of those in the Group's countries of operations, and can help reduce the cost of medical treatment at the national level. C.P. Group, as a leader in the agro-industry and food business, the retail business, and the pharmaceutical business, recognizes its role in effectively ameliorating such health-related problems by serving in a primary role to present products and services that promote a good quality of life, health, and well-being for the population.

Therefore, the Group strives to research and develop products by implementing international management standards, controls, and testing throughout the value chain, to promote knowledge and good nutrition within a broader society. The Group uses the 4Ps management concept, which stresses developing People, developing Processes based on international standards, developing Products that promote good health and well-being, and Promoting Health. All of these are achieved by communicating product and service information, along with developing projects that promote good health and well-being.

Developing People

- Recruit subject matter experts
- Provide skills training and development



Developing Products

- Research and develop products and innovations
- Create a variety of products
- Reduce low nutrient food and increase nutritional value
- Develop food products for different age groups
- Develop functional food products,
- Develop medical food products

Developing Processes

- Provide good systems and standards
- Conduct raw material testing in a laboratory accredited according to ISO/IEC 17025 standard
- Develop automation and robotic systems
- Develop a traceability system

Promoting Health

- Provide clear and accurate product information
- Provide information on traceability

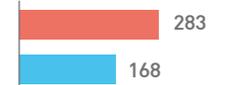
Information on Performance to Promote Good Health and Well-being

Healthier Product



283 Products

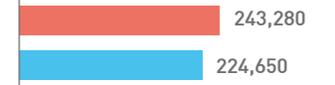
Products that strive for good nutrition, health, and well-being



Promote Food Access



Number of children and youths who have been supported in their access to food



718 schools

The Raising Layer for Student's Lunch Project



78 schools

The CPF Growing Happiness, Growing Futures Project



9 schools

The Open the World of Learning Project



Promote Health & Well-being



Number of blood donors

27,641



Number of youths who are volunteer physicians

6,000



Number of women who received breast cancer examinations

5,000



Sport Promotion

Number of athletes who received food support

2,450 Persons



50



1,500



900

Examples of Group Projects that Promote Good Health and Well-being Around the Globe

1 Blood Donation Drive to Help Society (Turkey)

Supported a national blood center through blood donation drives to remedy the blood supply shortage, creating well-being for the community.



2 Support for Youth Athletes (Poland)

Supported the SuperDrob Cup football competition among various schools in Poland to improve physical capacity and football skills.



3 Milk for Kids (Myanmar)

Cooperated with the public education sector to support milk donation to homeless children, orphanages, and schools with shortages of nutritious food.



4 Artesian Well Construction for Schools (Bangladesh)

Valka-13 farm employees collaborated in building an artesian well for Chanpur primary school to allow students and community members to have clean and quality drinking water.



5 School Public Utilities Renovation (India)

Provided clean drinking water, built a hygienic cafeteria, and provided learning materials for 24 public schools in TN and Anton in India.



6 Building Hand Wash Areas for Nursery School Students (Laos)

Supported good health and hygiene by educating students on hygiene and building a hand wash area at Dongbang Nursery, Vientiane, Laos.



7 School Lunch (Cambodia)

Donated ready-meals to provide school children access to quality food, beneficial for their physical growth.



8 CPF Run for Charity (Thailand)

Organized a running club to promote good health among community members and society, reducing illnesses and work-related diseases. Proceeds (5.7 million THB) were disbursed for public benefit.



8 Capability Building & Quality of Life Improvements for Autistic Patients (Thailand)

Created the True Autistic application to develop the physical and mental capability of autistic individuals, and promote concentration, eye sight, and movement.



9 Medicine Supplies for Health Center Philippines (The Philippines)

Cooperated with the Public Health department in Barangay Gugo to provide knowledge on appropriate medicine use, and donated first-aid medicine to communities.



10 Da Ai Emergency Fund (China)

Supplied funds to support CP Lotus employees in emergencies linked to illnesses or other issues requiring immediate assistance.



10 Spring Pink Charity (China)

Supported women's groups in accessing breast and ovarian cancer examinations and treatment in Guangdong.



11 Youth Physician Volunteers for Citizens' Health and Well-being (Vietnam)

Cooperated with a hospital in Ho Chi Minh to provide medical services from volunteer physicians in treating patients living in remote areas, and raising awareness about first-aid treatment among teachers and volunteers, covering more than 700 schools.



11 Blood Donation Drive (Vietnam)

Cooperated with Red Cross Vietnam to mobilize blood donation drives since 2009, having received 127,700 units of donated blood.



12 CP Charity Fund Run (Malaysia)

Cooperated with trading partners and the Royal Embassy of Thailand in Malaysia to organize the CP Charity Fund Run project to promote health and raise funds for vulnerable groups in society to have a better quality of life.





Product Development for Health

Promoting the best health and well-being for consumers

The Group is determined to research and develop products to improve consumers' health and well-being, including continuously introducing new products through research and development that leverage modern food technology and meet international standards. To achieve this, the Group established a food research and development center that supports expert food researchers' and developers' creativity, and showcases their ability to test new products and emphasizes their determination to research and develop healthy products. Furthermore, different people have different food demands at different ages, and therefore it is necessary to develop food innovations that promote a good quality of life for global consumers. To accomplish this, they use pilot factories to test and develop products that can



immediately respond to different market demands.

The Group has developed products for better health and well-being in response to vastly changing consumers' food consumption trends. Consumers currently

consider the benefits and nutrition of food as their top priority. The Group's businesses, both within Thailand and overseas, including CPF, CPRAM, Bellisio Food Inc., C.P. Seeds, and C.P. Intertrade, have continuously produced products for better health and well-being.



CPF Food Research and Development Center

is located in Wang Noi District, Phra Nakhon Si Ayutthaya province. It is well-equipped with technology that enables food innovation. A pilot plant has produced a prototype that creates immediate ready-meals for every market taste. The center aims to sell 30% of its total products as healthy food for the elderly, for patients, and for all consumers' different stages of life.



Examples of the Group's Products for Good Nutrition



C.P. Foods Lemon Yogurt Chicken Breast

- High protein
- High fiber
- Low fat



C.P. Foods Vegetarian Nam Tok Rice

- Sweetened from coconut sugar
- Salted from salt flower
- Natural ingredients



CPRAM Co., Ltd. Chilli Fried Fish with Rice

- High quality protein from fish
- Low carbohydrates
- Rich with Thai herbs



Bellisio Food Inc Chicken & Wild Rice Stroganoff

- Natural protein
- No coloring
- 0g trans-fat



Bellisio Food Inc Chicken Alfredo Florentine

- Low fat
- 0g trans-fat
- No fructose corn syrup



Bellisio Food Inc Cauliflower Rice Bowl

- Low carbohydrates
- High protein
- No fructose corn syrup



C.P. Seeds Coco Power Coconut Water

- High calcium
- No added sugar
- 100% organic



C.P. Intertrade RD 43 Rice

- Low glycemic index
- Slow starch-to-sugar conversion
- Suitable for diabetic patients



Tops Foods Co., Ltd. Chicken Tikka Masala

- No preservatives
- No artificial coloring
- No artificial flavoring



Striving for a Quality Production System

Producing quality and safe food

C.P. Group is a large global food manufacturing company with food manufacturing plants dispersed in many countries around the world. As such, the Group places significant importance on having a quality production process. We have developed and improved the quality of our production process, analysis, and

quality control, and have made sure that our laboratories meet international standards so that we can be certified as an external 3rd party. This also includes using automated systems to improve production efficiency and food safety in order to increase consumer confidence.

Local and International Standards that Businesses within the Group, both in Thailand and overseas, have leveraged to ensure food quality and food safety

Quality

- ✓ CPF Food Standard
- ✓ ISO 9001
- ✓ ISO 29990
- ✓ ISO 22000
- ✓ ISO/IEC17025
- ✓ Good Manufacturing Practices (GMP)
- ✓ Hazard Analysis and Critical Control Point (HACCP)
- ✓ Good Agricultural Practices (GAP)
- ✓ Global Good Agricultural Practices (Global GAP)
- ✓ British Retail Consortium (BRC)
- ✓ International Food Standard (IFS)
- ✓ QS Quality Scheme for Food (QS)

- ✓ CEN TS 16555
- ✓ Safe Quality Food (SQF Level 3)
- ✓ Halal
- ✓ Global Food Safety Initiative (GFSI)
- ✓ Quality Assurance International (QAI)
- ✓ International Food Safety Standards of FSSC 22000
- ✓ CAS (Taiwan Premium Agricultural Products)
- ✓ Food Safety Code for Manufacturing (SQF)

Animal Welfare

- ✓ Animal Welfare Standard, the European Union
- ✓ Genesis Standards
- ✓ Agricultural Labelling Ordinance (ALO)



CASE STUDY 14

Safe Quality Food Standard



The Group has continuously placed an importance on food safety by striving for safe food production and developing a food safety management system that strictly complies with requirements to manage food safety risks and prepares safe products that will reach the hands of consumers. As such, in order to build confidence in the inspection and control process for consumers, Bellisio Food Inc., based in the United States under the Agriculture Business Group or CPF, has improved its food production process, achieving Safe Quality Food (SQF) Code for Manufacturing Edition 8.0 Level 3 certification. This is a food safety standard that certifies food safety management systems for organizations with stringent guidelines on managing food safety risks and product preparation to

ensure delivery of safe food to consumers. This also encompasses a strict production management system for food quality and food safety. These strong management systems enable C.P. Group to be one of the few leading companies outside the European Union to achieve these high standards.



Results and Benefits



A non-EU company that was awarded the SQF certification



Good Manufacturing and Hygiene Practice and HACCP



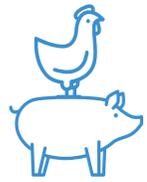
Food Safety Risk Management



Complete coverage of the supply chain



Good quality management system

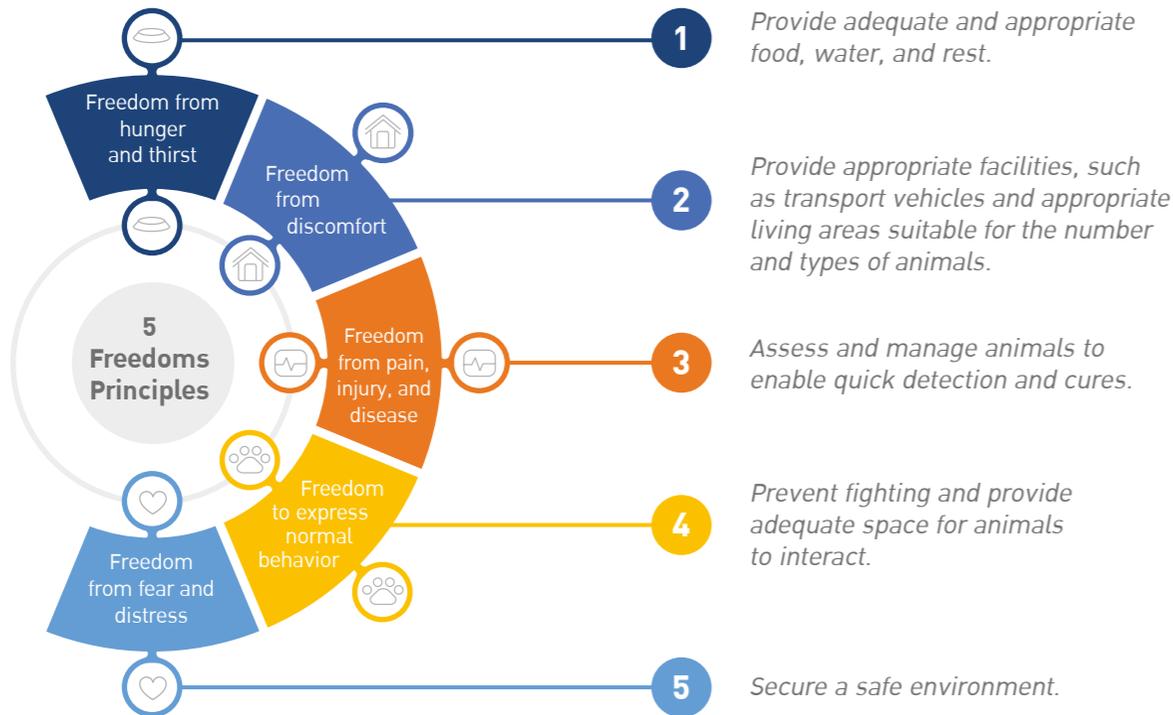


Promoting Animal Welfare

Promoting animal welfare to achieve the best health and well-being for consumers

Striving Towards Animal Welfare Based on Animal Welfare Principles

C.P. Group recognizes that animal welfare is directly related to food quality and food safety. Therefore, the Group has adhered to animal welfare principles, following animal rights guidelines, in operating its businesses throughout its value chain, from animal husbandry, meat production, and product processing, to the transportation process used for all animal products. This is achieved by caring for the animals' health, including providing good living conditions, preventing the causes of animal injuries, providing appropriate food, and ensuring no suffering occurs throughout the breeding process.



CASE STUDY 15

Adhering to Animal Welfare Principles Throughout the Value Chain

C.P. Group cares about food quality and food safety throughout every production process. In addition to various quality and technological systems that the Group has leveraged in its production, the Group also adheres to animal welfare principles in all

its products, including chicken meat, pork, duck, eggs, and dairy cows. This also includes its aquatic animals business, which adheres to animal welfare protection principles as per the Five Freedoms Principles. The Group has also leveraged

a farm biosecurity system in its farm management by forming an animal welfare committee to drive its animal welfare policy and goals in the long term, including continuous performance improvements.



Sow in Group Gestation Pen

The sow farming business began adjusting its breeding practices to allow pregnant sows the freedom to move and interact with other swine, allowing the sow to relax, de-stress, and be able to eat, rest, and excrete freely, so that they fully express their natural behaviors.



Cage-Free Chicken Husbandry

The Group's chicken husbandry business adopted a cage-free husbandry system to provide opportunities for hens to live freely with other hens within the farm. This helps them relax and enhances good health. Cage-free husbandry has already been piloted in Thailand at the Wangsomboon farm, Saraburi, and has been implemented in 12% and 50% of the production processes in Taiwan and Cambodia, respectively.

Results and Benefits



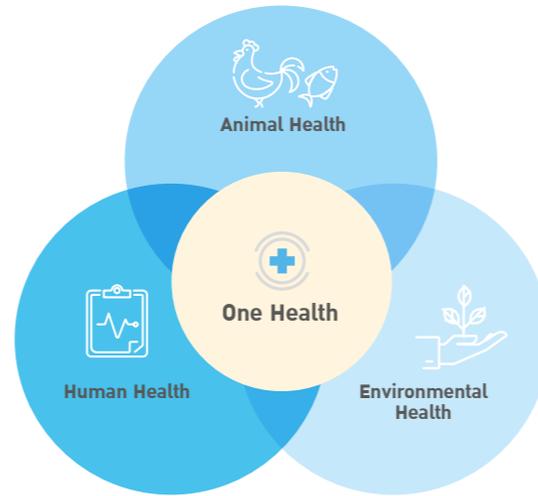
100% of all chicken farms in Thailand have animal welfare officers

33% of sow farms are group gestation pens

100% of the broiler chicken, pork, duck, chicken egg, dairy cow, and aquatic animals businesses operate based on our animal welfare policy

Responsible and Prudent Use of Antibiotics

Consumers currently believe using antibiotics in animal meat is an important topic. C.P. Group, being a large manufacturer, is cognizant of this issue, and has signed a declaration supporting the United Nations Efforts to Combat Antimicrobial Resistance established in 2017 at the One Health Summit in Washington D.C., U.S.A. One Health is a novel approach that addresses health problems by combining approaches to human, animal, and environmental health in order to create overall good health.



2017 Antimicrobial Use in Animals Principles

In 2017, C.P. Group, through the Agro-industry and food business group, announced its global vision on using antimicrobials in animals as standard practice, both on the company's animal farms and on those under its jurisdiction, to promote husbandry among farmers.



Free from the use of Human-only Antibiotics



Integrated broiler chicken business in Minburi has been certified 'Raised Without Antibiotics (RWA)' by NFS, USA throughout its production process, from hatchery, broiler farm, and abattoir, to its processing facilities.



Free from the use of Shared-class Antibiotics



The chicken egg business line has leveraged the use of probiotics and natural extracts, eliminating all kinds of antibiotics used at chicken egg farms



Free from the use of a Growth Promoter



The shrimp hatchery and nursery business has leveraged the use of biotechnology, enabling shrimp to create and lay eggs better than eyestalk ablation. Probiotics were also used, eliminating the need to use any kind of antibiotics.

CASE STUDY 16

'Benja Chicken'

As the Group strives to offer quality and safe products and operate responsibly to respond to consumers' health demands, it has used natural methods to develop products. 'Benja Chicken' is one of the Group's product innovations. This process raises chickens with specially selected brown rice from U-Farm, fortified with GABA, antioxidants, and vitamins B3, B6, and B9, to increase the chicken's muscle production. This creates a better quality meat that has better taste, is tenderer, and has a 55% higher moisture content.

Importantly, the products are chemical and hormone-free, safe, and do not use any antibiotics throughout the process. This has led to NFS International certification. In addition, good animal husbandry is key to this successful innovation. The company has a farm system that prevents serious illnesses and raises chickens in a cage-free broiler house that controls climate, temperature, and provides safe and age-appropriate feed, including safe, specially filtered water that is regularly inspected.



Results and Benefits

0% antibiotics used in husbandry

0% hormones used in husbandry



Promoting Access to Food

Promoting good health and well-being for consumers

C.P. Group is committed to improving the population's good health and well-being by building on its strength in the agro-industry and food business to develop projects and activities that promote hygienic and nutritious food consumption and that ameliorate the impacts that may occur from consumers', communities', and society's limited access to food.

CASE STUDY 17

Milk for Kids

Myanmar C.P. employee volunteers initiated the Milk for Kids project to promote access to nutritious cow's milk for children and youth, one of the country's most important population groups. This supports the Group's policy to develop dairy cows as a quality source of protein, and to create a better life for local dairy farmers. In 2014, the Myanmar government and the Group jointly developed a dairy cow project to produce pasteurized milk in Naypyidaw. It also functioned as a learning center to manage and develop dairy cows in order to provide increased opportunities for children and youth to access milk products. In 2017, employees at all levels established a network with customers and suppliers for purchasing pasteurized milk from the Naypyidaw dairy farm. Supported by the company, employees gave donations to children and youth, which are vulnerable groups in society, at boarding temple schools operated by the community and religious organizations.



Results and Benefits

- 5,000**
Number of children who received milk donations

- 6**
Number of schools that received donations

- 30,000 liters**
Volume of milk donated

CASE STUDY 18

CPF's Promotion of Access to Food Among Children and Youth

Charoen Pokphand Foods Public Company Limited is cognizant of the importance of good nutrition for children and youth, who are important foundations in the development of Thai society, by promoting access to food and supporting students' well-being. It believes that good nutrition is important to enable children to grow and reach their full potential.

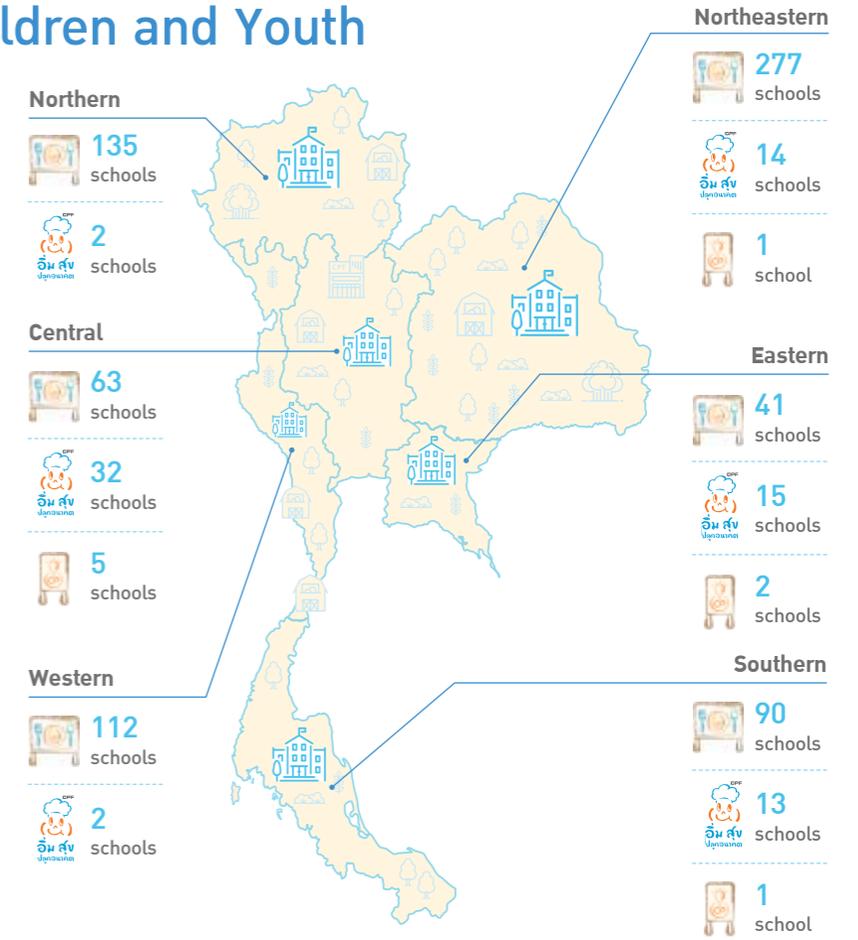


The Raising Layer for Student's Lunch Project

The project allows students to learn about the process required to raise chicken eggs, and manage and sell remaining products to the community, to create income and a revolving fund for the school. The project also serves as a learning hub for community exchange experiences.

The CPF Growing Happiness, Growing Futures Project

The project aimed to systematically and continuously solve the problem of malnutrition between 2015 and 2018 by setting targets to develop and promote a learning hub on how to access food for children and youth in schools and communities.



The Open the World of Learning Project

The project increases understanding on the production of quality, safe, and nutritious food among children and youth nationwide, through learning from the company's food manufacturing plants that leverage modern technology and production innovations.

Results and Benefits

- 236,300**
Number of children and youths who have access to food

Health Promotion

Fostering the best possible health and well-being for consumers

Aside from being committed to delivering products that foster the public's health and well-being, the Group invests efforts to improve public health through health-related projects or initiatives. To enable good health, the Group focuses on providing equal opportunities and benefits, ensuring all citizens have access to the best possible support.

CASE STUDY 19

Vietnam's Youth Doctors Following Ho Chi Min's Teaching Volunteer for greater public health

In rural areas across Vietnam, health issues are prevalent. This is due to the insufficient number of health professionals. Public and private sectors have therefore collaborated to address this gap by supporting volunteer doctors who travel to these remote areas. This enables improved access to healthcare, and directly mitigates the issues. These volunteer doctors teach and promote understanding of fundamental healthcare and first aid to local youths. Since 2010, the CP Vietnam Charity Fund has been active in facilitating Children's Hospital in District, Ho Chi Min. This support helps the hospital service those living in remote areas. The Fund has continually

worked with Vietnam's youth doctors, and the project has been scaled up and is now active across Vietnam. Both executives and employees alike are able to participate in the activities, namely in medicine distribution, visits, knowledge-sharing, and giving encouragement.



Results and Benefits

- 6,000** Number of Youth Doctors
- 700** Number of schools receiving training
- 100,000** Number of those receiving health check-ups

CASE STUDY 20

CP Lotus Spring Pink Charity

Cervical cancer and breast cancer remain the primary challenges for women living in Chinese suburbs. In China, the accessibility to detection services rate for both types of cancer is lower than 1% of the total population. These types of cancer have a high chance of recovery, assuming they are detected and treated quickly.

Over the past nine years, support from the government has helped transform the project into a movement. The fund has raised as much as 10 million RMB per year, with over 5 billion RMB raised so far. Early cancer cells have been identified in over 1,000 women, with 103 recoveries. As of 2018, the project was scaled up to encompass 2,227 locations in Guangdong province of China within 3 years. Mr. Li Wen Hai, CEO of CP Lotus Corporation, has commemorated the achievement with this illustration and a poem expressing gratitude to mothers

In 2009, CP Lotus Corporation launched the 'Spring Pink Charity' project that prioritizes women's health and shows gratitude to all mothers. The project ensures access to detection services for both types of cancer, and sets up a 'Spring Pink' fund, raising money to support women in need.



The 'Gratitude to Mothers' statue situated in the central park of Shantou



"Mother sacrificed her youth for me, keeping with her only deterioration of aging"



Results and Benefits

- 5,000** Number of women diagnosed
- 103** Number of women treated
- 10 million RMB** Amount of 'Spring Pink' fund

CASE STUDY 21

Blood Donation for Society



Blood donation is one of the Group's top priorities. This is because there is constant global demand for blood for medical emergencies, albeit accidents or surgeries. Time is of the essence when it comes to being able to provide blood in time. Furthermore, the practice itself instills kindness in youths and helps them recognize the importance and value of blood donation. Blood donation promotes the public's well-being, and serves as an event in which the public can participate.

C.P. Group's Special Project Management office, in collaboration with Red Cross' blood donation unit, have operated and supported blood donation events in companies both domestically and internationally. This was achieved through 'C.P. Group's 100 Years of Blood Donation' project, which was thoroughly supported by the Group's subsidiaries, the public and private sectors, and citizens.

Furthermore, there are efforts to focus on a new generation of donors through the 'Promoting Blood Donation among Thai Youths' project, as well as 'Give Blood, Give Life, the Spirit of a New Generation.' These programs focus on knowledge sharing and instilling the importance of blood donation as one's civil duty that needs to be completed regularly. The

Results & Benefits

24,757 Units
Amount of total blood donated

9,902,800 cc
Amount of total blood donated

95 Units
The Group's units donated

youths are the project's public relations, as they communicate the events to the broader community, scaling up the projects to other operating countries of the Group.

Establishing a Foundation Supporting a New Generation of Donors



The Group teaches youths the importance of being civic minded and being kind to others. Students from the age of 17 are encouraged to become a 'donor' and a leader in promoting blood donation.

Educational institutions act as the center of promotion and information on community blood donation events. This has been achieved through the 'C.P. Group Supporting Thai Youths in Blood Donation' project and through the 'Give Blood, Give Life, the Spirit of New Generation' project.

- **2,174 Youths**
Number of youths trained
- **231 Youths**
Number of youths who donated
- **515 Units**
Amount of blood



The Group encourages its employees to become knowledgeable and competent in first aid care. Employees are trained to become CP CPR Volunteers. This has been

achieved by disseminating knowledge to those injured, either within the Group or outside, through the 'Quality of Life Promotion through First Aid' project.

- **1,614 Persons**
Number of CP employees trained
- **107 Persons**
Number of external individuals trained
- **5,097 Persons**
Youths in schools trained



The Group fosters high school students in developing basic first aid and resuscitation skills. The approach includes both

hands-on instruction and lectures, ensuring youths' readiness in promoting a good quality of life to the community. This has been achieved through the 'CP Youth CPR Volunteer' project.

- **2,575 Students**
Number of students trained
- **10 Schools**
Number of schools that participated

CASE STUDY 22

'Let Them See Love' Project Campaigning for Organ and Eye Donations



C.P. Group and True Corporation, in support of the Organ Donation Center and Eye Bank of the Thai Red Cross Society, established the 'Let Them See Love' Project in 2007 to raise knowledge and awareness on the importance of donating organs including the heart, liver, lungs, kidneys and eyes, to help patients with degenerative organs achieve successful organ transplants. These operations are crucial for helping these patients to regain their strength, prepare to embrace a normal life and reawaken their

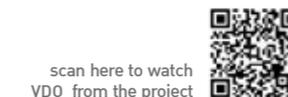
passion for living. In 2018, the Group created a video commercial called, 'Dream Transplant,' to foster an understanding amongst the general public on the importance of donating organs and of declaring their commitments to doing so. True Corporation also opened various donation channels to support fundraising efforts for organ and eye transplant processes, namely for organ transplant surgeries and equipment for the Organ Donation Center and Eye Bank of the Thai Red Cross Society. These channels include SMS messaging on the TrueMove H network, and the exchange of 'True Points' into monetary donations through the TrueYou application.

Results & Benefits

201,334 persons
Declared their commitments to donate organs and eyes in 2018

8.2%
Increase in the number of people who declared their commitments to organ and eye donations compared to 2017

2,172,040 persons
Donated to the Organ Donation Center and the Eye Bank of the Thai Red Cross Society in 2018



Health Promotion

Fostering consumers' good health and well-being

The Group prioritizes promoting sports among children and youths, both domestically and internationally. Children and youths alike who are the country's driving force. There has been ongoing support to create sport-promoting projects for children and youths, are granted the opportunity to showcase their capacity, and to realize their dreams of becoming a sport professional.

CASE STUDY 23

CP Dream

C.P. Group has continuously operated the CP Dream project to foster youths' competency for professional football clubs. Youths are selected to join in fundamental training courses, as well as courses for professionals, at the Bangkok United Football Club Academy. Participating youths are eligible for scholarships from the Group to study at Bangkok Christian College until they finish high school. The project

helps youths realize their dreams by providing them with opportunities for education, and the possibility of becoming a professional football player on Thailand's national team.



