

FORCE FOR A SUSTAINABLE LIFE



Seeding the Future

CHAROEN POKPHAND GROUP
SUSTAINABILITY REPORT 2019



ซีพี...เพื่อความยั่งยืน

CHAROEN POKPHAND GROUP SUSTAINABILITY REPORT 2019



We will be the seeds that grow strongly with resilience, in the face of all future challenges

SEEDS OF A SUSTAINABLE FUTURE

Branching out from a small seed into 8 businesses, across 100 years of growth.

We began as a seed shop in Thailand named 'Chai Tai Chung,' which means honesty and fairness. Back then, we manufactured packaged vegetable seeds, and were the first vendors to put an expiration date on our products. From there, our seed shop branched out into eight main business groups across 21 countries and economic areas. For a century, we have committed to delivering sustainability and good qualities of life for all.

At the heart of our business is the 'Three Benefit Principle', which derives from the belief that others must benefit first – the country, the people, followed by our employees and businesses. This is fundamentally shaped by our deep and steady sense of gratitude, which allows our organization to grow strongly and sustainably, and enables us to enhance the quality of life for people all over the world through social responsibility, environmental care, and sustainability in all dimensions.



C.P. GROUP CORPORATE FILM
SEEDING THE FUTURE

The report this year focuses on education promotion and sustainable environmental management. These priorities are:

Education Promotion

Promote and develop an inclusive learning society across the nation to increase opportunities for learning and reduce social inequalities.

Reducing Greenhouse Gas Emissions

Commit to becoming a carbon neutral organization, to build a healthy environment for all.

Reducing Food Waste

Commit to zero food waste and saving food to create a better world.

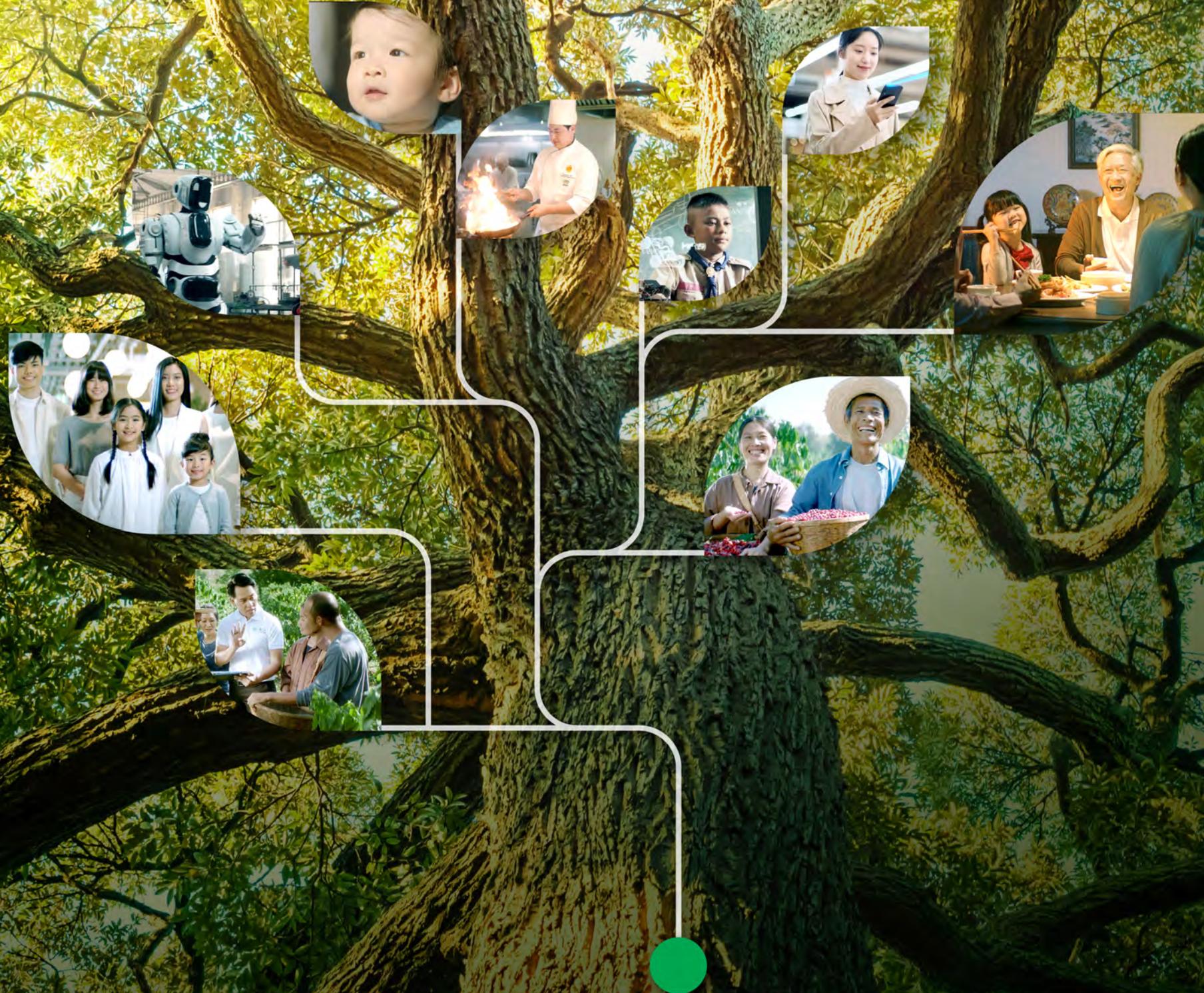


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Interactive User Guide

The Charoen Pokphand Sustainability Report 2019 is produced as an interactive PDF file to enhance users' reading experiences.

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Message from
SENIOR CHAIRMAN



● **'Three Benefits':
The Seeds of
Sustainability –
Guiding C.P. Group
through 100 Years
of Growth**

C.P. Group is proud to have operated in Thailand for 99 years. Throughout this journey, we have fully recognized that our successes stem from the support of all stakeholder groups as well as consumers from Thailand and all over the world who have continued to place their trust in C.P. Group's products and services. In turn, this has stimulated progress and sustainability for our organization and the country in all dimensions – economic, social, and environmental.

'Sustainability' at C.P. Group is possible because of our firm's commitment to the 'Three-Benefit Principle'. In practice, this means that first and foremost the country of our investment must benefit, followed by the people, and lastly the organization. At C.P. Group, we strongly believe that no business can achieve strong growth alone; it must also work closely to develop the strength of the people, society, and country. In addition, since we began our operations in 1921, and up to the present day, C.P. Group has upheld the values of honesty, integrity, and gratitude as guidance for our business, and will continue to do so in the future.

With the spread of the coronavirus (COVID-19) pandemic in 2020, which has impacted both Thai people and those around the world. C.P. Group has strongly recognized our duty to give back to the society. Therefore, within 5 weeks we constructed a factory to produce urgently-needed face masks particularly during the first stages of the pandemic despite various obstacles transporting the equipment and machinery to Thailand.

C.P. Group was able to proceed with manufacturing the surgical masks as planned thanks to the combined support of all parties. This enabled us to meet the production target of 3 million masks per month. These masks were then distributed, at no cost, to medical personnel, hospitals, and disadvantaged individuals. C.P. Group further provided safe food supplies to medical agencies and individuals under the COVID-19 quarantine, and distributed food to the general public to help alleviate any suffering that they might be facing. The Company also provided medical equipment to 77 hospitals throughout the country. Indeed, during the COVID-19 pandemic, C.P. Group has been fully committed to helping Thailand overcome this crisis successfully, to eventually restore the national economy, and bring back smiles and happiness for Thai society as soon as possible.

Over the past 100 years, C.P. Group has strived to cultivate the seeds of sustainability alongside business progress. Throughout this time, we have seen the fruits of these efforts grow strong and beautiful, and going forward we will not abandon these values that have allowed us to develop into a large organization of diverse businesses – one that is able to meet the needs of consumers all over the world. We will remain committed to leveraging all of our capabilities to build valuable livelihoods for all people, and to inspire happiness for the benefit of the community, the society, the country, and the world.



Dhanin Chearavanont
Senior Chairman
Charoen Pokphand Group



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Message from
CHAIRMAN



In the midst of the economic disruptions caused by the virus, we are committing our resources and energy to supporting all the communities we serve globally and maintain our focus on sustainable business operations.

The challenge that we are facing today is unprecedented in scope and scale. The coronavirus (COVID-19) pandemic has quickly spread and caused tragic toll around the world. It is one of the foremost public health crises that Charoen Pokphand Group has ever witnessed in our almost century-long history. While the most vital responses globally have come from dedicated frontline professionals who put themselves at risk to help others in hospital, care facilities and emergency services, Charoen Pokphand Group, with gratitude to those individuals, is determined to support their efforts, and help strengthen the communities we serve around the world.

At Charoen Pokphand Group, we aim to create a sustainable world through our sustainable business practice by adhering to the 'Three-Benefit Principle' and our core values; benefiting first the country of our investment, then the people and company, along with innovation, simplification, speed and quality with the utmost integrity and honesty. We employed the multi-pronged initiatives ensuring the well-being of the communities we serve as well as our colleagues and their families globally. We have implemented rigorous measures to protect our colleagues and their families in order to control the spread of the virus along with the assurance of job security and safe workplace across the group worldwide.

With our strong network of global partnership, we have gathered knowledge, skills and resources to launch COVID-19 initiatives to provide comprehensive relief to our partners and those suffering. I feel grateful for dedication and synergistic strength of our management and colleagues who tirelessly tackle the situation in all aspects. Our global initiatives cover food security assurance, safe and efficient logistics, free delivery of food and essential supplies to hospitals, places of worship and households, medical supply donations, investment in surgical face mask factory in Thailand, along with digital infrastructure for working from home and e-learning. In the midst of the economic disruptions caused by the virus, we are committing our resources and energy to supporting all the communities we serve globally and maintain our focus on sustainable business operations.

We are operating in an uncertain time. With most countries worldwide in various stages of lockdown, the global economy is suffering. At Charoen Pokphand Group, it is time for self-reflection and adhering to our essence and core values. The core elements of our sustainability efforts have always been our commitment to quality and safety, ethics and cutting-edge technology which have helped us find opportunity in crisis and created us a sustainable business since the founding of the group. Amidst the crisis, we will continue to invest in advanced technology in order to mitigate risks, identify business opportunities, adjust and adapt to the 'new normal' and prepare for the economic recovery. Putting quality and safety at the heart of what we do is crucial during this time when, more than ever, customers rely on us the most to deliver the best value for their hard-earned money.

In this difficult time, trusted friends and ethical business conduct are of utmost importance. These elements contribute to our past achievements and will serve as foundation for our future success. I would like to thank all of our colleagues, customers, partners and stakeholders from across our global network. Their tireless efforts and dedication to finding the best solutions to the crisis and providing valuable support have ensured that our business operations can continue on the path towards sustainability during this challenging period.



Soopakij Chearavanont

Chairman
Charoen Pokphand Group



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CEO

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• **'Zero Waste' and 'Zero Carbon' 2030 Sustainability Goals Challenges to Overcome**

Today we are in the midst of global transformations at an unprecedented rate. Our ways of life are transitioning towards the 'New Normal' where not only consumer behaviors and business models are changing, but global temperature and environmental challenges are also steadily increasing. Most people may be aware of these changes, but may not know how best to deal with them. We should start with business leaders. From this point forward, we need to raise awareness and establish targets among leaders and incorporate technology for sustainability with business operations. We must decide whether we are willing and ready to take the first step. This is particularly relevant for the younger generation, who have the highest potential to create positive changes in the world. As for the role of businesses, we must develop strategies that respond to these changing needs, and rapidly adapt ourselves to a more digitized world. In particular, given the current period where change is being driven by a pandemic and an economic crisis, it is more important than ever for businesses to adapt quickly. In 2016, C.P. Group first announced our sustainability goals and indicators, and committed ourselves to accomplishing Phase 1 of the goals by 2020. Furthermore, by 2030, C.P. Group aspires to become a sustainability-leading organizations globally.

In 2020, C.P. Group successfully achieved our Phase 1 sustainability goals, performing in accordance with the plans laid out in our 'Heart – Health – Home' framework. This was accomplished despite challenges in areas such as leadership and human resources development, and climate change. Nevertheless, we are confident that our targets will be met, and have continuously pursued our vision to become 'a leading technology and innovative conglomerate, providing food for both the body and mind, that creates shared value and brings health and well-being for all.'

Looking towards the future direction and sustainability targets for C.P. Group in 2030, the most tangible and pressing global issue concerns the environment and climate change. While we recognize that the spread of the coronavirus (COVID-19) is a critical challenge, the issues of global warming and air, water, and soil pollution will present an even greater challenge. Indeed, C.P. Group will not stand idle on these major global issues.

As a pressing issue that affects us all directly, global warming must be swiftly addressed. If humans do not help one another to maintain a balance in the world, the one day humanity could unknowingly face extinction. By 2030, the temperature is expected to increase globally by 1.5 degrees celsius, and by 2050 this could increase further by 2 degrees celsius. In view of these considerations, it is imperative that we prioritize global warming solutions.

Furthermore, as C.P. Group is now embarking on a new century of business operations, we have established a number of important sustainability targets including to become a 'Zero Waste' and 'Zero Carbon' organization. We plan to galvanize the efforts of all business groups within C.P. Group, and leverage innovations for a sustainable business, to help us move towards these targets. We further recognize that the issues of 'Zero Waste' and 'Zero Carbon' are global challenges that must be rapidly addressed. Therefore, by striving to meet these targets, we will not only tackle key environmental problems, but will also create a more sustainable economy and better livelihoods for the country and the people.

I am confident that our 'Heart – Health – Home' sustainability strategy will continue to join all forces of C.P. Group together on the path toward sustainability, and will deliver the 'Three-Benefits Principle' of C.P. Group – for the country, the people, and lastly, for our organization. It is my sincere hope that C.P. Group's step into its new century of business will bring about sustainability and happiness to all.

Suphachai Chearavanont

Chief Executive Officer
Charoen Pokphand Group



2019 Performance Highlights

ECONOMIC

HEART : LIVING RIGHT

HEALTH : LIVING WELL

HOME : LIVING TOGETHER

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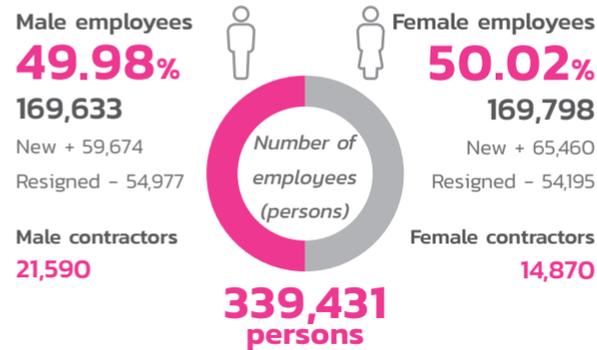
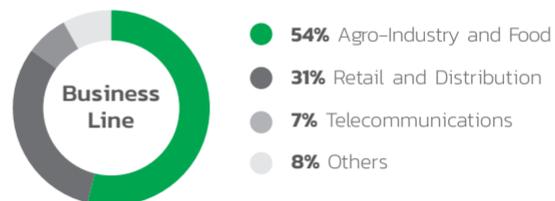
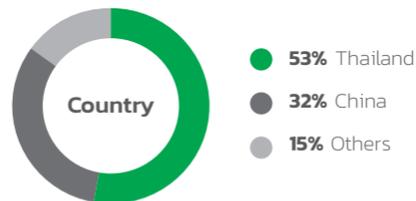
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Sales Revenues by Country and Main Business Line



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Supporting United Nations Sustainable Development Goals

PEOPLE : PROMOTING PEOPLE'S QUALITY OF LIFE

1 NO POVERTY 	129,829 persons Farmers in developing countries received support with jobs and improved their quality of life 22,389 persons Vulnerable group, including disabled persons, the elderly, and disadvantaged children received job and livelihood support.	4 QUALITY EDUCATION 	4,608,990 persons Children, youth, and adults gaining access to education and necessary capability building 38,135 scholarships Number of C.P. Group's scholarships accumulated for children of employees
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2 ZERO HUNGER 	525,195 persons Children and youths received support and improved access to food	3 GOOD HEALTH AND WELL-BEING 	15 countries Number of developing countries in which the Group supports horticulture and food production. All operations meet international standards, are of good quality, are safe, and improve Hygiene for consumers.	5 GENDER EQUALITY 	50% : 50% Proportion of male employees vs female employees 12.06 : 14.91 Average time of training for male employees and female employees
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PROSPERITY : FOSTERING GROWTH

8 DECENT WORK AND ECONOMIC GROWTH 	339,431 C.P. Group's total employees. The Group aims to conduct its human rights due diligence (HRDD) according to UN Guiding Principles on Business and Human Rights	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	706,100 Number of SMEs receiving support for digitalization and e-commerce business 7,078 million THB R&D expenditure
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7 AFFORDABLE AND CLEAN ENERGY 	5.27 million GJ Amount of renewable energy 0.17 million GJ Amount of energy obtained through the waste-to-energy process	10 REDUCED INEQUALITIES 	2,864 Number of disabled people employed 29.5 million Number of customers using the financial services True Money in 6 developing countries in Southeast Asia	11 SUSTAINABLE CITIES AND COMMUNITIES 	True's telecommunication business service Internet of Things (IoT) across Thailand. Tests for 5G technology have been piloted in anticipation of imminent industry revolution and changing lifestyles.
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SUSTAINABLE DEVELOPMENT GOALS

PLANET : ENVIRONMENTAL CONSERVATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	82.45% Proportion of plastic packaging that is reusable, recyclable, and degradable 62.32% Proportion of waste to fertilizer	13 CLIMATE ACTION 	813,620 tons of CO₂e Amount of greenhouse gas emissions reduced 198 Number of combined products and services certified for a carbon footprint label
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6 CLEAN WATER AND SANITATION 	13.07% Proportion of reused or recycled water 54.59% Amount of water consumption reduced per revenue unit compared to baseline year 2015	14 LIFE BELOW WATER 	14 Number of coastal provinces with marine conservation projects for sustainable development	15 LIFE ON LAND 	15,347 Rai Forest areas conserved and restored 11,268 Rai Agricultural areas where water sources and flora have been developed
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PEACE : PROMOTING ACCOUNTABILITY, TRANSPARENCY, INCLUSIVENESS AND ANTI-CORRUPTION

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
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PARTNERSHIP : ELEVATING PARTNERSHIPS FOR COLLABORATION

17 PARTNERSHIPS FOR THE GOALS 	Founded Thailand's Global Compact Network Thailand. The Group has also become a LEAD member of United Nations Global Compact; a member of World Economic Forum (WEF); and a member of the World Business Council for Sustainable Development (WBCSD)
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Awards And Recognitions 2019



Dow Jones Sustainability Indices

C.P. Group's subsidiaries have been selected as members of the 2019 Dow Jones Sustainability Indices, in the DJSI Emerging Markets Index and DJSI World Index. This reflects the companies' commitment to continuously operate on the foundations of sustainability.