Results & Benefits

- >5,000 Youths**
Number of youths participating in the try-out for the project
- 7 Provinces**
Number of provinces in which try-outs are held
- 20 Youths**
Number of youths successfully accepted into the project

CASE STUDY 24

Supporting the Thai National Team in International Competitions

C.P. Group, in collaboration with Charoen Pokphand Foods Public Company Limited, CP ALL Public Company Limited, and True Corporation Public Company Limited, were entrusted by the National Olympic Committee of Thailand, the Paralympic Committee of Thailand, and the Sports Authority of Thailand to support the Thai national team in international athletic competitions with the provision of food, formal communications, and staff and media support, in order to provide good nutrition and ensure their physical and mental well-being. The Group provided clean, safe, quality and nutritious foods, offering the athletes familiar tastes of home to strengthen their morale and prepare them for competition. Furthermore, we provided communications support through international roaming services, which made it easier for the

athletes to communicate with their families back home, where they can cheer them on throughout the ASEAN Games and ASEAN Para Games.

In addition, C.P. Group and our subsidiaries launched a commercial on the concept of "#thainationalteam" to ignite widespread enthusiasm and inspiration amongst Thai people all over the country. We also carried out public communications and reported results during the competitions to unify the Thai people in support of our athletes during these important global competitions. Such efforts reflect another one of C.P. Group's commitments to promoting good health and hygiene in Thai society.



2016
SEA Games and ASEAN Para Games 2017
Kuala Lumpur, Malaysia



2017
ASEAN Games and ASEAN Para Games 2018
Jakarta and Palembang, Indonesia



scan here to watch VDO from the project

STAKEHOLDER ENGAGEMENT



Challenges

Holistic and inclusive stakeholder engagement is at the heart of our business. It is part of the strategy development of every company within C.P. Group and helps ensure there is a balance between our operations and the expectations of our stakeholders. We always look to systematically build close relationships with all our stakeholder groups through the Stakeholder Engagement Framework. We also continuously consider the stakeholders' needs to ensure an appropriate response when it comes to areas crucial to both the business and stakeholder groups.

With our businesses located throughout Thailand and other countries, the frequency to which we communicate with each stakeholder group varies depending on the plan of each company and the stakeholder needs. We aim to ensure a quick and efficient response to their expectations and concerns. This applies to how we conduct comprehensive analyses and holistic reviews of the needs and expectations of our stakeholders. It also includes prioritizing stakeholders through multiple activities and consistent communication channels.

Performance Against Goal 2020 Goal (Thailand)

100%

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

Progress



- 2017 : 13 Business Groups
- 2018 : 13 Business Groups

Key Performance in 2018



Stakeholder Engagement

10

Stakeholder groups of C.P. Group



Listening to Our Stakeholders

Stakeholder meetings to review key sustainability areas



Partnerships

Co-founding of the Global Compact Network Thailand

Sustainable Development Goal Support



SDG 16 Peace, Justice, and Strong Institutions

16.7 Ensure responsive, inclusive, participatory, and representative decision-making at all levels



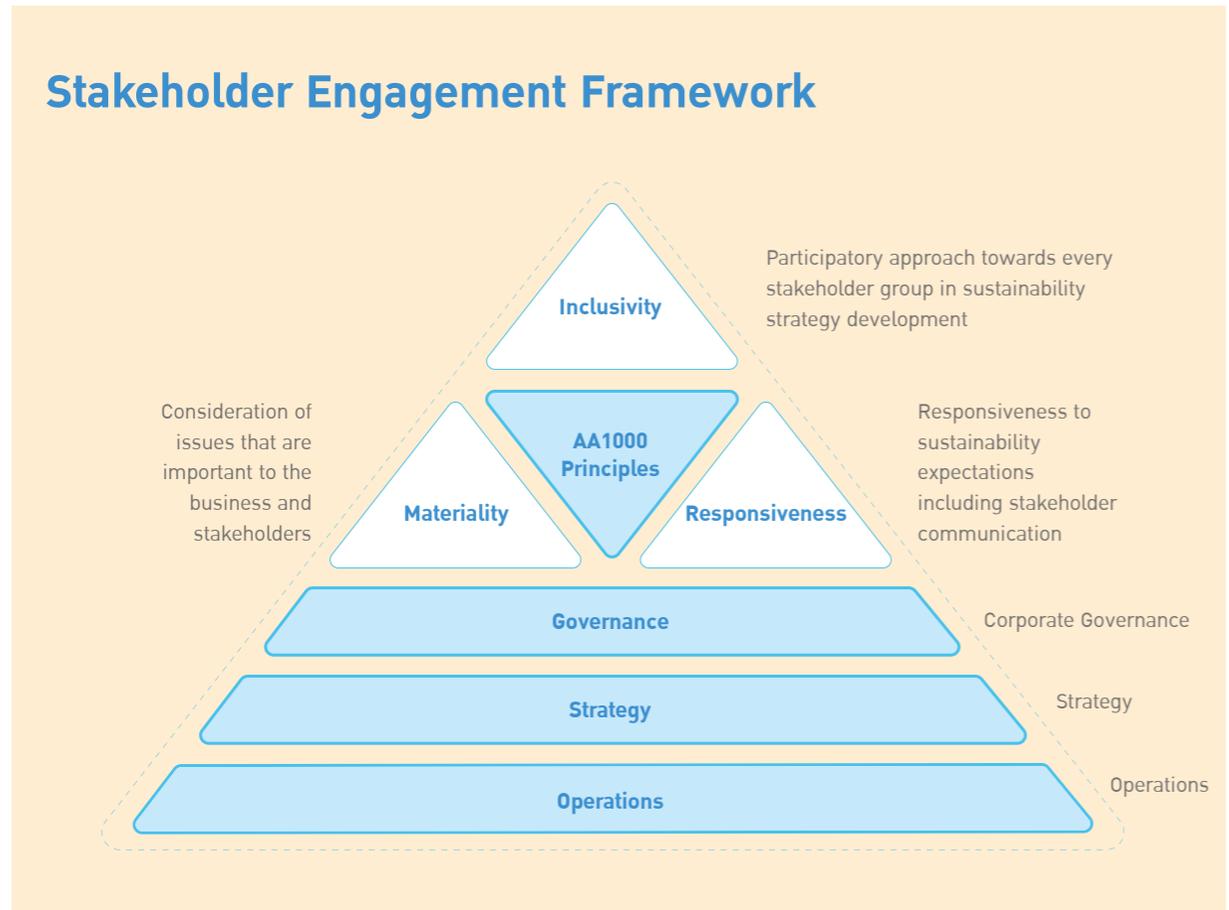
SDG 17 Partnerships for the Goals

17.16 Enhance the global partnership for sustainable development
17.17 Encourage and promote effective partnerships

Management Approach

Applying the AA1000 standard, Charoen Pokphand Group operates the stakeholder engagement process through the Stakeholder Engagement Framework. This enables the organization to respond to the needs and expectations of every stakeholder group and to integrate stakeholder engagement into our corporate governance, strategies, and work process. The Group has identified 10 stakeholder groups similar as before with a slight modification: The shareholders, investors, and creditors are now categorized in the same group. Farmers, no longer part of the business partner group, now belong in a separate group due to the need for a specific

stakeholder engagement process. For the 2018 sustainability report, C.P. Group has collected issues and opinions regarding stakeholders from across the economic, social, and environmental areas. C.P. Group also seeks to prioritize the issues as mentioned above. Furthermore, Business Groups within C.P. Group also conducted interviews with stakeholder group representatives concerning their perspectives on the sustainable development of the Company. Important issues have been incorporated into the direction in which the Company responds to stakeholder needs and ensure a consistent stakeholder engagement throughout the organization.



Stakeholder Engagement Process





Stakeholder Engagement Framework

Stakeholder Groups	Type of Engagement	
Employees and Families	<ul style="list-style-type: none"> Intranet and internal magazine Employee surveys Meetings with executives 	<ul style="list-style-type: none"> Presentation on innovation Volunteer programs Channels for voicing opinions
Customers and Consumers	<ul style="list-style-type: none"> Customer surveys Customer visits Meetings 	<ul style="list-style-type: none"> Website and newsletters for consumers Consumer complaint center Consumer center
Farmers	<ul style="list-style-type: none"> Farmer visits Farmer surveys Farmer meetings 	<ul style="list-style-type: none"> Farmer support centers Website and booklets for farmers
Business Partners	<ul style="list-style-type: none"> Meetings Visits and open dialogues 	<ul style="list-style-type: none"> Joint initiatives to create innovation Audits, and advisory and academic services Capacity-building programs
Communities and Societies	<ul style="list-style-type: none"> Public participation forums Ongoing dialogues and visits 	<ul style="list-style-type: none"> Complaint channels Initiatives to promote quality of life
Governments	<ul style="list-style-type: none"> Joint initiatives, projects, and activities Projects and activities to create benefits 	<ul style="list-style-type: none"> Participation in public policy-making Meetings On-site visits
Shareholders, Investors, and Creditors	<ul style="list-style-type: none"> Annual general meeting Visits Letter to creditors 	<ul style="list-style-type: none"> Office of Investor Relations Knowledge exchange Other communication channels such as websites
Non-governmental Organizations	<ul style="list-style-type: none"> Open dialogues through various channels and meetings to facilitate collaboration 	<ul style="list-style-type: none"> Networking
Media	<ul style="list-style-type: none"> Public relations activities through multiple communication channels Media tours 	<ul style="list-style-type: none"> Executive interviews Participation in media events
Competitors	<ul style="list-style-type: none"> Participation in industry organizations, such as the Federation of Thai Industries 	<ul style="list-style-type: none"> Obtain information from the media and public forums

Response	Case Study
<ul style="list-style-type: none"> Respect human rights Continuously develop and retain talent 	<ul style="list-style-type: none"> Improve HR system Require workplace to comply with Thai labor standards
<ul style="list-style-type: none"> Develop high-quality products and services Implement a system for quality assurance from raw material sources to points of sales 	<ul style="list-style-type: none"> Communicate clearly with customers and consumers on products/service usage through product labeling Protect confidential customer information
<ul style="list-style-type: none"> Provide fair and legal contracts Offer guarantee income Create market and sales channels for farmers 	<ul style="list-style-type: none"> Communicate and inform farmers of necessary, correct, and adequate information
<ul style="list-style-type: none"> Treat all business partners equally and fairly by adhering to agreements and business ethics 	<ul style="list-style-type: none"> Develop supplier audit protocols in accordance with Supply Change Management Policies and Guidelines and Supplier Code of Conduct Encourage business partners to be cognizant of various requirements
<ul style="list-style-type: none"> Support small entrepreneurs in delivering quality and safe products 	<ul style="list-style-type: none"> Enhance employment prospects and improve the quality of life for people Prepare an annual community relations plan by focusing on participation
<ul style="list-style-type: none"> Comply with relevant laws and regulations Support the government and other sectors related to sustainable development with conducting preliminary assessments 	<ul style="list-style-type: none"> Stay informed and apply relevant laws and regulations to the business Lend support and offer cooperation to benefit the country
<ul style="list-style-type: none"> Comply with laws, good corporate governance principles, objectives and corporate rules, including shareholder resolutions 	<ul style="list-style-type: none"> Adhere strictly to creditors' conditions Remain open to feedback from shareholders and investors
<ul style="list-style-type: none"> Provide on-site coordination to jointly address problems Listen and incorporate recommendations from non-governmental organizations into sustainability management 	<ul style="list-style-type: none"> Support research where communications technology is needed, such as video call devices with emergency physicians in ambulances
<ul style="list-style-type: none"> Emphasize accurate, useful, fact-based, and timely information disclosure to the public 	<ul style="list-style-type: none"> Treat all media fairly and with professionalism
<ul style="list-style-type: none"> Compete within the boundary of rules and ethical principles. 	<ul style="list-style-type: none"> Set up a control system to prevent anyone from illegally obtaining a competitor's confidential trade information, and from incriminating a competitor in a way that might damage his or her reputation



Listen to Our Stakeholders



“Sustainable marine rehabilitation requires the power of community. Communities must help protect the ocean.”

Banjong Nasae

President of the Rak Talae Thai Association

Practice

C.P. Group believes that we should ‘let our actions speak for themselves.’ Public relations and communication should be a priority after successfully completing projects like the Artificial Reefs for Sustainable Marine Rehabilitation Program.

Given C.P. Group’s large size, each Business Group has its sustainability unit. However, different units should join forces instead of working separately. In the future, it would be a significant move should C.P. Group expand its marine rehabilitation activities to neighboring countries in Southeast Asia such as the Philippines. One action it could take is to partner with university professors to form a network. This would be a positive gesture to demonstrate C.P. Group’s global mindset, not limited to only the Thai ocean.



Impression towards Charoen Pokphand Group

I was negotiating with Mr. Suphachai Chearavanont (CEO of Charoen Pokphand Group) following a campaign to halt the enterprise from purchasing fish meals from trawl boats to use as animal feed. The purchase negatively affected local farmers. While the first talk was considered a failure due to a mismatch of information on both sides, the second talk revealed his sincerity. Mr. Suphachai announced a plan to sustainably rehabilitate the Thai ocean and a policy to stop purchasing fishmeal ‘By Catch’ (from trawl nets and push nets), and instead, employ a ‘By-Products’ approach by purchasing from canned fish factories. This is a courageous act given the notable increase in costs.

Strategic Operation

For C.P. Group to sustainably rehabilitate the Thai ocean, we must achieve four goals: (1) Joint policies with the government sector; (2) Community work: Sustainable marine rehabilitation requires ‘the power of community’ because communities must help protect the ocean; (3) Academic research created by multiple sectors to create well-rounded research on both negative and positive impacts; (4) Public communication: the existing media channels of C.P. Group might be insufficient.



“C.P. Group must prove itself and take on a greater burden. It must also communicate more with farmers and communities.”

Prayong Doklamyai

Secretary-General of the NGO
Coordinating Committee on
Development (NGO-COD)

Impression towards Charoen Pokphand Group

The past 2-3 years saw Charoen Pokphand Group’s determination through changes in contract farming and natural resource restoration. However, due to the Group’s long-established business and its position as a large agro-industrial organization, it takes greater effort than usual for businesses to build trust among some groups in society that are wary of large conglomerates. In addition, when agricultural issues are connected to natural resources, the challenges become a highly complex national issue with far-reaching consequences. It is thus impossible to address all the problems or change the situation overnight.

Expectations

C.P. Group has made great progress in farming contract improvements and risk premium payments for farmers. However, it has to keep going. It would be great to see farmers becoming partners. Social awareness is also not widespread. There should be a platform for farmers to speak about the changes affecting them and their community.

Farmers are also affected by particulate pollution (PM 2.5), which usually happens at the beginning of the year in the northern part of Thailand. While agricultural lands are a minor cause of the pollution, the main cause, in fact, stems from neighboring countries and wildfires from national reserved forest areas. Even though C.P. Group announced a corn purchase halt from the affected areas and was acquitted of allegations, the farmers were still affected. Hence, C.P. Group should avoid creating a public sentiment that their actions are merely for self-protection. It should instead establish a central checks-and-balances system to build confidence.

Suggestions

When a program supported by C.P. Group becomes successful like the Namphang Model, there should be wider communication. The model has created a better quality of life for the people in the community including a stable source of income. It has rehabilitated natural resources, has unleashed the community’s potential in land and resource management, and has become a model for a fair forest-and-land management policy.

Furthermore, although C.P. Group is successful in the agriculture business, many farmers are still in poverty. Thus, it is necessary for C.P. Group to be part of the solution to social inequality. This would help build confidence towards the organization among the general public.





“Establish programs that represent the common values of the business, the government, and the social sectors. Increase trust and create partnerships. Strive to create.”

Dr. Pearmsak Makarabhirom
Advisor at the Research Center for Peace Building, Mahidol University, and an Independent Human Rights Scholar

about the social values of C.P. Group in the sustainability report, especially regarding poverty, inequality, and income generation.

Suggestions

C.P. Group has completed great pilot projects such as the Nongwa and Kamphaengphet Farming Villages. It should not stop there. Instead, it should expand its initiatives and develop innovative agriculture and fishing villages. This would show that C.P. Group can transform a dying community into a successful one. It could demonstrate how to address cross-cutting issues touching on economic, social, and environmental aspects. C.P. Group should create ‘group processes’ to address issues affecting people at the extreme grassroots level. This could help eradicate poverty as stated in SDG 1.



Impression towards Charoen Pokphand Group

Currently, C.P. Group has expanded its businesses from agricultural and food industries to include survival and life quality. Hence, the role of C.P. Group not only involves rural development, but also city development. In addition, although farmers play the role of partners, customers, and community members, the stakeholder identification in C.P. Group’s sustainability reports does not yet provide clear details about them. There is still a limited number of partnerships. Whenever there is a problem, there is an insufficient explanation. Powerful communication requires problem analysis and tactful and on-target information delivery. The marine issue was well-handled by C.P. Group. Now that the fishmeal issue has been resolved, it has to find other significant issues to address.

Expectations

C.P. Group needs to do more social work. It has to communicate facts to society and encourage joint solutions through programs that represent the common values of the business, the government, and the social sectors. It has to increase trust and create partnerships. It has to strive to create. Examples include the following:

- Make Ratchadapisek area a Smart City and environmentally friendly
- Make the Khao Yai area a place where communities and animals coexist. It would be great to see more information



“When C.P. Group implements sustainability strategies, it has to keep in mind that every party in the supply chain must be able to move forward together.”

Sarinee Achavanuntakul
Managing Director in Knowledge Development Sal Forest Co., Ltd.

past 3-4 years. This is a good trend. Nonetheless, C.P. Group could do more to understand the point of view of the stakeholders, which is a crucial element for setting up strategies that can truly address stakeholder expectations.

Impression towards Charoen Pokphand Group

Charoen Pokphand Group is not merely a big company, but is a global conglomerate. With great size and diverse businesses comes a great challenge to implement a well-rounded sustainability strategy. There are two classifications that it must address with the stakeholders: global and domestic. Furthermore, society has a wary view towards C.P. Group due to its seemingly large influence over policy-making and the subsequent impact it may have on society. C.P. Group therefore needs to prioritize sincerity, fostering stakeholders’ understanding and trust.

Strategic Operation

C.P. Group already has three areas in its sustainability vision. More clarity is needed on setting specific targets and strategic prioritizing: What would it choose to do and not do? There should also be more communication with progress updates. It must be careful to not over claim.

Stakeholder Engagement

A stakeholder engagement process allows for preventive measures. Up until now, the stakeholder engagement process of C.P. Group relied more on feedback than on proactive outreach. However, there have been more conversations between C.P. Group and external stakeholder groups in the

Stronger Together

When C.P. Group implements sustainability strategies, it has to keep in mind that every party in the supply chain must be able to go forward together. A capacity-building process is required.

Also, C.P. Group should encourage the government sector to be more robust. It could use an ‘alliance’ approach where it collaborates with various companies to push for socially impactful public policies. For example, in other countries, multiple companies co-publish white papers to increase public knowledge.



Partnership for Sustainable Development

On 12 February 2018, the Global Compact Network Thailand participated in an event to officially announce the 'National Agenda: Human Rights as a Driving Force of Thailand 4.0 towards Sustainable Development' at Santi Maitree Building, Government House. Hosted by the Ministry of Foreign Affairs and the Ministry of Justice, the event was presided over by Prime Minister General Prayuth Chan-o-cha, during which he also gave a keynote opening address. The event was also attended by more than 300 people including representatives from the public and civil society sectors, international organizations, ambassadors, and youth representatives. Mr. Suphachai Chearavanont, President of the Global Compact Network Thailand, also attended the event along

with Global Compact Network Thailand representatives from 15 private organizations.

Charoen Pokphand Group has been a member of the United Nations Global Compact (UNGC) since 2016. It is committed to joining forces in complying with the Ten Principles spanning four areas: Human Rights, Labor, Environment, and Anti-Corruption. It is also one of the 15 private organizations that co-founded the Global Compact Network Association in Thailand. The Association was officially launched on 13 December 2018 as part of the private sector's movement towards a new era in driving Thailand towards sustainable development.



“Assembling Thai private sector leaders from every industry will create a great driving force for business. It can also strengthen the Thai business sector’s competitiveness in global markets.”

Ban Ki-moon
Former Secretary-General of the United Nations

Many Opportunities Ahead Despite Challenging Contexts

Our world is going through profound changes that have resulted from elevated uncertainties and new risks, and could lead to instability and multi-dimensional challenges. However, despite these changes, there are still new ‘opportunities’ that can help business sectors keep up with the evolving needs of consumers.

Partnership as a Driver to Success

It takes more than one organization to achieve targets and create new opportunities; a partnership is required. Joint forces from multiple sectors can unite interconnected elements. The success of the UN Global Compact in the past 10 years, as seen during my tenure as the Secretary-General of United Nations, spans across multiple areas: climate change, female empowerment, human rights, peace, education, and rule of law.

Responsibility as a Priority for Organizations

Over the past 40 years, the Thai business sector has included large, medium, and small businesses alike, and has made impressive progress in conducting business sustainably. Thailand has also elevated its country’s income status. While the outlook for the export, tourism, and service sectors shows positive growth, great achievements come with great responsibilities.

Social and environmental responsibilities are a key concern for businesses nowadays. When the business sector demonstrates that it will take on these responsibilities, it allows for international cooperation towards successful sustainable development.

Human beings must adapt to the changing environment and conduct environmentally-friendly businesses. I believe that the Network is going to be the center of collaboration for making the world a better place and creating new business opportunities.

INNOVATION



Challenges

The challenges of the 4.0 Industry era include the rapidly changing, multi-directional, global consumer demands to which the Group has to adapt, including agro-industry. More importantly, because the business context places increasing importance on social and environmental responsibility, C.P. Group sees innovation as an important driver towards sustainable business operations amidst fast-paced changes and creating shared value for the community and the environment. C.P. Group has strived to continuously research and develop new closed and open innovations to support the economy, society, and the environment by building internal organizational capability, as well as that of society. This has also included encouraging employee involvement by installing and supporting a positive perspective towards change, marshalling the efforts of employees across the Group to enhance innovation throughout the organization.

Performance Against Goal 2020 Goal (Thailand)

50%

Increase in product and process innovation value, compared to the 2016 baseline

Progress



● 2018: Value of product and process innovation that passed selection at the C.P. Innovation Exposition increased to 7,921 million THB from a baseline of 4,058 million THB (Achieved Goal)

Key Performance in 2018



Value of Innovative Products and Processes
7,921 Million THB



Number of Innovative Products
2,249 Products that have joined the C.P. Innovation Exposition



Research and Development Spending Accounted for
17,533 Million THB

Support for the Sustainable Development Goals

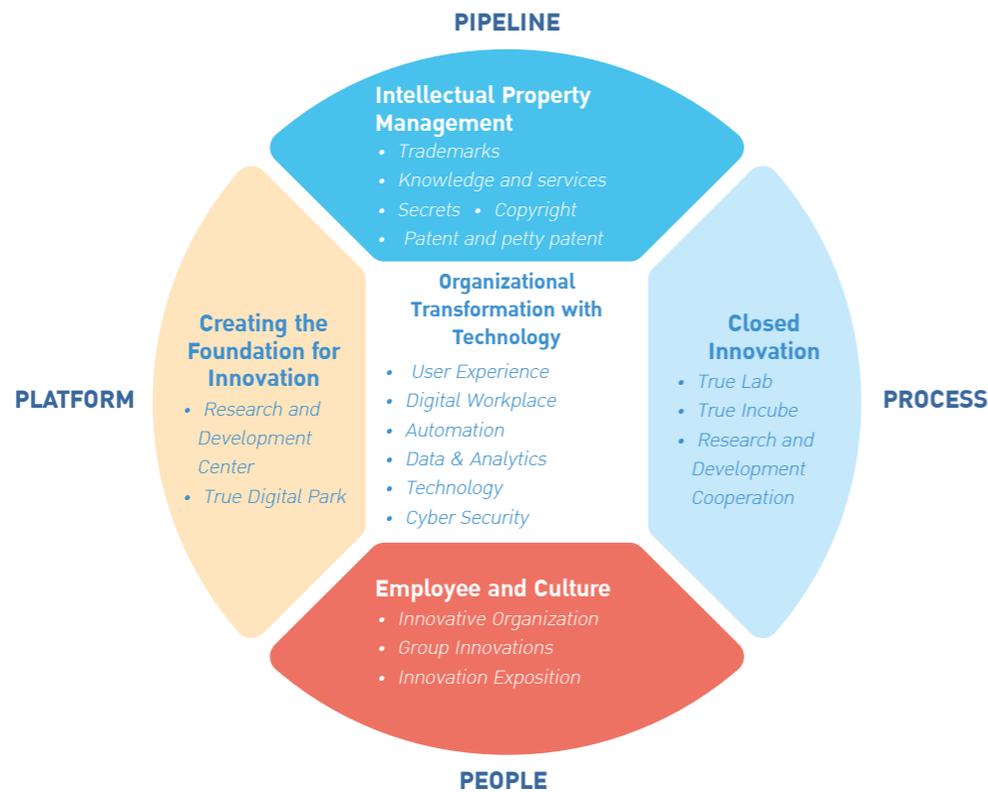
- 
SDG 8 Decent Work and Economic Growth
 8.2 Diversification, Innovation, and Lifting Economic Productivity
- 
SDG 9 Industry, Innovation and Infrastructure
 9.5 Increase research and technological capabilities of industrial sectors
 9.B Support domestic technology development and industrial diversification
- 
SDG 17 Partnerships for the Goals
 17.17 Support effective partnerships

Management Approach

In order to prepare for challenges in the emerging digital age of the 4.0 Industry era, C.P. Group believes that innovation is an important tool that will enable us to keep pace with current megatrends. As such, C.P. Group has developed and implemented an Innovation Management Framework which includes platform creation (Platform), personnel development and organizational culture (People), process development (Process), and open innovation and intellectual property management (Pipeline). Technology has been leveraged as a foundation to systematically drive innovation and continuous improvement, paving the way to an innovation-centric organization.

In addition, the organization has leveraged modern technology, including bio-technology (e.g., developing weather-resistant seeds), nanotechnology, space technology (satellites for agriculture and identifying soil color and minerals), and digital and robotics science (traceability and blockchain). These initiatives reflect the Group's commitment to creating an environment and collaborating with external agencies to generate innovation that can withstand global changes. C.P. Group has identified responsibilities and has set clear strategic targets in order to create concrete and measurable innovation.

C.P. Group's Innovation Management Framework



Digital Transformation

One of C.P. Group's visions is to create value for all communities and countries in which it operates, and to become the regional center for technology. For this reason, the Group must make adjustments in many dimensions, one of which is through digital transformation in order to drive the effective use of large amounts of data in the production

process, marketing management, customer service, business expansion, and future investments. This will be achieved by collaborating across business groups and by identifying clear targets to steer all business groups in the same direction. This process can be categorized into the following six key domains:



User Experience

Innovate and operate based on a deep understanding of consumer behaviors and needs in order to continue to create the highest value.



Digital workplace

Adjust structure, people, and process to enhance agility, support collaboration, and increase competitive capacity in a fast-changing environment.



Automation

Automate current work processes and reform all business processes to achieve holistic outcomes.



Data & Analytics

Create a data-driven organization to unlock income generation and strengthen business value.



Next Gen Technology

Create IT models and infrastructure that accelerate the developmental process of proposals to customers, foundational structures.



Cyber Security

Create digital security to protect intellectual property relating to technical and cultural capabilities.

Laying the Foundation

to pave the way for research & development and future innovations

In order to support, prepare for, and drive innovation, the Group has continuously invested in new foundational structures to promote research and development. In 2018, the Group invested 17,533 million THB to research and develop seeds, animal breeds, animal food, human food, medicine, and technology, supported by 6,581 Research and Development personnel and nation-wide Research and Development Centers and Research Stations. These facilities create Research and Development that responds to consumer demands in all target groups.



● Bellisio Food Research & Development Center



● Top's Foods Research & Development Center



● Medicine and Medical Supplies Research & Development Center



● Seeds, Corn, and Nutrients Research & Development Center



● Animal Feed Research & Development Center



● Aquaculture and Aquatic Health Research & Development Center



● CPF Research & Development Center



● CP RAM Research & Development Center

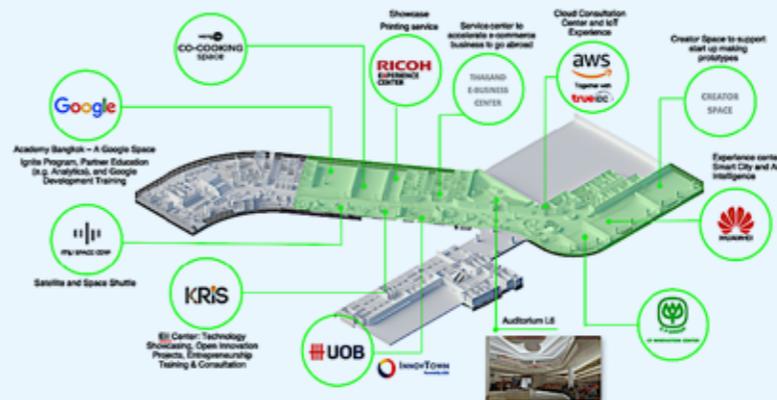
CASE STUDY 25

True Digital Park

C.P. Group believes that a balanced ecosystem plays an important role in creating innovation, and fulfills 'Thailand 4.0,' one of the economic strategies that will improve Thailand. Thus, to drive innovation, the Group initiated the 'True Digital Park' project in line with the government's policy. This project has created the largest digital innovation ecosystem in Southeast Asia. Situated on a 77,000 square meter land area, True Digital Park is Thailand's first digital innovation hub, that will attract investors and accelerate future innovations in Thailand.



true digital_park



The True Digital Park Ecosystem Composed of

- Multi-National Companies (MNCs)
- Digital and Technology Start-ups and Entrepreneurs
- Incubators & Accelerators
- Investors & Venture Capitalists (VCs)
- One Stop Service
- Commercial Amenities that Create Innovation



Becoming an Innovative Organization

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

C.P. INNOVATION EXPOSITION 2019



An environment that encourages employees to accept change and become involved in creating innovation is the building block of a culture that will improve the company’s overall innovation. C.P. Group has organized Innovation Expositions every two years. The C.P. Innovation Exposition is an important event for C.P. Group. This year, it featured innovations created by businesses within the Group from 16 different countries. The C.P. Innovation Exposition 2019 included a Symposium on sharing knowledge and experiences with employees within the Group. In addition, the Group also supports innovation through a scoring system for innovation submissions that have been selected in the C.P. Innovation Exposition in order to reward employees for becoming innovators at different levels of the Group.

“The joint forces of all C.P. employees will propel C.P.’s future, starting with small steps in accepting change that will transform new creations into innovation.”



Dr. Ajva Taulananda
Senior Vice Chairman
Charoen Pokphand Group

The 4th C.P. Innovation Exposition 2019

Exposition Results



Number of participants
33,939



45%



55%

54

Number of the **CHAIRMAN AWARD**

Business
21

Society
9

Technology
24

92

Number of articles
CP SYMPOSIUM 2019

Biotech
26

Animal Science
30

Engineering & IT
36

Number of Innovators



Innovators' Assistants **2,947**

Number of Experts in the Group



Number of researchers in various disciplines
>500



Number of animal husbandries and veterinarians
>10,000



Number of engineers
>10,000

Creating an Innovative Organization

In the C.P. Innovation Exposition, there were 54 recipients of the Chairman Award, the Group's highest accolade, from both within and outside the country. These projects all exemplify sharing experiences among the business groups in order to build upon and continuously improve their operations.



Shrimp Farm & Hatchery Project Charoen Pokphand Foods (PCL)

Pullet, a new shrimp product considered to be the CPF shrimp breed, grows fast and is resistant to diseases and environmental conditions. It was developed to solve the Early Mortality Syndrome (EMS) among shrimp by raising them in closed-system nurseries that control the environment until they reach a weight criteria before continuing their growth in a pond, achieving good survival rates.



New Break-through in Pig Industry of North China Inner Mongolia CP Foods Co., Ltd. (China)

The One Million Pig Raising Project in China got underway with the three Green Principles (Production, Life, and Development). This ecosystem management approach manages feces generated at the farm by repurposing it as fertilizer to recondition the soil in an organic agriculture.



Water Level Sensor for Minor Sources True Corporation (PCL)

True Corporation and the Charoen Pokphand Foundation partnered with the Hydro-Informatics Institute to develop a Water Level Sensor for low level water sources that are easy to install and can send information through mobile devices to show the water levels of these water sources nationwide. This has helped to increase efficiency and supports water management and emergency planning in Thailand.

Results and Benefits

- 42%** Reduction in shrimp growth time
- 40%** Loss reduction of baby shrimp within the first 30 days
- 3-4** More cycles/year of growth

Results and Benefits

- 50%** Reduction in organic fertilizer use
- 300,000 Mu** Coverage of corn farms
- 200,000 Tons** Corn produced as pig feed

Results and Benefits

- 11** Number of installation locations to date
- Not Exceeding 5 cm** Margin of error in water level measurement
- Bronze Award** Seoul International Invention Fair 2017, South Korea

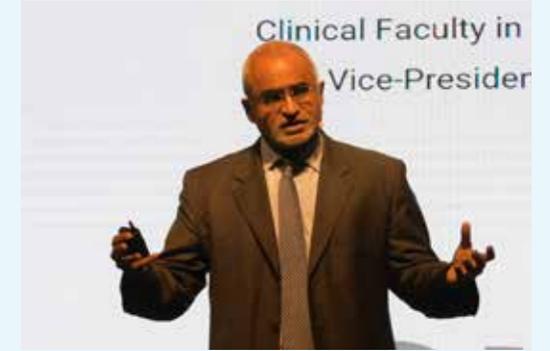


In order to increase human resource expertise, the Exposition featured special lectures from leading global experts on global technological changes, emerging global trends of the future, and the importance of innovation in building organizational capacity. This was conducted to help executives and employees be informed, learn, and understand, and to help them keep pace with technology and emerging macro changes in the future.



Dr. Akarawit Kanchana-opas
Deputy Secretary-General, National Science Technology and Innovation Policy Office

The world is rapidly changing. Those who do not adapt to these changes will have the most to lose. Today, technology helps us respond to changing consumer demands and population structures. We have to compete using both creativity and design that respond to consumer needs. Research and innovation will enable us to compete. Innovations that occur within the organization, along with those that emerge from external collaboration with all stakeholders, will help add value to the organization. Design, execution, innovation creation, human resource development, and the importance placed on technology will all be important tools that will mold the future of the organization.



Dr. Mehul Mehta
MD as Senior Fellow, Harvard Global Health

Fostering an open atmosphere that welcomes opinions and ideas to improve the Group's operations is one of the key components in solidifying C.P. Group to become a leading innovator in sustainable global industrial practice. The Group achieved this with expert groups from various businesses, including a 'breaking out hierarchy' that applied experimentation and created 'collaboration across the domain.'

CASE STUDY 26

One Day Satisfaction Project

The Group has set a goal for all employees to be involved with initiating, improving, and building innovation through the One Day Satisfaction project, a project started by Dr. Ajva Taulananda to involve all employees in the organization's innovations. We believe that this is the beginning of innovation, where all employees can take part and be involved in the path to an Innovative Organization. Its main principle, as explained to all employees by Senior Chairman Dhanin Chearavanont, is learning to be satisfied with current success for one day only, and to always search for better

approaches tomorrow. This principle is the foundation for cooperation among all employees in the Group to improve, change, and create new things in the workplace for which they are responsible, as a building block of innovation. This creates an atmosphere that strives towards a truly Innovative Organization. In addition, the Group has encouraged this practice through a scoring system, whereby employees who take part in improving their own work will be awarded points that will accumulate towards their personal score. Once the score reaches a level determined

by the Group, an employee at any level within the organization will be recognized as an 'Innovator.'



Results and Benefits

6,228
Improved Projects

6,269
Employees Involved

13
Business groups in Thailand have taken part in the project

Creating an Innovative Organization



Premsak Wanuchsoontorn
Vice Chairman
Charoen Pokphand Foods PCL.

"The heart of driving and pushing innovation in the Group is encouraging, and we support employees within the organization to take initiative and interest in thinking of and acting on new things, while continuously being ready to learn, develop, and improve the organization's operations."



Dr. Patcharee Kittisuban
Head, Research & Development
CP Food Lab, CP ALL PCL.

"Integrity, mindfulness, and intellect will help lead us to success in all dimensions of our work, whether big or small, and will benefit others. Our determination to create innovation will enable other new innovations, which will bring value to Thai society, in the future."



Charoensak Ratnawara
IT Specialist
True Corporation PCL.

"I am proud to be part of the C.P. Innovation Exposition because we strive to use various technologies to improve different aspects of work. This has given us COFY, a robotics innovation that helps increase efficiency in customer service and can be leveraged for other robotic services, too."



CASE STUDY 27

Sino-Biopharmaceutical Research and Development Center

Sino-Biopharmaceutical Ltd. (China), under C.P. Group, has conducted business in the research, production, and sale of pharmaceutical products with production standards in China. Since 2018, The company has fully strived to create research and innovation in order to set the standard and increase production efficiency. In 2018, the company invested 2,090 Billion RMB in research the highest in China resulting in the declaration of 40 licensed patents, with 155 patent-pending items at the CCTQ Research & Development Center. There are more than 500 Ph.D. researchers in one of the Sino-Biopharmaceutical Ltd.'s research centers, which are considered among the top 5 pharmaceutical innovators in China.



Results and Benefits

13
Main Research & Development Center locations

10%
Research & Development Budget to Revenue

2.09 Billion RMB
Research & Development Budget





Creating Open Innovations

Creating a conducive ecosystem for innovation collaboration

New technologies and innovations are considered the core axis in driving an organization today. While sources of new technology and innovation may emerge from the knowledge gained through research and development by people within the organization, being open to leverage and build upon knowledge outside the organization is also an important element in accelerating the organization's ability to create technology and innovation.

Hence, C.P. Group not only places importance on experimentation, invention, and development of innovations inside the organization, but also gives great significance in expanding collaboration to develop innovations with alliance groups that have knowledge and expertise. This is to co-develop, share, and build on various innovations in order to create products, processes, and services that respond to technological and innovation changes within the industry.

Research Collaboration Network



CASE STUDY 28

7 Innovation Awards

The Group realizes the importance of analyzing research results and innovations that SME entrepreneurs within each organization have developed to test and experiment with customer groups or consumers in the real market in order to exchange lessons learned and make business improvements. Thus, the Group has initiated the 7 Innovation Awards Project that is an important first outcome of the

Collaboration for Thailand Innovation Project. This includes 11 national-level organizations that create business opportunities for innovations through CP ALL various existing distribution channels.



Results & Benefits

105
Number of innovations that were entered into the competition

19 Innovations
Awarded under the 'Economic' category

7 Innovations
Awarded under the 'Social' category

HOME

LIVING TOGETHER



C.P. Group places high importance on managing resource efficiency and the environment. We are committed to preventing environmental impacts in all aspects of our operations across our entire supply chain. This involves managing climate change, managing water resources, protecting ecosystems and biodiversity, and responsibly managing our supply chain. For each of these issues, the Group has targets and operating guidelines in place to reduce environmental impacts, which will allow the organization to grow in a truly balanced and sustainable way.



**Climate Change
Management**



**Water
Stewardship**



**Ecosystem and
Biodiversity
Protection**



**Responsible
Supply Chain
Management**

CLIMATE CHANGE MANAGEMENT



Challenges

In view of the challenges that arise from climate change, the Group recognizes the opportunity to motivate and encourage all of our business groups, across 21 countries, to help minimize the causes and impacts of climate change. We encourage action through various measures, in ways that align with the Paris Agreement and the UN Climate Summit 2018, in which countries can commit to continuously reduce and monitor greenhouse gas emissions. Furthermore, the global push for renewable energy in 2017 resulted in a 9.5% increase in the supply of renewable energy globally, thus reducing carbon dioxide emissions. Given these considerations, and to highlight the importance of climate change impacts, C.P. Group is committed to managing climate change and reducing environmental impacts on a wider scale by adhering to all relevant international operating principles and integrating them into our business approaches.

Building on the commitment, the Group adds climate change goals, comprising:

1. Reduce plastic packaging in Thailand, by aiming to achieve 100% reuse, recycling and degradable packaging by 2025
2. Become carbon neutral by 2030
3. Achieve zero food waste by 2030

Progress Against Goals 2020 Goal (Thailand)

10%

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

Progress



- 2017: Reduction of 3.01% from the 10% goal
- 2018: Reduction of 3.40% from the 10% goal

Key Performance in 2018



Energy Management and Efficiency
Reduced greenhouse gas emissions by
0.91 Million Tons CO₂e



Renewable Energy
9.88%
of renewable energy



Waste Management
21.20%
of waste reused



Environmentally-friendly Plastic Packaging
73.94%
of recyclable/reusable plastic packaging use

Supporting the SDGs



SDG 7 Affordable and Clean Energy
7.2 Increase substantially the supply of renewable energy in the global energy mix
7.3 Double the global rate of improvement in energy efficiency



SDG 11 Sustainable Cities and Communities
11.6 Reduce the adverse per capita environmental impact of cities



SDG 12 Responsible Consumption and Production
12.2 Achieve the sustainable management and efficient use of natural resources
12.3 Halve per capita global food waste
12.5 Substantially reduce waste generation through prevention, reduction, recycling, and reuse



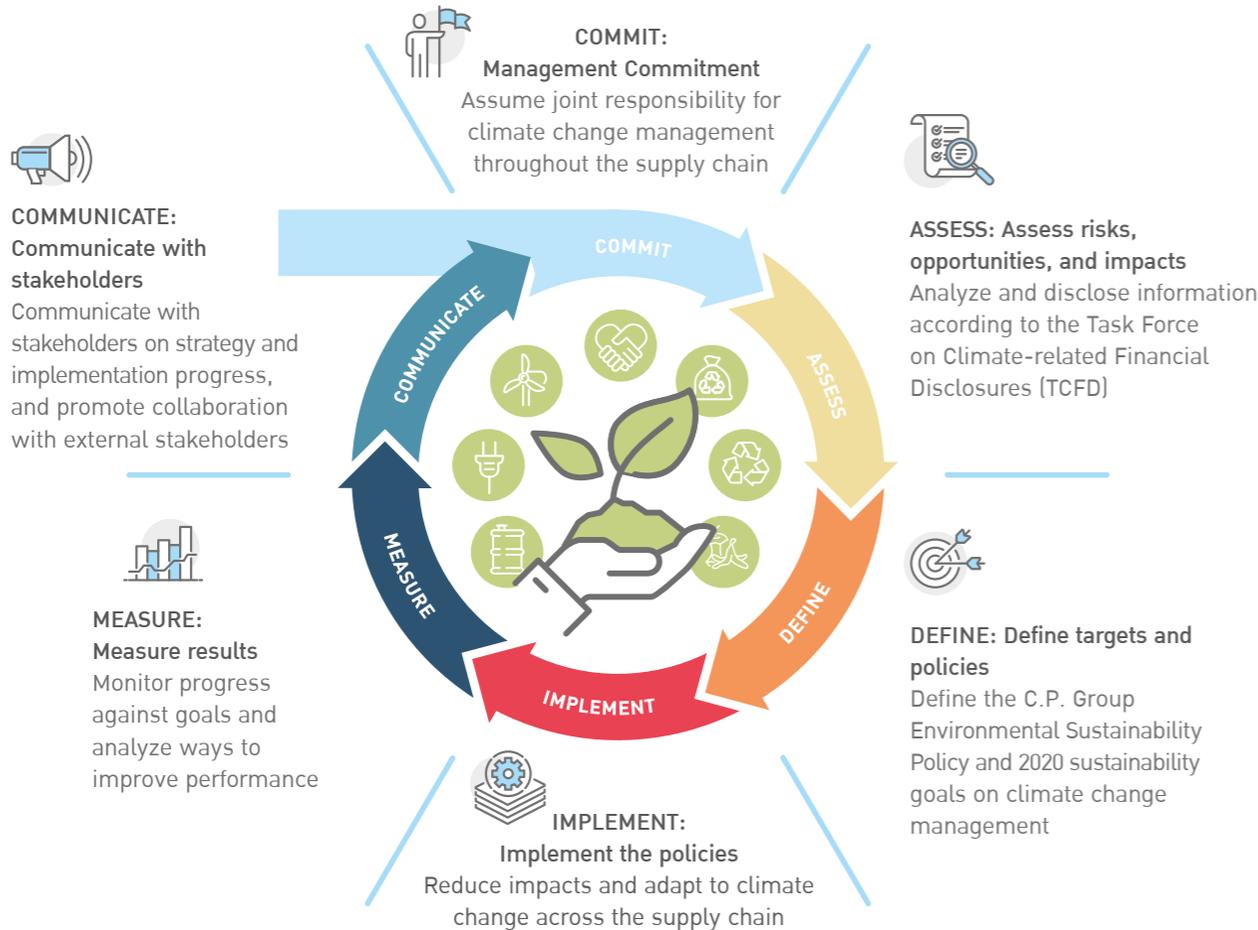
SDG 13 Climate Action
13.3 Improve education, awareness, and human and institutional capacity on climate change

Management Approach

C.P. Group has in place a framework for managing climate change that covers our entire supply chain. We determine policies and targets that encompass energy efficiency, renewable energy use, waste management, and reductions in plastic packaging. We further assess climate risk and opportunities, conduct scenario analyses according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and develop

comprehensive risk management plans that include physical, technological, market, policy and regulatory, and reputational risks. In addition, the Group communicates our performance on climate change impact management and mitigation to stakeholders through various channels including our sustainability report, the Communication on Progress to the UN Global Compact, and CDP's climate change disclosure system.

Climate Change Management Framework



Assessment of Climate-related Risks and Opportunities According to TCFD*

RISKS

OPPORTUNITIES

POLICY & LEGAL

Policies, international regulations, and various other tools heighten control of greenhouse gas emissions according to UN requirements.

RESOURCE EFFICIENCY

The efficient use of renewable energy and reduction in energy costs.

TECHNOLOGY

Emerging climate change technologies may impact current marketing efforts.

ENERGY SOURCE

More diverse energy sources for manufacturing operations.

MARKET

Policies or investments in businesses or low-carbon products reduce the need for high-carbon emitting products.

PRODUCTS/SERVICES

The increase in development of new low-carbon products and services to market, to respond to the changing needs of consumers.

REPUTATION

Higher expectations of stakeholders contribute to a decrease in revenue, reputation, and brand value.

MARKET

Marketing efforts that align with trends in climate change to create and enhance competitiveness.

PHYSICAL RISKS

Natural disasters, changing sea levels, coastal erosion, higher incidences of drought owing to higher temperatures, the impact of warming on human fatalities, and the spread of pandemics affect both plants and animals, among others.

RESILIENCE

Reputational opportunities and increase in brand value.

Governance

Establish committees at both the Group and Business Group levels, to manage the company's climate-related risks and opportunities.

Strategy

Outline a strategy for climate change management that aligns with our Group-level financial strategy and planning.

Risk Management

Apply risk and opportunity assessment results and integrate the local context of operations in each country to develop climate change management approaches.

Metrics & Targets

Determine indicators and targets for assessing and managing climate-related risks and opportunities that align with the Group's financial risk management.

*Task Force on Climate-related Financial Disclosures (TCFD)

Energy Management Data

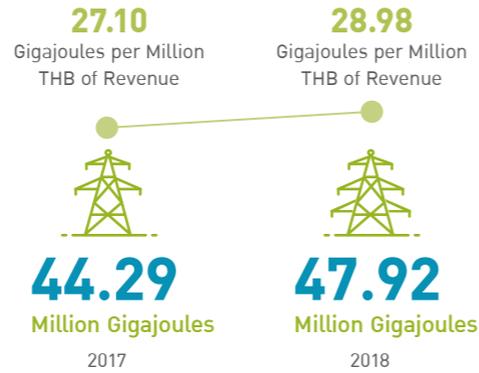
2018 PERFORMANCE



Total Energy Consumption
47.92
Million Gigajoules

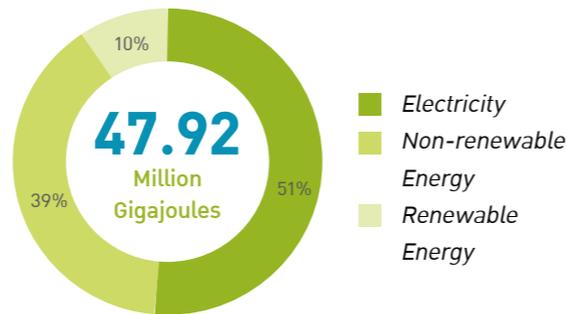
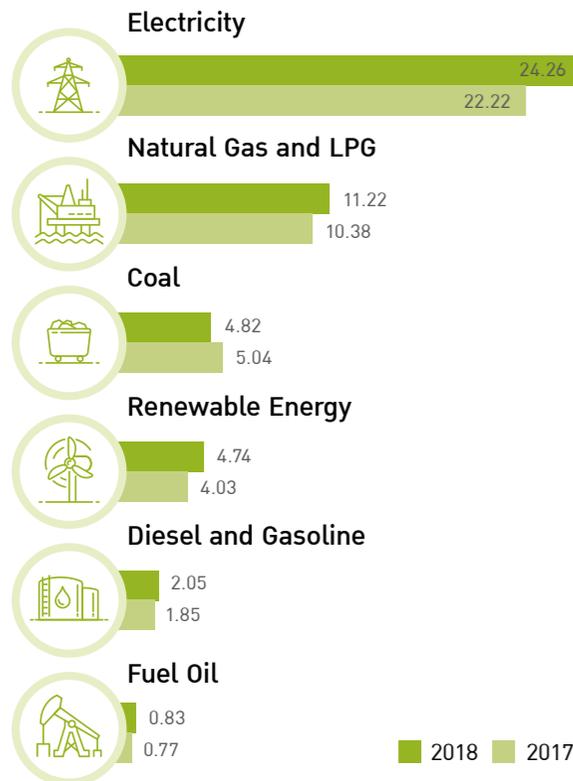
Energy Intensity
28.98
Gigajoules per Million THB of Revenue

Percent of Renewable Energy Consumption
9.88%



ENERGY CONSUMPTION BY SOURCE

(Million Gigajoules)



CONSUMPTION BY COUNTRY

Million Gigajoules



Examples of C.P. Group Energy Reduction Projects Around the World



Photocell Sensor
Phytoplankton are raised using a bio-photo synthesizer system. Light intensity is controlled by turning lights bulbs on and off. Reduces electricity costs by 17.23 million THB/year.



Biogas
Swine farm uses biogas from swine manure as fuel, instead of diesel, to produce electricity. Saves electricity costs by 1.50 million THB/year/farm.



Co Generation System
Install a co-generation system that uses natural gas instead of fuel oil to produce steam, where the electricity generated is reused for producing animal feed. Saves energy costs by 50 million THB/year.



7-Eleven Mobile Store
Based on customer demand in the food and beverage group, the Group developed a 7-Eleven Mobile Store designed to save energy. Saves energy costs by 400,000 THB/year/branch.



High-efficiency Air Compression System
Improve air compression by changing to a high-efficiency system. Saves electricity costs by 5.41 million THB/year.



Automatic Egg Packing System
Use computerized systems to automate packing and control packing machines and assembly lines at all stages of the packing process. Saves costs by 1.02 million THB/year.



Automatic Nano & Micro Adding System
Use a combination of robots and automatic railway systems in animal feed mixing to produce a standardized animal feed recipe. Saves costs by 15 million THB/year.



Motor Fan Speed Control System for Food Grinders
Install a system to control the suction volume of food grinders, using an inverter instead of a control valve. Saves electricity costs by 876,928 THB/year.



Automatic Steam-Boiler Control System
Install a control system for pressurization and combustion, along with a system to control belt speeds and fans, in order to maintain the level of steam pressure. Saves 1.25 million THB/year.



Using Grain Dust for Fuel
Grain dust, a leftover material from the production process, serves as a fuel mixture in the steam boiler. Reduces fuel costs by 45% and save 367,200 THB/year.



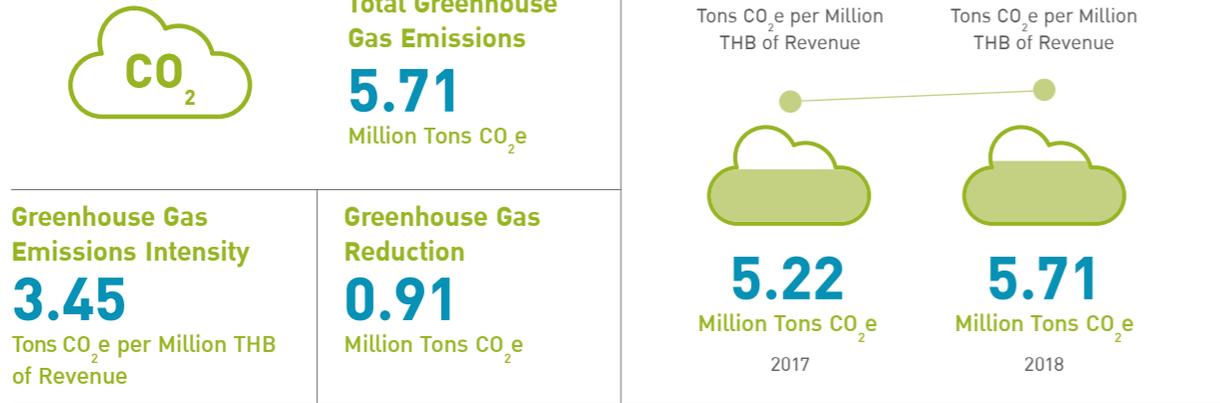
Managing Air Compression in Shrimp Farming Ponds
Use air compression in shrimp farming ponds to increase pond aeration. Install tools to monitor oxygen levels in water and turn on/off aerators as needed. Saves costs by 4.43 million THB/year.



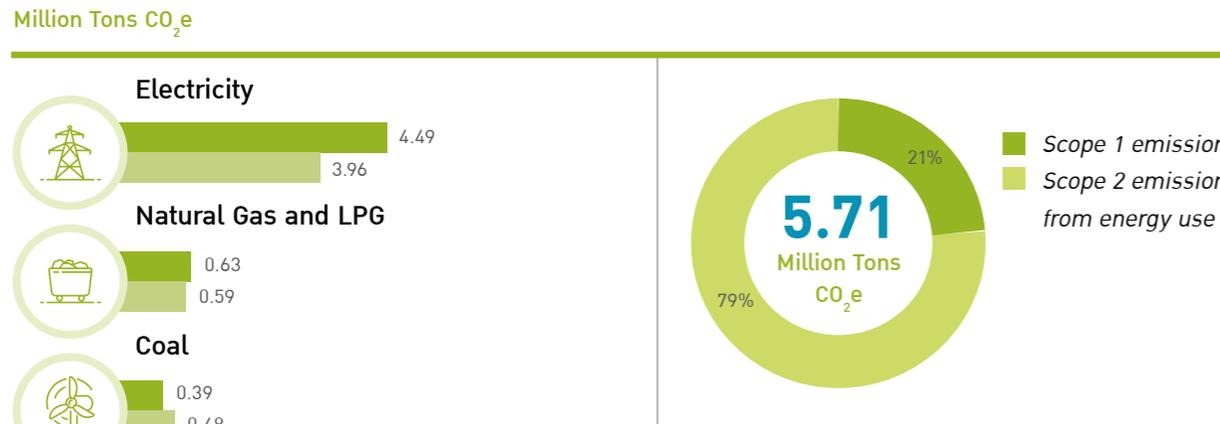
Improving Electricity Quality
Install a system to improve the quality of electricity sent to factories, resulting in continuous production and a reduction in the amount of electricity wasted by machinery in the production process. Saves costs by 1.98 million THB/year.