True Corporation Public Company Limited was selected as a member of the DJSI Emerging Markets Index, in the Telecommunication Services Industry, for the third consecutive year. True Group received the highest score in the industry sector, globally, for the second year.

CP All Public Company Limited was selected as a member of the DJSI World Index for the second consecutive year, the DJSI Emerging Markets Index for the third consecutive year, and achieved the top industry leader status in the Food & Staples Retailing Industry on the World Index.

Charoen Pokphand Foods Public Company Limited was selected as a member of the DJSI Emerging Markets Index, in the Food Products Industry, for the fifth consecutive year.



FTSE4Good

Charoen Pokphand Foods Public Company Limited, True Corporation Public Company Limited, and CP All Public Company Limited were selected as members of the internationally-recognized FTSE4Good Emerging Index. These recognitions positively reflect their abilities to operate based on sustainable development approaches with consideration for Environmental, Social, and Governance (ESG) factors and under good corporate governance (CG) within their organizations.



Asia Sustainability Reporting Awards

Charoen Pokphand Group Company Limited received the Asia Sustainability Reporting Award (ASRA) for its sustainability report, for the second consecutive year. In 2019, the Group received awards in two categories – Asia's Best Stakeholder Reporting and Asia's Best Environmental Reporting.



SET Sustainability Investment Awards

SET-listed companies in C.P. Group were selected as members of the Thailand Sustainability Investment (THSI) list of the Stock Exchange of Thailand (SET), and also received SET Awards 2019 in the 'Sustainability Excellence' awards group, under the 'Highly Commended in Sustainability Awards' category.



Corporate Governance Report

Charoen Pokphand Foods Public Company Limited, True Corporation Public Company Limited, and CP All Public Company Limited were assessed to have Excellent CG Scoring by the Corporate Governance Report (CGR) of Thai Listed Companies of the Thai Institute of Directors Association.



Corporate Sustainability Index 100

C.P. Vietnam Corporation received the national Corporate Sustainability Index 100 award, granted by the Vietnam Business Council for Sustainable Development (VBCSD), for the second consecutive year.



Asian Excellence Awards 2019

CP All Public Company Limited received awards for "Asia's Best CEO," "Asia's Best CFO," "Best Investor Relations Company," and "Best Investor Relations Officer" at the 9th Asian Excellence Awards 2019, organized by Corporate Governance Asia magazine.



Top Employers APAC 2020

True Corporation Public Company Limited was awarded the Top Employers Thailand certification by the Top Employers Institute for the second year in a row. True Corporation Public Company Limited was the only Thai telecommunications company to be awarded with this certification. It reflects True's outstanding and inclusive approach to human resources management and employee care.



ASEAN Energy Awards 2019

CPF Food and Beverages Company Limited, CP All Public Company Limited, and Khao C.P. Co., Ltd. were the winners of the Renewable Energy Awards and Energy Management in Building and Industry awards at ASEAN Energy Awards 2019.

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Our Portfolio

C.P. Group's Vision

'TO BE A LEADING TECHNOLOGY AND INNOVATIVE CONGLOMERATE, PROVIDING FOOD FOR BOTH THE BODY AND MIND, THAT CREATES SHARED VALUES AND BRINGS HEALTH AND WELL-BEING FOR ALL.'



Production plants
278 plants

R&D centers/research centers
52 centers

Livestock/aquaculture farms
951 farms

Total employees
339,431 persons

7-Eleven stores
11,712 branches

Countries and economies
21 countries

Hypermarkets/superstores
216 branches

Population in operating countries
4,381 million persons

Thailand (Headquarters)

Production plants	73
Livestock/aquaculture farms	352
7-Eleven stores	11,712
Hypermarkets/superstores	134
R&D centers/research centers	37
Total employees	204,920

a b c d e f Main business lines

East Asia

Production plants	117
Livestock/aquaculture farms	193
7-Eleven stores	-
Hypermarkets/superstores	77
R&D centers/research centers	11
Total employees	80,961

a b e f g h Main business lines

Southeast Asia

Production plants	49
Livestock/aquaculture farms	233
7-Eleven stores	-
Hypermarkets/superstores	1
R&D centers/research centers	-
Total employees	37,841

a d f Main business lines

South Asia and West Asia

Production plants	26
Livestock/aquaculture farms	163
7-Eleven stores	-
Hypermarkets/superstores	4
R&D centers/research centers	2
Total employees	7,858

a Main business lines

Europe and the US

Production plants	13
Livestock/aquaculture farms	10
7-Eleven stores	-
Hypermarkets/superstores	-
R&D centers/research centers	2
Total employees	7,851

a f Main business lines

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

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C.P. Group Value Chain

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The 8 business lines cover 14 business groups.

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| <ul style="list-style-type: none"> 1 <i>Agro-Industry and Food Business Group</i> 2 <i>Feed Ingredients Trading Business Group</i> 3 <i>Crop Integration Business Group</i> 4 <i>Pet Food Business Group</i> 5 <i>Seeds, Fertilizers and Plant Protection Products Business Group</i> 6 <i>Pharmaceuticals Business Group</i> 7 <i>Automotive Business Group</i> | <ul style="list-style-type: none"> 8 <i>Packaging Business Group</i> 9 <i>Retail and Distribution Business Group</i> 10 <i>International Trading Business Group</i> 11 <i>E-Commerce and Digital Business Group</i> 12 <i>Telecommunications Business Group</i> 13 <i>Finance and Banking Business Group</i> 14 <i>Property Development Business Group</i> |
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Charoen Pokphand Group (C.P. Group) operates a diverse business across its 8 business lines, including: Agro-Industry and Food Business, Retail and Distribution Business, Media and Telecommunications Business, E-Commerce and Digital Business, Property Development Business, Automotive and Industrial Products Business, Pharmaceuticals Business to Finance and Investment Business. C.P. Group has been integrating the strengths from each business group, in order to sustainably maximize the benefits and deliver the utmost value to the country, people, and then the company.





Our Business



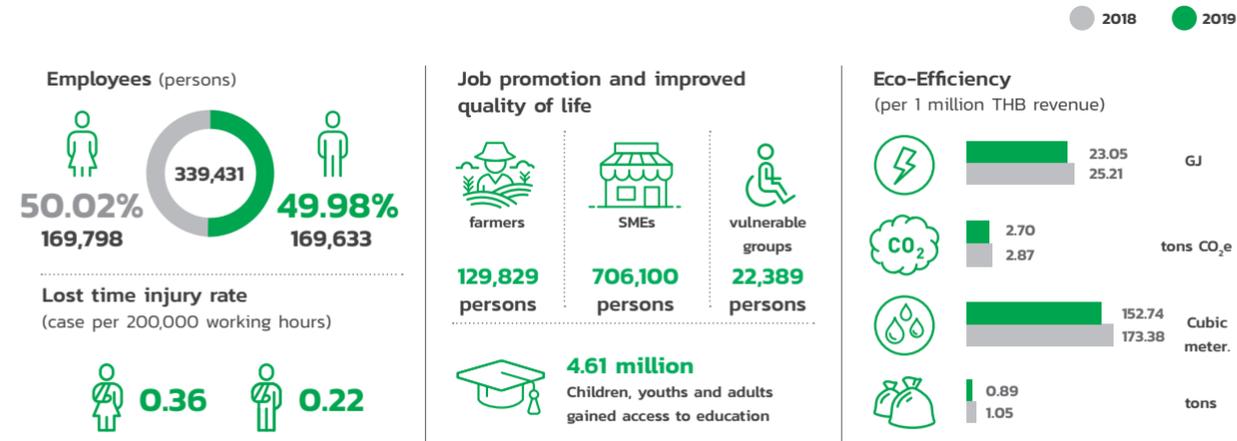
Main Companies

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

Main Businesses

Charoen Pokphand Group Co., Ltd. serves as the parent company of C.P. Group as its 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, that are categorized into eight Business Lines covering 14 Business Groups. Currently, the Group has investments in 21 countries and economies.

Highlights 2019



Agro-Industry and Food Business Group

Agro-Industry and Food Business Line



Main Companies

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

Main Businesses

The Agro-Industry and Food Business Group operates integrated businesses covering animal feed, animal farms, animal medicine, food, medical supplies, 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 traceability technologies throughout the production supply chain.

Feed Ingredients Trading Business Group

Agro-Industry and Food Business Line



Main Companies

Bangkok Produce Merchandising Public Co., Ltd.

Main Businesses

Animal feed ingredients form an important production chain for upstream businesses. Therefore, the Group is responsible for sourcing and delivering the highest quality feed ingredients to customers. The Business Group sources a variety of animal feed ingredients, including maize, soybean, wheat, rice bran, and fishmeal. An integrated logistics system, efficient risk management, and a post-harvest support helps to maintain the quality of feed ingredients, reduce waste, and reduce overall costs.

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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 Businesses

Headed by C.P. Intertrade Co., Ltd. and Khao C.P. Co., Ltd., the International Trading Business Group comprises two main businesses: rice and food, and integrated logistics. For the rice and food business, the rice mills, with production capacity of over one million tons per year, receive rice directly from farmers. In addition, the rice quality improvement plants support both domestic trade and international exports under the 'Royal Umbrella' brand, which is sold in over 100 countries. For the integrated logistics business, the Group provides efficient international and domestic logistics services.

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 Businesses

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 agricultural inputs. Furthermore, the Business Group produces and distributes agricultural machines to farmers in Thailand and overseas, providing technological and engineering advice and innovations for their sustainable business growth.

Seeds, Fertilizers and Plant Protection Products Business Group

Agro-Industry and Food Business Line



Main Companies

Chia Tai Co., Ltd.

Main Businesses

The Seeds, Fertilizers and Plant Protection Products Business Group operates an agricultural input business consisting of three main components: seeds, fertilizers, and plant protection products. The Business Group emphasizes on product research and development, and distributes the products selected from world-leading sources to Thai and foreign markets. Moreover, the Business Group also distributes agricultural equipment, fresh fruits and vegetables. In terms of services, the Business Group advises farmers and entrepreneurs across Thailand on seed cultivation and appropriate use of fertilizers and plant protection products.

Pet Food Business Group

Agro-Industry and Food Business Line



Main Companies

Perfect Companion Group Co., Ltd.

Main Businesses

The Pet Food Business Group aims to elevate the quality of life of both pet owners and their pets by caring and constantly innovating new products. Their products and services foster good relationships between the pets and their owners. The products include pet foods for dogs, cats, fish, horses, birds, rabbits, mice, among others. The pet food is sourced from high-quality and nutritious raw materials and produced in the plants certified by international standards. The quality food certainly enhances the quality of life of the pets and help them to live a long and happy life.

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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 Businesses

Led by CP All Public Company Limited, the Retail and Distribution Business Group in Thailand currently comprises three businesses: retail, wholesale, and related businesses. These include: 11,712 7-Eleven stores, 134 Makro stores, bakery and ready meal production and distribution services, financial services, education, logistics, telecommunications, and media marketing. In China, C.P. Lotus Corporation, a leading retailer, operates shopping malls under the name 'Lotus.'

Telecommunications Business Group

Media and Telecommunications Business Line



Main Companies

True Corporation Public Co., Ltd.

Main Businesses

Headed by True Corporation Public Company Limited, the Telecommunications Business Group is the first fully integrated telecommunications and digital technology provider in Thailand, and a leader in the convergence business. The Business Group operates three main businesses: TrueMove H and TrueOnline, which areas broadband internet and WiFi provider, and TrueVisions, which is a nationwide television subscription service provider.

E-Commerce and Digital Business Group

E-Commerce and Digital Business Line



Main Companies

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

Main Businesses

The E-Commerce and Digital Business Group is a digital platform service provider in FinTech, e-Commerce, and digital solutions. It is also a software developer for information security and IT services. Moreover, the Business Group provides business advisory services and central platforms for e-procurement and e-auction, knowledge resources, 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 Businesses

The Property Development Business Group in Thailand is a property developer of rental and sales services, hotels, and international convention and exhibition centers, and a provider of facility and industrial estate management services. In China, Shanghai Kinghill Limited, a developer of the Super Brand Mall, and Chia Tai Land Co., Ltd., develop real estate and provide consultation and property management services.

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Automotive Business Group

Automotive and Industrial Products Business Line



Main Companies

SAIC Motor-CP Co., Ltd.
Luoyang Northern Ek Chor Motorcycle Co., Ltd.
ECI Metro Investment Co., Ltd.

Main Businesses

The Automotive Business Group invests in the industrial sector, and the manufacturing and distribution of heavy equipment in China. The Business Group also manufactures the MG automobiles in Thailand, CHOK-Cross electric vehicles, CATERPILLAR heavy equipment and motors, and Dayang motorcycles.

Packaging Business Group

Automotive and Industrial Products Business Line



Main Companies

CPPC Public Company Limited

Main Businesses

The Packaging Business Group produces five main plastic products in Thailand: woven plastic sacks, food and beverage packaging, PVC sheet and coating, PVC pipe and fitting, and paper cores. In China, the Business Group produces jackets and bags. In Vietnam, the Business Group produces sacks and jackets.

Pharmaceuticals Business Group

Pharmaceuticals Business Line



Main Companies

Sino Biopharmaceutical Limited

Main Businesses

The Sino Biopharmaceutical Limited Group is a leader in pharmaceutical and innovation in China. Businesses of the Group consist of centers for research and development, production and distribution of medicines, chemical products, modern Chinese medicine, and other health products. The Group specializes in medicines for hepatitis, heart diseases, respiratory diseases, and bone and joint diseases, among others.

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 Businesses*

C.P. Group has collaborated with leading international integrated banking, financial, and insurance companies. In China, the Ping An Insurance Group provides integrated financial services across three main businesses: insurance, banking, and investment. CITIC Group Corporation and Zheng Xin Bank Company Limited provide financial services, and ITOCHU Corporation manages finance and business investment in Japan and overseas.

*Not included in this report

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Six Core Values

For over a century, C.P. Group has earned trust from both the Thai society and the world by continuously innovating for better quality of life. The Group will also promote sustainability of the economy, society and environment.

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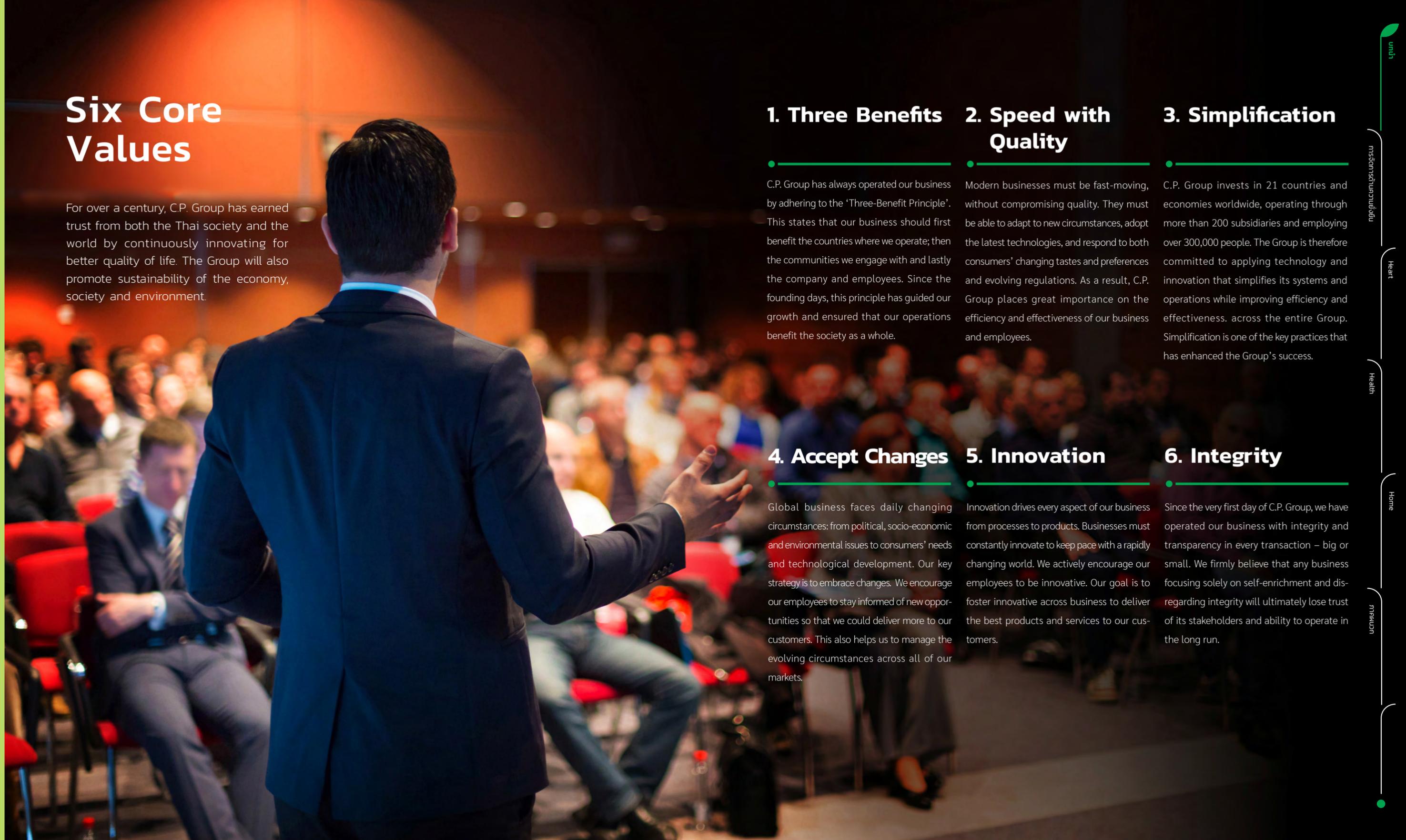
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1. Three Benefits

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

2. Speed with Quality

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

3. Simplification

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

4. Accept Changes

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

5. Innovation

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

6. Integrity

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



C.P. Excellence

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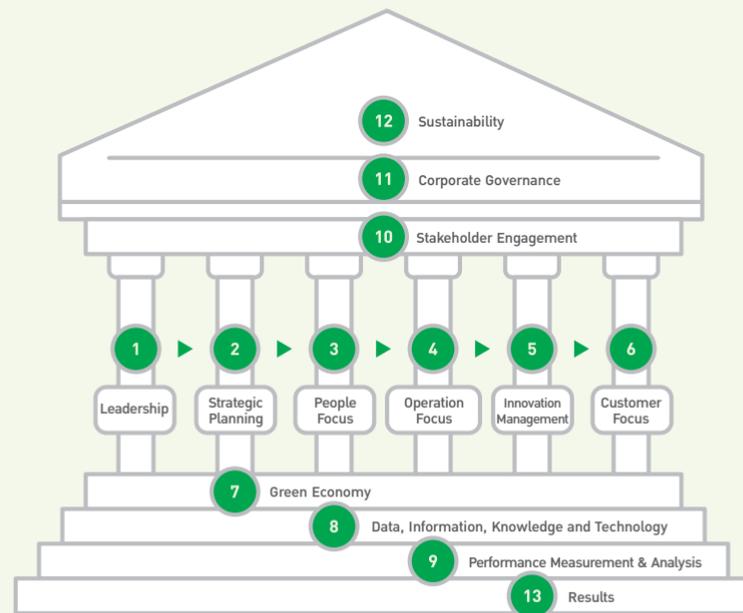
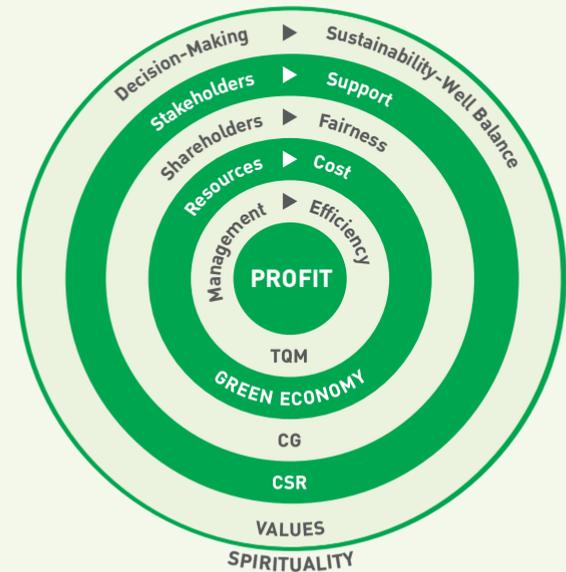
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For more than nine decades since its foundation in 1921, Charoen Pokphand Group has expanded its business to 21 countries and economies around the world. We aspire to become a sustainable organization with a unique and distinctive management approach at the same level as leading global organizations.