Greenhouse Gas Management Data

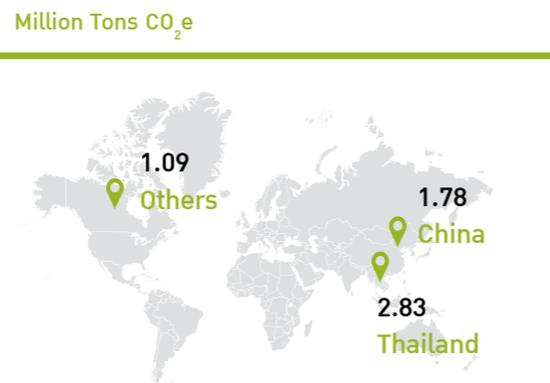
2018 PERFORMANCE



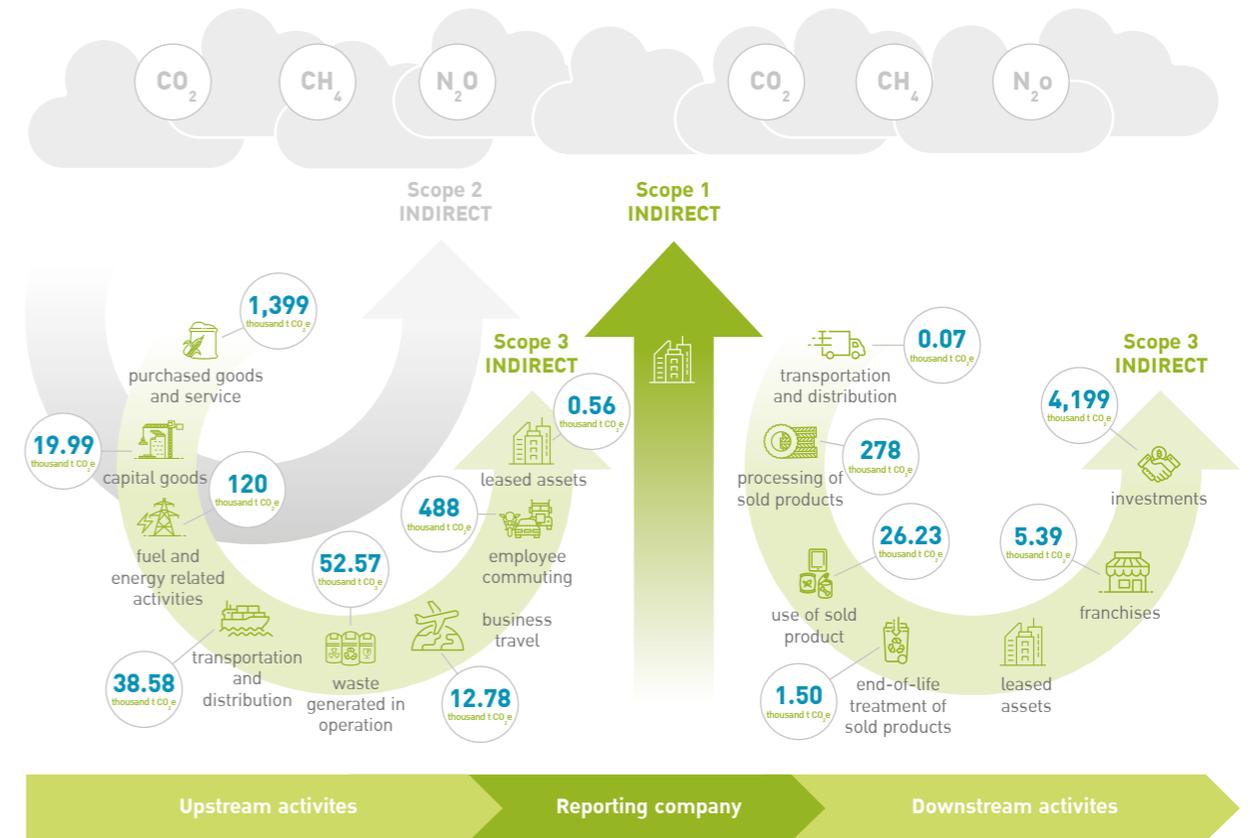
GREENHOUSE GAS EMISSIONS BY SOURCE



CONSUMPTION BY COUNTRY



Greenhouse Gas Emissions Scope 3 (Thailand)



REMARKS:

GHG Scope 1 refers to direct greenhouse gas emissions.
 GHG Scope 2 refers to indirect greenhouse gas emissions from energy use.
 GHG Scope 3 refers to indirect greenhouse gas emissions from other sources, as follows:

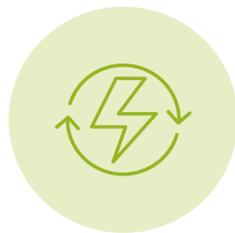
- Purchased goods and services from external parties for use by the organization – The manufacturing of mobile phones by True Group outlets, purchasing of plastic packaging from 7-Eleven stores, and quantities of key raw materials purchased including maize for animal feed, wheat, soybean, and fishmeal.
- Capital goods – Construction of transmitting towers.
- Fuel and energy related activities – The production of electricity from source to power stations (C to G), and from electricity consumption by businesses in Thailand.
- Transportation and distribution of goods (Upstream) – The transportation of key raw materials such as maize for animal feed, wheat, soybean, and fishmeal.
- Waste generated in operations – Total waste generated by True Group and CP ALL offices in 2018.
- Business travel – Off-site domestic and international employee travel via plane.
- Employee commuting – Commuting, through various modes of transportation, by employees of True Group and CPF.
- Leased assets – Electricity consumed by 120 True Coffee shops that are rented from external parties.
- Transportation and distribution of goods (Downstream) – The total quantity of products sold in Thailand by CPF Group.
- Processing of sold products – Truck tire manufacturing processes (refer to: Carbon Footprint of Product: TGO-CF15-108-406), and the production of TSR [Technically Specified Rubber, or block rubber] in the Rubber Processing Factory of Charoen Pokphand Agriculture Co., Ltd.
- Use of sold products – The usage period of communications equipment sold by True Group, and of bagged Royal Umbrella rice products.
- End-of-life treatment of sold products – Treatment of the used bagged Royal Umbrella rice products of Khao C.P. Co., Ltd.
- Leased assets – Total electricity consumed by tenants in three real estate properties: C.P. Tower 1, C.P. Tower 2, and C.P. Tower 3.
- Franchises – Electricity consumed by 90 franchises of Chester's Food Co., Ltd.
- Investments – Quantities of shares held by the Group in Ping An Insurance (Group) Company of China Ltd., China; CITIC Group Corporation Ltd., China; and ITOCHU Corporation, Japan.

Energy Management and Efficiency

All companies within C.P. Group are committed to taking action on climate change in order to meet greenhouse gas reduction targets and increase the supply of renewable energy. Since 2004, our companies - including both Thai and international business units - have joined forces to improve the efficiency of cooling systems, change machinery and equipment, and develop projects to reduce energy use and improve process efficiency.

Improving Energy Efficiency

2018 PERFORMANCE



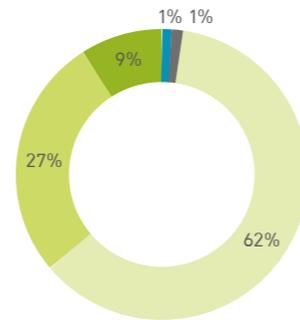
Energy conserved
663,622
Gigajoules



Greenhouse gas emissions reduced
221,236
Tons CO₂e



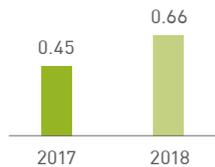
Cost savings
854
Million THB



- Electricity and lighting system
- Cooling and air-conditioning system
- Heating system
- Motor system
- Others

YEAR COMPARISON

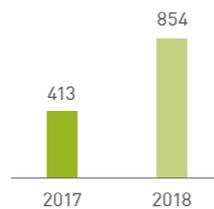
Energy conserved
Gigajoules



Greenhouse gas emissions reduced
Million Tons CO₂e



Cost savings
Million THB



CASE STUDY 29

Efficiency Improvement Projects for Large-scale Cooling and Air Conditioning Systems



Project Background:

CPF Public Company Limited, in operating its agro-industrial and food business, uses cooling and air conditioning systems that consume a significant amount of electricity 60 to 70%. These systems are the main sources of energy costs that must be addressed in order to reduce the company's overall energy use.

Performance:

The company began by designing and selecting modern and suitable technologies, employing management approaches, and conducting machine maintenance and various other improvements to conserve energy and increase the energy efficiency of air-conditioning and cooling systems-with the aim of reducing energy costs. Examples of projects include Efficiency Improvement

Projects in Cooling and Air-conditioning Systems, High-Efficiency Motor Application in Cooling Systems, Freezer System Improvements, and Improvements to Reduce Cooling Loss, among others.

Moreover, motivated by the drive to improve energy use efficiency and machine maintenance, in 2018 the swine, broiler, layer, and ready-to-eat food businesses of CPF collaborated with the Department of Alternative Energy Development and Efficiency to launch 32 projects that improve energy efficiency in large-scale cooling and air-conditioning systems. The projects reduced electricity consumption by 8.5 million kWh and produced cost savings of more than 29 million Baht per year.



Results and Benefits

8.5 GWh
Annual reduction in electricity consumption

4,606 Tons CO₂e
Annual reduction in greenhouse gas emissions

CASE STUDY 30

Using Energy-Saving Equipment in 7-Eleven Stores



Project Background:

CP ALL Public Company Limited recognizes the importance of conserving energy and using limited resources, and therefore has regularly implemented system and process improvements in 7-Eleven stores. The company plans to expand the scope of improvement installations in stores throughout the country. In addition, these efforts respond to the company's sub-strategy on 'Green Stores' and help to support UN SDG 7, Affordable and Clean Energy.

Performance:

CP ALL has implemented various improvement projects including: replacing all light bulbs with LED light bulbs, replacing air conditioners with inverter air conditioners, improving the efficiency of evaporators for large freezers, producing electricity from solar energy, and improving cooling systems for door less product display refrigerators. Furthermore, the company has developed a 'Ready-Made' 7-Eleven Project, where the shop structure is manufactured as a knock-down frame in factories and then uses heat resistant materials for its facade. This feature has contributed to a significant reduction in the burden placed on air conditioners for cooling.

Results and Benefits



9,815 Branches

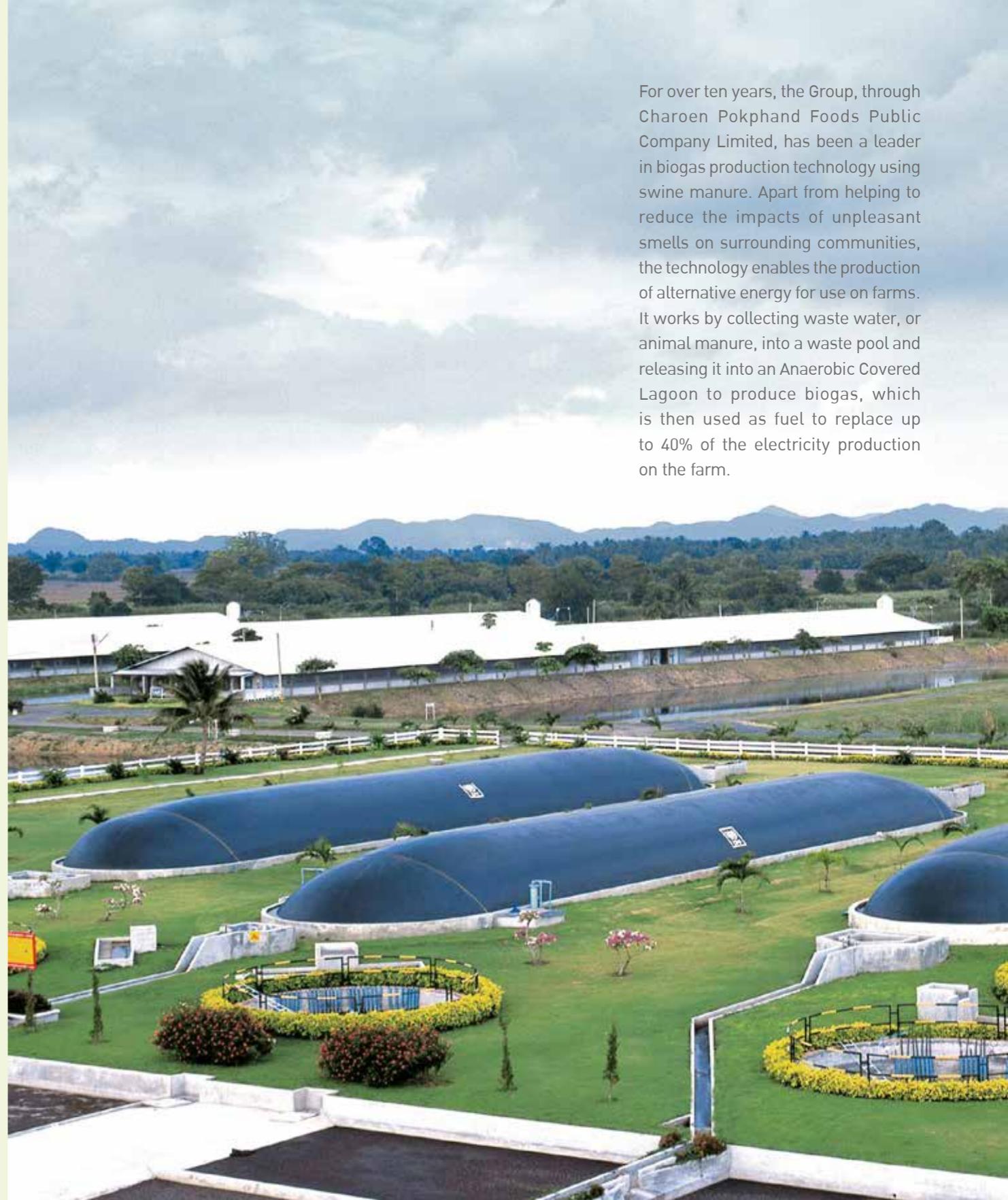
Installed LED light bulbs, reducing average electricity use by 859 kWh/branch/month

3,244 Branches

Replaced air conditioners with inverters, reducing average electricity use by 1,020 kWh/branch/month

2,609 Branches

Improved the cooling systems of door less product display refrigerators, reducing average electricity use by 243 kWh/branch/month



For over ten years, the Group, through Charoen Pokphand Foods Public Company Limited, has been a leader in biogas production technology using swine manure. Apart from helping to reduce the impacts of unpleasant smells on surrounding communities, the technology enables the production of alternative energy for use on farms. It works by collecting waste water, or animal manure, into a waste pool and releasing it into an Anaerobic Covered Lagoon to produce biogas, which is then used as fuel to replace up to 40% of the electricity production on the farm.

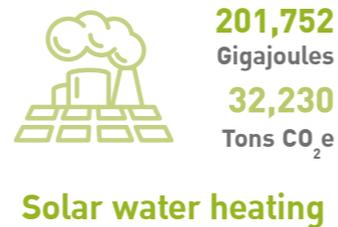
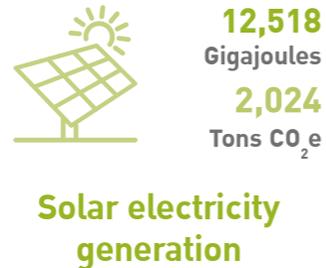
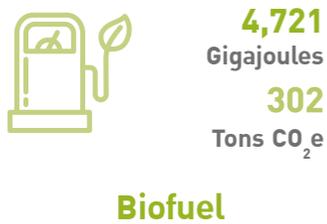
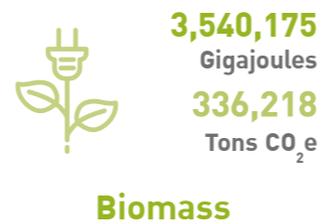
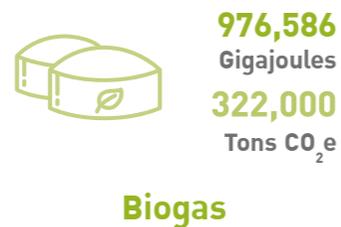
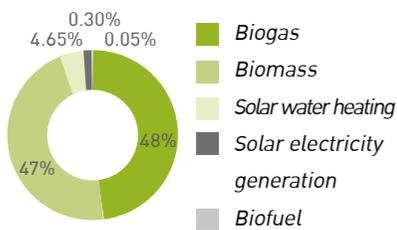
Promoting Renewable Energy Use

C.P. Group's business groups jointly formulate plans and take action to steadily increase the supply of renewable energy. This is achieved by replacing fossil fuels with renewable energy in manufacturing processes, services, and building management -using solar, biogas, biomass, and biofuel sources. The combined efforts of all companies within the Group, all over the world, have resulted in the consumption of 4.73 million Gigajoules of renewable energy, or the equivalent of 0.69 million tons of carbon dioxide.

Total Renewable Energy Consumption to Replace Fossil Fuel-based Energy and Greenhouse Gas Emissions

2018 PERFORMANCE

Unit : Million Gigajoules



CASE STUDY 31

Solar Electricity Generation



Project Background:

C.P. Land Public Company Limited is committed to conserving energy and using renewable energy. The company is focused on promoting solar electricity, a clean form of energy that does not cause negative impacts on the environment, and encouraging opportunities for communities to learn and understand the applications of clean energy.



Performance:

Through the Solar Rooftop Project, the company installed solar panels on the rooftop of the Khon Kaen International Convention and Exhibition Center. These panels have the production capacity of 990 kWp DC, which will generate approximately 1,400,000 kWh of electricity per year, or 35,000,000 kWh over the projected 25

years lifespan. The project's installation reduces costs by 5,400,000 THB per year, or 134 million THB since the project began, from an initial investment of 33 million THB. The project was launched on 24 August 2018 and began generating electricity on 1 March 2019. The project was officially completed in January 2019, and has resulted in producing electricity for internal use within the building and for nearby buildings belonging to C.P. Land Public Company Limited.

Results and Benefits

1.4 GWh
Electricity generated from solar energy per year

850 Tons CO₂e
Annual greenhouse gas reduction

Participation in the Public Sector's GHG Reduction Mechanism

Thailand Voluntary Emission Reduction Program (T-VER)

Thailand's Voluntary Emission Reduction Program (T-VER) was developed by the Thailand Greenhouse Gas Management Organization (TGO) to encourage and support all sectors to voluntarily contribute to greenhouse gas emissions reductions in Thailand. The amount of greenhouse gas emissions reduced can be sold as carbon credits in the country's voluntary carbon market.

C.P. Group has participated in the T-VER Program since 2015. We are involved in five projects focused on increasing energy efficiency and renewable energy, and each year 11,832 tons CO₂e of greenhouse gas emissions are certified.



Biodiesel production
used as alternative fuel for CPF Public Company Limited



LED light bulb replacement in 21 branches
by Siam Makro Public Company Limited



Changing the uninterruptible power source (UPS) to increase energy efficiency
at True Internet Data Center Company Limited, Ratchada Center



Installing a co-generation system to replace split generation
by Perfect Companion Group Company Limited



LED light bulb replacement
by CPF Food and Beverage Company Limited at the Pad Rhiew Food Processing Plant

Results and Benefits

5 Projects
Participation in the T-VER Program

11,832 Tons CO₂e
Amount of greenhouse gas certified per year

"C.P. Group gives precedence to the well-being of the people and the country's sustainable development. It is a company that gives its support to the public sector, especially TGO, to reduce greenhouse gas emissions and mitigate the problem of global warming."

Prasertsuk Patoonsittichai
Executive Secretary of the Thailand Greenhouse Gas Management Organization (TGO)



Low Emission Support Scheme: LESS

The Low Emission Support Scheme (LESS) is a program that develops activities to generate awareness of the importance of reducing greenhouse gas emissions. Good performers are recognized with a Letter of Recognition to help them carry out emissions reduction activities.

C.P. Group supports activities to reduce greenhouse gas emissions within our organization. Since 2016, we have regularly received a letter of recognition from LESS for our work on increasing energy efficiency, supporting renewable energy use, managing waste, promoting green spaces, and planting trees for carbon capture. Furthermore, the Group also encourages our partners to implement greenhouse gas emissions reduction activities.



Energy
86 activities



Waste Management
2 activities



Carbon Capture
184 activities



Supplier Development
1 activity

Results and Benefits

758,629 Tons CO₂e
Actual reduction from greenhouse gas reduction activities

Carbon capture capacity of trees
35,199 Tons CO₂e

Promoting Carbon Labels

To demonstrate their commitment to resolving the problem of global warming, consumers are increasingly placing importance on carbon labels from products that emit low levels of carbon dioxide from their manufacturing processes. Indeed, this is an issue that captures the interest of both manufacturers and consumers. C.P. Group's operations take climate change impacts into consideration throughout a product's life cycle, beginning with raw material sourcing, and continuing with transportation, assembly, and use, and finally to the end-of-life treatment of the product. We are the first egg producer in Thailand to receive the Carbon Footprint for Product label from the Thailand Greenhouse Gas Management Organization (Public Organization), from 2009 to the present day.

In 2015, the Group's products were certified with the Carbon Footprint Reduction label, which demonstrates our commitment to reducing greenhouse gas emissions. Furthermore, we manage climate change throughout our value chain starting with animal feed factories, and continuing through animal husbandry, food production, and distribution and sales. We collect data to analyze the sources of our greenhouse gas emissions in order to manage those sources, and we have applied for a Carbon Footprint for Organization label for all the processes in our value chain. The Group has now received three types of carbon labels in Thailand, and will continue to operate accordingly.



Carbon Footprint for Products label



Carbon Footprint Reduction label



Carbon Footprint for Organizations label

182 Products
certified



18 Products
certified



17 Organizations
certified



CASE STUDY 32

Green Products



Project Background:

C.P. Group is determined to provide quality and environmentally-friendly products, including safe food, in order to mitigate the increasingly powerful impacts of climate change. This commitment is integrated into all areas of our operations.

Performance:

The Group launched the 'Green Packaging' project, a collaboration between the Packaging Business Group (C.P. Packaging Industry Co., Ltd. and C.P. Poly-Industry Co., Ltd.) and suppliers to develop an environmentally-friendly packaging manufacturing process. In addition to receiving various types of carbon footprint labels for products, the Group also adheres to the 3Rs Principle, Reduce, Replace, and Redesign for its packaging materials, resulting in these products being one of the first groups to receive the Carbon Footprint Reduction label, or Carbon Label, in 2015.

Results and Benefits



18 Products
Received Carbon Footprint for Products certifications

8 Products
Received Carbon Footprint Reduction certifications

683 Million THB
Sales of products with Carbon Footprint certifications

1,823 Tons CO₂e
Annual greenhouse gas emissions reduced from sales of certified products



“C.P. Group is deeply aware of the importance of environmental management, and we invest a great deal of effort in managing the environmental impacts that may result from business operations across our supply chain. Examples of our dedication include climate change management, energy and water resource use efficiency, waste reduction, ecosystem and biodiversity protection, and responsible supply chain management.”





Waste Management

All business groups under C.P. Group recognize and prioritize managing waste within their business operations, including waste from both manufacturing processes and manufacturing services. They have undertaken studies and tested new, modern technologies and innovations in their operations to reduce the environmental impacts of waste, and have determined the direction and framework for managing waste throughout their supply chains by focusing on reducing waste at the source and maximizing resource use

efficiency. Furthermore, our business groups make beneficial use of waste and by-products to reduce the quantity of waste sent to the landfill, and support and encourage customer groups and business partners to consider the importance of waste management in order to create broader positive impacts on environmental care and conservation.

CASE STUDY 33

Food Waste for Biogas Project

Project Background:

CP RAM Company Limited (Ladlumkaew Factory) understands the importance of waste management and focuses on reducing waste by reusing food waste from cafeterias as a means of efficiently using limited natural resources.

Performance:

The company uses food waste to produce biogas that replaces liquid propane gas (LPG) and reduces the costs of food waste management. With this process, the company can reuse organic waste in various ways and also encourage employees to recognize the value of waste management.



Results and Benefits

800 Kilograms/day
Quantity of food waste used to produce biogas

120 Cubic meters/day
Quantity of biogas produced from food waste

50 Kilograms/day
Reduction in LPG

57 Tons CO₂e/year
Reduction in LPG



Waste Management Data

2018 PERFORMANCE



Total Waste
2,108
Thousand Tons

0.58
Tons per Million THB of Revenue



942
Thousand Tons
2017

1.27
Tons per Million THB of Revenue



2,108
Thousand Tons
2018

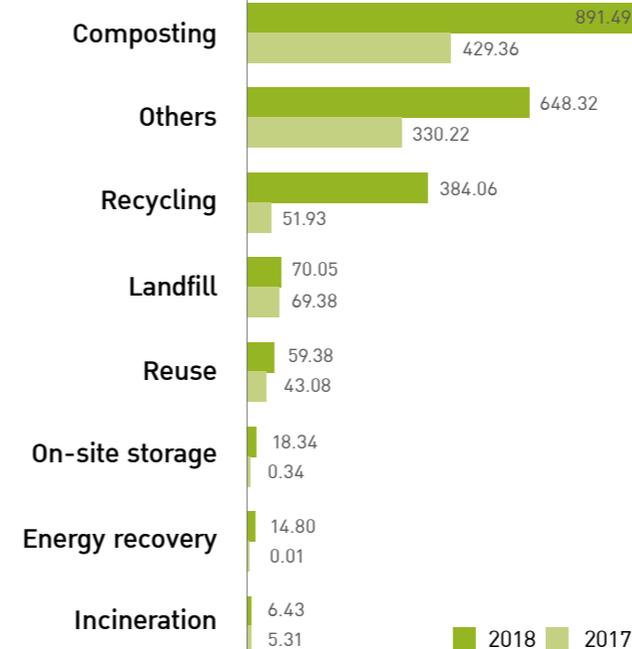
Waste Intensity
1.27
Tons per Million THB of Revenue

Percent of Waste Recycled/Reused
21.20%

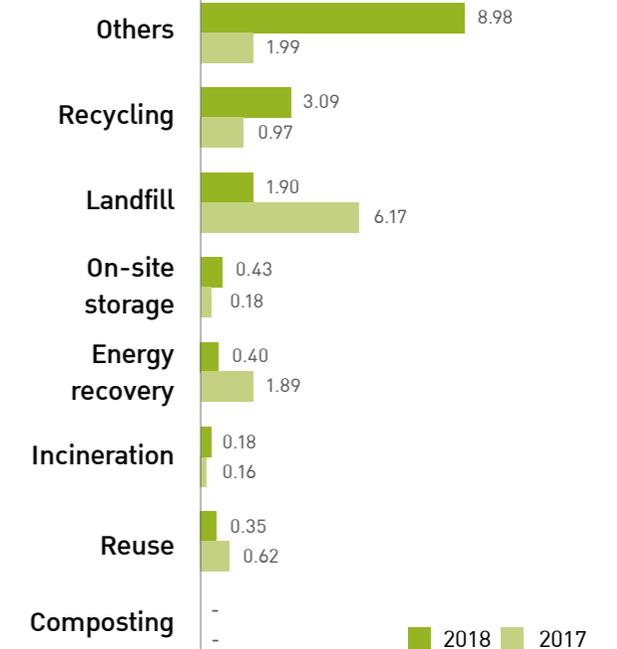
WASTE BY TYPE Thousand Tons



Non-hazardous Waste
2,092
Thousand Tons



Hazardous Waste
15.33
Thousand Tons





Sustainability Plastic Packaging

C.P. Group place great importance on and necessity of addressing the global problem of plastic waste, which is an issue that also aligns with our sustainability principles. The Group announced our 'Sustainable Packaging' Policy, which constitutes a part of the Environmental Sustainability Policy, to serve as a direction and framework for managing waste from manufacturing and other processes throughout the supply chain. As plastic packaging is a matter that must be immediately addressed given its environmental impact, C.P. Group's Sustainable Packaging Policy aims to preserve environmental quality, educate, and encourage participation in changing consumer behaviors towards sustainable development. This is achieved through the '5Rs' strategy: Re-educate, creating awareness among consumers to reduce waste creation; Reduce

plastic use; Recycle plastic; Replace with alternative materials; and Reinvent through research and innovation. The Group requires that all Thailand-based business groups adopt a joint target for 2025, which is that 100% of all plastic packaging used must be 'reusable, recyclable, and/or biodegradable.'

Finally, C.P. Group also requires that all business groups operating in Thailand and overseas adhere to the same operational approach so that they align with the organization's mission and Environmental Sustainability Policy. This will further ensure that they play a part in reducing plastic waste, preserving the environment, and contributing to building a sustainable society.



Sustainability Plastic Packaging Dashboard (Thailand)

2018 PERFORMANCE



Total Plastic Packaging Used
66,765
Tons

Reduced Plastic Packaging Used

908
Tons

Percent of Recyclable Plastic Packaging Used

91.06%

Labeling Standards for Recyclable Plastic: 7 Types



PET, PETE
(Polyethylene Terephthalate)
Used for making drinking bottles, fibers, and synthetic fabrics



HDPE
(High Density Polyethylene)
Used for making milk bottles, plastic bags, and water tanks



PVC
(Polyvinylchloride)
Used for making water pipes, irrigation gutters, artificial leather bags, and plastic benches



LDPE
(Low Density Polyethylene)
Used for making film packaging for frozen foods and cold food packing bags



PP
(Polypropylene)
Used for making hot plastic food bags, bowls, plates, tanks, baskets, and sauce bottles



PS
(Polystyrene)
Used for making foam, boxes, plates and bowls, and various tools and appliances



Other
Other products made from a mixture of plastic types that are not included in the other six categories

PLASTIC PACKAGING BY TYPE

Difficulty in recycling plastic by type

- Easy
- Manageable
- Difficult
- Very difficult



157
Tons



17,205
Tons



16
Tons



7,164
Tons



18,160
Tons



180
Tons



18,047
Tons



CASE STUDY 34

Plastic Packaging Reduction Projects

Project Background:

CP ALL Public Company Limited, along with its subsidiaries, conducted a risk assessment and discovered the negative impacts of its operations on land and water ecosystems. These negative impacts resulted from waste and unused materials, especially single-use plastics that remain in ecosystems for a very long time. In response, the company carried out various projects to reduce plastic packaging, which will help reduce impacts on its business operations, as well as reduce impacts on ecosystems and promote better quality of life for people in society who rely upon these ecosystems.



a partnership between public and private sectors to raise awareness and create guidelines for sustainable waste management.