Dr. Ajva Taulananda, Senior Vice Chairman of C.P. Group, has summarized C.P. Group's unique management concept as follows: "In running a business, we cannot only aim for short-term profits. We still need to consider management efficiency by managing resources and the environment in a way that allows us to be competitive. The organization should exercise fairness to all shareholders. While treating all stakeholders fairly. Most importantly, the decisions and governance of all leaders in every aspect must be reached with sufficiency, reason, resilience, and applied knowledge in parallel with ethics. All of these ideas are reflected in C.P. Group's six core values – which are the spirit of our organization."

The "C.P. Excellence" Management Approach models its structure after not only the Malcolm Baldrige National Quality Award (MBNQA*), an international management principle from the U.S., but also the Group's own management characteristics. C.P. Group's management approach can be illustrated with an image of a house, comprising the following three components: 1) the pillars, which are the main management principles; 2) the foundation, connecting all parts of management together for a secure business foundation; and 3) the roof, symbolizing the principles that protect the organization and ensure sustainability. Through the C.P. Excellence Management System, we firmly believe that we can enhance the livelihood of people, build a stable business, secure social acceptance and support, and move towards sustainability, creating benefits for all countries in which we invest.

*The Malcolm Baldrige National Quality Award is now known as the Baldrige Excellence Framework.



C.P. Excellence Award

C.P. Group established the C.P. Excellence Award for the first time in 2019 to recognize the companies within the Group that have demonstrated excellence in management according to C.P. Excellence, it also enhances their capabilities for sustainable competition. The Award is divided into six categories: C.P. Excellence Award, People Excellence Award, Customer Excellence Award, Operational Excellence Award, Innovation Excellence Award, and Sustainability Excellence Award. Participants are assessed by a 'C.P. Excellence Assessor,' who is a Thailand Quality Award (TQA) Assessor, in collaboration with standards assessors from within the Group.

In 2019, 26 C.P. Group companies from Thailand and overseas were assessed on their management systems for the C.P. Excellence Award.



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LIVING RIGHT
LIVING WELL
LIVING TOGETHER

C.P. Group has implemented a sustainability strategy that drives the Group's operations in pursuit of its 2020 targets and vision, "Providing food for both body and mind that creates shared values and brings health and well-being for all." In addition, C.P. Group has established the Sustainability, Good Governance and Corporate Communication Operating Committee (SGC Operating Committee), which takes responsibility for outlining management approaches, monitoring, verifying, and ensuring confidence that C.P. Group's overall performance is efficient and in line with its targets and vision. Moreover, C.P. Group has carried out an assessment of its material sustainability issues and supported all 17 United Nations Sustainable Development Goals (SDGs).



Sustainability Strategy



Materiality Assessment



Sustainability Governance



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 10 UNGC Principles 17 UN SDGs & UNGP
- Regulations and Standards

<p>HEART LIVING RIGHT</p> <ul style="list-style-type: none"> • Corporate Governance • Human Rights and Labor Practices • Leadership and Human Capital Development • Education 	<p>HEALTH LIVING WELL</p> <ul style="list-style-type: none"> • Social Impact • Health and Well-being • Stakeholder Engagement • Innovation 	<p>HOME LIVING TOGETHER</p> <ul style="list-style-type: none"> • Climate Change Management • Water Stewardship • Ecosystem and Biodiversity Protection • Responsible Supply Chain
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C.P. Group has developed the '3Hs' Framework, covering three dimensions: Heart – Living Right, Health – Living Well, and Home – Living Together. This Framework serves as the driver behind C.P. Group's sustainability strategy, and ensures that it can efficiently reach its intended targets. The 3Hs Framework supports the various principles and operational systems that C.P. Group has either established or adopted, including the 'Three-Benefit Principle,' the C.P. Excellence Management Approach, the Sufficiency Economy Philosophy, the Ten Principles of the UN Global Compact, the 17 UN Sustainable Development Goals, the UN Guiding Principles on Business and Human Rights as well as all laws in each country where the Group operates.

C.P. Group further reviews, improves, and updates its sustainability strategy, including the strategy's components, on a regular basis. As a result, key companies of C.P. Group have been recognized by various international sustainability rankings such as the Dow Jones Sustainability Indices (DJSI), FTSE4Good, and Morgan Stanley Capital International (MSCI). At C.P. Group, we promise to continuously enhance our sustainability performance to create benefits for the country, positive livelihood for the people, and stability for the company. The Group plans to develop a strategy and long-term sustainability targets in 2020.



Strategic Framework



HEART LIVING RIGHT



HEALTH LIVING WELL



HOME LIVING TOGETHER



Sustainability Management

		12 RESPONSIBLE CONSUMPTION AND PRODUCTION	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Raw Materials	Suppliers	Transportation	Company Operations	Distribution	User	End of Life
Corporate Governance	100% of businesses within C.P. Group publicly disclose their corporate governance and sustainability performance through the Group's Report.			✓	✓	✓	✓	✓	✓	✓
Human Rights and Labor Practices	100% of businesses within C.P. Group conduct human rights due diligence.				✓	✓	✓	✓		
Leadership & Human Capital Development	All leaders and employees are provided with the training necessary to create business sustainability.						✓			
Education	4,350,000 children, youths, and adults will be provided with access to education and necessary skills development by 2020.						✓	✓		
Social Impacts	Improve employment prospects and quality of life for 100,000 farmers, small and medium-sized entrepreneurs (SMEs), and persons in vulnerable groups.					✓	✓	✓		
Health & Well-being	30% of new products will help promote health and well-being.						✓		✓	
Stakeholder Engagement	100% of Business Groups in C.P. Group will develop a stakeholder engagement process.					✓	✓	✓	✓	
Innovation	Increase value of products and process innovation by 50%, compared to the 2016 baseline.						✓	✓	✓	✓
Climate Change Management	Reduce greenhouse gas emission per revenue unit by 10% compared 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.					✓	✓	✓	✓	✓
Water Stewardship	Reduce water withdrawal per unit of revenue by 10%, compared to the 2015 baseline.					✓	✓	✓	✓	
Ecosystem & Biodiversity Protection	100% of key raw materials come from responsible sources without depleting forests and marine resources.					✓	✓	✓		
Responsible Supply Chain Management	100% of critical suppliers have been assessed for sustainability.					✓	✓	✓		

✓ Opportunities to enhance positive and negative impacts

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Progress Towards 2020 Sustainability Goals (Thailand)

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Implementation of C.P. Group's 2020 Sustainability Goals (Thailand) has progressed according to plan, including targets such as corporate governance (CG), human rights and labor practices, education, social impact, health and well-being, stakeholder engagement, innovation management, and water stewardship. However, some targets, such as climate change management, required a revised management approach in order to be achieved by 2020. Details of progress are summarized here.

 LIVING RIGHT HEART
<p>Corporate Governance All business groups in C.P. Group have publicly disclosed their performance through C.P. Group's Sustainability Report. (This does not include the Finance and Investment Business Group.)</p> <p>100%</p>
<p>Human Rights and Labor Practices Progressing according to plan; 13 out of 13 business groups in Thailand have assessed their salient human rights issues.</p> <p>100%</p>
<p>Leadership and Human Capital Development 75.55% of leaders and employees have received training to develop their knowledge and understanding of sustainability.</p> <p>75.5%</p>
<p>Education 4,590,352 children, youths and adults out of a target of 4,350,000 persons have gained access to education and skill development.</p> <p>100%</p>

 LIVING WELL HEALTH
<p>Social Impact Improved employment prospects and quality of life for 858,313 farmers, SMEs, and vulnerable groups, from a target of 100,000.</p> <p>100%</p>
<p>Health and Well-being 37% from a target of 30% of new products were developed to promote nutrition, health, and well-being.</p> <p>100%</p>
<p>Stakeholder Engagement All business groups within C.P. Group have stakeholder engagement processes.</p> <p>100%</p>
<p>Innovation Management Value of product and process innovations 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>

 LIVING TOGETHER HOME
<p>Climate Change Management Volume of greenhouse gas emissions per unit of revenue decreased by 7.52% from a target of 10%, compared to base year 2015.</p> <p>75.2%</p>
<p>Water Stewardship Volume of water withdrawal per unit of revenue decreased by 39.46% from a target of 10%, compared to base year 2015.</p> <p>100%</p>
<p>Ecosystem & Biodiversity Protection 83.5% from a target of 100% of key raw materials have been sourced responsibly and are traceable.</p> <p>83.5%</p>
<p>Responsible Supply Chain Management 90.24% from a target of 100% of critical suppliers have been assessed on their sustainability performance.</p> <p>90.2%</p>



Sustainability Governance

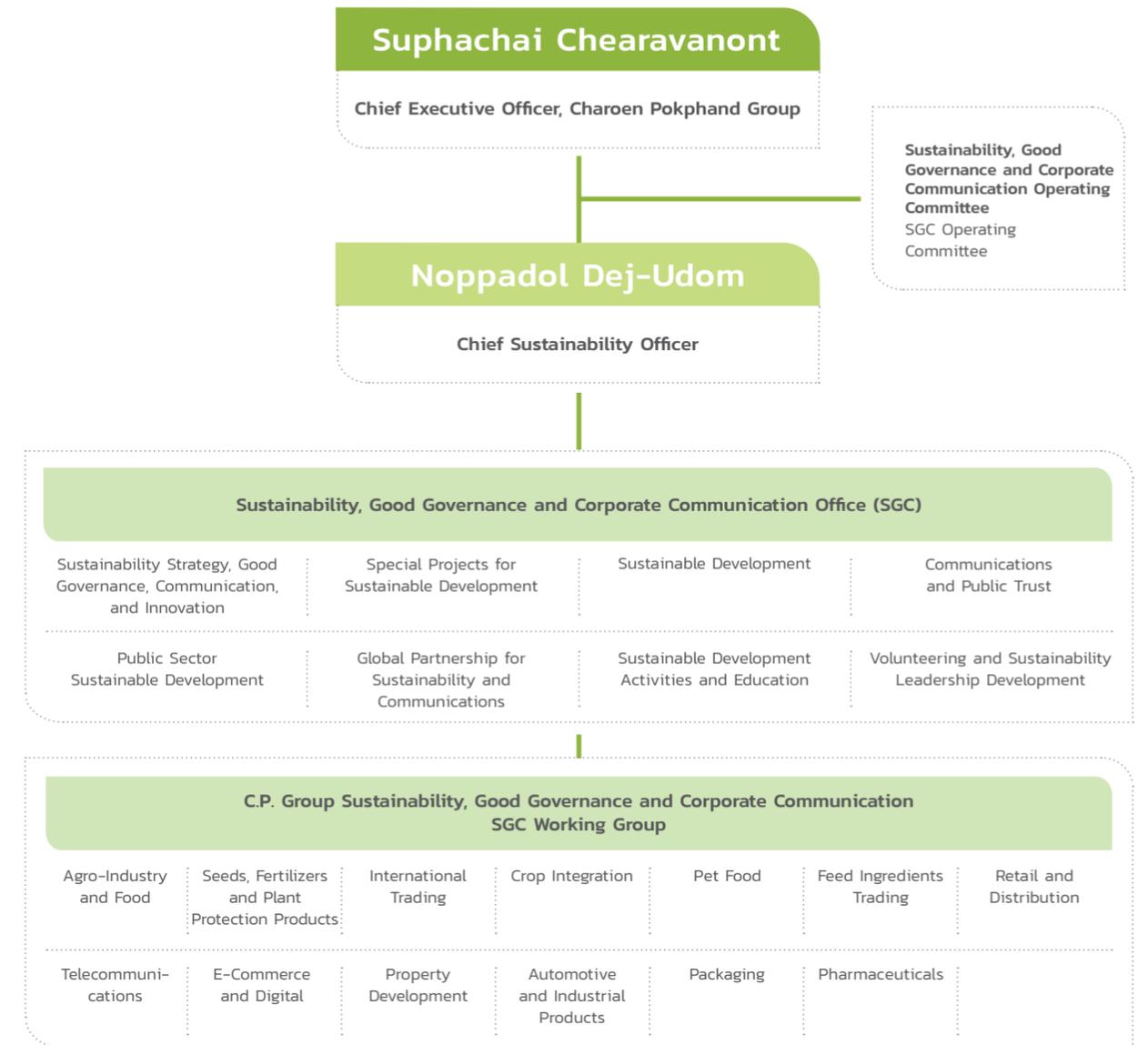
C.P. Group remains committed to sustainability governance within the organization as well as the ‘Three-Benefit Principle.’ Such governance will transform us into a world-leading company, operating on the basis of transparency and fairness to all. We uphold our social responsibility through a diverse and encompassing range of projects and activities that respond to the needs of all stakeholders equally. At the same time, we strive to maintain environmental well-being while responding to the demands of growing population and industries, through environmentally-friendly innovation and technological research. Furthermore, we have established the SGC Operating Committee, which is composed of 14 senior executives

from the Group and its business groups. The Committee is responsible for driving C.P. Group’s strategies, issuing C.P. Group’s sustainability policies and measures, engaging with and disclosing information to stakeholders, and managing risks. The SGC Operating Committee reports on sustainability progress and performance bimonthly at the ‘C.P. Group’s Vision to Action’ seminar, presenting to over 400 top executives from all of C.P. Group’s Thai and overseas business groups.



Key Sustainability Decisions in 2019

- Target to become carbon neutral by 2030.
- Target to reduce food waste to zero by 2030.
- Establish the Sustainability, Good Governance and Corporate Communication Office in China.



“The Group’s dedication to sustainability is the most important goal. At its core, we have a strong foundation provided by our organizational values, innovation, and employee development, as we equip our employees with the knowledge and capabilities to be the pillar of sustainable development. We uphold the ‘Three-Benefit Principle’, where the country and people must benefit first from our operation – before the company. We are also dedicated to the vital mission of conserving and protecting the environment, to help achieve a harmonious balance between humanity and the environment, so that all of us can live together as a peaceful family on this planet”.



Mr. Yang Xiaoping
Group Senior Vice Chairman,
CPG Overseas CEO

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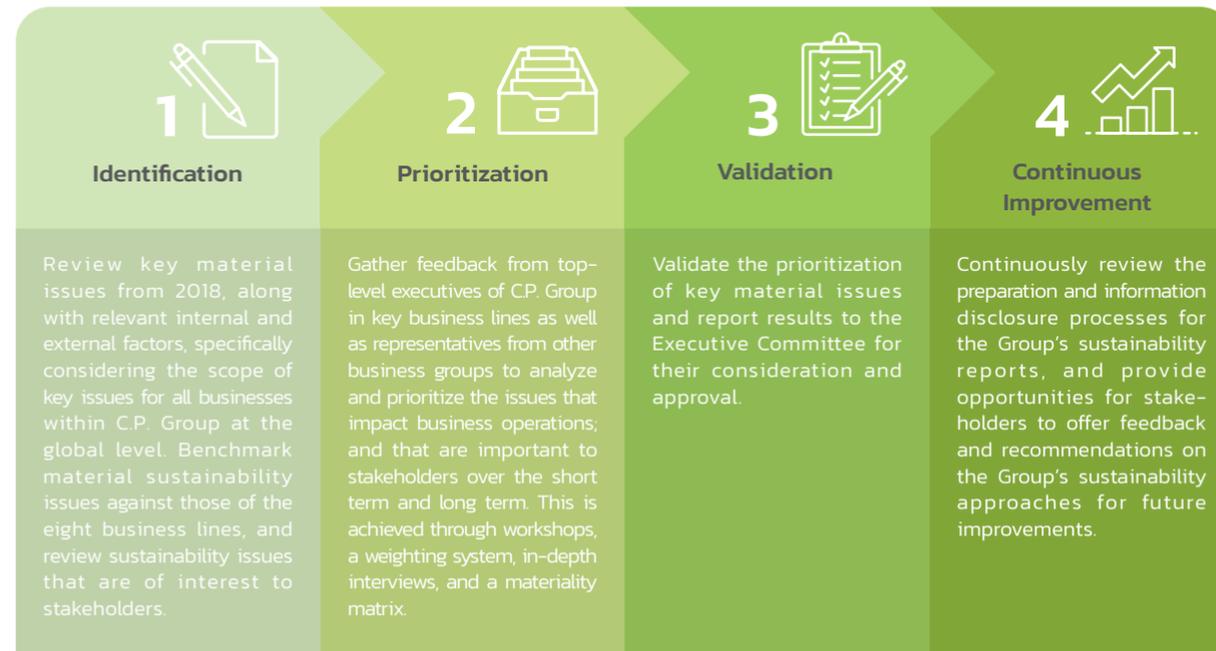
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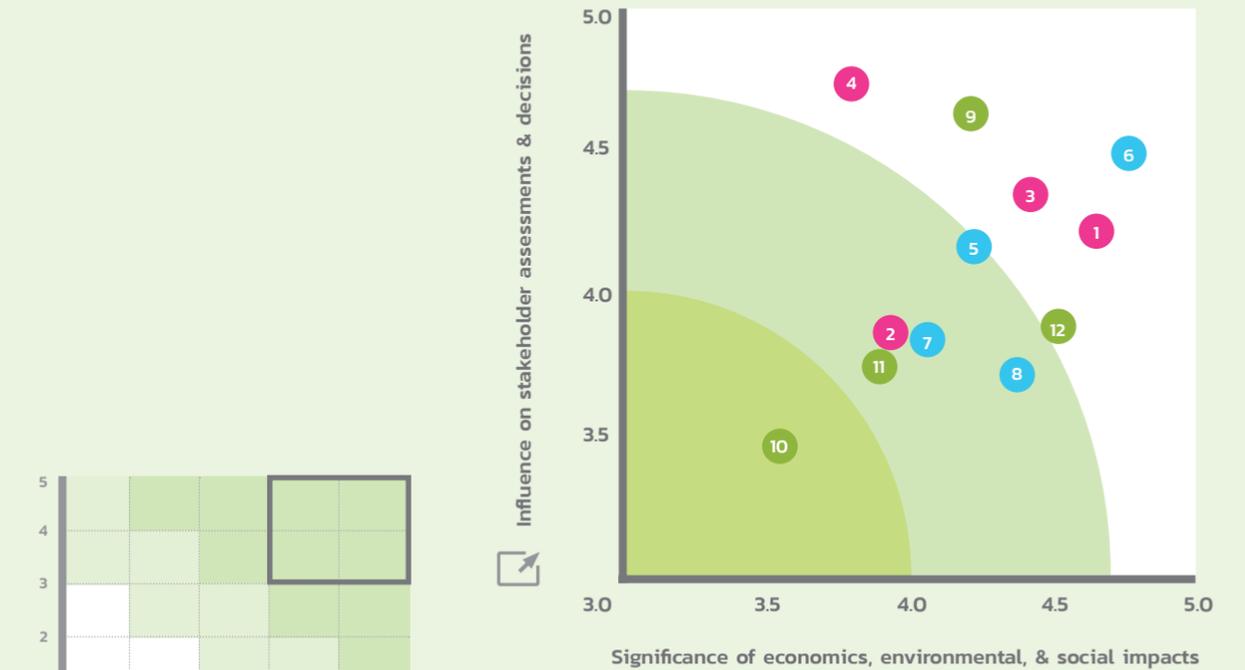
Materiality Assessment Process

The content and quality of this report has been determined by considering C.P. Group's operations as a foundation as well as the material issues impacting the economy, society, and environment, from the perspective of both internal and external stakeholders. Through this process, C.P. Group is able to communicate to its stakeholders on its commitments and performance, in line with the strategic sustainability framework. Furthermore, C.P. Group has adopted the Global Reporting Initiative (GRI) Sustainability Reporting Standards in accordance with 'Core' option as the framework for report preparation. Both internal and external factors relevant to the Group's operations have been considered for inclusion in the materiality assessment. In conducting the assessment, the

Group carries out various processes and steps in accordance with the 10 GRI Standards' principles for defining report content, which consist of Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness; and for defining report quality, which consists of Accuracy, Balance, Clarity, Comparability, Reliability, and Timeliness. The key processes and stages of the materiality assessment are discussed below.