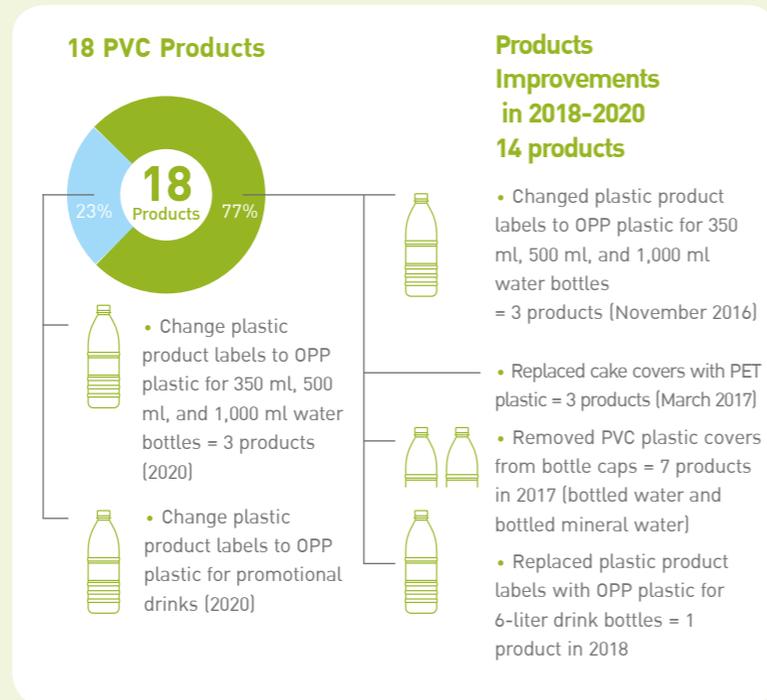
2. Removing PVC materials in CP ALL product packaging

As of 2018, CP ALL has removed PVC materials from 77% (14 out of 18 product types) of CP ALL product packaging, for PB Food products. The 2018 target was 72%.

Performance:

1. Packaging Return System

The company laid out a plan to develop a packaging return system that involves reusing plastic carrier bags from 7-Eleven stores instead of using new bags, and set a target to reuse 814,639 plastic bags per year. In 2019, the company will conduct studies and test the recycling of used paper and plastic from its business processes into materials for use in its stores. As a result of these efforts to manage waste and improve packaging, the company launched an environmental sustainability project in Ko Lanta District, Krabi Province that established



3. Reducing the use of plastic seals on water bottle caps

The company implemented a project to reduce the amount of plastic used to cover the caps of all drink bottles sold in 7-Eleven stores by 2018. This has reduced plastic use by 187 tons per year. The company is currently expanding the scope of the project to cover other products and to add recycling labels onto the packaging of CP ALL products.



4. Campaigning to Change Society's Behavior on Plastic Bag Use

The company fully recognizes its important role in helping to change the behaviors of individuals in society. The opportunity presented itself on November 7 when the company declared its commitment to reduce and eliminate plastic bag use. The company organized an event to declare this commitment in front of the United Center Building on Silom Road, and collaborated with the superstar Toon Bodyslam to launch the

campaign 'One bag a day...is possible' to encourage individuals to change their behavior regarding plastic use. When a customer declines a plastic bag from a store once, this will be recorded in the system as a 0.20 THB per bag donation to Siriraj Hospital, to be used for purchasing medical equipment for the hospital's 84th Anniversary.



Results and Benefits

4.2 Thousand bags/day
Number of plastic bags reduced from the campaign to change society's behavior

153 Million bags/year
Number of plastic bags reduced from the campaign to change society's behavior

77%
Products that were improved to remove PVC materials

CASE STUDY 35

Reduce Plastic Bag Use in Storing Juvenile Shrimp

Project Background:

Given the increasingly urgent problem of plastic waste and its impacts on living beings on land and in the sea, C.P. Group is committed to reducing plastic packaging throughout our manufacturing supply chain.

Performance:

Operating an aquaculture farm business in India involves selling and transporting juvenile shrimp from the farms to the people who will raise the shrimp. The original method of transporting the juvenile shrimp involved placing them into plastic bags, and then into foam boxes, which were used in large quantities each year. A new method of transportation was introduced using



Q-Pass tanks and Q-Boxes. These are the same methods of packaging used by aquaculture businesses in Thailand, and include air-added tanks that can store shrimp without the need for plastic bags.



Original method
Pack in bags and foam boxes



New method
Pack in Q-Pass tanks



Results and Benefits



1.07 Million boxes
of foam reduced

260 Tons
Amount of plastic packaging reduced per year by changing the method for transporting juvenile shrimp

698 Tons CO₂e
Greenhouse gas emissions reduced in 2018



WATER STEWARDSHIP



Challenges

The International Water Management Institute (IWMI) estimates that by 2025 as many as 4 billion people in 48 countries (two thirds of the global population) will face water scarcity. Similarly, the World Bank estimates that within 30 years half the world's population will face water scarcity assuming excessive water consumption persists. Furthermore, in 2017 the World Economic Forum identified the lack of water resources as one of the most crucial environmental issues. The private sector needs to address natural resource security, particularly that of clean water. Charoen Pokphand Group prioritizes and cares about water stewardship, which is essential to business operations. This effort aligns with the Groups' 6th Sustainable Development Goal. The Group is well aware of the challenges and the importance of water stewardship throughout the supply chain. We use integrative water management involving the entire value chain. Thus, there is the need to continually develop processes, technology, innovation, and infrastructure to respond to this change. Such development ensures the Group's efficient water management.

Performance Against Goals 2020 Goal (Thailand)

10%

Reduction of water withdrawal per unit of revenue compared to the base year of 2015

Progress



2017: Reduced by 23.07%

2018: Reduced by 32.12%

Key Performance in 2018



Reduced water withdrawal per unit of revenue by **40.74%** compared to the 2015 baseline



Conducted water risk assessment by **100%** in all water-stressed areas



Recycled/Reused Water by **12.06%** of all water withdrawal

Supporting the SDGs



SDG 6 Clean Water and Sanitation

- 6.1 Clean and affordable drinking water for all
- 6.3 Improved water quality through safe treatment and recycling
- 6.4 Increased water use efficiency and ensure sustainable supply
- 6.5 Successful implementation of Integrated water resource management
- 6.8 Participative local community in improving water and sanitation management



Goal 12 Responsible Consumption and Production

- 12.2 Achieve sustainable management and efficient use of natural resources



Goal 14 Life Below Water

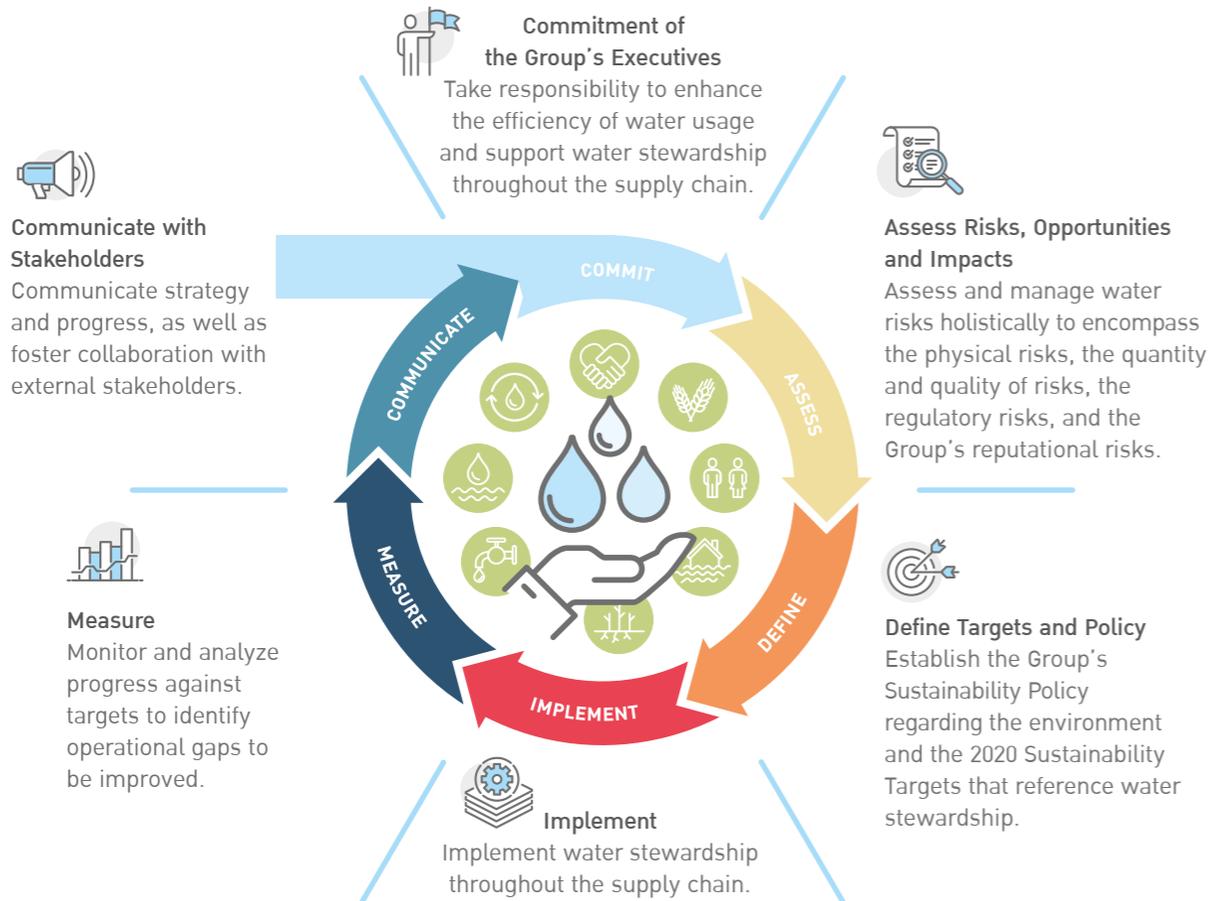
- 14.1 Reduced marine pollution

Management Approach

C.P. Group's water stewardship practice aligns with the CEO Water Mandate under the UN Global Compact, the Group's Water Stewardship policy, and the Water Stewardship Framework. These serve as guidelines, facilitating the Group to achieve its strategic goal to assess water-scarcity risk. Tools used include a Global Water Tool from the World Business Council for Sustainable Development (WBCSD), an aqueduct from the World Resource Institute (WRI), and the Ceres Aqua Gauge covering both domestic and international units. This includes all Business

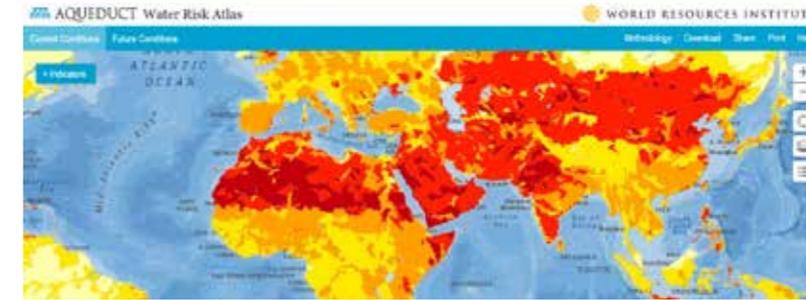
Groups across 21 countries and economic zones. Plans for water-related risk mitigation for both the Group and its suppliers have been laid out. For units with a high risk of water scarcity, the Group uses the Local Water Tool from the Global Environmental Management Initiative (GMI) to help assess local-level risk involving various aspects. They may comprise water quality, laws, finance, and social context. The tool also aids in planning efficient water use, addressing both internal and external operations with suppliers, communities, and stakeholders.

Water Stewardship Management Framework



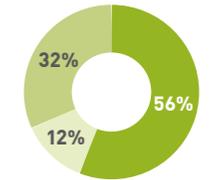
Integrated Water Risk Assessment

Enabling a good water management plan throughout the supply chain



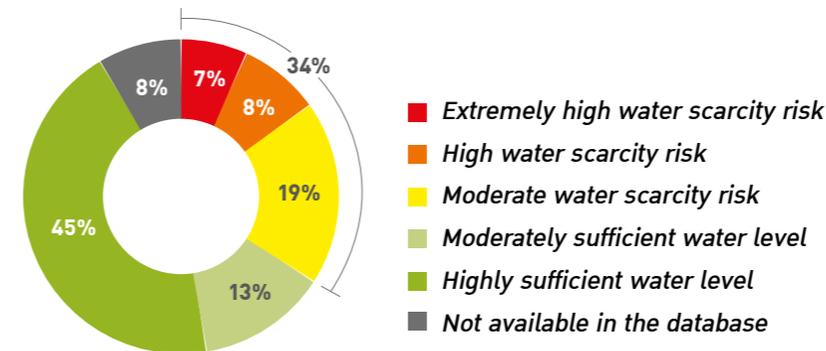
The risk assessment conducted reveals that 34% of all business units under C.P. Group operate in areas with water scarcity risk, some of which may involve high risk.

Percent of Groups operating in areas exposed to water scarcity risk, some of which may include high risk-categorized by country.



■ Thailand ■ China ■ Others

Units in the Group categorized according to water scarcity risks



Example of Water Management Plan

- Water Use Reduction Project, which enhances operations' water efficiency through circular water management according to the Group's 5Rs principles (Reduce, Reuse, Recover, Recycle and Restore)
- Shrimp Aquaculture's Reusing Water Project
- Water Stewardship for the Environment Project
- Community's Water Access Project
- Responsible Community's Engagement Project
- Water Footprint Assessment Project

Results and Benefits

Agro-business and Foods

- Reduced average amount of water used in shrimp aquaculture
- Increased the volume of recycled water used
- Increased the ratio of recycled water versus external water withdrawal

Retail and Distribution

- Reduced water volume used
- No wastewater released to public areas

Promoting Circular Water Management

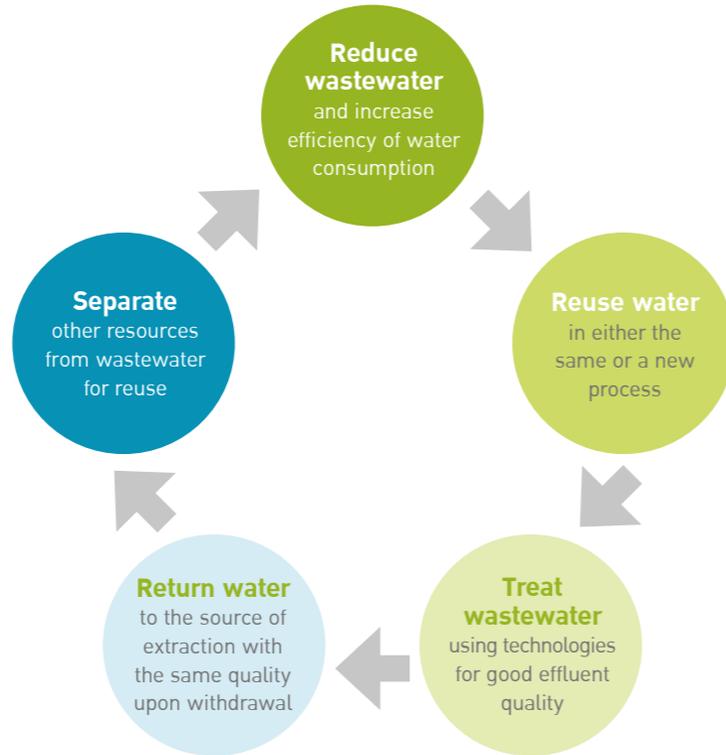
Maximizing efficiency of water usage

C.P. Group has deployed the concept of circular water management, according to the 5Rs principle, to manage water consumption within the Group. The goal is to enhance efficiency in water consumption through multiple efforts, some of which are mentioned below.

Twelve meat and food processing factories, along with 85 of Makro's distribution centers, reused treated water in non-production-related activities. This helped reduce external water withdrawal by 2,393,500 cubic meters per year.

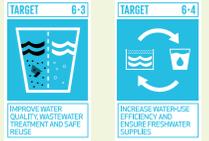
The shrimp aquaculture business improved its process in farming areas, rates of aeration, and reuse of treated seawater. This enabled over 20 million cubic meters of water to be reused per year.

The swine farms business distributed its wastewater discharge, already treated prior with the biogas generation system, to farmers in the vicinity to be used as fertilizer. As of 2018, the business distributed as much as 380,000 cubic meters of wastewater discharge to farms in the vicinity.



CASE STUDY 36

Improve Water Quality via the Ultrafiltration membrane (UF) or Reverse Osmosis (RO) Systems for Reuse



Project Background:

Cognizant of diminishing clean water, the Group has increased efforts to improve wastewater quality for reuse in non-production-related processes. This water replaces externally sourced water, helping the Group achieve its goal of reducing water consumption by 20% by 2020.

Performance:

The Water Reclamation and Storage System has been implemented in our Poultry Processing Business, Pork Processing Business, Aquatic Processing Business, Food Processing Business, and Ready-meal Business. This totals 10 factories. The UF

or RO systems were used. This coincided with the reuse of well-treated wastewater to replace externally sourced water in refrigeration cooling parts and sanitation systems. Similarly, they were used to clean roads in the factory's vicinity and in cleaning transporting vehicles.

Our Ready-Meal Production Business piloted the 100% reclaimed water project for its production process at the CPF Research and Development Center. There have also been tests in changing cooling technology to reduce water usage in factories.

Results and Benefits

1,934,500
Cubic meters

The amount of recycled water used

12%
Proportion of recycled water as opposed to newly withdrawn water from external sources

CASE STUDY 37

Recycling Wastewater from Shrimp Aquaculture



Project Background:

Currently, the Whiteleg Shrimp aquaculture is in the open air. Therefore, over the years, it has not been possible to regulate the environment positively for shrimp. Shrimp aquaculture is water-intensive, as the water needs to change constantly during the farming process. This helps eliminate ammonia and nitrite that are excreted by shrimp farming. Another key issue is that the space available for shrimp aquaculture is limited. It is impossible to expand due to environmental impacts, particularly to mangrove forests.

Performance:

The aquaculture business now applies technology from Israel for closed-aquaculture. This approach helps prevent disease and regulate optimum temperature for shrimp aquaculture. The Bio-floc System is deployed to treat excretion in the water generated

during the farming process. Therefore, this process requires less water compared to its outdoors counterpart.

The treatment technology, or Bio-floc system, during shrimp farming eliminates the need to change the water. The Bio-floc System uses microorganisms as an agent to treat the shrimp aquaculture. The system has the production capacity of 13-14 tons/Rai/batch. It requires only 700 liters/1 kg of shrimp production. There is no damage to the shrimp from ammonia or nitrite toxicity. On the other hand, a typical shrimp aquaculture requires 5,000-6,000 litres/1 kg of shrimp production.

To stimulate the Bio-floc System at the shrimp farms, a starter culture of microorganisms is required. It takes only 10-20 days. The system can treat nitrogen solvent as well. It is a new innovation, and the patent is currently being processed.



- High profits
- Requires much less water
- High productivity per area

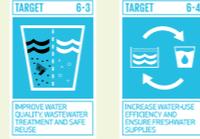
Results and Benefits

4,300 Liters/kg
Water volume saved, on average, in the shrimp aquaculture business/ industry

86%
Percentage of water use reduction

CASE STUDY 38

Water Stewardship for the Environment Project



Project Background:

Siam Makro (Public) Co. Ltd. prioritizes managing water and water pollution. The Company considers it a key component in parallel with business operations and the expansion of distribution centers globally. Furthermore, a Makro distribution center consumes, on average, 75 cubic meters per day per branch. Each release, on average, is 60 cubic meters of wastewater into the public drainage system.

Performance:

The Construction and Resource Management Department recognizes the possibility of efficient water management. Therefore, it

has designed and installed a system to support wastewater treatment and an automatic watering system. Treated water is used to water plants in the vicinity of Makro stores. This helps reduce the water usage required to maintain green areas around the Makro store. There is zero water discharge. The system saves as much as 15 cubic meters per day per branch, or 5,400 cubic meters per year per branch. Overall, municipal water usage has been reduced by as much as 459,000 cubic meters. This is measured by comparing the volume prior- and post-project implementation.

Results and Benefits

85
Number of Makro stores with zero discharge

459,000
Cubic Meters/year
Volume of municipal water saved



Water Management Data

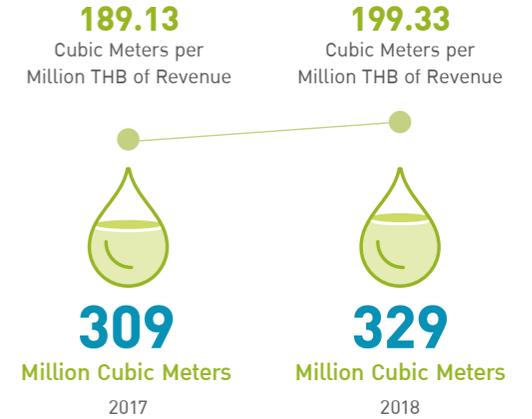
PERFORMANCE IN 2018



Water withdrawal
329
Million Cubic Meters

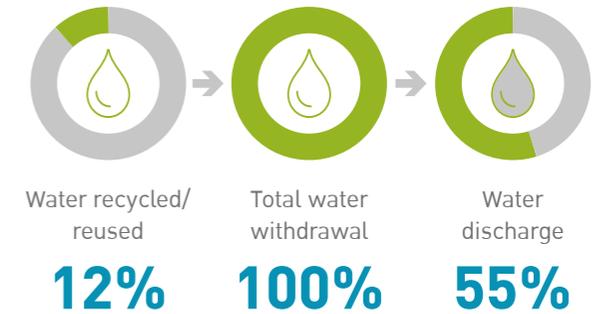
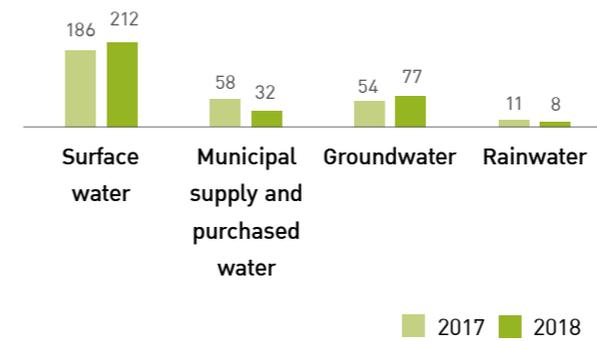
Water withdrawal per unit of revenue
199.33
Cubic Meters per Million THB

Proportion of recycled/reused water
12.06%



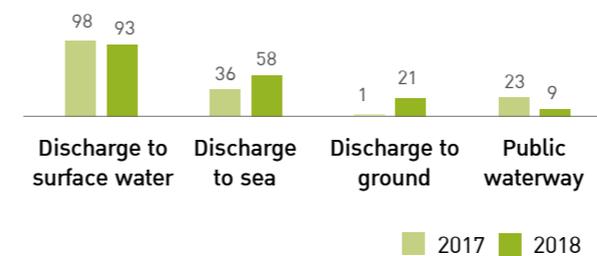
WATER WITHDRAWAL BY SOURCE

Million cubic meters



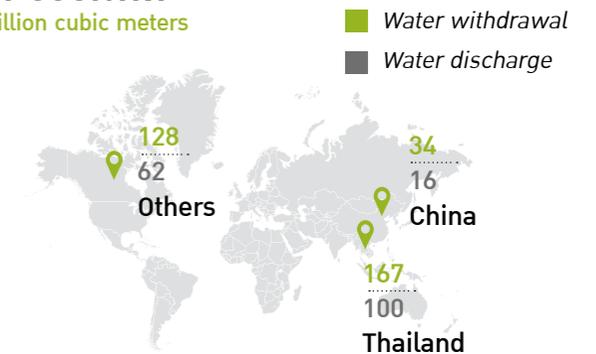
EXTERNAL WATER DISCHARGE

Million cubic meters



BY COUNTRY

Million cubic meters



Promoting Access to Water for Communities

Optimizing benefits from water resources

Water is a resource anticipated to be severely affected by climate change. The Group therefore raised it as a priority. This is especially highlighted as water is a public commodity, and access to clean water is a fundamental human right. It is therefore important to raise the community's awareness regarding conservation, continuous water resource development, and prevention against deforestation, enabling the community's access to water.



CASE STUDY 39

Promotion of Community's Access to Water in India



Project Background:

Considering India's limited access to clean water, CP Aquaculture (India) Private Limited and CPF (India) Private Limited took it upon themselves to initiate a project on fundamental infrastructure development for nearby communities. The aim was to improve the community's well-being in the long run, with an emphasis on water, indisputably an essential factor for a better livelihood.

launched in 2014. All project ensures communities have access to clean water, corresponding their increasing needs. As of now, the business units have supported 23 Groundwater for Community Projects, 4 RO Water Projects, 35 Water Filters for Schools Projects, and 2 Water Filters for Communities Projects. In total, 29,870 people have received supported.

Performance:

Projects enabling communities access to groundwater, including RO Water Project and Water Filters in Schools Projects were

Results and Benefits

18,520 Persons
Number of community and school members with access to clean water

26 Projects
Groundwater Project, RO Water Project, and Water Filter Sourcing Projects.

ECOSYSTEM AND BIODIVERSITY PROTECTION



Honor award Royal Cup from Her Royal Highness Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra.
And excellent Award, General level of forest type, Landscape Photo, year 2018
Photo: Canyon, Nam Nao National Park, Nam Nao District, Phetchabun
Photographer: Mr. Jamikom Suktaramom



Challenges

Forests cover one-third of all land on earth, and more than 80% of that land includes various habitats. Tropical forests, in particular, are areas that are the most abundant in biodiversity. However, throughout time humans have negatively impacted ecosystems through forest encroachments and other activities, and the problem that currently commands the highest attention and priority is that of marine litter and microplastics. In fact, every year more than 8 million tons of plastic waste accumulate beneath the ocean's surface. This ultimately impacts marine biodiversity, affecting endangered species, fish populations, and coastal ecosystems. In recognizing this problem, C.P. Group is determined to manage and reduce plastic waste accumulation, and to protect biodiversity and ecosystems by engaging with the private sector and industry. The Group also conducts regular biodiversity risk assessments. We are ultimately committed to conserving and making use of marine resources in the most responsible way, along with protecting, restoring, and promoting the sustainable use of land ecosystems, forests, and biodiversity.

Progress Against Goals 2020 Goal (Thailand)

100%

of key raw materials will come from responsible sources that do not deplete forest and marine resources.

Progress



- 2017: In progress
- 2018: 72% of key raw materials came from responsible sources that do not deplete forest and marine resources.

Key Performance in 2018



Protection and Restoration of Land Ecosystems

1,166 Rais

Area of forests restored



Areas Receiving Access to Water Resources and Development

58,901 Rais

Agricultural areas that received development support for water resources and fauna



Protection and Restoration of Marine and Coastal Ecosystems

10 Provinces

Received support with marine resources restoration

Supporting the SDGs



SDG 6 Clean Water and Sanitation
6.6 Protect and restore water-related ecosystems



SDG 14 Life below Water
14.2 Sustainably manage and protect marine and coastal ecosystems
14.4 Sustainable fishing
14.5 Conserve coastal and marine areas
14.B Provide access for small-scale artisanal fishers to marine resources and markets



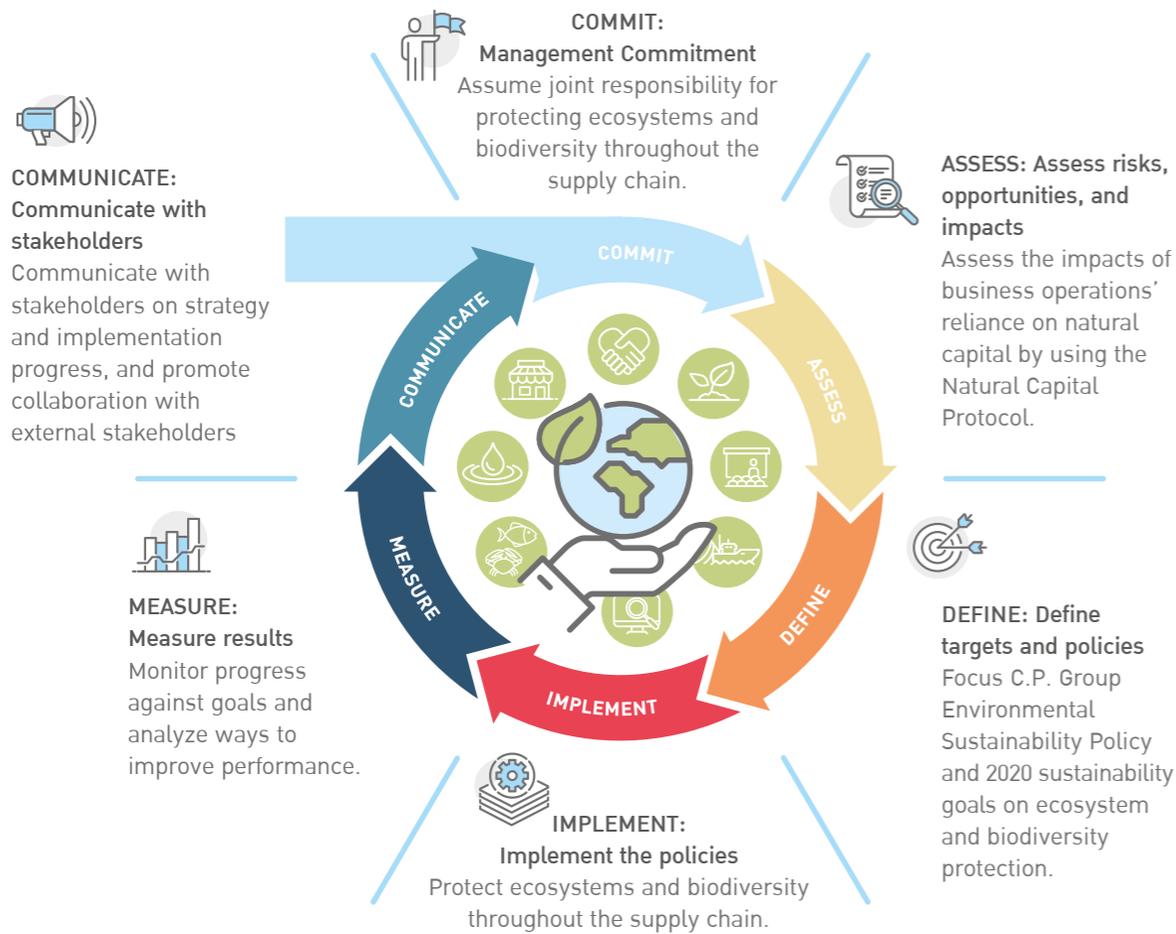
SDG 15 Life on Land
15.1 Ensure the conservation, restoration, and sustainable use of terrestrial and inland freshwater ecosystems and their services
15.2 Halt deforestation, restore degraded forests
15.4 Ensure the conservation of mountain ecosystems
15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity

Management Approach

C.P. Group is committed to operating responsibly and conserving the environment to protect biodiversity. We have upheld these principles from the very start, by choosing to operate on sites that are not located within natural resource and environmental conservation areas. We also strictly adhere to rules, regulations, standards, and ministerial regulations; conduct regular impact assessments; and implement measures to protect and mitigate

the impacts of our business operations. In addition, the Group focuses on agricultural raw material sourcing, making sure that raw materials come from responsible sources that do not encroach upon forest and marine resources. Finally, we encourage the protection and restoration of terrestrial and marine ecosystems to ensure ecosystem balance and biodiversity.

Ecosystem and Biodiversity Protection Framework



Measuring Natural Capital to Protect Ecosystems and Biodiversity



Following the Group's entry as a member of the World Business Council for Sustainable Development (WBCSD), we brought in the Natural Capital Protocol—a natural capital assessment framework developed by WBCSD in collaboration with global organizations including Conservation International, The B Team, PwC, and Sustain Value—to use as a framework for measuring the organization's natural capital. The Protocol helps us to understand the capacity and degradation of ecosystems and biodiversity, to value them in economic terms, and to apply those valuation results to identify ways of balancing between using and protecting natural resources.

The Group selected the Nakhon Luang Rice Mill, under C.P. Intertrade Company Limited and Khao C.P. Company Limited, as the pilot site for the natural capital assessment. We selected this site because the rice mill is located on the banks of Pa Sak River in Nakhon Luang District, Ayutthaya Province, and uses the river's waterways to transport goods quickly and efficiently through the Ayutthaya Port and Inland Container Depot (ICD). Given this, the Nakhon Luang Rice Mill directly benefits from these waterways, and it is possible to witness both the impacts from and dependencies on this natural resource. Therefore, the Group was able to realize the importance of determining the ecosystem and biodiversity value of this resource as key natural capital for the rice mill.

Natural Capital Protocol Framework



Principles: Relevance, Rigor, Replicability, Consistency



Raw Material Sourcing and Traceability

Building confidence for consumers

Significance

C.P. Group has developed a fast, accurate, and transparent traceability system covering our entire supply chain that helps to foster confidence among our consumers. The system serves as a tool for managing our material environmental and social risks, and particularly focuses on protecting impacts on ecosystems and biodiversity. Our suppliers have also continuously complied with the traceability system to ensure that raw materials originate from sustainable sources.

Risk Assessment

The Group has developed an Online Supplier Sustainability Self-Assessment that serves as the criteria for new supplier selection. It was launched in 2017 with our key raw materials suppliers to manage initial supply chain risks.

Supplier Development

The Group has in place a Sustainable Sourcing Policy and Supplier Guidelines, and fosters engagement and knowledge exchanges with suppliers, communities, farmers, independent organizations, and the public sector to enhance competitiveness in business operations, and to create responsible sourcing standards throughout the entire supply chain.

Communication

- Communication on Progress (COP) to the UN Global Compact
- The Group participated in the disclosure of data and performance on 'Forests' through the annual CDP assessment. We received a 'Management' level score of B-, which indicates a forest management process that is higher than the average score of companies assessed in the Food & Beverage processing industry.



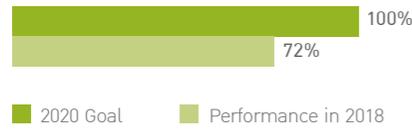
Progress on Key Raw Material Sourcing



Animal Feed Raw Material Traceability - 2018 Performance -



KEY AGRICULTURAL RAW MATERIALS PROCURED FROM RESPONSIBLE AND TRACEABLE SOURCES



The Feed Ingredients Trading Business Group gathered stakeholders from across its supply chain to better understand the issues surrounding each type of raw material used for animal feed. The Business Group enacted a policy and identified criteria for sustainably sourcing feed raw materials where it procures raw materials from sources that are not environmentally destructive. It also undertook a life cycle assessment to understand the environmental impacts of each farm, and beginning in 2016, has developed a maize animal feed traceability system that continues to be upheld and complied with today.



Raw Material Traceability: Maize

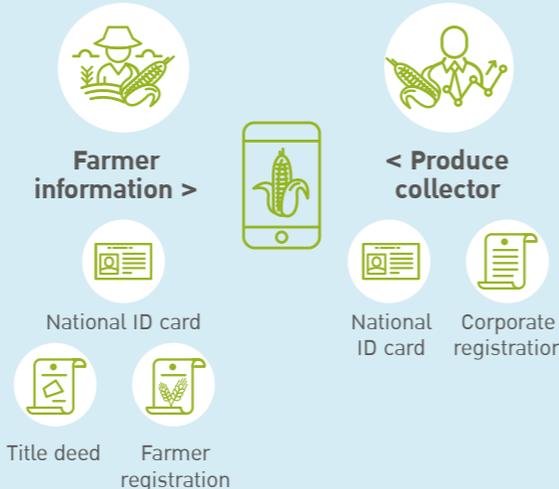
Purchasing Policy of Maize for Animal Feed



No mountains > No burning > We buy

- No purchasing produce farmed from areas without title deeds, including flat or mountainous land.
- No purchasing produce farmed from areas that burn maize stubble or leftover materials.
- Buy produce from areas that have title deeds/farmer registrations to identify farmers and cultivation areas.

Traceability System: Maize for Animal Feed



Raw Material Traceability: Maize

1. Farmers Plant maize:

- ✓ 1. In areas where they have title deeds
- ✓ 2. Without burning maize stubble, for better quality
- ✓ 3. That is delivered to a factory or a collector
- ↔ Send information update to be recorded in the system



2. Collector (small-scale)

- ✓ Collects maize
- ↔ Sends information update to be recorded in the system



3. Collector (large-scale)

- ✓ Collects maize
- ↔ Sends information update to be recorded in the system

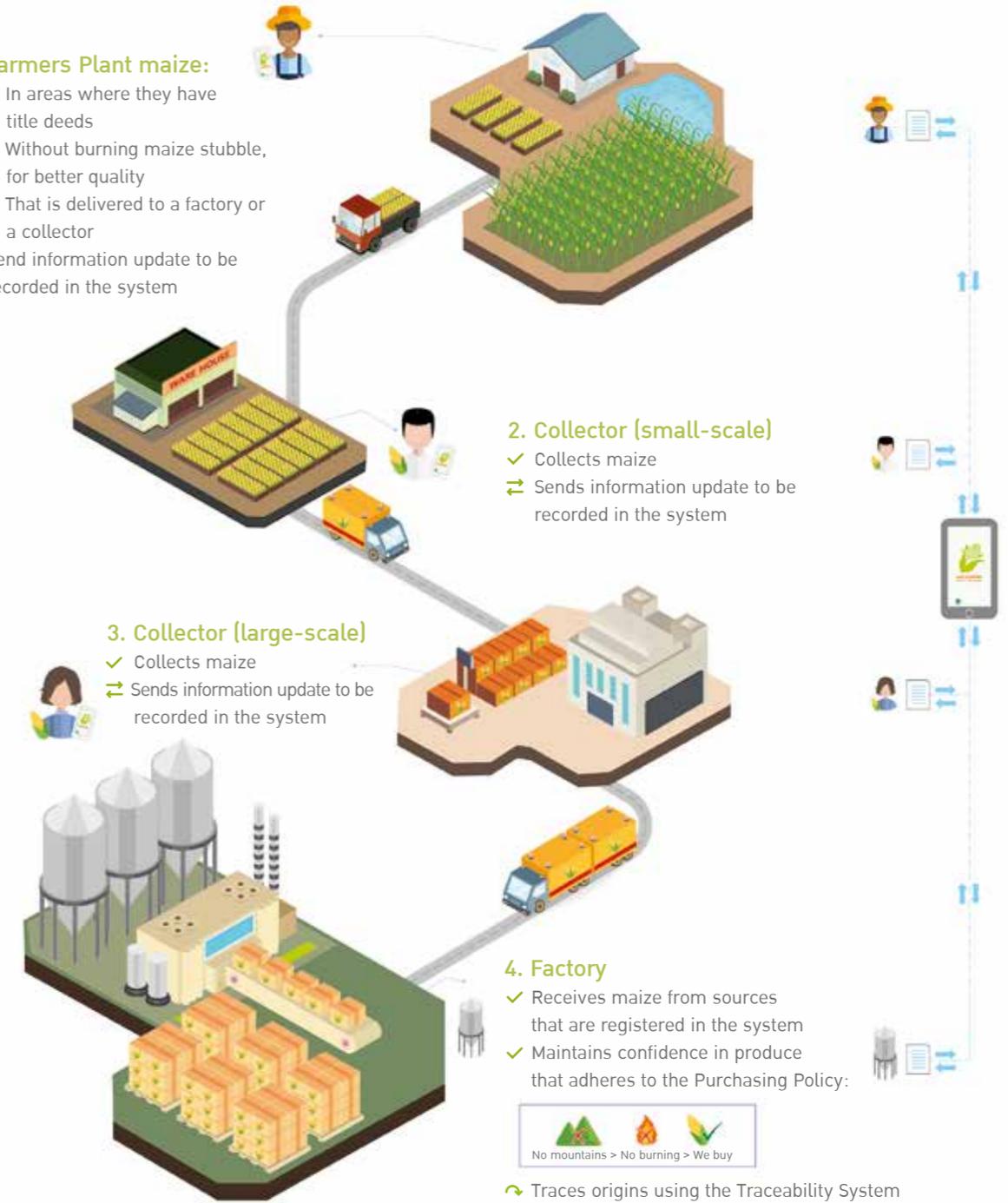


4. Factory

- ✓ Receives maize from sources that are registered in the system
- ✓ Maintains confidence in produce that adheres to the Purchasing Policy:



↔ Traces origins using the Traceability System





The Conservation and Restoration of Forest and Marine Resources

To protect and restore land, marine, and coastal ecosystems

SIGNIFICANCE

Forests and seas, which are deeply interconnected natural resources, are vital to our well-being. An imbalance between these resources could potentially change ecosystems and have a negative impact on the creatures that live within them. This in turn could impact livelihoods and economic systems.

The various projects that the Group has undertaken strive to reduce the impacts of pollution, and to promote and develop the management, conservation and restoration of forest, fishery, and marine resources in line with SDG 14 (Life Below Water), which focuses on the benefits of ocean and marine resources, and SDG 15 (Life on Land), which focuses on promoting the sustainable benefits of land ecosystems. These goals comprise the following targets:

PERFORMANCE

The Group has organized various activities and projects to promote, protect, and restore land, forests, and marine ecosystems through partnerships with various sectors, in order to create joint synergies. These partners include the Pracharat network, the public-private sector network, civil society networks, and local communities.

SDG 14
Life Below Water

- Prevent and reduce marine pollution of all kinds;
- Manage, protect, and restore ecosystems
- Minimize and address the impacts of ocean acidification
- Maintain sustainable fishing
- Increase marine and coastal conservation areas
- Prohibit certain forms of fishery subsidies that contribute to overfishing
- Increase the economic benefits from the sustainable use of marine resources
- Develop research capacity, and transfer marine technology and marine research knowledge
- Support small-scale artisanal fishers
- Implement international marine laws

SDG 15
Life on Land

- Conserve and restore terrestrial and inland freshwater ecosystems
- Halt deforestation and restore degraded forests
- Combat desertification and restore degraded land and soil
- Conserve mountain ecosystems
- Take urgent and significant action to reduce the degradation of natural habitats and the loss of biodiversity
- Promote fair and equitable sharing of the benefits that arise from using genetic resources
- Take urgent action to end poaching and trafficking of protected species
- Introduce measures to prevent the introduction of invasive species and significantly reduce their impact
- Integrate ecosystem and biodiversity values into national and local planning

Examples of Projects on Ecosystem and Biodiversity Protection and Restoration





CASE STUDY 40

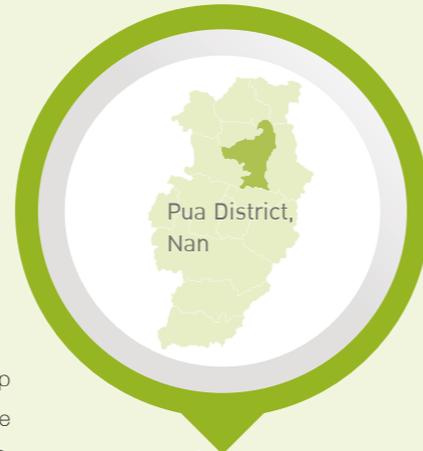
Project to Promote Engagement on Upstream Forest Management in Degraded Steep Forest Areas, Doi Phu Kha National Park

(Restore preserved forests in Ban Tung Mai, Ouan Sub-district, Pua District, Nan Province)

Currently, there is a crisis of upstream forests being damaged, whereas forests on top of mountains are being deforested. To resolve this problem, and to encourage communities to conserve and restore the abundance of these upstream forests, C.P. Group, together with local communities and the Department of Natural Parks in the Doi Phu Kha National Park, launched a reforestation project to restore these upstream forests. The project involves managing degraded upstream forests in steep areas in Ban Tung Mai, Ouan Sub-district, Pua District, Nan Province, with a focus on addressing systemic problems to allow locals to coexist with the forest.



'Local communities restore forests, plant community forests, and build fire corridors' C.P. Group helps create model communities that work to restore degraded forest areas, build forest fire prevention corridors and buffer zones to allow community access to forest resources, and restore ecosystems.



Pua District, Nan



Build model communities for degraded forest restoration



Build a forest fire corridor



Build a forest buffer zone for communities to coexist with forests

Project Implementation Strategy



Plant forests for conservation, restore forest areas, plant forests, and create incomes:
Plant saplings to restore forests, wherein locals can reap the benefits.



Monitor and Protect:
Examine the survival rate of the saplings planted.



Promote engagement of all parties:
Contribute to forest protection and restoration.



Results and Benefits



Restored forest area
226.77 Rais

Protected forests
851.63 Rais



CASE STUDY 41

Development Project in Nan Province Mueang Chang District Partnership Area

Nan Province encompasses a mountainous geography, but today the province's forest areas are decreasing. This has created problems that include barren mountain tops, farmers practicing monoculture, lack of access to arable farming land, shortages of water sources for agriculture and sustainable consumption, and the lack of a water resources management system. Given this, there is less water during the drought season, and flooding during the rainy season.



Problems in Mueang Chang District



Water Management



Rights to Arable Farming Land



Shortage of Job Opportunities and Economic Crops



Poverty and Debt

C.P. Group supports citizen and civil society sectors and local networks in embracing development under the concept of 'Human-Forest Harmony.' This concept involves career development, building a water system for agriculture, and restoring forests using

the methods, 'Forests for Land,' 'Forests for Water,' and 'Forests for Jobs,' and the application of GIS technology to manage land areas according to plot.



Restoring Upstream Forests

- Through collaboration between the Group and our network partners, government agencies, the private sector, and local communities in the area, the Group organized reforestation activities in degraded forest areas and barren mountain tops.



Returning Forest Areas

- Forests for Water: Shifting from monoculture to fruit farming requires water
- Forests for Farms: Adapting flat farming areas as appropriate for rice cultivation
- Forests for Jobs: Promote conditions that encourage locals to change jobs



Applying Technology

- Establish a GIS Center for Natural and Environmental Resources Management and build a database classifying the benefits of forests by plot area, to analyze and manage planning.



Results and Benefits

Develop a local irrigation system of **58,901 Rais** 7 villages in Mueang Chang District have sufficient water supply for agriculture and consumption throughout the year



CASE STUDY 42

Multipurpose Forest Management Project Espousing His Majesty's Philosophy

('Plant Forests, Create Incomes' Project, Ban Gong Gai, Ban Tub Sub-district, Mae Chaem District, Chiang Mai Province)

The Multipurpose Forest Management Project for Sustainable Development, espousing His Majesty's Philosophy, is one of the components of the Mae Chaem Model Plus Project. To deliver concrete results, C.P. Group partnered with government agencies in the Mae Chaem District area, along with network partners such as the Sustainable Development Foundation (Northern Region), Ao Phaya Institute, Ban Tub Management Organization, Bang Gong Gai Community Enterprise Group, and the GIS Center for Natural and Environmental Resources Management, Mae Chaem District.

Project Implementation Strategy



Develop Water Resources for Agriculture

- Develop a water management system for agriculture that delivers water year-round and thereby aids in the sustainable coexistence of humans and forests.



Plant Forests, Create Incomes

- Transform occupations alongside forest restoration
- Share knowledge on agricultural management
- Serve as future market channels

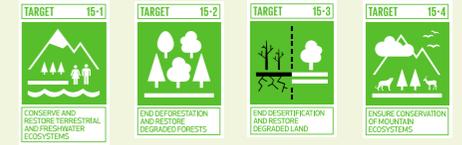


Establish Community Enterprises

- Enhance communities to promote collective action
- Share skills on group management
- Conduct output processing



Plant forests, Create jobs Environmentally-friendly Career Alternatives



- Transform monoculture into sustainable agriculture
- Develop agricultural water systems
- Plant high-value crops, using smaller areas of land



Results and Benefits

Increase in green areas
43,945 Trees

3 Villages have year-long functioning water systems (Ban Gong Gai, Ban Song Tan, Ban Mae Kee Moo Noi)



Developing People, Creating Sustainable Communities

- Support agricultural transformations focusing on tree species such as coffee, banana, bamboo, persimmon, and local plants
- Share knowledge on forest care and management
- Build model villages and provide knowledge
- Create a model community for planting forests and generating income, establish the 'Coffee School for Forest Restoration' and share knowledge and restore forests

Establish community enterprise with
26 Members

Products and produce with **unique characteristics** that generate income



CASE STUDY 43

Marine Resources Conservation and Restoration Projects

Community Crab Bank

Project Background:

Community Crab Bank, or the cultivation of juvenile crabs by communities, is a tool that helps to strengthen communities and sustainably restore aquatic animal resources.

Target:

Create conservation processes that are inclusive of all sectors and promote the sustainable management of marine resources by communities, in line with the Group's sustainability policy and strategy.

Performance:



Select High-potential Communities



Increase Capabilities, Plan, and Implement Project with Communities



Collect Data, Measure Results, and Develop Further

Process



Fisherman catches egg-laying crabs



Delivers eggs to the bank; the bank returns the mother crab to the fisherman



The bank cultivates the juvenile crabs



Returns juvenile crabs to nature

Results and Benefits



790,860,021
Number of juvenile crabs returned to nature

2.16 Times
Increase in participation of community members

928
Number of individuals raising awareness on marine resources conservation



Artificial Reef Project

Project Background:

With C.P. Group's sustainability strategy focused on the 'Three-Benefit Principle' creating value for society, protecting ecosystems, biodiversity, and marine and coastal resources are therefore a key mission.

Target:

Collaborate to restore marine and coastal resources for ecosystem abundance, increase the population of aquatic animals as resources, and generate benefits for local fishermen in the area in terms of their incomes and improved livelihoods.

Performance:

Suitable Location



Survey communities' needs.



Focus on large communities that are encountering difficulties from reduced quantities of aquatic animals.



Analyze areas and expected community benefits.

Installation Model



Install artificial reefs, a cube measuring 1.5 x 1.5 x 1.5 m, placing 500 in each location.

Comprehensive Performance Assessment



Assess the project in terms of resources, society, and economic outcomes.



Restore



Generate incomes and improved livelihoods



Engage with all sectors



Partner with communities

Results and Benefits



Environment

- Young aquatic animals for economic use
- Fish species that fetch a good market price
- Ornamental fish
- Other aquatic animal groups



Economic and Social

- Increased job security
- Increased catches
- Strengthened communities





ECOSYSTEM



Research and Development

Communities, Government Agencies, and the Group together developed tools to nurture the embryos of many aquatic animal species.



Promote Community Capabilities

Renewable Energy

Using solar cells to produce clean energy for the Community Crab Bank



Promote Community Capabilities

Learning Center

Development Curriculum Teach interested communities, public and private agencies, and educational institutions how to collaborate.



Increase Aquatic Animal Species

Crab Bank Communities, government agencies, and the Group collaborated to set up a Crab Bank to increase the quantity of juvenile crabs (zoea) found in nature.



Increase Aquatic Animal Species

In Conservation Areas

Create conservation areas, such as river mouths and mangrove forests, to nurture young aquatic animals.



Build Habitats

Fish Traps

Promote the use of traditional fish traps (sung kor) and protect against illegal fishing in order to increase safe areas for wild juvenile aquatic animals.



Build Habitats

Artificial Reefs

Build and install artificial reefs that will provide areas for juvenile fish to grow, serve as food sources, and create habitats for aquatic animals to lay their eggs.



RESPONSIBLE SUPPLY CHAIN MANAGEMENT



Challenges

In recognizing that our supply chain is only as strong as its weakest link, C.P. Group is committed to strengthening the capabilities of our suppliers to create operational excellence in three important dimensions: economic, social, and environmental.

Given the diversity of our products and services, and the cultural diversity and geographical considerations of our suppliers who are located across all regions of Thailand and around the world, it is a challenge to drive positive change. However, this is not something that will discourage us or halt our operations. On the contrary, the Group is strongly committed to improving suppliers' capabilities and to jointly collaborate on ideas, fostering growth, and together take the sustainability journey. Furthermore, the Group supports the Sustainable Development Goals, where we aim to contribute to the development of all countries in which we operate or invest, in line with the 'Three-Benefit Principle'.

Performance Against Goal 2020 Goal (Thailand)

100%

Of critical suppliers are assessed on sustainability.

Progress



- 2017: In progress
- 2018: 89% of critical suppliers have been assessed on sustainability.

Key Performance in 2018



2,308
Critical suppliers
for C.P. Group



Critical Supplier
Procurement Value
70.4%
of total procurement value



Supplier Code of Conduct
2,133
Critical suppliers
received communication on
the Supplier Code of Conduct.

Supporting the SDGs



SDG 4 Quality Education
4.4 Increase the number of youth and adults who have relevant skills, and promote entrepreneurship



SDG 8 Decent Work and Economic Growth
8.3 Promote development-oriented policies that support decent job creation, entrepreneurship



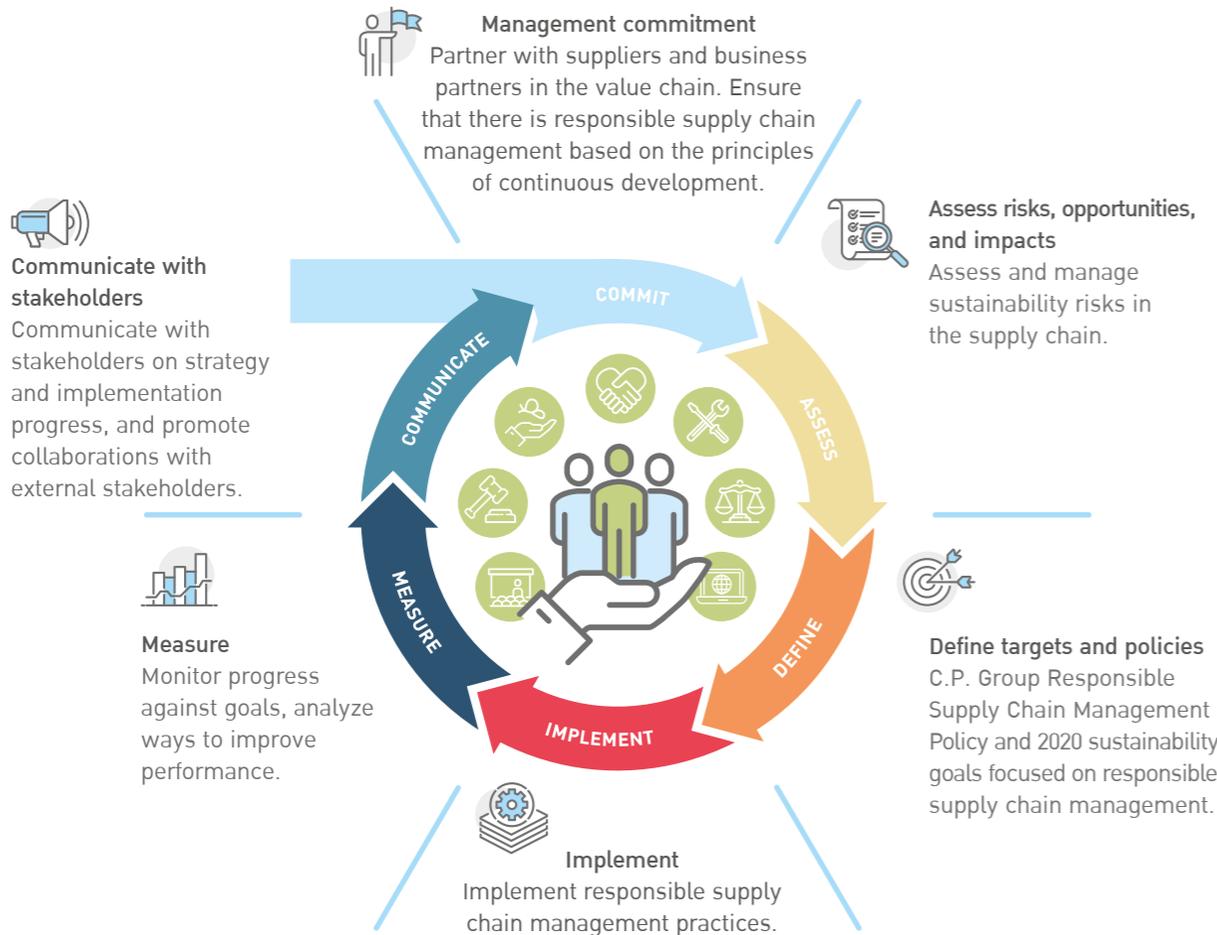
SDG 9 Industry, Innovation and Infrastructure
9.4 Upgrade infrastructure to make them sustainable, with increased resource-use efficiency and greater adoption of technologies

Management Approach

At C.P. Group, we have integrated sustainability issues into our procurement process and operate under the Responsible Supply Chain Management Framework. We encourage our suppliers to adhere to the Charoen Pokphand Code of Conduct in order to foster mutual sustainable growth and create added value for the business across our entire supply chain and for a wide range of stakeholders. Furthermore, to bring about transformative growth,

and to support C.P. Group's businesses around the world, we also developed a sustainability risk assessment tool using information technology, which enables us to identify opportunities for improvement and lay down proactive supply chain management measures through partnerships between the Group and our suppliers.