Materiality Assessment Results of C.P. Group



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



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



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- 9. Climate Change Management
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About this Report

Sustainability Reporting

C.P. Group's sustainability report is published annually. This is the fourth report following the 2018 Sustainability Report, which was published in July 2019.

Objective of the Report

The objective of this report is to communicate C.P. Group's commitments and performances on sustainability across all three dimensions, covering issues of importance to stakeholders.

Reporting Scope

This report discloses the overall performance of C.P. Group companies, across eight business lines, in Thailand and overseas, from 1st January to 31st December 2019.

Reporting Framework

This report has been prepared in accordance with the 'core' Option of the GRI, Standards.

Reporting Boundary

Performance data on human resources covers 100% of C.P. Group subsidiaries. Data on energy, water, waste, greenhouse gas emissions, and safety cover 13,209 departments across all C.P. Group subsidiaries. (For more information, please refer to pages 216-217)

Communication on Progress (CoP)

As a member of the United Nations Global Compact (UNGC) at the advanced level, the Group has prepared a Communication on Progress on the Ten Principles of the UNGC and the 21 Criteria of the UNGC Advanced level. (For more information, please refer to page 230)

UN Sustainable Development Goals (SDGs) and UN Guiding Principles on Business Human Rights. (UNGPs)

C.P. Group remains committed to operating in accordance with all 17 of the UN SDGs and the UNGPs. (For more information, please refer to page 231)

Third-Party Assurance

The content and data disclosed in this report has been verified for accuracy by Lloyd's Register Quality Assurance (LRQA), an independent, reliable, and internationally-recognized assurer. The data verified for 2019 include: GRI 302-1, GRI 303-1, GRI 305-1, GRI 305-2, GRI 306-2, and GRI 403-2. In addition, to emphasize C.P. Group's commitment to expanding its sustainability performance reporting, in 2019 C.P. Group engaged LRQA to conduct a pre-verification process on the sustainability performance of its global operations. (For more information on 2019 data assurance, please refer to pages 232-233)

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Communication Channels

C.P. Group places importance on engaging with stakeholders, including receiving feedbacks and suggestions, to help improve its performance and thereby effectively address the expectations of all stakeholders. C.P. Group has made available a diverse and inclusive range of channels for stakeholders to conveniently communicate with the Group, as outlined below.

Website

www.cpgroupglobal.com/sustainability



Scan here to access Website

YouTube

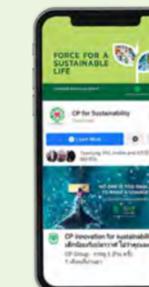
'Sustainable Life' TV Program Series



Scan here to watch video

Facebook

- CP for Sustainability
- We are CP



Scan here to access Facebook: We are CP



Scan here to access Facebook: CP for Sustainability

Bua Ban Magazine

Bua Ban Magazine: Seeds of Sustainability



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Office of Corporate Communications Affairs, C.P. Group

True Tower 23rd Floor
18 Ratchadaphisek Road,
Huai Khwang, Huai Khwang,
Bangkok 10310

+66 (0)2-858-6254

prcpgroup@cp.co.th



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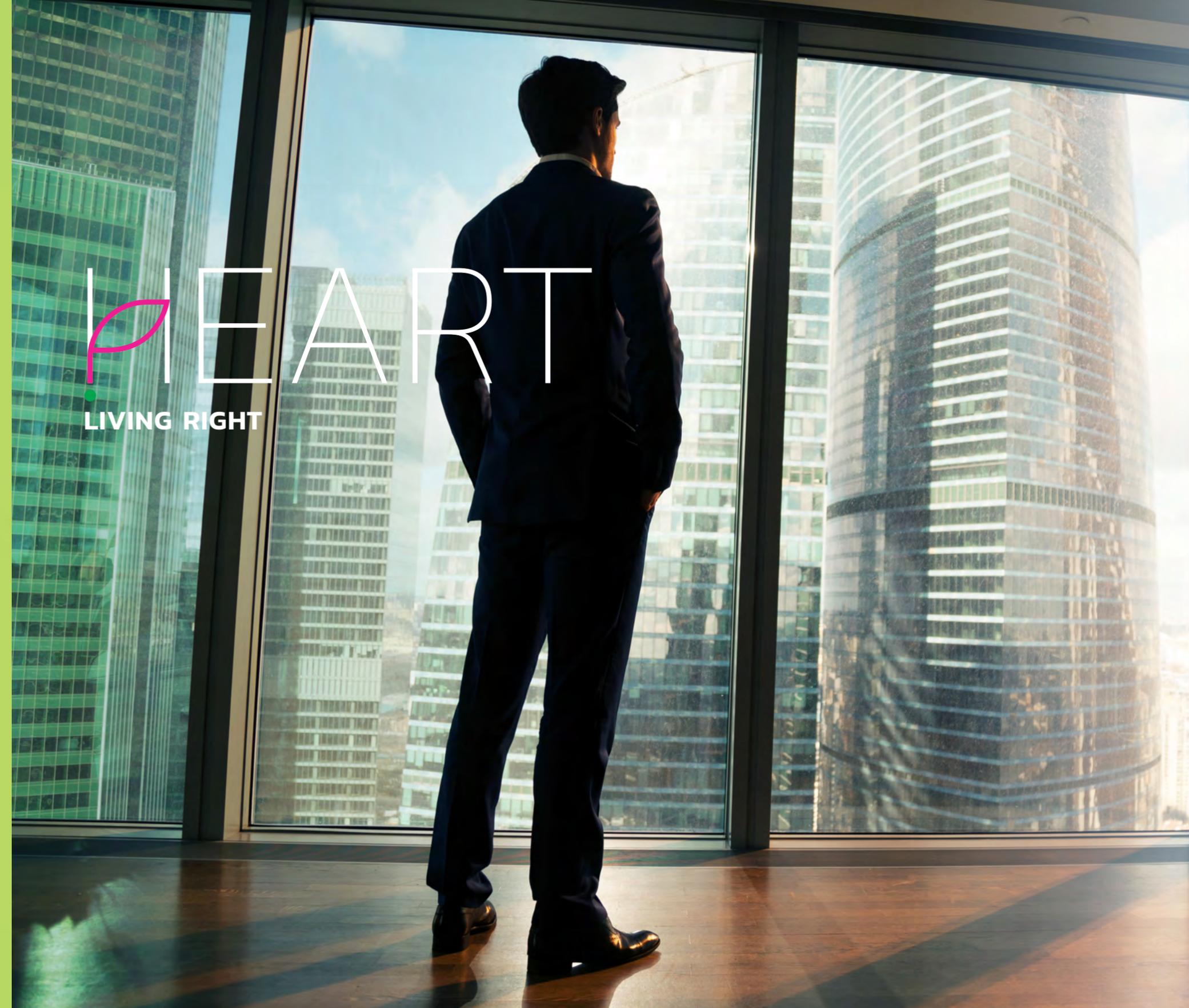
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LIVING RIGHT

C.P. Group operates on the principles of good governance, and in strict compliance with rules, laws, regulations, contracts, and agreements. Our operations are transparent and verifiable, and uphold international human rights principles and fair labor practices. Furthermore, C.P. Group does not overlook the importance of managing human resources and systematically developing leaders, both in terms of their professional skills and ethics. We also have a role to foster engagement with all sectors, and to create opportunities for all in education, innovation, and technology, ensuring that there is more efficient access. Finally, we promote sustainable growth of the organization, and aim to achieve trust and acceptance from the society and stakeholders.



Corporate Governance

- Corporate Governance
- Business Code of Conduct
- Embedding Corporate Governance
- Anti-Corruption
- Grievances and Whistle-blowing
- Risk Management
- Compliance Governance



Human Rights and Labor Practices

- Human Rights Management
- Human Resources Management
- Caring for Employees
- Safety, Occupational Health, and Work Environment Management at C.P. Group
- Results of Safety, Occupational Health, and Work Environment System Audits



Leadership and Human Capital Development

- Human Capital Development



Education

- Education Framework Development
- Supporting Education Scholarships



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Supporting the SDGs



SDG 12 Responsible Consumption and Production

12.6 Encourage companies in the Group 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.
- 16.B Promote and enforce non-discriminatory laws and policies for sustainable development.

Challenges

At C.P. Group, we firmly believe that operating with good governance principles, and having governance processes that are fair, ethical, transparent, and accountable to society, the environment, and stakeholders, will bring about the trust of all stakeholder. These measures are critical for ensuring our sustainable growth. We have implemented a robust corporate governance (CG) framework and encourage all directors, executives, and employees to properly comply with the Group's Code of Conduct, policies, and guidelines. Furthermore, we established measures for risk and compliance management, and require internal audits and reporting of CG performance. All of these approaches will help us improve the efficiency of our management and performance, making sure that it is aligned with our business context and the constantly changing operating environment.

C.P. Group recognizes the challenge of integrating CG seamlessly into our business operations, to truly create sustainable value. This will require highly efficient management and an embedding of organizational values that reflect good governance, so that they can eventually become a part of the organizational conduct and culture.

Key Plans in 2020



Streamline corporate governance processes across the Group



Streamline risk management approaches across the entire organization



Implement enterprise risk management in overseas operations

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





Key Performances 2019



Risk Management



Compliance



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

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

C.P. Group Grievances and Whistle-blowing Management, 2019

Issue	Number of Grievances	Number Resolved
Services	7	7
Products	16	14
Fair practices	10	8
Conflicts of interest	8	6
Labor practices	3	3
Environment	8	8
General inquiries	2	2
Data privacy	0	0
Safety	0	0
Other	3	2
Total	57	50



Corporate Governance

For transparency, value creation, and sustainable growth

C.P. Group strives to continuously develop and elevate our CG practices. The Sustainability, Good Governance and Corporate Communications Committee (SGC), comprising top executives from each unit within the Group and Group subsidiaries, is responsible for overseeing CG processes and driving the systematic implementation of CG. In addition, companies within the Group have also established CG departments and compliance departments to communicate the Group's Code of Conduct, and policies and guidelines related to CG to employees in each company, in order to build their knowledge and awareness. These departments will also organize various trainings and activities to promote concrete implementation of CG, ensuring that it is streamlined across the organization and achieves the same target.

Each year, C.P. Group reviews and compares our CG standards against international standards to make sure that they are up-to-date and suited to our operational context. We prioritize, and aim to promote and respect basic human rights. This is underpinned by the conviction that, to achieve sustainable growth for the organization, all parties must have a common understanding and must trust and respect one another. For this reason, we developed the Best Practices on Diversity and Inclusion, and the Foreign Workers Recruitment Policy and Guidelines. Furthermore, we also place importance on compliance with the Group's Code of Conduct. This is achieved through knowledge and behavioral trainings on compliance with the six core values and CG principles, through both the online systems and classrooms, to foster an ethical business culture.

As a way to increase the efficiency of organizational culture-building, the Group developed an Employee Feedback Survey to request the opinions of employees, across all Group companies, on our CG performance. The results from the survey were then developed into plans to improve communications and create awareness, and to make sure that employee conduct was in accordance with regulations, rules, mandatory requirements, and the Group's Code of Conduct.

Finally, CG that is transparent and fair to all relevant stakeholders will enable the Group to achieve stable and sustainable growth, create long-term value for shareholders, and foster trust among stakeholders and society, in support of our 2020 sustainability objectives. In terms of our performance disclosures, we published our first CG report for investors, regulatory agencies, business partners, and all stakeholders to acknowledge and understand our philosophy for responsible business, which aligns with the CG principles, board and executive responsibilities, the six core values, and the standards of ethics of the Group and subsidiaries.



Further information



Thai version English version

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Management Approach

C.P. Group has established a working process to drive the concrete implementation of CG. We work with representatives from Group companies to ensure that our management approaches are aligned, and adhere to the Group's policies and guidelines.

The Group's CG mechanism consists of CG structure development, work process creation, communication and engagement, reporting and performance monitoring, and performance disclosures.



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- | | | | |
|-----------|---|--|---|
| 01 | Corporate Governance Structure Development | | <ul style="list-style-type: none"> • Corporate governance structure • Roles and responsibilities • Relevant policies and guidelines • Business Code of Conduct |
| 02 | Work Process Creation | | <ul style="list-style-type: none"> • Risk assessment and risk minimization • Policy management approach • Plans and performance indicators • Awareness-raising and training |
| 03 | Communication and Engagement | | <ul style="list-style-type: none"> • Communication and engagement plans with Group companies • Stakeholder communication plans |
| 04 | Monitoring and Reporting | | <ul style="list-style-type: none"> • Monitor performance progress • Performance assessments and reviews • Surveys on corporate governance knowledge and feedback |
| 05 | Disclosure | | <ul style="list-style-type: none"> • Corporate governance principles • Corporate governance framework • Corporate governance reporting |





Embedding Corporate Governance



C.P. Group fully recognizes that organizational culture that embodies good governance will help employees to clearly understand this issue and enable them to apply the Group's vision, values, Code of Conduct, and policies in their day-to-day work, such that they become standard practices. All employees must receive training and testing on the Code of Conduct, which is divided into four categories – Integrity, Quality, People, and Assets. This will enable employees to meet the expectations of the organization.



In 2019, 100% of employees from the Group's companies not listed in the Stock Exchange of Thailand, and those in China, passed the Code of Conduct training. As for the Business Groups in other countries, it is expected that 100% of employees will pass the training in 2020. In addition, directors and top executives of the Group companies received training on conflict of interest, which aimed to foster both awareness of the topic and transparent business practices.



Percentage of employees from non-listed companies that passed the 'Code of Conduct' training

C.P. Group has also surveyed employees from non-listed companies in the Group to determine their level of awareness, understanding, and application of the Code of Conduct. The surveys also measured the engagement of supervisors in supporting and providing correct answers to their subordinates on any related queries, and measured the statistics of employees reporting through grievance channels once an action is found to violate the Code of Conduct. The survey results showed that employees have an excellent level of awareness of the Code of Conduct.

Finally, top executives of the Group companies have embedded a culture of CG by sharing their visions, opinions, and best practices with employees. This process must continue, as it relates directly to how they interact with employees. As a result, there have been group discussions that allow the management and employees to talk and exchange ideas. This raises awareness among employees about a proper conduct that is aligned with the organizational values.

90,197 employees passed the training

- CoC in Thailand (14,435)
- Top Executives (162)
- Online e-learning (8,791)
- Classroom (5,482)
- CoC Rollout in China & Overseas (75,762)

Employee Feedback Survey on C.P. Group's Corporate Governance Performance

98% Complying with the CoC is inherently part of our job responsibility

97% Complying with the CoC can help further the reputation of C.P. Group

87% I have adapted and applied the CoC in the workplace.



C.P. Group organized training for directors and top-level executives from C.P. Group and Group companies on the topic of 'Conflicts of Interest'



CP Round Table: 'Round Table with Leadership'

Best Practices on Diversity and Inclusion

We are committed to creating an open working culture that fosters an understanding of employees' differences, is accepting each individual's unique identity, and treats one another equally – for the benefit of our employees, society, and the Group.



Attracting diverse applicants



Providing equal career advancement opportunities



Communicating on diversity and inclusion



Fostering a culture of diversity and inclusion

Challenges

To become the number one organization of choice for job seekers and to attract talented, high-quality, and high-potential candidates with diverse qualifications to work and grow alongside us.

Commitment

C.P. Group has a fair and transparent recruitment process that respects basic human rights. We create a working environment that does not discriminate on any differences, whether that is in ethnicity, society, mindset, culture, belief, age, or gender. We provide equal opportunities for all to demonstrate their potential, to encourage respect and recognition of one another, and to support employees' progress on their career path based on their capabilities.

Benefits Received

Our competitive advantage comes from the diversity of our employees. With diversity, we gain a new and useful perspective generating new ideas and innovations that respond to consumers needs, and deliver effective outputs. All of this emerges from collaboration, and equal respect and treatment of one another, which in turn drives our strengths and enhances our potential.

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Anti-Bribery and Anti-Corruption

Promoting sustainable business growth

C.P. Group announced the Anti-Bribery and Anti-Corruption Policy and Guidelines for companies within the Group to raise awareness and encourage the management and employees, of all levels, to be conscious of combatting corruption in all forms. Similarly, the Group also announced policies relating to other areas of high corruption risk, namely the Conflict of Interest Policy and Guidelines, and Gifts and Benefits Policy and Guidelines, which are to be applied together with anti-bribery and anti-corruption efforts to ensure greater clarity on these issues.

The Group also enacted the Whistleblowing Policy and Guidelines to make sure that employees have proper channels to submit grievances or information about actions that may not comply with the Anti-Bribery and Anti-Corruption Policy and Guidelines. An investigation and its report on the rate of corruption and grievances will be shared with the top executives, for them to deliberate on protective measures.

In 2019, listed and non-listed companies under C.P. Group came together on National Anti-Corruption Day to collectively declare their commitment to operating with transparency, and combatting corruption in all forms. The event was organized by the Anti-Corruption Organization of Thailand, in collaboration with public and private sector networks, the civil society, and the media, under the theme, 'Volunteer Forces Against Corruption.' Furthermore, C.P. Group companies organized activities for top executives to emphasize on the importance of compliance with the Anti-Corruption Policy, distributed video clips to communicate best practices and case studies,

publicized 'voices against corruption' through departmental lines within companies, and publicly posted information about the Policy and Business Code of Conduct.



Over 400 executives and employees from various C.P. Group Business Groups joined forces at the 2019 Anti-Corruption Day, demonstrating the Group's firm stance in support of transparent business operations and against all forms of corruption in the workplace.



Charoen Pokphand Produce Co., Ltd., under the Crop Integration Business Group (Corn), participated in the Anti-Corruption Day organized by the Anti-Corruption Organization of Thailand under the theme, 'Volunteer Forces Against Corruption.'

Grievances and Whistle-Blowing

Preventing barriers on the achievement of organizational objectives

C.P. Group has enacted policies and guidelines on whistle-blowing in order to gather feedback, recommendations, and complaints from internal and external individuals who are impacted, or are potentially impacted, by the Group's operations. Most importantly, the Group has ensured that these guidelines are aligned with international standards, for instance in the areas concerning the responsibilities of relevant parties, protection measures for whistle-blowers, the investigation process, and penalties. This demonstrates the Group's commitment to

implementing clear, ethical, and transparent approaches for grievances and whistle-blowing management. There are a number of grievance and whistle-blowing channels available, including via the C.P. Group Whistle-blowing Management System on the C.P. Group website; telephone; e-mail; postal mail; Group representatives; and in person. In 2019, C.P. Group received a total of 57 grievances/whistle-blowing reports, 55 of which were from Thailand, and one each from China and India. Of this number, 18 reports were related to the Code of Conduct.

CPG Whistle-blowing Management System

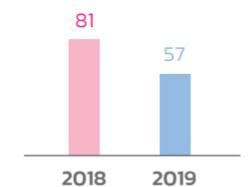


Number of Grievances and Their Investigation in C.P. Group

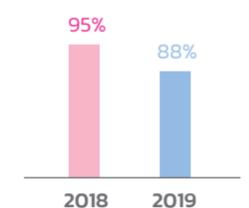
Number of grievances, by issue



Total number of grievances



Grievances resolved



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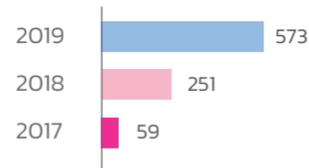


Risk Management

Eliminating the barriers to achieving the organizational objectives

883 persons

Accumulative number of senior management members from both Thailand and overseas participating in the risk management workshop. (ERM Executive Workshop)



Under a constantly and rapidly changing business environment, risk management becomes an essential process for C.P. Group, helping us to develop plans for managing situations of uncertainty, as well as efficiently securing opportunities from risks. As a result, this enables the Group to achieve stable and sustainable growth, and continue to deliver benefits to the nation and society. C.P. Group has adopted the risk management approaches of The Committee of Sponsoring Organizations of the Treadway Commission (COSO), specifically the COSO Enterprise Risk Management, Principles & Guidelines of Integrating with Strategy and Performance 2018, and the ISO 31000 Risk Management System. This is further integrated with good governance principles, and the Group's sustainable development framework. In 2019, C.P. Group developed an organization-wide risk management policy and management approach and clarified its risk management structure, specifically the roles and responsibilities for risks. This will create more efficient and effective risk governance and management within the organization, and streamline risk management approaches across all of C.P. Group.

Risk Governance Structure



Top 3 Risks for C.P. Group

Rank	Risk	Trend	Potential Business Line Impacted	Response
1.	Food safety and responsibility for damages due to unsafe goods	→	<ul style="list-style-type: none"> Agro-industry and Food Retail Automotive and Industrial 	<ul style="list-style-type: none"> Quality control of raw materials Review QA/CC process Compliance to food safety system standards Research and innovate new products
2.	Pandemic	↗	<ul style="list-style-type: none"> Agro-industry and Food Retail Operations of all business lines 	<ul style="list-style-type: none"> Develop measures to control the spread of infections Develop crisis management plans and coordinate with relevant departments
3.	Cyber-attacks	↗	<ul style="list-style-type: none"> All business lines 	<ul style="list-style-type: none"> Establish the Security Operating Center (SOC) Implement the Digital Transformation Project Cybercrime insurance

→ Risk level remains unchange ↗ Risk level is significantly increased



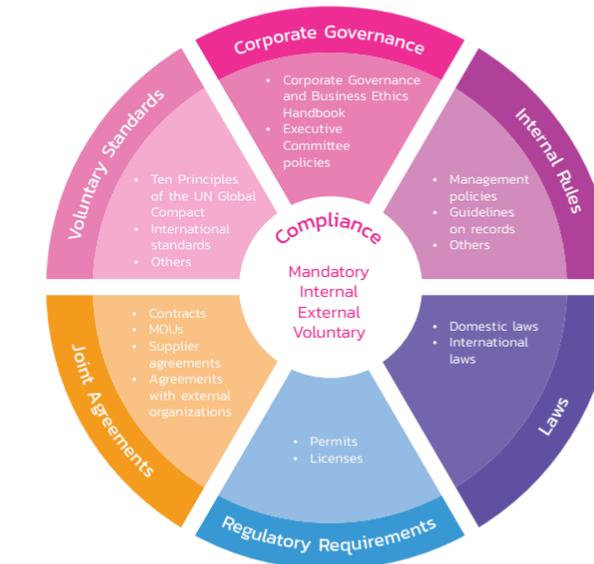
Compliance Governance

Ensuring alignment between internal and external rules and regulations

Rules, laws, regulations and standards today have become significantly more stringent, thus requiring all businesses to enforce stricter compliance. As a result, C.P. Group must conduct regular performance assessments of its compliance in order to manage the issues that are not aligned with the direction of the organization or international standards, and to prepare for future trends. In 2019, C.P. Group carried out performance assessments in three areas: 1) Compliance to the Conflict of Interest Policy and Guidelines (for non-listed companies in Thailand), 2) Compliance Maturity (for non-listed companies in Thailand and China), and 3) Progress according to the UN Global Compact framework (for listed companies in Thailand, China, and Myanmar).

Enhancing Organizational Capacity

In addition to developing responses to assessment results, C.P. Group plans to achieve compliance governance objectives effectively within the Group's companies. This will be accomplished through projects such as the Compliance Ecosystem, collaboration among C.P. Group companies to prepare for the inclusion of compliance governance into operational processes in a systematic way, where integration will be encouraged between each unit. C.P. Group's efforts in this area have received the 'Tone at the top' and the support of executives from Group companies, who have mandated that there be a 'Compliance Network.' The Group will take on a coordinating role in this Network to liaise with Group companies and create awareness, oversee compliance, and establish a system to report performance data to executives. Furthermore, the Group will ensure checks and balances, where existing laws and regulations relevant to business operations have now been adjusted to align with the changing business environment.



In 2019, the Group organized workshops on compliance governance for management and relevant employees in Thailand, China, Myanmar, Laos, the Philippines, India, Cambodia, Vietnam, Malaysia, and Turkey. These workshops helped build their knowledge and understanding of how to operate according to compliance governance guidelines. C.P. Group also arranged trainings on the topics of Compliance & Compliance Audit, Ethical Audit, and Control Self-Assessment Introduction in Thailand, which were attended by over 300 executive, manages, and employees.

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HUMAN RIGHTS AND LABOR PRACTICES

Supporting the SDGs



SDG 3 Good Health and Well-Being

3.6 Halve the number of global deaths and injuries from road traffic accidents

SDG 5 Gender Equality

5.1 End all forms of discrimination against all women and girls everywhere

SDG 8 Decent Work and Economic Growth

8.5 Achieve full and productive employment and decent work for all women and men, and equal pay for work of equal value

8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers

SDG 10 Reduced Inequalities

10.3 Ensure equal opportunity and reduce inequalities of outcome

10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies

Challenges

Given a rapidly changing modern economy and society and C.P. Group's expansion to various countries, business activities across C.P. Group's supply chain have become increasingly more complex. This has led to human rights risks and challenges concerning human resources management, the promotion of equal opportunities, employee diversity and inclusion, and the safety of the Group's employees, suppliers, and contractors. For this reason, C.P. Group has encouraged its suppliers and business partners to operate in strict accordance with international human rights standards and principles. In addition, the Group is also committed to maintaining a balance between the growth of its business and the achievement of targets on human rights and labor practices, including occupational health and safety, to ensure the sustainable coexistence of all parties across its entire supply chain.

Key Plans in 2020



Conduct the second human rights risk assessment



Develop an e-Learning module that aligns with salient issues



Develop the digital tools for a human rights impact assessment

2020 Goal (Thailand)

100%

of businesses within C.P. Group conducted human rights due diligence processes.

Year-on-Year Progress





Human Rights Management and Performance

Announcing the C.P. Group Human Rights Policy

C.P. Group announced the Human Rights and Labor Practices Policy and Guidelines in 2017, which we have strictly and continuously implemented. To strengthen awareness and communicate the values and practices to respect human rights, C.P. Group developed the C.P. Group Code of Conduct (CoC), which has been communicated to the management and

employees of all companies within C.P. Group for coherent implementation of the Code across the organization. Subsequently, in 2019, the Group announced the Foreign Workers Recruitment Policy and Guidelines, which ensure that its foreign worker recruitment process and fees are in line with relevant international standards.



The Corporate Governance Principles and Code of Conduct

Embedding (Building Awareness and Sharing Knowledge)

C.P. Group has developed a human rights capacity building plan with the aim of raising awareness and enhancing the understanding of human rights across the organization; from management to employees of all levels. This is achieved through various formats.

Examples include seminars and workshops at both the Group and business line levels. Knowledge is also communicated through the C.P. Group CoC to establish standard guideline for human rights practices.

In addition, C.P. Group has developed an e-Learning module on human rights, which covers its salient human rights issues, to facilitate expedient and effective capacity building.

Human Rights Risk and Impact Assessment

5 Salient Human Rights Issues



Occupational Health and Safety



Forced Labor



Child Labor



Discrimination



Environmental Impacts

Integration and Development of Protection Plans

C.P. Group has developed measures to protect and reduce the impacts of human rights issues in areas under its operational control and those of its suppliers. The Group focuses on a proactive approach to prevent and mitigate high-risk human rights issues.

These measures have been integrated into C.P. Group's policies, standard working procedures, and existing assessment systems so that there is a sustainable and unified approach to human rights management.

Examples of integration of human rights topics:

- Assessments of safety and environmental management effectiveness.
- Suppliers' sustainability assessments.
- Assessments of progress on the UNGC Principles.

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Human Rights Performance

Demonstrating our respect for human rights

Occupational Health and Safety

Impacted Group(s) • Employees, contractors, suppliers, farmers, and workers

Supports SDGs



Approach

- Develop assessment tools to be used throughout the supply chain and conduct health and safety audits.
- Organize trainings for executives and employees of all levels to help them understand the importance of good governance throughout the supply chain.

Results

- Conducted assessment with critical tier-1 suppliers in the supply chain, covering up to 90.16% of all C.P. Group companies.
- Management and employees engaged in safety assessment together with suppliers in the supply chain.

Forced Labor

Impacted Group(s) • Employees, contractors, suppliers, farmers, and workers

Supports SDGs



Approach

- Announce the Foreign Workers Recruitment Policy and Guidelines.
- Develop C.P. Group's Ethical Recruitment Standard.
- Conduct initial assessment of recruitment agencies in Myanmar.
- Examine practices and labor management in Cambodia.

Results

- Established operating and governance standards on foreign workers Ethical Recruitment.
- Established guidelines that aligned with international practices.
- Developed the capabilities of 100% of suppliers.
- Gathered information to develop plans for Cambodian labor management.





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Child Labor

Impacted Group(s) • Suppliers, farmers, and workers

Supports SDGs



Approach

- Promote compliance to the Group's Human Rights Policy among suppliers.
- Strengthen governance and monitor critical suppliers' human rights performances.

Results

- Provided training on compliance to the Supplier CoC
- Found no child labor in an assessment of 90.16% of critical tier-1 suppliers

Discrimination

Impacted Group(s) • Employees

Supports SDGs



Approach

- Promote compliance to the C.P. Group CoC
- Promote the employment of individuals from vulnerable groups

Results

- Trained and tested the knowledge of 90,197 employees
- Employed a total of 2,864 persons with disabilities:
Thailand: 1,725 persons
Others: 1,139 persons

Environmental Impact

Impacted Group(s) • Local communities

Supports SDGs



Approach

- Oversee environmental management systems
- Promote environmental projects, including community access to water resources and solid waste reduction initiatives
- Monitor and investigate environment-related grievances

Results

- Regularly assessed the efficiency of environmental performance, and expanded the assessment overseas
- >5,000 households accessed water resources as a result of the project
- No environment-related grievances reported

Spotlight on Human Rights Practices in Group Companies

Human Rights and Labor Practices Policy and Guidelines



FOREIGN LABOR HIRING IN THAILAND



In 2019, C.P. Group announced the Foreign Workers Recruitment Policy and Guidelines, which is applicable to all subsidiaries globally. This demonstrates the Group's commitment to recruiting foreign workers in a way that complies with international standards, as well as the Group's Human Rights Policy and the United Nations Guiding Principles (UNGPs) on Business and Human Rights.

After announcing the Policy, C.P. Group has communicated the Policy to companies in all business groups. This goes along with various initiatives to support foreign workers recruitment. For example, Charoen Pokphand Foods Public Company Limited (CPF) hired over 13,000

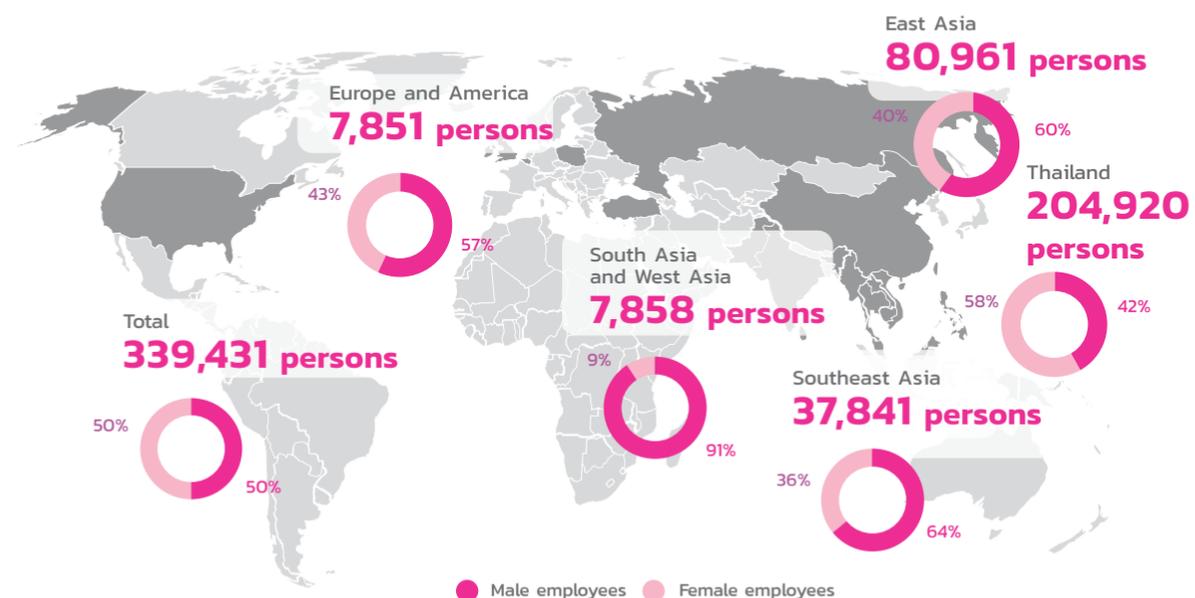
foreign workers from Cambodia and Myanmar. Throughout this process, CPF provides interpreters to effectively communicate during orientation training, and provided workers with regular skills training for the work required at each production stage. CPF also collaborated with the Labour Rights Protection Network Foundation (LPN) to set up the 'Labour Voices Hotline by LPN,' which allows all of the Company's workers, regardless of their nationalities, to voice their opinions, recommendations, and grievances, or to request help through a third party organization. The workers are also provided with knowledge trainings on human rights, Thai labor laws, and health and safety in the workplace.



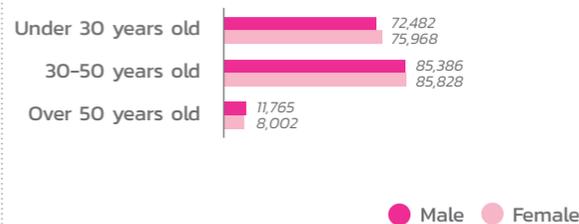
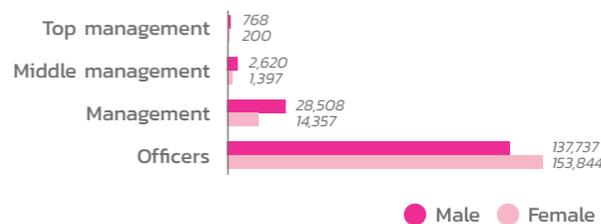


Human Resources Management Dashboard

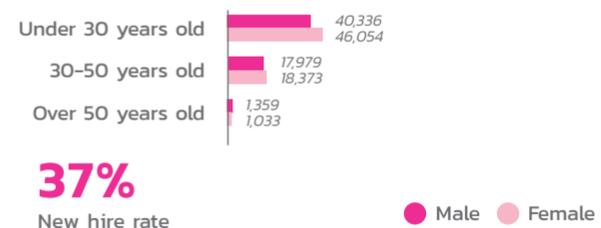
Number of employees by gender and region



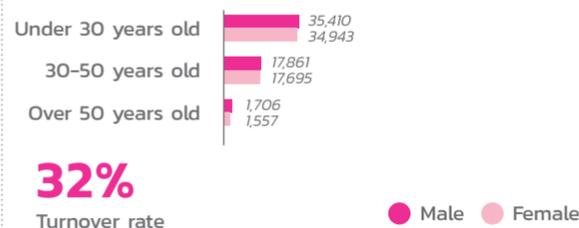
Employee Diversity



New Hires : 125,134 persons



Employee Turnover : 109,172 persons



Caring for Employees



Promoting Equal Opportunities, Employee Diversity, and Inclusion

C.P. Group promotes fair and equal practices for all of its employees. This involves creating equal opportunities starting from the hiring process, as well as opportunities for career progress, regardless of gender, age, nationality, religion, skin color, or personal preferences.

The Group firmly believes that respect for fundamental human rights is essential for efficient business operations. Given this, the Group strives to develop employees' knowledge and capabilities, and ensure that the workplace is a safe and positive working environment where there is mutual respect and understanding of differences. Furthermore, the Group has also revised its policy on fair practices, developed a Group-level guideline for all employees to uphold as a standard of practice, and strived to value and create a culture of inclusive work and collaboration.