Responsible Supply Chain Management Framework



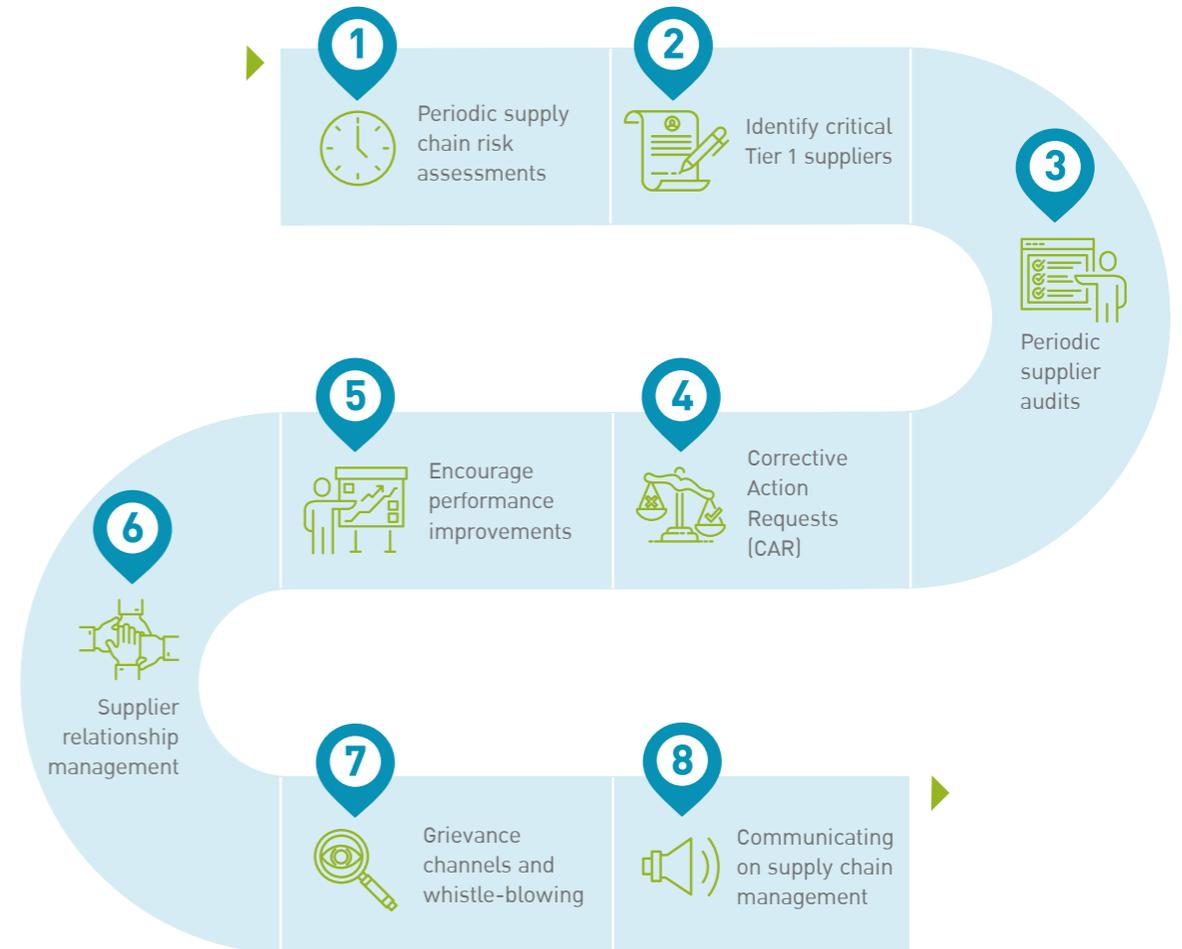
Procurement Policy and Guidelines

Sharing responsibility with our suppliers

C.P. Group is committed to enhancing the capabilities of our suppliers, who are essentially our business partners, by managing economic, social, and environmental risks across our supply chain. As an indication of this commitment, we also

developed a Policy and Guidelines addressing procurement to ensure that our management and employees assume responsibility, together with suppliers, for sustainable development and for generating the highest benefits for all stakeholder parties.

Sustainable Supply Chain Management Implementation Roadmap



Sustainable Supply Chain Management

For sustainable risk management



Supplier Code of Conduct



Identify Critical Tier 1 Suppliers



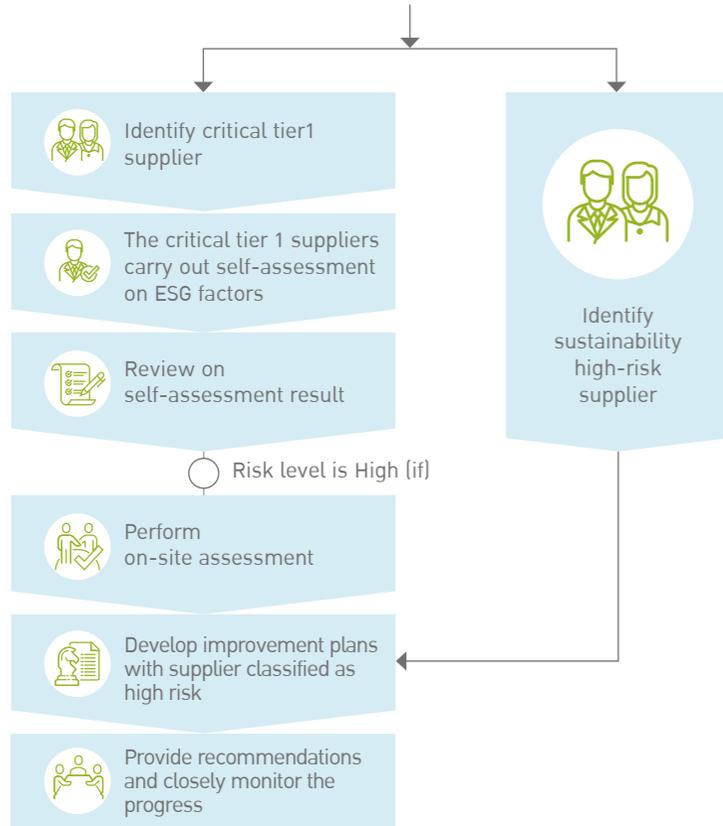
Assess Supply Chain Risks



Manage Supplier Relationship

Sustainability Risk Assessment

Value Chain Mapping



C.P. Group places great importance on supply chain management. Given this, we established a Group-level management process to ensure that all business groups adopt a coherent management approach. Supply chain management begins with our commitment to communicating the Supplier Code of Conduct to all suppliers to help them understand our policies, strategic direction, and expectations, and to foster continuous collaboration. To guarantee results, the Group categorizes our suppliers into groups of priority critical suppliers, as they exhibit the highest potential for collaboration on supply chain management. Meanwhile, the Group also conducts risk assessments for raw materials suppliers to identify sustainability risks, allowing us to better manage and develop alongside them. For raw materials suppliers with particularly high sustainability risks, the Group will work closely with them to develop improvement plans.



Supplier Code of Conduct



1. Compliance with Laws and Regulations



2. Product Safety and Quality



3. Traceability



4. Personal Data, Confidentiality and Intellectual Property



5. Child Labor



6. Forced Labor and Abuse of Labor



7. Discrimination



8. Employment Arrangements, Remuneration and Benefits



9. Freedom of Association and Collective Bargaining



10. Occupational Health and Safety



11. Land Rights



12. Environmental Management



13. Responsible Sourcing



14. Operating with Integrity



15. Conflicts of Interest



16. Anti-bribery and Corruption

Responsible Supply Chain

CRITICAL SUPPLIERS AND SUSTAINABILITY HIGH-RISK SUPPLIERS IDENTIFICATIONS

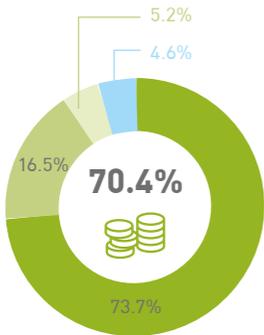


Responsible Supply Chain Management Dashboard

2018 PERFORMANCE

70.4%

Procurement Value of Critical Suppliers



Agro-Industry and Food
Media and Telecommunications

2,308

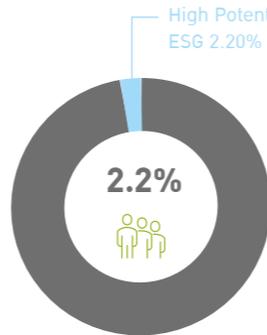
Number of Critical Suppliers



Retail and Distribution
Others

2.2%

High Potential Sustainability Risk Suppliers



High Potential ESG 2.20%
Non-High Potential ESG 97.80%



92.4%
Portion of critical suppliers that received communication on the Supplier Code of Conduct



Enhancing Suppliers' Capabilities

for sustainable development across the supply chain

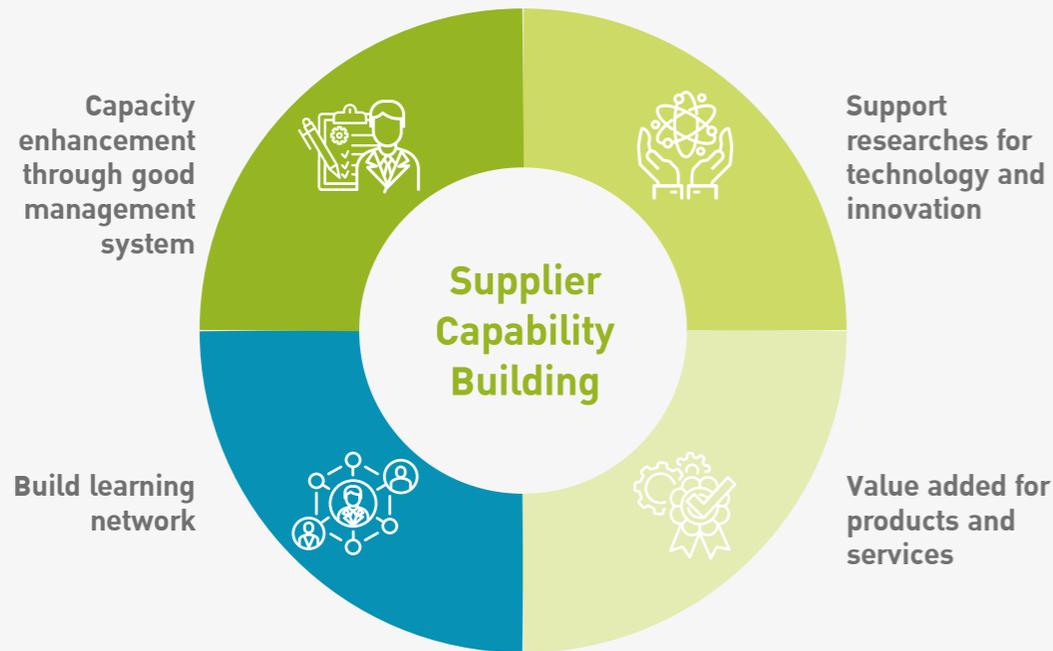
SIGNIFICANCE

C.P. Group supports job creation and capability-development for all individuals in society through job security, particularly by focusing on jobs that will generate a regular stream of income. To achieve this, we support events and other initiatives to exchange knowledge, apply that knowledge to agricultural innovations and experiences with business operations for improvements, and help farmers obtain part-time employment outside of the agricultural sector through regular career training projects.

PERFORMANCE

The Group established a team of experts to promote learning and increase farmers' skills and capabilities with arable land management. We collaborated with the public and private sectors and played a role in improving the qualities of lives of farmers, as well as supported laws focused on the contract farming system to promote farmers' engagement in decision-making and ensure that they are sustainably self-reliant. Finally, together with farmers, we developed plans to manage the entire production chain.

Supplier Capability-building



CASE STUDY 44

Using Hom Thong Bananas to Strengthen Communities Project



Results and Benefits

1,825 Farmers
Participated in the project

14,863 Rais
Total agricultural area of participating farmers (approximately 5,875 Acres)

Project Background:

A common problem in the agricultural sector is that large quantities of produce tend to flood the market. One explanation for this is a lack of analysis into the real demand for the product in the consumer market, which results in decreased prices of goods. In addition, there is an issue of residual

chemicals due to overusing chemicals and chemical fertilizers. This latter point has led to increased farming costs and the problem of produce being sent back to farmers, leading to a deterioration in the quality of agricultural goods over time.

Performance:

CP All Public Company Limited developed a project using hom thong bananas to strengthen communities' sustainability. The project involved managing the supply chain to ensure high-quality bananas that are safe for consumption, and that can also serve as a source for community job creation from one generation to the next.

Performance

1	2	3	4
Planning	Pricing	Production	Distribution
Plan plotting areas together with farmers to enhance planting efficiency and reduce chemical use.	Higher buying price than market price, with a year-long price guarantee. Farmers do not need to look for sales outlets.	Improve production line efficiency, 100% of factories achieve GMP certification. Cold curing technologies utilized.	Distribute curing/packing plants across each region, distribute goods directly to regional warehouses, and enable traceability.

CASE STUDY 45

Self-sufficient Farmers, Sustainable Maize Project



Project Background

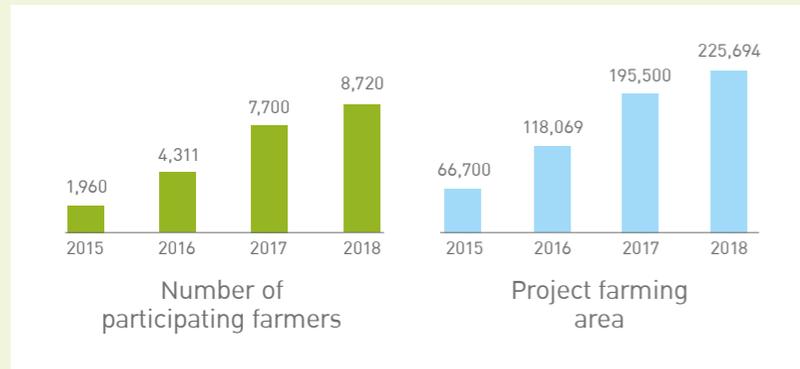
Now in its fourth year, Bangkok Produce Merchandising PCL's aspirations to elevate the livelihoods of C.P. Group's farmers through the 'Self-sufficient Farmers, Sustainable Maize' project continues to equip farmers with the capability to meet the Thai Agricultural Standard (TAS) 4402, Good Agricultural Practices for Maize. Through partnerships with public sector agencies such as the Agricultural Land Reform Office and the Department of Agriculture Extension, along with community leaders, the project educates local farmers on maize farming,

ensures that they have proper legal documentation regarding their rights, and are able to cultivate maize efficiently according to technically-accepted standards. This will lead to increases in yields and quality, reduce costs by using more appropriate fertilizers and chemicals only when necessary, and further eliminate environmentally-damaging practices such as burning corn cobs and forest encroachment. At the same time, it supports C.P. Group's policies concerning sustainable sourcing policy and raw material traceability policy.

Performance

The company improved the capabilities of maize farmers, whose produce will be made into animal feed, through measures such as: providing knowledge trainings on farming methods, conducting independent soil

analyses, discussing proper methods of fertilizer use, and encouraging farmers to form groups to exchange knowledge on cultivation methods.



Results and Benefits

8,720 Farmers participated in the project

225,694 Rais Farming area across 23 provinces

98,240 Tons Yields bought from farmers by C.P. Group

To facilitate processes for farmers, reduce their logistical burdens, and provide a guarantee that there is a market for their produce that is fair and transparent, small-holder farmers are able to deliver their produce directly to the Group's animal feed factories in 15 locations across the country. The Group also opened two sales collection centers near two farming areas, one in Non Thai District, Nakhon Ratchasima Province and one in Lan Sak District, Uthai Thani Province.

Farmer Development Process for the 'Self-sufficient Farmers, Sustainable Maize' Project



In addition, Bangkok Produce Merchandising PCL played a part in driving the government's 'Thailand 4.0' policy vision, which aims to transform farming methods from traditional to modern by focusing on management and technologies to revolutionize Thai farming, thus allowing Thailand to proudly respond to changes in the digital world. In this endeavor, Bangkok Produce Merchandising partnered with True Corporation PCL to develop the smartphone application, 'Chuai Plook.'

'Think' Cultivation plans

Source raw materials, machinery and equipment

'Do' Alerts on cultivation, fertilizing and harvesting

'Sell' Purchasing price displayed in front of factories

CASE STUDY 46

Building the Capabilities of Small-scale Shrimp Farmers in Vietnam



Project Background:

Following the spread of infectious diseases among shrimp farms, which resulted in widespread damages to farmers in terms of their lost time, income, and increased debts, C.P. Vietnam Corporation conducted research, together with agencies from various sectors and through overseas study trips, to learn from international practices and identify ways of preventing the spread of diseases in shrimp farms. This has allowed shrimp farmers to generate higher incomes from their sales to the company.

Performance:

The outcome of the research and development project is the CPF Combine Model, which is an innovative system for shrimp farming that changes the shrimp cultivation model and farm structure, eliminates antibiotic use, and incorporates the “3C” approach to cultivation: Clean shrimp, Clean water, and Clean bottom (Pond). C.P. Vietnam Corporation also organized workshops, provided field recommendations to partners, and closely monitored the progress of project implementation, just as it would on its own farm.

Results and Benefits

2,980 Farmers
Participated in the project

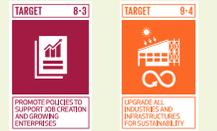
99%
Increased output per generation (crop)

4 Generations per year (crop)
Number of generations raised



CASE STUDY 47

Pracharat Rice Field Project



Project Background:

For over 5 years, C.P. Intertrade Co., Ltd, our international trading business group, has joined forces with public sector agencies on the 'Pracharat Rice Field' Project to improve farmers' knowledge and abilities on proper food safety practices in rice farming, as well as to ensure that farmers have in place an efficient management system based on social and environmental responsibility. The 'Pracharat Rice Field' Project not only helps Thai farmers improve their qualities of life, livelihoods, and incomes, it also creates a sense of pride for those who hold such a vital job underpinning the Thai economy.

Performance:

C.P. Intertrade Co., Ltd developed the KCP Sustainable Rice Standard to enhance resource use efficiency and sustainability across the rice production supply chain. It covers 6 important issues:

1. Food safety
2. Supply chain management
3. Biodiversity
4. Labor and human rights
5. Health and safety
6. Climate change

Furthermore, the Company also developed the UP Stream Rice Development Program (URD) to collect data on rice cultivation, manufacturing, logistics, and distribution, until the final stage when it reaches the hands of consumers.



Results and Benefits

5,643 Farmers
Participated in the project

146,131 Rais
Farming area (approximately 57,759 Acres)



Performance	2013/14	2014/15	2015/16	2016/17	2017/18
Number of farmers	262	447	639	3,571	5,643
Area (rai)	4,853	8,696	13,029	73,612	146,131

APPENDIX

REPORTING BOUNDARY

CHAROEN POKPHAND GROUP 2018

BUSINESS LINE / COMPANY NAME	COUNTRY	ECONOMIC	ENVIRONMENTAL				SOCIAL	
			ENERGY	EMISSIONS	WATER	WASTE	HEALTH & SAFETY	HUMAN RESOURCES
1 CHAROEN POKPHAND GROUP CO., LTD.	THAILAND	●	○	○	○	○	○	●
AGRO-INDUSTRY & FOOD BUSINESS LINE								
1 CHAROEN POKPHAND FOODS PUBLIC COMPANY LIMITED	THAILAND	●	●	●	●	●	●	●
C.P. POKPHAND CO., LTD.	CHINA	●	●	●	●	●	●	●
C.P. AQUACULTURE (BEIHAI) CO., LTD.	CHINA	●	○	○	○	○	○	●
C.P. AQUACULTURE (DONGFANG) CO., LTD.	CHINA	●	○	○	○	○	○	●
C.P. VIETNAM CORPORATION	VIETNAM	●	●	●	●	●	●	●
CHAROEN POKPHAND ENTERPRISES								
(TAIWAN) CO., LTD.	TAIWAN	●	●	●	●	●	●	●
C.P. CAMBODIA CO., LTD.	CAMBODIA	●	●	●	●	●	●	●
CPF (INDIA) PRIVATE LTD.	INDIA	●	●	●	●	●	●	●
C.P. LAOS CO., LTD.	LAOS	●	●	●	●	●	●	●
CHAROEN POKPHAND FOODS (MALAYSIA) SDN. BHD.	MALAYSIA	●	●	●	●	●	●	●
CHAROEN POKPHAND FOODS PHILIPPINES CORP.	THE PHILIPPINES	●	●	●	●	●	●	●
SUPERDROB ZAKLADY DROBIARSKO-MIESNE S.A.	POLAND	●	●	●	●	●	●	●
CHAROEN POKPHAND FOODS (OVERSEAS) LL	RUSSIA	●	●	●	●	●	●	●
TOPS FOODS NV	BELGIUM	●	●	●	●	●	●	●
NORFOLK FOODS (PRIVATE) LIMITED.	SRI LANKA	●	○	○	○	○	○	○
C.P. STANDART GIDA SANAYI VE TICARET A.S.	TURKEY	●	●	●	●	●	●	●
CP FOODS (UK) LTD.	UNITED KINGDOM	●	○	○	○	○	○	○
BELLISIO INVESTMENT LLC	UNITED STATES OF AMERICA	●	●	●	●	●	●	●
CP-MEJI CO., LTD.	THAILAND	●	●	●	●	●	●	●
2. AGRO-INDUSTRY AND FOOD BUSINESS GROUP.	CHINA	●	●	●	●	●	●	●
3. CHIA TAI ENTERPRISES INTERNATIONAL LIMITED.	CHINA	●	●	●	●	●	●	●
4. MYANMAR C.P. LIVESTOCK CO., LTD.	MYANMAR	●	●	●	●	●	●	●
6. C.P. BANGLADESH CO., LTD.	BANGLADESH	●	●	●	●	●	●	●
7. CHAROEN POKPHAND PAKISTAN (PVT.) LTD.	PAKISTAN	●	●	●	●	●	●	○
8. CHIA TAI FEEDMILL PTE. LTD.	SINGAPORE	●	○	○	○	○	○	○
9. CHINA ANIMAL HUSBANDRY BUSINESS	CHINA	●	●	●	●	●	●	●
10. CHIA TAI CO., LTD.	THAILAND	●	●	●	●	●	●	●
11. C.P. INTERTRADE CO., LTD.	THAILAND	●	●	●	●	●	●	●
12. KHAO C.P. CO., LTD.	THAILAND	●	●	●	●	●	●	●
13. DYNAMICS TRANSPORT CO., LTD.	THAILAND	●	○	○	○	○	○	●
14. DYNAMIC INTER-TRANSPORT CO., LTD.	THAILAND	●	○	○	○	○	○	●
15. AYUTTHAYA PORT AND ICD CO., LTD.	THAILAND	●	●	●	●	●	●	●
16. APSARA RICE (CAMBODIA) CO., LTD	CAMBODIA	●	●	●	●	○	●	●
17. CHAROEN POKPHAND PRODUCE CO., LTD.	THAILAND	●	●	●	●	●	●	●
	INDIA	●	○	○	○	○	○	●
	MYANMAR	●	●	●	●	●	●	●
	VIETNAM	●	●	●	●	●	●	●
18. CHAROEN POKPHAND AGRICULTURE CO., LTD.	THAILAND	●	●	●	●	●	●	●
19. C.P. STARLANES CO., LTD.	THAILAND	●	●	●	●	●	●	●
20. CHAROEN POKPHAND ENGINEERING CO., LTD.	THAILAND	●	○	○	○	○	○	●
21. PERFECT COMPANION GROUP CO., LTD.	THAILAND	●	●	●	●	●	●	●
	CHINA	●	○	○	○	○	○	○



BUSINESS LINE / COMPANY NAME	COUNTRY	ECONOMIC	ENVIRONMENTAL				SOCIAL	
			ENERGY	EMISSIONS	WATER	WASTE	HEALTH & SAFETY	HUMAN RESOURCES
RETAIL AND DISTRIBUTION BUSINESS GROUP								
1. CP ALL PUBLIC COMPANY LIMITED	THAILAND	●	●	●	●	●	●	●
2. SIAM MAKRO PUBLIC COMPANY LIMITED	THAILAND	●	●	●	●	●	●	●
3. C.P. LOTUS CORPORATION	CHINA	●	●	●	●	●	●	●
TELECOMMUNICATIONS BUSINESS GROUP								
1. TRUE CORPORATION PLC.	THAILAND	●	●	●	●	●	●	●
E-COMMERCE AND DIGITAL BUSINESS GROUP								
1. ASCEND GROUP CO., LTD.	THAILAND	●	●	●	●	●	●	●
2. TRUE MONEY (CAMBODIA) LIMITED	CAMBODIA	●	●	●	●	○	○	●
3. PT WITAMI TUNAI MANDIRI (TMN INDONESIA)	INDONESIA	●	●	●	●	○	○	●
4. TRUE MONEY MYANMAR COMPANY LIMITED	MYANMAR	●	●	●	●	○	○	●
5. TRUE MONEY PHILIPPINES INC.	THE PHILIPPINES	●	●	●	●	○	○	●
6. FREEWILL SOLUTIONS CO., LTD.	THAILAND	●	○	○	○	○	○	●
PROPERTY DEVELOPMENT BUSINESS GROUP								
1. C.P. LAND PUBLIC COMPANY LIMITED	THAILAND	●	●	●	●	●	●	●
2. C.P. PROPERTY HOLDING CO., LTD.	THAILAND	●	●	●	●	●	●	●
3. SHANGHAI KINGHILL LIMITED	CHINA	●	●	●	●	●	●	●
4. CHIA TAI LAND CO., LTD.	CHINA	●	●	●	●	○	○	●
AUTOMOTIVE AND INDUSTRIAL PRODUCTS BUSINESS GROUP								
1. C.P. MOTOR HOLDING CO., LTD.	THAILAND	●	●	●	●	●	●	●
2. LUOYANG NORTHERN EK CHOR MOTORCYCLES CO., LTD.	CHINA	○	○	○	○	○	○	○
3. CPPC PUBLIC COMPANY LIMITED	THAILAND	●	●	●	●	●	●	●
	CHINA	●	○	○	○	○	○	○
	VIETNAM	●	○	○	○	○	○	○
PHARMACEUTICALS BUSINESS GROUPS								
1. SINO BIOPHARMACEUTICAL LIMITED	CHINA	●	●	●	●	●	●	●
FINANCE AND INVESTMENT BUSINESS GROUP								
1. ZHENG XIN BANK COMPANY LIMITED.								
2. PING AN INSURANCE (GROUP) COMPANY OF CHINA,LTD.								
3. ITOCHU CORPORATION								
4. CITIC GROUP CORPORATION LTD.								