Employee Training

To build 'ethical and competent' professionals, C.P. Group has promoted various future learning methods within the organization through the e-Learning system. Likewise, the Group has fostered a culture of limitless learning for all employees, giving them the opportunities to continuously develop their own knowledge bases in various areas, including through classroom learning, external site visits, and on-the-job training.

Average training hours for employees (hours/person/year)

	2017	2018	2019
Male	16.16	12.69	12.06
Female	15.98	14.82	14.91
Total	16.07	13.30	13.49

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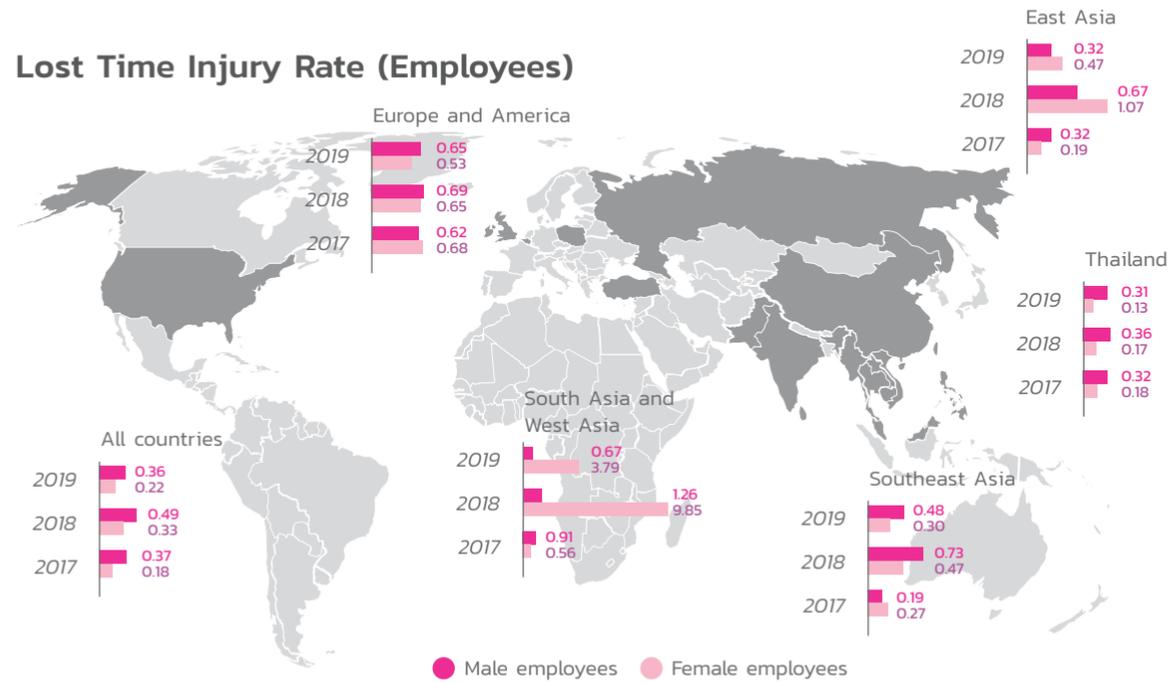
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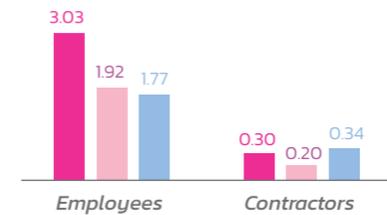
Occupational Health & Safety Management Dashboard

Lost Time Injury Rate (Employees)



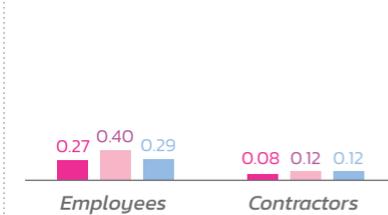
Injury Rate

Cases per 200,000 hours worked



Lost Time Injury Rate

Cases per 200,000 hours worked



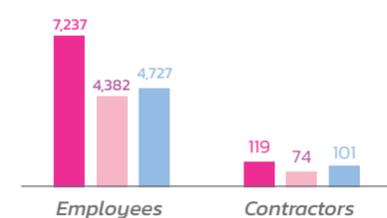
Fatalities from Accidents

Cases



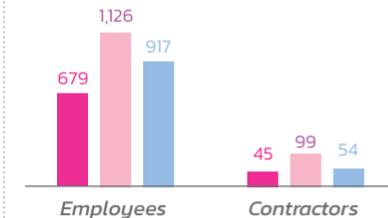
Number of Injuries

without lost work days



Number of Injuries

with lost work days



● 2017
● 2018
● 2019



Occupational Health, Safety and Work Environment Management

C.P. Group operates a highly diverse business. Today, the Group employs over 300,000 employees around the world, and therefore places the highest priority on the occupational health and safety of our employees and stakeholders. In order to become a 'Zero Accident' organization, the Group operates according to the Occupational Health and Safety Management System while upholding the belief that good health and safety at work is the fundamental rights of all employees. Furthermore, the Group has established a Safety Committee comprising representatives from all 14 business groups of C.P. Group, domestically and overseas, to govern and drive the safety management system.

In 2019, among companies within the Group, there were five employee fatalities and three contractor fatalities. In response, the respective companies implemented incident reporting and investigation processes, and shared experiences to prevent future incident recurrence. The companies also organized trainings and knowledge development sessions on risk assessments and measures to prevent and control hazard. Furthermore, modern tools, equipment, and technologies are used, and the Group conducts regular reviews of relevant safety guidelines. This ensures that the Group's employees and contractors, including business suppliers are always safe at work, and that the Group can achieve its 'Zero Accident' target.

Zero Accident



Leadership and Commitment

1. Executive Commitment
2. Structure, roles, and responsibilities



Planning

3. Risk and change management
4. Compliance with relevant laws and requirements
5. Plans, objectives, and targets



Performance

6. Safety system design and testing
7. Training, on-the-job training, and strengthening safety culture
8. Communication, consultation, and engagement
9. Control of implementation, audit and maintenance
10. Procurement
11. Occupational health and quality of life, work related vehicle safety, and hazardous work
12. Emergency and crisis management



Monitoring and Review

14. Incident reporting and investigation
15. Monitoring, review, assessing, and reporting

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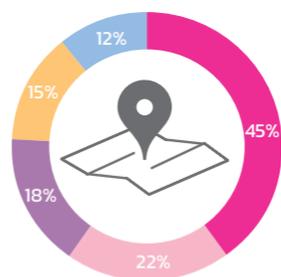
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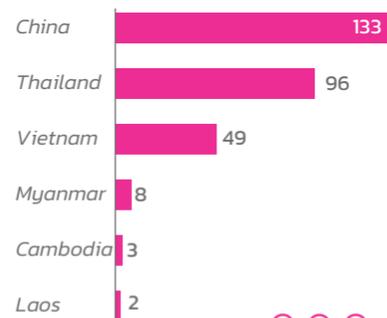


Safety Management Audits and Crisis Management

291 sites
Number of sites that passed the audits



- Feedmill factories
- Superstores
- Food factories
- Farms
- Other factories



948 managers participated in the audits



In order to drive safety performance and engage all parties on this issue, C.P. Group has conducted Safety, Health and Environment (SHE) Management audits since 2018, in both domestic and overseas operations, using the SHE Performance Audit Framework. The assessments brought about shared learning within the organization and created a safety culture.

In 2019, C.P. Group carried out audits in China in 133 departments, where 548 managers participated as part of the Audit Committee.

2019 Audit Results

- Continuing increase in the capabilities of safety leaders. This was accomplished by encouraging managers at all levels to examine and observe their operations, and ensure that their employees are aware of and work to reduce risks from unsafe actions, ultimately building a safety culture. Finally, all work streams established targets to improve their safety performance, and to commend the departments with outstanding performance.
- Exchanges of best practices. During the audit process, knowledge-sharing occurred between various work streams and departments. This is a way to elevate safety practices and develop them into organizational knowledge assets.

Vehicle Safety Management

Given that C.P. Group uses a large number of vehicles, and many of its employees work continuously on rotation, we have implemented a vehicle safety management approach that aims to elevate and develop knowledge on road safety for employees within C.P. Group and among our suppliers to prevent accidents and enhance vehicle safety.

Furthermore, C.P. Group has implemented a safety management approach involving vehicle selection to ensure that the vehicles are safe for use and that drivers are capable and experienced. Additional considerations include vehicle maintenance, reporting and monitoring, and the promotion of safe driving behaviors, which is achieved through centers that test and control the quality of C.P. Group's drivers, making sure that they meet the Group's vehicle safety standards. The physical fitness of drivers is also regularly checked before their licenses are renewed.



Key Performance 2019

100%

of company freight vehicles have installed GPS and vehicle camera systems that are tracked by a central command center.

0 fatalities

No fatalities of freight vehicle drivers in the Group since 2016.

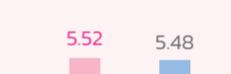
Number of drivers who passed training and were issued the Group's driving licenses



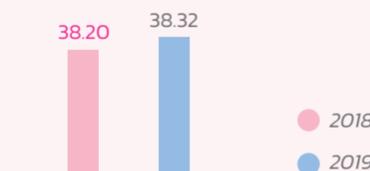
Number of business partners and suppliers who passed the Group's safe driving training



Freight vehicle accident rate (traffic accident/million kilometers)



Total freight vehicle distance (million kilometers)



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LEADERSHIP AND HUMAN CAPITAL 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.

Challenges

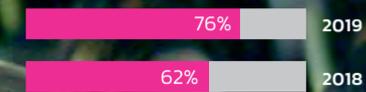
C.P. Group is well aware that rapid changes in innovation and technology are key risks that could potentially impact C.P. Group's business operations today, both directly and indirectly. For example, using specialized Artificial Intelligence (AI) for operations could replace manual labor and increase production efficiency. Based on the trends that indicate such technologies will become more widely used, C.P. Group has set a target to develop the capabilities of its people by promoting a culture of learning, enhancing experiences, and building quality leaders among the new generation. This will enhance the skills of C.P. Group employees towards excellence, and support their stable growth alongside the organization.

2020 Goal (Thailand)

100%

of leaders and employees will pass the sustainability knowledge training

Year-on-Year Progress



Key Plans in 2020



Develop a new generation of leaders through the C.P. Leadership Institute courses



Develop an e-Learning module on corporate governance and sustainability

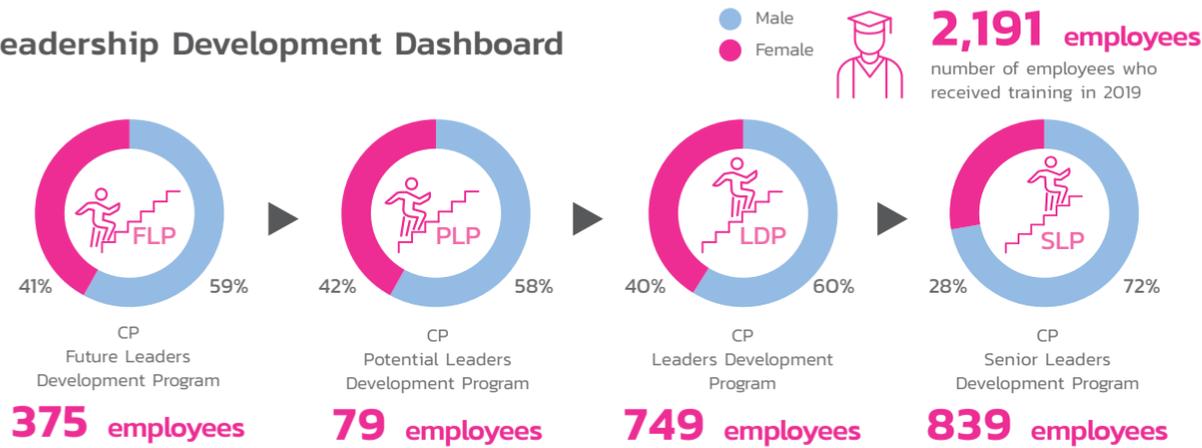


Develop the CP Connect Digital Platform system



Key Performances 2019

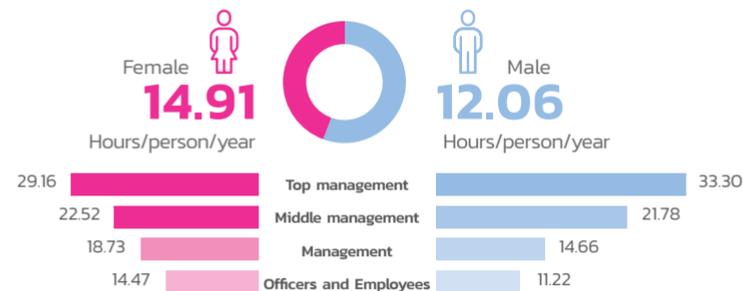
Leadership Development Dashboard



Managers participating in the Strategy Seminar at the C.P. Leadership Institute, by country (number of participants)



Average training hours for employees By level (hours/person/year)



Leadership Development Process through the C.P. Leadership Institute



C.P. Group is fully committed and prepared to guide the organization forward on the foundations of sustainability. For this reason, we have established the C.P. Leadership Institute (CPLI) under the vision “Joining forces, Creating leaders, Driving Business,” with the main objective of developing people and cultures, and driving the business into the future. This vision is achieved through annually rotating seminars, training sessions, and the Action Learning Program.

CPLI also serves as the focal point for employee development across functions and business groups in Thailand and the overseas. CPLI disseminates C.P. Group’s vision and strategy, and provides leadership training and cross-functional and business group training courses for employees of all levels in Thailand and overseas.

Mr. Hans Werner Reich
Senior Advisor, C.P. Group

On 10 September 2019, Mr. Hans Werner Reich, Senior Advisor of C.P. Group, spoke to C.P. Group’s executives and employees at the CPLI on the topic of “Feeding the Future.” Key points from his speech centered on our ability to produce enough food to feed a rapidly growing world in the midst of a climate change and changing consumer satisfactions.



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Human Resources Management

C.P. Group believes that our people are the most valuable asset – they are the driving force behind the achievement of our aspirations. This is especially the case today, as C.P. Group is committed to growing its business and expanding investments globally. There now arises the challenge of creating ‘New Generation Leaders’ who will carry forward the organization’s values, while preparing and developing over 300,000 employees across our diverse businesses with the necessary knowledge and skills, and mindsets to embrace and adapt to changes, as well as to reinforce positive experiences for our employees to be proud for taking a part in C.P. Group’s success.

Central to this is C.P. Group’s ‘Workforce 4.0’ Human Resources Strategy, which is guided by the Six Core Values, digital information, and technology. The strategy consists of five core pillars, and focuses on developing up a new generation of leaders through real-life learning experiences, with the CPLI being central to these efforts. It also focuses on creating a human resources management ecosystem to promote recruitment of ethical and competent individuals, learning from various world-class advisors, career planning and development, and transforming to an ‘agile’ organization to enhance the Group’s adaptability to business changes and changes prompted by generational gaps.



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Developing Digital Capabilities for The Industry 4.0 Era

As industries are now entering the 4.0 era, organizations must develop their people and shift mindsets to raise awareness of basic use of technology and digitization at work. In view of this, C.P. Group established the True Digital Academy in partnership with General Assembly, a global leader in digital training and career transformation, to prepare and develop executives and employees on the essential knowledge and capabilities for the organization’s digital transformation. This development aims to create benefits for the organization, customers, and other industries, contributing to driving economic and social transformation in Thailand.



True Digital Academy will help to advance the capabilities of modern workers, equipping them with current, in-demand and practical skills, to meet the needs of a business operating in the industry 4.0 era driven by technology and innovation.



Benchmark

Strengthen skills and capability, and identify and fulfill digital skill gaps



Reskill

Add to the existing skill set the new in-demand skills to retain employees



Transform

From entry-to-mid-level employees, to leaders with expertise



Simplify and economize hiring

Before and after hiring, conduct activities customized for the organization



Empower new talent

With real expertise and the skills for career advancement



Build cohorts

of specialists from a broad range of perspectives and backgrounds



Leadership Development Training

Human resources development at C.P. Group aims to develop leaders at all levels. With the CPLI at the center, courses are designed to suit the qualifications of all participants. All courses are developed based on real-life applications, focusing on learning through practicing by implementing cross-business and cross-function projects. The projects reinforce trainees to enhance business problem-solving skill and learn from experiencing actual impacts.



Operational Program		Strategic Program	
Course Overview			
The first training course for the Group's 'Young Talents' in Thailand and overseas, which aims to build well-equipped leaders according to the Group's leadership model.	A leadership development course for employees with proven leadership potentials focuses on business development and integrated management within the scope of their responsibilities, aiming to generate profit and revenue for the sustainable business growth.	A development course for leaders at the operational level is designed to help them manage strategic operational projects. It focuses on reforming processes for efficiency and quality, stimulating cross-functional actions, and maximizing resources used.	The course focuses on enhancing and sustainably developing C.P. Group through the formulation of strategic projects that execute C.P. Group's vision.
Participant Qualifications			
New graduates and young talents from business groups	Graduates of the FLP Program and employees from business groups	Managing directors and mid-level executives	Top-level executives
Project Supporters			
CEO and CEO-1	CEO and CEO-1	CEO and CEO-1	CEO and Group Chairman

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CP Freshmart Store Launch Project Delivered by the 4th FLP Cohort, China

The CP Freshmart Store Launch Project in China is a successful case study on leadership development, specifically on optimizing store operation and sales generation. For the new generation leaders participating in the FLP program, C.P. Group provided training and development, shared experiences from current leaders, and importantly, allowed participants to apply new business development approach, use social network platform to increase sales and engage customers. The results were model stores for future business team completed project planning within 150 days, including times to scout for prime locations to establishing 2 model stores. Both stores operated with outstanding results. The stores integrated B2C, B2B, and O2O business models, and adopted a customer-centric approach to analyze and develop sales strategies, product selection for target groups, brand development, and use social network platform to increase sales and engage customers. The results were model stores for future business expansion.

Results and Benefits

- 24 years old**
average age of the ten-member teams
- 150 days**
project duration
- 1 million yuan/day**
revenue from two stores





Increasing Sales for C.P. Lotus in 100 Days delivered by FLP Cohort, China

Increasing Sales for C.P. Lotus in 100 Days is a highly challenging leadership development project for next generation leaders. It provides participants with business-savvy mindsets the opportunity to become leaders through developing new strategies for C.P. Lotus stores that are facing losses. The project transformed the stories sale models to integrate B2C, B2B, and O2O models, adopted strategies that are suited to each target customer group by leveraging quality, customer experience, and promotions

to attract B2C customer group, while utilizing technologies to identify and manage B2B and O2O customer groups. Management structures have also been revised in line with this new strategy. Owing to the success of these efforts, it took only 100 days to implement the new strategies are deliver results in turning losses to profits.