● COMPANY PERFORMANCES THAT ARE COVERED IN THIS SUSTAINABILITY REPORT 2018.
 ○ COMPANY PERFORMANCES THAT ARE NOT COVERED IN THIS SUSTAINABILITY REPORT 2018.
 *FINANCE AND INVESTMENT BUSINESS GROUP ARE CURRENTLY NOT UNDER THE MANAGEMENT OF CHAROEN POKPHAND GROUP

SUSTAINABILITY PERFORMANCE DATA 2018

HEART

GRI STANDARD	DATA	UNIT	2017	2018
1. CORPORATE GOVERNANCE				
DEPARTMENTS THAT ARE WITHIN THE SCOPE OF THIS SUSTAINABILITY REPORT				
	<ul style="list-style-type: none"> Production Plants Animal Farms and Horticultural Farms 7 eleven Stores Hypermarkets/Superstores 	Plants Farms Stores Stores	259 940 10,268 195	259 951 10,988 204
2. HUMAN RIGHTS AND LABOR PRACTICES				
HUMAN RESOURCES DATA				
102-8	WORKFORCE			
			MALE	FEMALE
			MALE	FEMALE
• Total Workforce	Persons		306,695	314,337
			159,364	147,331
			159,763	154,574
BY CONTRACT TYPE				
			MALE	FEMALE
			MALE	FEMALE
• Employees	Persons		306,695	304,205
			159,364	147,333
			153,436	150,769
• Workers/Contractors	Persons		94,465	10,132
			48,010	46,455
			6,327	3,805
405-1	EMPLOYEE DIVERSITY			
			MALE	FEMALE
			MALE	FEMALE
BY LEVEL				
			MALE	FEMALE
			MALE	FEMALE
• Top Management	Persons		1,499	400
• Mid Management	Persons		5,298	2,733
• Management	Persons		11,319	7,135
• Officer	Persons		135,634	135,827
			131,413	137,849
BY AGE				
			MALE	FEMALE
			MALE	FEMALE
• Under 30 years old	Persons		65,304	63,576
• 30 - 50 years old	Persons		79,839	76,314
• Over 50 years old	Persons		9,032	6,000
			9,327	6,244
401-1	NEW HIRES			
			MALE	FEMALE
			MALE	FEMALE
• Number of new hires	Persons		101,919	105,644
			51,016	50,903
			50,533	55,111
BY AGE				
			MALE	FEMALE
			MALE	FEMALE
• Under 30 years old	Persons		34,406	33,115
• 30 - 50 years old	Persons		12,738	12,937
• Over 50 years old	Persons		780	537
			3,041	1,256

GRI STANDARD	DATA	UNIT	2017	2018
HUMAN RESOURCES DATA				
TURNOVER				
			MALE	FEMALE
			MALE	FEMALE
• Number of turnover	Persons		78,837	86,387
			40,174	38,663
			42,959	43,428
BY AGE				
			MALE	FEMALE
			MALE	FEMALE
• Under 30 years old	Persons		26,103	25,881
• 30 - 50 years old	Persons		12,174	10,854
• Over 50 years old	Persons		1,110	977
			1,498	1,342
EMPLOYEE				
			MALE	FEMALE
			MALE	FEMALE
• Number of parental leave	Persons		-	-
• Employee back to work after parental leave	Persons		-	-
			507	1,017
			494	852
OCCUPATIONAL HEALTH AND SAFETY DATA				
403-2 (a)	EMPLOYEE			
			MALE	FEMALE
			MALE	FEMALE
• Injury Rate (IR)	Cases per 200,000 hours worked		3.03	1.92
			2.81	3.26
			2.04	1.86
• Lost Time Injury Rate (LTR)	Cases per 200,000 hours worked		0.27	0.40
			0.37	0.18
			0.49	0.33
• Occupational Disease Rate (ODR)	Cases per 200,000 hours worked		0.04	0.00
			0.05	0.03
			0.01	0.00
• Lost Day Rate (LDR)	Lost days per 200,000 hours worked		2.82	6.05
			3.75	1.90
			7.53	4.70
• Absentee Rate (AR)	Percentage (%)		1.63	1.61
			1.51	1.75
			1.38	1.82
• Number of Fatalities	Persons		7	7
			6	1
			7	0
403-2 (b)	CONTRACTOR			
			MALE	FEMALE
			MALE	FEMALE
• Injury Rate (IR)	Cases per 200,000 hours worked		0.30	0.20
			0.32	0.24
			0.16	0.34
• Number of Fatalities	Persons		1	2
			1	0
			2	0

SUSTAINABILITY PERFORMANCE DATA 2018

HEART

GRI STANDARD	DATA	UNIT	2017	2018
3. LEADERSHIP AND HUMAN CAPITAL DEVELOPMENT				
TRAINING AND DEVELOPMENT OF EMPLOYEES				
			MALE	FEMALE
			MALE	FEMALE
• Average training hours for all employees	Hours per person per year		16.18	13.30
			16.39	15.97
			12.69	14.81
BY LEVEL				
			MALE	FEMALE
			MALE	FEMALE
• Top Management	Hours per person per year		13.34	25.55
			13.60	12.40
			26.55	21.23
• Mid Management	Hours per person per year		20.47	24.33
			21.55	18.39
			22.55	28.00
• Management	Hours per person per year		18.35	20.19
			19.38	16.71
			18.44	23.58
• Officer	Hours per person per year		12.12	13.51
			12.24	12.00
			12.27	14.69
4. STAKEHOLDER ENGAGEMENT				
• Number of Business Groups compiling expectations of stakeholders	Business Groups		13	13

Remarks :

- NA: Not Available
- Average training hours exclude the domestic and international Master's and Doctoral Education Programs supported by the Group, and the training courses that continued during 2017-2018
- Injury and fatality data from workers and contractors exclude data from Telecommunications, and Property Development Business Groups
- Injury means work-related injury from first-aid level to lost-day level (from 1 day) Lost Time Injury means injury that causes lost-day from one day on (calculating from the day after the incident) Severity level (or violence) of Injury calculates from the number of actual absent working days
- Injury rate (IR) = Total number of injuries at all levels (cases) over the reporting period x 200,000 hours worked / Total hours worked (over the reporting period)
- Lost Time Rate (LTR) = Total number of lost time injuries (cases) over the reporting period x 200,000 hours worked / Total hours worked (over the reporting period)
- Lost Day Rate (LDR) = Total number of lost days (days) over the reporting period x 200,000 hours worked / Total hours worked (over the reporting period)
- Occupational Disease Rate (ODR) = Total number of occupational diseases (cases) over the reporting period x 200,000 hours worked / Total hours worked (over the reporting period)
- Absentee Rate (AR) = Total number of actual absentee days lost from occupational injuries or diseases, but not leave with permission, over the reporting period x 100 / Total days worked (over one year)
- Total Number of Work-related fatalities = Total number of occupational fatalities which may be caused by accidents or diseases



HEALTH

GRI STANDARD	DATA	UNIT	2017	2018
5. SOCIAL IMPACT				
• Number of farmers receiving support		Persons	92,378	113,067
• Number of SMEs receiving support		Persons	57,646	543,572
• Number of people in vulnerable groups receiving support		Persons	15,245	12,287
6. HEALTH & WELL-BEING				
• Number of available products aiming to promote better health and well-being		Products	168	283
• Number of children receiving support and having the opportunity to access food		Persons	32,650	243,280
7. EDUCATION				
• Number of children, youth and adults with access to education		Persons	2,568,762	3,411,278
• Number of scholarships provided		Scholarships	22,109	32,734
8. INNOVATION				
• Total Research and Development (R&D) spending		Million THB	12,223	17,533
• Number of R&D positions		Persons	5,388	5,950
• Number of patents and petty patents		(Petty) Patents	866	1,296

SUSTAINABILITY PERFORMANCE DATA 2018

HOME

GRI STANDARD	DATA	UNIT	2017	2018
9. CLIMATE CHANGE MANAGEMENT				
ENERGY				
302-1 (e)	TOTAL ENERGY CONSUMPTION	Million GJ	44.29	47.92
302-1 (a)	● Non-Renewable Energy	Million GJ	18.04	18.92
302-1 (b)	● Renewable Energy	Million GJ	4.03	4.73
302-1 (c)	● Electricity Purchased	Million GJ	22.22	24.26
302-1 (d)	● Electricity Sold	Million kWh	5.01	39.67
302-3	● Energy Intensity	GJ per million THB of revenue	27.10	28.98
GREENHOUSE GAS (GHG) EMISSIONS				
GHG EMISSIONS (SCOPE 1 + 2)		Million t CO ₂ e	5.22	5.71
305-1	● Direct GHG emissions (Scope 1)	Million t CO ₂ e	1.26	1.22
305-2	● Indirect GHG emissions (Scope 2)	Million t CO ₂ e	3.96	4.49
305-4	● GHG emission intensity	t CO ₂ e per Million THB of revenue	3.20	3.45
305-1 (c)	Biogenic CO ₂ emission	Million t CO ₂ e	0.38	0.45
WASTE				
TOTAL WASTE GENERATION		Tons	941,611	2,108,194
306-2 (a)	Hazardous Waste	Tons	11,978	15,331
	● Reused/Recycled	Percentage (%)	13.22	22.42
306-2 (b)	Non-Hazardous Waste	Tons	926,633	2,092,863
	● Reused/Recycled	Percentage (%)	10.22	21.19
	● Composting	Percentage (%)	46.19	42.60
	Waste Intensity	Tons per million THB of revenue	0.58	1.27
10. WATER STEWARDSHIP				
WATER				
303-1 (a)	WATER WITHDRAWAL	Thousand m ³	309,068	329,585
303-1 (a)	● Surface Water	Thousand m ³	185,917	212,636
	● Ground water	Thousand m ³	54,215	76,664
	● Rainwater	Thousand m ³	10,930	7,673
	● Municipal water	Thousand m ³	57,998	32,612
	● Wastewater from other organizations	Thousand m ³	10	-
303-3 (a)	Reused and recycled Water	Thousand m ³	34,183	39,774
303-3 (b)	Percentage of water reused/recycled	Percentage (%)	11.06	12.06
	Water withdrawal intensity	m ³ per million THB of revenue	189.13	199.33
WASTE WATER				
306-1 (a)	WATER DISCHARGE	Thousand m ³	157,279	181,355

GRI STANDARD	DATA	UNIT	2017	2018
11. ECOSYSTEM AND BIODIVERSITY PROTECTION				
	● Number of mangrove and watershed forest areas protected and conserved	Rai	6,223	1,143
	● Number of agricultural forest areas that have been developed for water and plant sources	Rai	NA	11,268
12. RESPONSIBLE SUPPLY CHAIN MANAGEMENT				
	● Number of critical suppliers communicated with Supplier Code of Conduct Handbook	Persons	11,377	13,510
	● Number of farmers receiving capacity-building trainings	Persons	18,362	19,168

Remarks:

- NA: Not Available
- The calculation method under this Sustainability report is in accordance with GRI Standards (GRI 302-1)
 - Total fuel consumption = the sum of all types of fuel resource consumption x its heating value (in each) - Unit in GJ per month (Note that all conversion factors are referred from the Annual Thailand Energy Report, Department of Alternative Energy Development and Efficiency)
 - Electricity consumption = The sum of electricity used (in kWh) x 3.6 - Unit in GJ per month)
 - Total energy consumption = non-renewable energy consumption + renewable energy consumption + electricity consumption (Unit in GJ per month)
- Energy types included in the calculation of intensity per revenue are non-renewable energy including coal, fuel oil, diesel, gasoline, bunker oil, LPG, and natural gas as well as renewables including biogas, biomass (such as rice husk, charcoal, cashew nutshell, fire wood/ scrap wood/woodchips, corn cob, pal kernel shells, and sawdust) and biodiesel, and electricity consumed within the organization only (GRI 302-3)
- Reporting scope of GHG emissions covers CO₂, CH₄, and N₂O which are calculated and shown in the form of CO₂ equivalent that generates GWP (Global Warming Potential) specified by IPCC specification (Intergovernmental Panel on Climate Change 2006). Meanwhile, the figure of emission factors is referred from IPCC and Thailand Greenhouse Gas Management Organization (Public Organization) (GRI 303-1, GRI 305-2, GRI 305-4)
- GHG intensity per revenue covers GHG scope 1 and scope 2 (GRI 305-4)
- Total water consumption is collected by using data from water meter, water bill, calculation from flow rate of water pump and average volume of rainwater from Meteorological Department (GRI 303-1 : 2016 version)
- Total reused/recycled water is calculated by using data from water meter and flow rate of water pump (GRI 303-3 : 2016 version)
- Total hazardous and non-hazardous waste stored within organization is an accumulated figure in previous year (GRI 306-2)
- Total waste generated is a figure of non-hazardous waste and hazardous waste generated in each year. For the amount of waste stored within the organization, the calculation is from an accumulated figure of waste in the present year - an accumulated figure of in the previous year (GRI 306-2)
- All information about waste disposal methods have already been approved by waste disposers or waste disposal manifest from waste disposers (GRI 306-2)
- All information about waste were not include telecommunications business group data
- Sustainability performance data 2018 (Thailand) is available through www.cpgroupglobal.com/sustainability

GRI CONTENT INDEX GRI102-55

GRI 102: GENERAL DISCLOSURES 2016

DISCLOSURES		PAGE/WEBSITE	EXTERNAL ASSURANCE
Organizational Profile			
102-1	Name of the organization	<ul style="list-style-type: none"> Our Business About this Report 	-
102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> Our Business 	-
102-3	Location of headquarters	<ul style="list-style-type: none"> Business Overview 	-
102-4	Location of operations	<ul style="list-style-type: none"> Business Overview 	-
102-5	Ownership and legal form	<ul style="list-style-type: none"> Our Business 	-
102-6	Markets served	<ul style="list-style-type: none"> Business Overview 	-
102-7	Scale of the organization	<ul style="list-style-type: none"> Our Business 2018 Highlights Business Overview 	-
102-8	Information on employees and other workers	<ul style="list-style-type: none"> Appendix 	-
102-9	Supply chain	<ul style="list-style-type: none"> Responsible Supply Chain Management 	-
102-10	Significant changes to the organization and its supply chain	<ul style="list-style-type: none"> About this Report 	-
102-11	Precautionary Principle or approach	<ul style="list-style-type: none"> Climate Change Management Water Stewardship 	-
102-12	External initiatives	<ul style="list-style-type: none"> Stakeholder Engagement 	-
102-13	Membership of associations	<ul style="list-style-type: none"> Stakeholder Engagement 	-
Strategy			
102-14	Statement from senior decision-maker	<ul style="list-style-type: none"> Message from the Senior Chairman 	-
102-15	Key impacts, risk and opportunities	<ul style="list-style-type: none"> Message from the Chairman Message from the CEO 	-
Ethics and Integrity			
102-16	Values, principles, standards and norms of behavior	<ul style="list-style-type: none"> Six Core Values C.P. Excellence 	-
102-17	Mechanisms for advice and concerns about ethics	<ul style="list-style-type: none"> Corporate Governance 	-
Governance			
102-18	Governance structure	<ul style="list-style-type: none"> Sustainability Governance 	-
102-20	Executive-level responsibility for economic, environmental and social topics	<ul style="list-style-type: none"> Sustainability Governance 	-
Stakeholder Engagement			
102-40	List of stakeholder group	<ul style="list-style-type: none"> Stakeholder Engagement 	-
102-41	Collective bargaining agreements	<ul style="list-style-type: none"> Human Rights and Labor Practices 	-
102-42	Identifying and selecting stakeholders	<ul style="list-style-type: none"> Stakeholder Engagement 	-
102-43	Approach to stakeholder engagement	<ul style="list-style-type: none"> Stakeholder Engagement 	-
102-44	Key topics and concerns raised	<ul style="list-style-type: none"> Stakeholder Engagement 	-



DISCLOSURES		PAGE/WEBSITE	EXTERNAL ASSURANCE
Reporting Practice			
102-45	Entities included in the consolidated financial statements	<ul style="list-style-type: none"> Our Business Reporting Boundary 	-
102-46	Defining report content and topic Boundaries	<ul style="list-style-type: none"> Materiality Assessment 	-
102-47	List of material topics	<ul style="list-style-type: none"> Materiality Assessments 	-
102-48	Restatements of information		-
102-49	Changes in reporting	<ul style="list-style-type: none"> About this Report 	-
102-50	Reporting period	<ul style="list-style-type: none"> About this Report 	-
102-51	Date of most recent report	<ul style="list-style-type: none"> About this Report 	-
102-52	Reporting cycle	<ul style="list-style-type: none"> About this Report 	-
102-53	Contact point for questions regarding the report	<ul style="list-style-type: none"> Materiality Assessment About this Report 	-
102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> About this Report 	-
102-55	GRI content index	<ul style="list-style-type: none"> GRI Content Index 	-
102-56	External assurance	<ul style="list-style-type: none"> About this Report 	-

SPECIFIC STANDARD DISCLOSURES

GRI STANDARD	DISCLOSURES	PAGE/WEBSITE	OMISSION/ NOTE	EXTERNAL ASSURANCE
Economic Performance				
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> Sustainability Management 	-	-
103-2	The management approach and its components	<ul style="list-style-type: none"> Sustainability Management 	-	-
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Sustainability Management 	-	-
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> 2018 Highlights 	-	-
Indirect Economic Impacts				
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> Social Impact Education Innovation 	-	-
103-2	The management approach and its components	<ul style="list-style-type: none"> Social Impact Education Innovation 	-	-
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Social Impact Education Innovation 	-	-
203-1	Infrastructure investments and services supported	<ul style="list-style-type: none"> Social Impact Education Innovation 	-	-
203-2	Significant in direct economic impacts	<ul style="list-style-type: none"> Social Impact Education Innovation 	-	-
Anti-corruption				
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> Corporate Governance 	-	-
103-2	The management approach and its components	<ul style="list-style-type: none"> Corporate Governance 	-	-
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Corporate Governance 	-	-
205-2	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> Corporate Governance 	-	-

GRI STANDARD	DISCLOSURES	PAGE/WEBSITE	OMISSION/ NOTE	EXTERNAL ASSURANCE
Energy				
103-1	Explanation of the material topic and its Boundary	● Climate Change Management	-	-
103-2	The management approach and its components	● Climate Change Management	-	-
103-3	Evaluation of the management approach	● Climate Change Management	-	-
302-1	Energy consumption within the organization	● Appendix	-	✓
302-3	Energy intensity	● Appendix	-	-
302-4	Reduction of energy consumption	● Appendix	-	-
Water				
103-1	Explanation of the material topic and its Boundary	● Water Stewardship	-	-
103-2	The management approach and its components	● Water Stewardship	-	-
103-3	Evaluation of the management approach	● Water Stewardship	-	-
303-1	Water withdrawal by source	● Appendix	-	✓
303-3	Water recycled and reused	● Appendix	-	-
Biodiversity				
103-1	Explanation of the material topic and its Boundary	● Ecosystem & Biodiversity Protection	-	-
103-2	The management approach and its components	● Ecosystem Biodiversity Protection	-	-
103-3	Evaluation of the management approach	● Ecosystem & Biodiversity Protection	-	-
304-3	Habitats protected or restored	● Ecosystem & Biodiversity Protection	-	-
Emissions				
103-1	Explanation of the material topic and its Boundary	● Climate Change Management	-	-
103-2	The management approach and its components	● Climate Change Management	-	-
103-3	Evaluation of the management approach	● Climate Change Management	-	-
305-1	Direct (Scope 1) GHG emissions	● Appendix	Direct GHG emissions from stationary combustion of CP ALL Public Company Limited are not available because our data collection system is under standardization. This data will be available in the next reporting period.	✓
305-2	Energy indirect (Scope 2) GHG emissions	● Appendix	-	✓
305-3	Other indirect (Scope 3) GHG emissions	● Climate Change Management	-	-
305-4	GHG emissions intensity	● Appendix	-	-
305-5	Reduction of GHG emissions	● Appendix	-	-

GRI STANDARD	DISCLOSURES	PAGE/WEBSITE	OMISSION/ NOTE	EXTERNAL ASSURANCE
Effluents and Wastes				
103-1	Explanation of the material topic and its Boundary	● Climate Change Management	-	-
103-2	The management approach and its components	● Climate Change Management	-	-
103-3	Evaluation of the management approach	● Climate Change Management	-	-
306-1	Water discharge by quality and destination	● Appendix	we were only able to provide total amount of water discharge and avoid data discrepancies. We will report water discharge by quality and destination in the next reporting period.	-
306-2	Waste by type and disposal method	● Appendix	Total amount of waste of the Corporation Public Company Limited. are not available because our data collection system is under standardization. this data will be available in the next reporting period.	✓
Supplier Environmental Assessment				
103-1	Explanation of the material topic and its Boundary	● Responsible Supply Chain Management	-	-
103-2	The management approach and its components	● Responsible Supply Chain Management	-	-
103-3	Evaluation of the management approach	● Responsible Supply Chain Management	-	-
308-1	New suppliers that were screened using environmental criteria	● Responsible Supply Chain Management	-	-
308-2	Negative environmental Impacts in the supply chain and actions taken	● Responsible Supply Chain Management	-	-
Employment				
103-1	Explanation of the material topic and its Boundary	● Human Rights and Labor Practices	-	-
103-2	The management approach and its components	● Human Rights and Labor Practices	-	-
103-3	Evaluation of the management approach	● Human Rights and Labor Practices	-	-
401-1	New employee hires and employee turnover	● Appendix	-	-
Occupational Health and Safety				
103-1	Explanation of the material topic and its Boundary	● Human Rights and Labor Practices	-	-
103-2	The management approach and its components	● Human Rights and Labor Practices	-	-
103-3	Evaluation of the management approach	● Human Rights and Labor Practices	-	-



GRI STANDARD	DISCLOSURES	PAGE/WEBSITE	OMISSION/ NOTE	EXTERNAL ASSURANCE
Occupational Health and Safety				
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	● Appendix	Rates of injury and number of work-related fatalities for all workers of True Corporation Public Company Limited, are not available because our data collection system is under standardization. This data will be available in the next reporting period.	✓
Training and Education				
103-1	Explanation of the material topic and its Boundary	● Leadership and Human Capital Development	-	-
103-2	The management approach and its components	● Leadership and Human Capital Development	-	-
103-3	Evaluation of the management approach	● Leadership and Human Capital Development	-	-
404-1	Average hours of training per year per employee	● Appendix	-	-
Human Rights Assessment				
103-1	Explanation of the material topic and its Boundary	● Human Rights and Labor Practices	-	-
103-2	The management approach and its components	● Human Rights and Labor Practices	-	-
103-3	Evaluation of the management approach	● Human Rights and Labor Practices	-	-
412-1	Operations that have been subject to human rights reviews or impact assessments	● Human Rights and Labor Practices	-	-
Local Communities				
103-1	Explanation of the material topic and its Boundary	● Social Impact ● Health and Well-being ● Education ● Water Stewardship ● Ecosystem & Biodiversity Protection ● Responsible Supply Chain Management	-	-
103-2	The management approach and its components	● Social Impact ● Health and Well-being ● Education ● Water Stewardship ● Ecosystem & Biodiversity Protection ● Responsible Supply Chain Management	-	-

GRI STANDARD	DISCLOSURES	PAGE/WEBSITE	OMISSION/ NOTE	EXTERNAL ASSURANCE
Local Communities				
103-3	Evaluation of the management approach	● Social Impact ● Health and Well-being ● Education ● Water Stewardship ● Ecosystem & Biodiversity Protection ● Responsible Supply Chain Management	-	-
413-1	Operations with local community engagement, impact assessments and development programs	● Social Impact ● Health and Well-being ● Education ● Water Stewardship ● Ecosystem & Biodiversity Protection ● Responsible Supply Chain Management	-	-
Supplier Social Assessment				
103-1	Explanation of the material topic and its Boundary	● Ecosystem & Biodiversity Protection ● Responsible Supply Chain Management	-	-
103-2	The management approach and its components	● Ecosystem & Biodiversity Protection ● Responsible Supply Chain Management	-	-
103-3	Evaluation of the management approach	● Ecosystem & Biodiversity Protection ● Responsible Supply Chain Management	-	-
414-2	Negative social impacts in the supply chain and actions taken	● Ecosystem & Biodiversity Protection ● Responsible Supply Chain Management	-	-
Product and Service Labelling				
103-1	Explanation of the material topic and its Boundary	● Health and Well-being	-	-
103-2	The management approach and its components	● Health and Well-being	-	-
103-3	Evaluation of the management approach	● Health and Well-being	-	-
417-1	Requirements for product and service information and labeling	● Health and Well-being	-	-
Healthy and Affordable Food				
103-1	Explanation of the material topic and its Boundary	● Health and Well-being ● Innovation	-	-
103-2	The management approach and its components	● Health and Well-being ● Innovation	-	-
103-3	Evaluation of the management approach	● Health and Well-being ● Innovation	-	-



UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS - ADVANCED LEVEL

CRITERION	DESCRIPTION	PAGE
1	The COP describes mainstreaming into corporate functions and business units	48-55, 67-69, 70-77, 79-81, 84, 86, 88-90, 93-94, 96, 98-100, 126-128, 136, 139, 144, 155-157, 164-167, 190, 194-195, 201-203
2	The COP describes value chain implementation	72, 79-83, 97, 136, 144-147, 162-165, 178-181, 235, 245-251, 253, 265-272, 274-275
3	The COP describes robust commitments, strategies or policies in the area of human rights	79-83, 369
4	The COP describes effective management systems to integrate the human rights principles	80-83, 86, 267-268
5	The COP describes effective monitoring and evaluation mechanisms of human rights integration	82-83, 86, 88, 267-268, 270
6	The COP describes robust commitments, strategies or policies in the area of labor	79-81, 86-89, 100, 248-251
7	The COP describes effective management systems to integrate the labor principles	70-71, 79-80, 86-90, 265-269
8	The COP describes effective monitoring and evaluation mechanisms of labor principles integration	86-91, 265-269
9	The COP describes robust commitments, strategies or policies in the area of environmental stewardship	49-53, 207-210, 233-236, 245-246, 265-268
10	The COP describes effective management systems to integrate the environmental principles	208, 246-248, 266-268
11	The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	233, 235, 237-241, 245, 247, 248, 250-251, 270
12	The COP describes robust commitments, strategies or policies in the area of anti-corruption	70-72, 76-77
13	The COP describes effective management systems to integrate the anti-corruption principle	72-73
14	The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	76-77
15	The COP describes core business contributions to UN goals and issues	14-17, 50-51, 56-59, 62-63, 66-67, 78-79, 92-93, 106-107, 124-125, 154-155, 176-177, 188-189, 206-207, 232-233, 244-245, 264-265
16	The COP describes strategic social investments and philanthropy	14-17, 125-153, 157-159, 167-175, 242-243, 253-261, 273-277
17	The COP describes advocacy and public policy engagement	72, 110-111, 78-181, 186-187,
18	The COP describes partnerships and collective action	102, 104-106, 110-111, 139-141, 170-175, 186-187, 253-258, 272-277
19	The COP describes CEO commitment and leadership	8 – 13
20	The COP describes Board adoption and oversight	49-55, 57, 67-68, 70-71
21	The COP describes stakeholder engagement	56-57, 76-77, 177-181



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

GOAL	DESCRIPTION	CHAPTER
1	End poverty in all its forms everywhere	<ul style="list-style-type: none"> • Social Impact • Climate Change Management
2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	<ul style="list-style-type: none"> • Health & Well-being • Climate Change Management
3	Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> • Human Rights & Labor Practices • Health & Well-being
4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> • Human Rights & Labor Practices • Leadership & Human Capital Development • Education
5	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> • Human Rights & Labor Practices
6	Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> • Water Stewardship • Ecosystem & Biodiversity Protection
7	Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none"> • Climate Change Management
8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> • Human Rights & Labor Practices • Social Impact • Education • Innovation • Water Stewardship
9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> • Innovation
10	Reduce inequality within and among countries	<ul style="list-style-type: none"> • Human Rights & Labor Practices • Social Impact
11	Make cities and human settlements inclusive, safe, resilient and sustainable	<ul style="list-style-type: none"> • Climate Change Management
12	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> • Corporate Governance • Human Rights & Labor Practices • Climate Change Management • Ecosystem & Biodiversity Protection • Responsible Supply Chain Management
13	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> • Climate Change Management
14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	<ul style="list-style-type: none"> • Ecosystem & Biodiversity Protection
15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	<ul style="list-style-type: none"> • Ecosystem & Biodiversity Protection
16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"> • Corporate Governance • Human Rights & Labor Practices • Stakeholder Engagement • Responsible Supply Chain Management
17	Strengthen the means of implementation and revitalize the global partnership for sustainable development	<ul style="list-style-type: none"> • Climate Change Management • Water Stewardship • Ecosystem & Biodiversity Protection

LRQA Assurance Statement

Relating to Charoen Pokphand Group Co., Ltd.'s Sustainability Report for the calendar year 2018

This Assurance Statement has been prepared for Charoen Pokphand Group Co., Ltd. in accordance with our contract but is intended for the readers of this Report.

Terms of Engagement

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Charoen Pokphand Group Co., Ltd. (CPG) to provide independent assurance on its Sustainability Report for the calendar year 2018 ("the Report") against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using LRQA's verification approach. LRQA's verification approach is based on current best practice and uses the principles of AA1000AS (2008) - Inclusivity, Materiality, Responsiveness and Reliability of performance data and processes defined in ISAE3000.

Our assurance engagement covered CPG's operations and activities in Thailand, including its subsidiary companies and specifically the following requirements:

- Confirming that the Report is in accordance with GRI standards and Core option, and
- Evaluating the reliability of data and information for selected specific standard disclosures: Energy consumption within the organization (GRI 302-1), Total water withdrawal by source (GRI 303-1); Direct GHG emissions (GRI 305-1) – combustions only; Energy indirect greenhouse gas emission (GRI 305-2), Waste by type and disposal method (GRI 306-2) and Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities (GRI 403-2) only. This information is available through <http://www.cpgcorp.com/global/th/sustainability>

Our assurance engagement excluded the data and information of CPG's operations and activities outside of Thailand.

LRQA's responsibility is only to CPG. LRQA disclaims any liability or responsibility to others as explained in the end footnote. CPG's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of CPG.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that CPG has not:

- Met the requirements above
- Disclosed reliable performance data and information for the selected specific standard disclosures
- Covered all the issues that are important to the stakeholders and readers of this Report.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the Verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites.

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with LRQA's Report Verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing CPG's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this by reviewing documents and associated records.
- Reviewing CPG's process for identifying and determining material issues to confirm that the right issues were included in their Report and updated overtime. We did this by benchmarking reports written by CPG and its peers to ensure that sector specific issues were included for comparability.
- Auditing CPG's data management systems to confirm that there were no significant errors, omissions or mis-statements in the Report. We did this by reviewing the effectiveness of data handling processes and systems, including corroborating information from third party assurance engagements done for CPF, CPAI, CPI and True Corp. We also spoke with key people in various facilities responsible for compiling the data and drafting the Report.

This document is subject to the provision on page 2.

- Sampling of evidences presented at True Corp Plc., MG and CPPC Rayong, to confirm the reliability of the selected specific standard disclosures
Note: LRQA did not verify the data back to its original sources, nor did it assess the accuracy and completeness of the data reported by individual locations.

Observations

Further observations and findings, made during the assurance engagement, are:

- Stakeholder Inclusivity:
We are not aware of any key stakeholder groups that have been excluded from CPG's stakeholder engagement process. However, we believe that CPG should extend the engagement process to include international stakeholders as CPG's have operations in China and ASEAN.
- Materiality:
We are not aware of any material aspects concerning CPG's sustainability performance that have been excluded from the Report. CPG has processes for identifying and determining their material aspects; the evaluation process considers factors such as stakeholder concerns, business risks and legal compliance.
- Responsiveness:
CPG and its subsidiaries have processes for responding to various stakeholder groups. We believe that future reports should further explain the actions being taken by CPG to tackle the OH&S issues typically for contractors' activities under control of True Corp and CPPC.
- Reliability:
CPG use spreadsheets and manual systems to collect and calculate the data and information associated with the selected specific standard disclosures listed above. CPG should consider periodically reviewing data and information consolidated from its subsidiary companies. This would promote awareness of the data systems and check accuracy of data sources and transposed information.

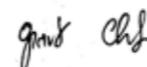
LRQA's competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification, together with verification for CPG subsidiary is the only work undertaken by LRQA for CPG and as such does not compromise our independence or impartiality.

Signed

Dated: 12 July 2019



Opart Charuratana
LRQA Lead Verifier

On behalf of Lloyd's Register Quality Assurance Ltd.
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