Results and Benefits

100 days transforming strategy into profits

13.77% of customers progressed on B2B development

1 million RMB/day sales revenue/day



C.P. One Young World Summit



For five consecutive years, C.P. Group has implemented the Project 'C.P. One Young World', which aims to build a new generation of young and capable leaders aspired to 'Create Change' for a better society. In 2019, 21 young leaders were selected to participate in the annual 'One Young World Summit

2019' in London, England, organized under the theme, 'Ignite Future Leaders.' The event was attended by over 2,500 young leaders from 196 countries, who gathered to create innovative solutions for a more sustainable world.

"Participating in the One Young World Summit this year changed my mindset. Instead of participating only for myself, the Summit encouraged me to feel that I should be participating for the benefit of others."

Ms. Walawan Panyung
CP Retailink Co., Ltd.

One Young World Summit 2019

London, England

20 young leaders representatives from C.P. Group

From **7 business groups**

5th consecutive year that the young leaders attended the summit



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Challenges

Education has been the foundation of national development across all generations. It is a critical factor in reducing social inequalities. Today, the issue of education continues to be an international topic of interest – as shown by UN SDG 4, Quality Education. Therefore, C.P. Group, as a leading national company that upholds our commitment to creating benefits for the nation and the people, engages with various sectors to develop society and address problems of inequality, and provides access to basic education for youth and adults of all ages. The Group has operated according to the five key strategies for education development, which involve elevating the quality of education, granting opportunities, and helping youth to develop themselves – providing them with knowledge and expertise in both technical areas, as well as instilling the value of applying that knowledge for their own benefit, and for society and country.

2020 Goal (Thailand)

4,350,000

children, youths, and adults will be provided with access to education and necessary skills development by 2020.

Year-on-Year Progress



Key Plans in 2020



Develop knowledge, innovations, and new learning activities



Prepare to enter the digital age and embrace integrated teaching and learning



Promote access to education and knowledge, develop key infrastructure, and pilot learning channels

Supporting the SDGs

SUSTAINABLE DEVELOPMENT GOALS



SDG 4 Quality Education

- 4.3 Ensure equal access for all women and men 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 youth not in employment, education or training

SDG 9 Industry, Innovation and Infrastructure

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



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“If you want the society to be strong, our youth have to be strong. If you want to see new innovations, we have to encourage our youth to be creative. And if you want a peaceful society, we have to ensure that our youth recognize the value of life.”

Mr. Suphachai Chearavanont

Chief Executive Officer, Charoen Pokphand Group
Chairman of the Executive Committee,
True Corporation Public Company Limited
Chief of the Private Sector Working Party, CONNEXT ED



Key Performances 2019



3,351

Pracharat Schools
supported by C.P. Group



502 School Partners

leaders for sustainable education development



30,000

principals and teachers
of Pracharat schools



33 private companies

established and developed CONNEXT ED



750,000

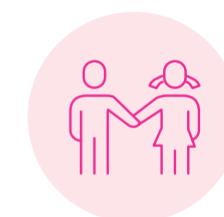
students
involved in the Project



3 million parents and families

of students involved in the Project

Promoting Education and Opportunities to Access Good Quality Education



4.61 million

children and youths
received opportunities to access education and critical skills development



Value of scholarships
1,173 million THB



38,135 scholarships
awarded



Connecting Education with CONNEXT ED

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

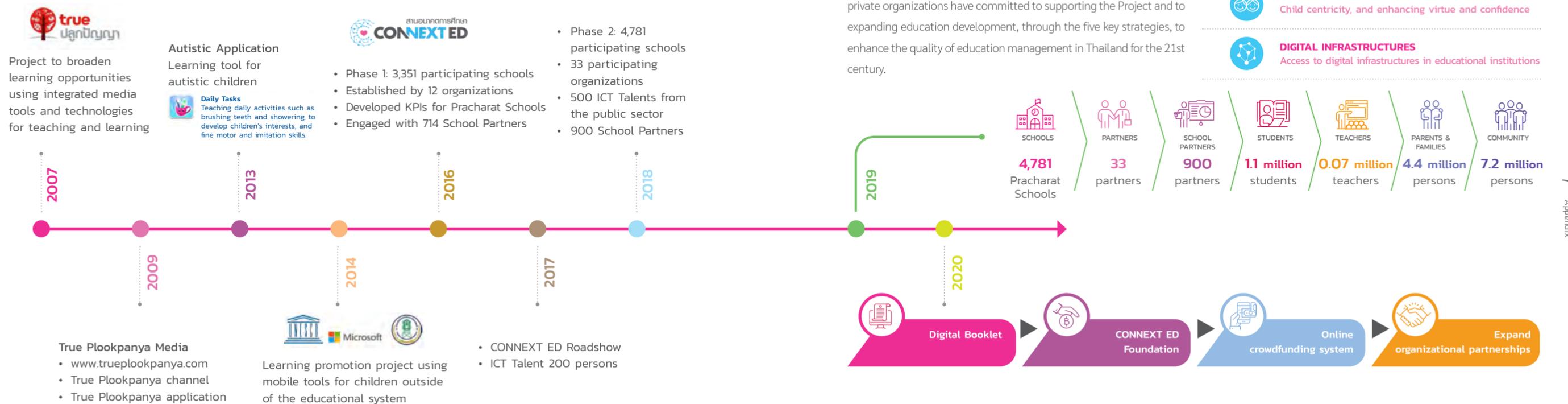
C.P. Group believes that access to education for children and youth is at the heart of people and national development. Therefore, in our role as a leading organization, we stand firm in our dedication to promoting education for the future of the country. In 2007, True Corporation Public Company Limited launched the 'True Plookpanya' Project, with an objective of broadening learning opportunities for schools in remote areas of the country, to enable them with equal access to learning. The Project provided equipment and digital

communications tools for learning, and established online learning sources on websites, applications, and television. This was the starting point of our efforts in education promotion. Eventually, in 2016, this was transformed into the CONNEXT ED Project, with CPF, CP ALL, and True Corporation from C.P. Group participating.



For more information in VDO format, please scan this QR code.

Development Journey of CONNEXT ED



Developing and Enhancing the Quality of Education Management Strategy

C.P. Group strives to respond to the Pracharat Policy, which calls for collaboration between three parties: the public sector, civil society, and the private sector. The Group is involved in the CONNEXT ED Project, which aims to elevate the country's educational management up to international standards, in line with the Thailand 4.0 Strategy, to develop strategies that reduce inequalities, educate people, and enhance national competitiveness. The CONNEXT ED Project was formed through the collaboration and coordination of 12 leading companies that work to help Thai youth and children become 'capable and ethical' individuals, through sustainable means. The Project also includes creating an inclusive culture for learning management through the 'Pracharat Schools,' where the target is for 15% of more than 30,000 schools under the oversight of the Office of the Basic Education Commission (OBEC) to be improved by the Pracharat School model. At present, 33 private organizations have committed to supporting the Project and to expanding education development, through the five key strategies, to enhance the quality of education management in Thailand for the 21st century.



5 Key Strategies for Developing and Enhancing the Quality of Education Management

- TRANSPARENCY**
Transparency of information on educational institutions
- MARKET MECHANISMS**
Market mechanisms and an 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 digital infrastructures in educational institutions

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Results of Projects to Enhance the Quality of Thai Education in the 21st Century

Leadership Program for Sustainable Education

C.P. Group contributes to creating a new model of leadership development, or a ‘School Partner,’ which leverages the leadership strengths of each private organization towards leadership development for sustainable education. The Group met with ‘Pracharat Schools’ to exchange learnings with principals, teachers, and students, to

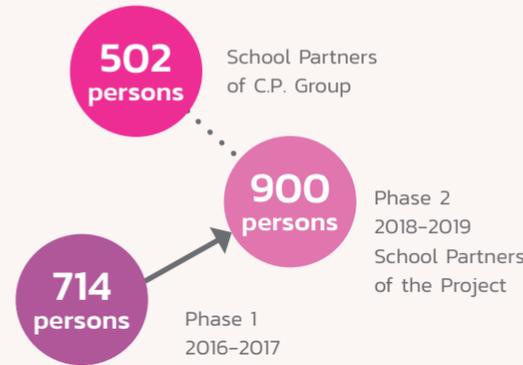
stimulate leadership development alongside school development. Consequently, this can help them create their own school and community development plans, and foster an inclusive culture of learning that delivers the highest benefits.

School Partner Model

Creating a Sustainable School Development Plan and Developing ‘School Partners’



‘School Partner’ Performance 2016–2019



“In all processes, it’s not important how much time we spend on it. It’s important that we take the first step.”



Dusanee Suwansri
School Partner
True Corporation Public Company Limited

Projects according to School Development Plans

The Group supports the development of plans to improve the quality of ‘Pracharat Schools’ under various forms of governance. The plan should be suited to the context of each school, where the ‘School Partners’ participate in exchanging knowledge, analyzing problems

together with schools and communities. They also monitor and assess performance on a regular basis through the School Management System, in order to deliver the highest benefits in line with Project objectives.

Localized School Development Plan

Support development plans that cover technical skills, academics, and the development of principals and teachers.

Results

- Students increase their career skills through real-life applications
- Teachers develop ‘child-centric’ teaching techniques



Proactive Leaders

Conduct a workshop on leadership for learning management in educational institutions.

Results

- Principals and schools understand the process of creating quality development plans through an active learning method
- Proactive development of leadership skills



Notebook for Education

Provide 5,000 notebook computers for educational use to pilot schools in 17 provinces.

Results

- Students have access to learning sources anywhere and at any time
- Promote an active learning model



Process Learning Development

Support ‘student-centric’ learning processes, and engage with communities to achieve sustainability.

Results

- The students’ O-NET, NT scores (Math and English) increased higher than the national average



Action-based Learning

Enhance ‘technical skills’ with the local wisdom of local community members, and develop learners through real-life practice.

Results

- Creation of products and development into 55 projects as learning courses
- Connectivity with other disciplines



Learning to Lead

Develop leadership skills for students, and embed responsibility and linkages to real life.

Results

- Concrete business models involving students
- Projects for sustainable self-sufficiency



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Projects according to School Development Plans

Project-based Learning

Design and implement projects to suit the context of the school's problems and environment; foster engagement between schools and communities.

Results

- Concrete development of the 'School Partner' and public sector education leaders
- Collaboration between schools, temples, and communities



Education Relationship Program (ERP)

Support processes for building relationships between management, teachers, and School Partners, and achieve a common understanding of project development.

Results

- Managers and teachers recognize how to implement projects according to targets



Giving and Sharing Opportunities

Provide career opportunities for students with hearing impairment through coffee shop business; offer financial support for opening coffee shops, and for trainings on coffee shop management techniques.

Results

- Develop technical learning for teachers and students
- Create a coffee shop management course for high-school students
- Implement a learning model for other audiovisual education schools



Train the Trainer by Professional

Staff elevate professionalism for the management team and teachers.

Results

- Managers understand management concepts for innovation projects
- Teachers gain skills on career-based projects that will deliver genuine results



Work-based Learning

Create opportunities for students to work in the Panyapiwat Technical College network at the high school and vocational education levels, and offer scholarships up until the completion of education.

Results

- Develop technical skills through hands-on applications
- Generate income to support families and reduce social problems



Train the Trainer by SP Junior

Volunteer students organize learning skills development activities through active learning models

Results

- PIM students learn and organize activities through an integrated approach, to create jobs for students
- Students learn about careers through work-based learning approaches



ICT Talent Project

True Corporation Public Company Limited conceptualized and launched the 'ICT Talent' Project. It connects teachers with learners, helping them to apply technology to learning processes as a way to enhance the quality of education management in the digital age. The Project is open to applicants who have expertise in information and communications technology (ICT), where they will be posted at Pracharat Schools to share knowledge and drive technology applications for teaching and learning in communities. Overall, this will enhance learning and qualities of life in the 21st century.



Community Learning Center

The Community Learning Center focuses on creating 'problem-based learning' processes that help learners think, research, analyze, and understand the problems facing their own communities, and foster collaborations within their own community to collectively find solutions to those problems or build learning processes. This will encourage the view that 'schools belong to the community,' supports student-centric learning, and helps students connect learning with community problems to achieve sustainability.

2017 (Model 1:1)	Pilot 100 ICT Talents in 100 schools
2018 (Model 1:5)	208 ICT Talents in 1,000 schools
2019 (Model 1:5)	212 ICT Talents in 1,000 schools

"I would like the students to access technology like in other schools. This school is like our home, our family."



Acting Sub Lieutenant
Phattarachana Phromsena
ICT Talent at Prawet New Temple School, Chachoengsao Province



Established nine community learning centers in all regions of the country.

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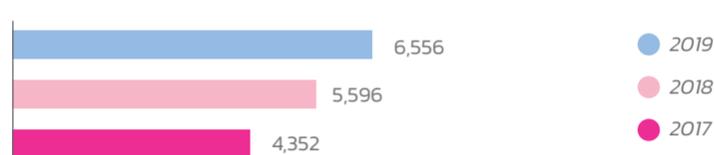
Quality Graduates



To leverage our expertise and understanding of business operations, C.P. Group established various educational institutions that address the needs of all business sectors in the country. The objectives of these institutions are to develop people, leadership potential, skills for teachers, and provide quality knowledge for children and youth. Furthermore, the Group encourages youth to take up careers that best suit their capabilities and to engage with communities. They should also be aware that all stakeholders involved in their future careers should receive benefits and better quality of life.

C.P. Group, through CP ALL Public Company Limited, established the Panyapiwat Technological College (PAT) in 2005, with the intention to create 'strength towards greatness.' PAT aims to equip students with technical knowledge, foundational skills, and real-life experiences. Courses prepare their readiness for each sector, and inspire them with the confidence to take on real jobs, ultimately helping them to become quality workforce of the country.

Institution	2017	2018	2019
 Panyapiwat Technological College Vocational Education Levels (Vocational Certificate and Certification of Technical Vocation)	1,920	2,679	2,949
 Panyapiwat Institute of Management Higher Education Level (Bachelor's Degree and higher)	2,432	2,917	3,607



Panyapiwat Institute of Management : Eastern Economic Corridor Campus (PIM EEC)



In response to the government's strategy under the Thailand 4.0 Policy, CP ALL Public Company Limited established the first Panyapiwat Institute of Management (PIM) in the Eastern Economic Corridor (EEC) region. PIM EEC aims to equip the graduates with knowledge and specialized capabilities through action-based learning. Such workforce supports the expansion of the S-Curve industries that rely on advanced technologies in the manufacturing process. Moreover, the Institute will strive to build a foundation for technology and innovation development, and can also serve as a resource for business, management, tourism, food, and sustainable agriculture and the environment. Likewise, it can support the expansion of business and industry, be the model for developing future human capital, and elevate economic competitiveness of the country. PIM EEC is currently under construction, and is expected to be completed in 2020.



Pilot Curriculum

- **Bachelor of Engineering, Automation Department**
Focusing on designing and installing automated systems, train technology systems, and retail technology systems.
- **Bachelor of Science, Digital Technology Department**
Focusing on current technology applications such as Internet of Things, Big Data, and Artificial Intelligence.



"College is not just about teaching by the book. We also have the responsibility to develop the human capital."

Mr. Pornvit Pacharintanakul
Vice President for Academic Affairs
Panyapiwat Institute of Management

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Providing Education Scholarships

Creating access to quality education

For over 40 years, C.P. Group has helped to maximize human capital potential across communities by promoting access to education through all Business Groups' strategies. Each year, the Group awards over 38,097 education scholarships to youth. In 2019, across the country, the Group awarded scholarship, with no commitments, to students in higher education who demonstrated good academic

performance but lacked financial resources. The Group also awards scholarships to the children of employees who display good academic performance, and encourages for all youth to apply for the Group's scholarships.

KEY PERFORMANCES 2019



38,135 scholarships for education awarded



1,173 million THB value of scholarships



26 educational institutions received scholarship support



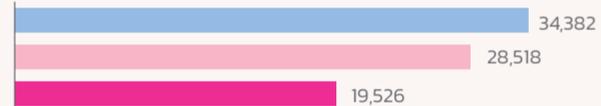
Opportunities to work with C.P. Group companies



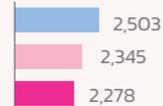
Three-year scholarships from C.P. Group support the completion of education at the relevant level

Scholarship Support by Business Line

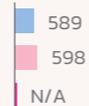
Retail and Distribution



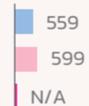
C.P. Group



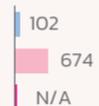
Agro-industry and Food



Telecommunications



Other Business Lines



● 2019
● 2018
● 2017

"People are at the heart of a good and sustainable society. We have to develop people who can grow; people with capabilities and integrity. These people will then inspire capabilities and integrity in a new group of people, and this cycle will go on, and lead to the creation of a sustainable community and society."



Assoc. Prof. Dr. Rueangsak Kaewthammachai
Former C.P. Group scholarship recipient

"The C.P. Group scholarship is much more than just an education scholarship; you also gain experience and leadership skills. I would like to thank the C.P. Group scholarship for giving me the opportunity to complete my Bachelor's education. It has made my life so much better, and now I can also support my sibling who is studying as well."



Ms. Hazana Kolae
Former C.P. Group scholarship recipient

"Because of my participation in activities with the Group, which helped me to develop my leadership skills and use my thinking and communications skills, I was able to apply those skills during my internship. I feel that they were very useful and applicable in real life. I would like to work for the Group. I would like to give back to the Company that has given me both scholarship support and valuable experiences."



Ms. Nutthawadee Phusri
Current C.P. Group scholarship student

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HEALTH

LIVING WELL



C.P. Group is committed to creating value for a sustainable society. We strive to build a society that is strong in various dimensions – good health, secure jobs that provide stable incomes, access to knowledge and information, quality education, and capabilities to benefit from technologies. C.P. Group continues to implement projects that target health, alongside our quest for innovations that promote good health and well-being for our consumers. We reach out to our stakeholders, communicate with transparency to strengthen engagement and foster understanding of our business operations. In addition, the Group shares knowledge and innovations with partner organizations, working together to create positive social impacts.



Social Impact

- Strategies to Increase Social Value
- Supporting Farmers and Developing Rural Communities
- Supporting Small Entrepreneurs
- Supporting Vulnerable Groups



Health and Well-Being

- Health Product Development
- Striving for Quality Product Development
- Promoting Animal Welfare
- Responsible and Prudent Use of Antibiotics
- Promoting Access to Food
- Health and Sports Promotion



Stakeholder Engagement

- Stakeholder Engagement Framework
- Listening to Our Stakeholders
- Partnerships for Sustainable Development



Innovation

- Digital Transformation
- Becoming an Innovative Organization
- Open Innovation
- Product Responsibility



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Supporting the SDGs



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

Challenges

A survey of progress on Sustainable Development Goals (SDGs) implementation by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) in 2019 found that progress on SDG 4, Quality Education, and SDG 8, Decent Work and Economic Growth, in the Asia Pacific region is still lagging significantly behind expectations. Indeed, working to achieve these goals within the specified timeframe continues to be a challenge for many countries. As a large private organization with operations in all regions of the world, we fully recognize that creating positive social value is one of our main tasks. For this reason, the Group has implemented various projects in support of these objectives, such as enabling access to financial capital and technology. The groups that CP, Group specifically supports are farmers, small and medium-size enterprises (SMEs), and vulnerable groups.

2020 Goal (Thailand)

100,000 beneficiaries

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

Year-on-Year Progress



Key Plans in 2020



Promote knowledge assets and technology transfers to local communities and society at large



Build engagement and social responsibility



Promote jobs, generate incomes, and develop quality of life





Key Performances 2019

Social Value Creation Dashboard 2019



Farmers supported
129,829



SMEs supported
706,100



Members of vulnerable groups supported
22,389



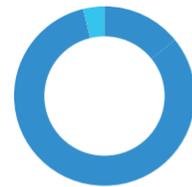
Social Investments

Charitable Donations (THB)
245,631,494



● Thailand 219,159,251
● Others 26,472,243

Community Investment (THB)
227,110,399

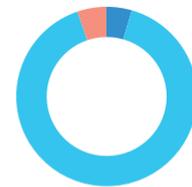


● Thailand 217,982,627
● Others 9,127,772



Management Costs for Social Value Creation Projects

474,674,036 THB



By Business Line (THB)

● Agro-industry and Food 21,219,270
● Retail and Distribution 428,829,311
● Others 24,625,455



Supporting Farmers and Developing Rural Communities

For a better quality of life

The agricultural sector is integral to economic progress and for elevating the well-being of societies in many countries around the world, such as in China, where agriculture constitutes up to 7.2% of the national GDP. Meanwhile, in Thailand, over 40% of land is devoted to agriculture, and the sector employs over 30% of the national workforce. Given these reasons, agricultural development – including developing the capabilities of farmers themselves – has always been an important national and international priority. However, the majority of Thai farmers continue to face poverty and encounter obstacles to accessing financial capital for developing know-how about the production and distribution of their products, as well as to procuring technology to support their production processes. C.P. Group has

concentrated on elevating farmers' qualities of life, and has been supporting them through various means. This includes strengthening their skills on farming and technology, enhancing capabilities on land management, and expanding distribution channels for agricultural goods. Over the past year, C.P. Group developed the C.P. Cixi Agricultural Eco-Industrial Park that focuses on developing farmers' knowledge so that they are able to earn a living and improve the quality and sustainability of their livelihoods.

In addition, our work promoting farmers' livelihoods also supports SDG 1, No Poverty, in economic and other relevant dimensions.



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Global Examples of Charoen Pokphand Group's Social Impact Projects for Shared Value Creation

Supporting Farmers and Developing Rural Communities



Pinggu Modern Agriculture Integrated Project (China)



Supporting Animal Feed Corn Farmers Project (Sri Lanka)



Local Village Fund, Layer Chicken Farm Project, Pae Toh Village (Myanmar)



Sufficiency Economy Learning Center Project (Bangladesh)



C.P. Cixi Agricultural Eco-Industrial Park Project (China)



Large-scale Rice Plantation Plot Combination Project (Thailand)



Supporting SMEs



Online Shopping Platform Development for Rural Farmers, Mianyang Project (China)



TrueMoney: Supporting Small Entrepreneurs Project (Vietnam, Cambodia, Myanmar, the Philippines, and Indonesia)



Community Pork Shop Project (Laos)



24Shopping for Community Businesses Project (Thailand)



Big Brother Project (Thailand)



Business Matching, Negotiations for Partnerships Project (Thailand)



Supporting Vulnerable Groups



Orphanage Foundation (Vietnam)



Third Annual Milk for Kids Project (Myanmar)



11th Annual Food for Life Project for the Elderly (Myanmar)



Social Enterprises Project with the Thailand Association of the Blind (Thailand)



Supporting Organizations for Disabled Persons with Social Enterprise Development (Thailand)



True Coffee Deaf Barista Project (Thailand)



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Evaluating Economic, Social, and Environmental Values: Pinggu Modern Agricultural Integration Project



In 2009, the Chinese government provided an opportunity for C.P. Group to participate in the operation of the Pinggu Modern Agricultural Integration Project in Pinggu District, Beijing, China. The project falls under the 'New Agriculture' Policy, and is implemented through a 'Four-in-One' collaboration approach between four parties – the public sector, the private sector, financial institutions, and farmers. In this project, farmers become project owners by forming a cooperative supported by the Chinese Government, while C.P. Group rents the land and manages

the project absorbing the operational risks. From its implementation, the Pinggu Project has helped improve farmers' quality of life, and has contributed directly and indirectly to the development of the local economy through employment and tax revenue. The net economic benefit provided to society was 125.5 million RMB in 2018, and the latest economic, social, and environmental valuation of the Project revealed that its positive impacts for Pinggu, both direct and indirect, were valued at over 73.6 million RMB.



C.P. Cixi Agricultural Eco-Industrial Park

Project Background

C.P. Cixi Agricultural Eco-Industrial Park is located on 2,600 hectares of green space, in Cixi City, Zhejiang province, in Eastern China. C.P. Group companies have applied agricultural technologies to convert an area with poor soil conditions, unsuitable for conventional farming, into an integrated agricultural park complete with rice, vegetable, and fruit cultivation. The Park embraces modern 5G farming practices, and includes layer chicken farms, a food research and development center, a fresh food factory, an animal feed factory, and a factory for manufacturing equipment used in animal husbandry. It has also become a tourist destination, supporting growth in e-commerce, access to financial capital, and other diverse services.

Performance

C.P. Cixi Agricultural Eco-Industrial Park is behind the creation of the 'Company + Farming Cooperatives + Farmers' model, devised according to the 'Four-in-One' concept under the 'New Agriculture' Policy. With this model, the Group provides farmers with equipment and training on technology and seeds, which helps them improve their productivity through contract farming and distribution via the Group's various channels. C.P. Cixi Agricultural Eco-Industrial Park helps farmers within the Project area, sell their produce to a wider market to increase their income.

Results and Benefits

>1,650 farmers participating in the project

>20 million RMB (>87.4 million THB) increase in income for farmers

650 million RMB (2,840 million THB) revenue from the C.P. Cixi Project in 2019



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Supporting Small Entrepreneurs

Creating job opportunities

One of the approaches under C.P. Group's Social Value Creation strategy is to provide support to small-scale entrepreneurs. In the past, these small business owners have faced a number of obstacles and challenges including adapting to market changes, accessing working capital, recruiting sufficient workforce, technology applications, and management. If these obstacles are not properly addressed, these small businesses could gradually shut down and, as a result, impact the country's economy and the well-being of society as a whole.

It is for these reasons that the Group has continuously supported small entrepreneurs and businesses through diverse types of projects. Examples include projects to promote access to financial capital to help business operations, opportunities to launch businesses, and support for sales and distribution channels to help business owners grow and expand. The Group is also engaged in helping communities develop products and services to international standards, as this will elevate local economies and strengthen the country's capabilities and competitiveness.



"Baan Thong Yod Thai Desserts" one of the small businesses that distributes its products through 7-Eleven stores around the country.

SMEs Support Model



Examples of SMEs Promotion Projects of C.P. Group's Businesses



Makro Retailer Alliance

Small-scale retailers and mom and pop's stores are key customer groups for Makro. As a member of Thai society, Makro contributes to economic development of local economic ecosystem through various social responsibility projects. Specifically, Makro focuses on extending support to small-scale retailers to help them enhance their capabilities and competitive advantage.



Day of Opportunities Project

CP ALL Public Company Limited has provided the opportunity for small businesses and farmers to develop their businesses by providing additional distribution channels across the country for their products. This initiative not only provides career, business, and educational opportunities, it also stimulates employment and knowledge transfers to small-scale retailers and SMEs, guided by the Company's overarching concept of 'Giving and Sharing Opportunities for All.'



True Merchant 4.0

True Merchant 4.0 is a mobile application for payments. By scanning a QR Code using the cashless TrueMoney Wallet, the app helps to facilitate the sales and purchasing process for both merchants and customers. The application, which is able to take online payments, and has a system summarizing and analyzing sales in real-time, as well as a planning feature for marketing and promoting their stores to increase sales revenue, transforms regular stores into '4.0 stores' in the digital era.



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Supporting Vulnerable Groups

For social equality

The current increase in the global population, natural resource shortages, natural disasters, and rapid advancements in technology, all have the cumulative impact of widening social gaps for the most vulnerable groups in society. This poses a significant challenge for many countries around the world; indeed, it is also one of the UN SDGs. C.P. Group, in our role as a leader in the agro-industry

and food sector, the retail and distribution sector, and the pharmaceuticals business, is focused on promoting and enhancing the quality of life for populations in vulnerable groups, to enable access to basic rights on an equal basis. In 2019, the Group organized a number of projects to respond to the needs of vulnerable groups.

CASE STUDY | 12

Developing People, Creating Jobs, and Providing Opportunities for Students with Impaired Hearing Project

CP ALL Public Company Limited, in partnership with CP Retailink Co., Ltd., conceptualized the 'Career Building Café' for schools participating in the Future Education Project of CONNEXT ED, to provide sustainable career opportunities to students

with hearing impairments. The Project provides skills training to students that can be applied towards their real jobs and careers – such as opening their own businesses or becoming specialized and professional employees. The Project has also been

expanded in the form of a 'Coffee Classroom' Project to support skills development for students with hearing impairments and other disabilities in special needs schools in the Bangkok Metropolitan Area.



Results and Benefits

388 students participated in the project

390,460 million THB value of financial support

CASE STUDY | 13

Social Enterprises Project, in collaboration with the Thailand Association of the Blind

C.P. Group and True Corporation, guided by the commitment to the sustainable development of society, established social enterprises and helped community and disabled organizations set up social enterprises. This enabled all people, regardless of their disabilities, gain more access to jobs. In collaboration with the Thailand Association of the Blind, C.P. Group and True provided support in various areas, including knowledge on raw material sourcing, construction of separation plants, capital management, and raw materials procurement. Over the past year, the Thailand Association of the Blind organized a project in Kalasin province that involved delivering raw materials to the CPRAM factory in Khon Kaen province, and earned a profit for the Association. Going forward, the Association plans to increase its income from more diverse channels to reduce dependency on only one product or one



Skills training for persons with disabilities on mushroom cultivation.

source of income. The enterprise itself is also highly flexible in management and is results-focused. For example, it recruits other persons with disabilities for employment instead of only personnel from the Thailand Association of the Blind. Furthermore, the integration of machinery and automated systems has helped to facilitate the work of persons with

disabilities, and has increased the proportion of farmers with disabilities through skills development, enabling them to embrace professional farming methods, secure stable incomes, and improve their quality of life.

Social Enterprise Management Model, in collaboration with the Thailand Association of the Blind



Market-driven



Self-sufficient income



An equal member of society



Product quality



Generate income from multiple channels



Highly flexible, focused on results



Technology for productivity



Create shared value with the Group

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HEALTH AND WELL-BEING

Supporting the SDGs



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 affordable essential medicines and vaccines

Challenges

At present, the health of the global population continues to be an issue of interest among the international community, who are working to identify cooperative means of addressing this problem. Meanwhile, the demand for products that are environmentally-friendly and healthy for consumers is increasing significantly. As a leader in the agro-industry and food, retail, and pharmaceuticals businesses, it has been Charoen Pokphand Group's (C.P. Group's) priority to innovate and develop products that respond to these diverse consumer needs. We do this by innovating and offering nutritional products that are suitable for each age group, using antibiotics in animals responsibly, increasing opportunities to access quality and safe products, and promoting the good health and well-being of consumers.

2020 Goal (Thailand)

30%

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

Year-on-Year Progress



Key Plans in 2020



Product development with focus on health and nutrition



Promote access to food



Promote animal welfare





Key Performances 2019

Health and Well-Being Performance 2019



Promote Food Access



533,795

children and youth with support for food access



Healthier Products

525 products

new products that promote good health and well-being



Promote Health & Well-Being

30,706 units

12,282,400 c.c. blood donations received



877 schools

participating in projects



11,857 persons

participating in basic first-aid and CPR training projects



Promote Animal Welfare

32%

of pregnant sows on swine farms are nurtured in group gestation pens

35%

area used for raising broiler chickens that are below or equal to 30 kg/m² in density

*Based on the results of assessed animal welfare performance of main products throughout our global value chain

Sports Promotion



2.53 million THB

value of food support for sports promotion



1.84 million THB

value of communication for sports promotion



1,661 persons

number of recipients of organ and eye transplants



219,782 persons

number of people committing to organ and eye donations



3.63 million THB

total value of donations to the 'Let Them See Love' Project

A safe and high-quality production process



100%

of food factories received quality and safety standard certifications



Developing Healthy Products

Promoting the best health and well-being for consumers

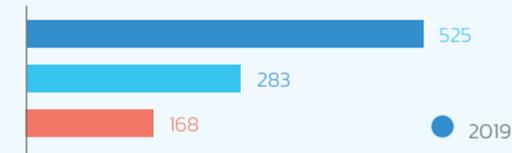
The rapid changes that are occurring today in a number of areas have brought about risks and opportunities for C.P. Group's business, particularly in the agro-industry and food sector. Indeed, changes in consumer behavior have always been an issue of interest for the Group. As a leader in the food industry, the Group's products have become a part of the well-being and daily lives of the people. For this reason, the Group is acutely aware of our responsibility to create, research, and develop innovative products that support the good health of our consumers, and to continuously operate with the goal of reducing natural resource use and negative impacts on the environment.

The Group has established a process to develop healthy products. The key factors include product quality and safety, complete nutritional value, affordable prices, market and consumer trends, and value for society. Over the past year, 525 new products that focused on good nutrition, health, and hygiene passed through the product development process and into the market. This was a direct result of the Group's commitment to developing products that are healthy for consumers, and to providing correct, complete, and clear information on product use and consumption including key ingredients, proper use, storage, and nutritional information. Given this, in 2019, the Group did not receive any product-related complaints, and did not recall any products that might have impacted the health of the population.



Mr. Prasit Boondoungprasert
Chief Executive Officer
Charoen Pokphand Foods
Public Company Limited

"The Group operates on the concept of continuous improvements. Everything that we do can create value for society. The good that we do for society and the environment is in turn good for the people who consume our products. This is what sustainability means. And as a major company, we have to remain firm in these objectives."



New products that promote good nutrition, health, and well-being

● 2019
● 2018
● 2017

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As a way to further our commitment to ideating and creating products that are beneficial to consumer health and well-being, and to meet our objective of increasing the number of products that promote good health to 30% by 2020, C.P. Group has established food research and development (R&D) centers both in Thailand and overseas. These R&D centers are equipped with modern laboratories, state-of-the-art technologies, and teams of expert researchers. In Thailand, the Group has two food R&D centers: the CPF Food Research &

Development Center and the CPRAM Food Research & Development Center. Overseas, there are R&D centers. The first is the Sino-Biopharmaceutical Research and Development Center in China, and the second is the Bellisio Foods Research & Development Center in the USA. Likewise, the Group has also built partnership networks with various public and private institutions to jointly research, innovate, and develop new healthy products for the market.

Healthy Product Research and Development Centers



CPF Food Research & Development Center (Thailand)

CPF's food R&D applies the CPF Healthier Choice principle, which prioritizes creating healthy food that reduces quantities of sugar, salt, and fats. This will help reduce the risks of obesity and non-communicable diseases, while maintaining taste standards and full nutritional value.



CPRAM Food Research & Development Center (Thailand)

CPRAM's food R&D is divided into two parts. The first is the foundational research and application center for bio-technology, and the second is the new product development center, which applies the knowledge and technologies generated from the first part towards the further development of products that directly respond to consumers' needs.



Sino-Biopharmaceutical Research & Development Center (China)

The Group collaborates with leading pharmaceutical institutions and organizations, in Thailand and overseas, to apply and further develop research. This includes developing research on healthcare using new, modern applications of technology and innovation.



Bellisio Foods Research & Development Center (USA)

Bellisio Foods is committed to being a global leader in innovation. The Center collaborates with expert agencies and universities on R&D, focusing on products and technologies, to develop foods that are beneficial and nutritious for each age group, and that are satisfying for consumers.



Striving for a Quality Production System

Producing quality and safe food

C.P. Group recognizes that effective quality management across the entire organization is one way to improve the efficiency of production processes and maintain the quality of our products. Given this, the Group has integrated various domestic and international standards related to quality and animal welfare into our business operations. Furthermore, as a measure of building confidence among our

stakeholders, the Group strictly complies with these standards, and provides knowledge training to our personnel to help them understand these standards and effectively comply with their requirements. We have also engaged reputable external agencies to conduct regular audits of our production processes against the standards.

Local and international standards applied by the Group, in Thailand and overseas, to ensure food safety and quality across the supply chain



Feed Business

Quality :

- GMP
- HACCP
- BAP
- AI Compartment
- ISO 9001
- ISO 22000
- ISO/IEC 17025
- FAMI QS
- CEN TS 16555
- IFFO RS CoC



Farm-Processing Business

Quality :

- GAP
- GAP/CoC Fisheries Department
- Global G.A.P.
- BAP
- QS
- ISO 9001

Animal Welfare :

- Green Industry Standards (Level 5 - Green Network)
- Animal Welfare Standard, The European Union
- Genesis Standards
- ALO



Food Business

Quality :

- GMP
- HACCP
- Global G.A.P.
- BRC
- ISO 9001
- ISO 22000
- ISO/IEC 17025

Animal Welfare :

- QS
- NSF
- QAI
- Halal
- SQF Level 3
- FSSC 22000
- CAS (Taiwan)
- IFS
- Green Industry Standards (Level 5 - Green Network)
- Genesis Standards



Modern Trade

Quality :

- GMP
- HACCP
- ISO 9001
- ISO 22000

For more information about our commitment on 'Striving for a Quality Production System,' please visit https://www.cpgroupglobal.com/th/health/SD_Health-and-Well-being

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Promoting Animal Welfare

To achieve the best health and well-being for consumers

Animal welfare is directly linked to food quality and safety. In recognizing this, C.P. Group developed a policy and guidelines on animal welfare in line with the international guidelines of the Farm Animal Welfare Committee (FAWC). In addition, the Group develops and enhances welfare practices for farm animals and other animals in accordance with the FAWC's Five Freedoms: 1) freedom from

hunger and thirst; 2) freedom from discomfort; 3) freedom from pain, injury, and disease; 4) freedom to express normal behavior; and 5) freedom from fear and distress. The Group has additionally established an Animal Welfare Committee to drive policy and approaches to manage animal welfare in a systematic and efficient way, in line with international standards.

Promoting Animal Welfare through the Five Freedoms



Farming : Prepare adequate food and water at all times. Living spaces for animals should not be crowded and should permit them to move freely. Vets and animal husbandmen should take regular care of the animals' health, and conditions on the farm or facility, such as temperature, humidity, and air ventilation, should be appropriate and sufficient for the animals.



Transportation : The methods of transporting animals must be good and appropriate. For example, animals should not be in danger during transport, animals should not be crowded beyond the recommended requirement, and conditions during transport should not cause animals stress or fear.



Processing Plant : Once the transport vehicle has reached the plant, it should be parked in an area that is appropriate and comfortable for the animals, to reduce their stress. All stages of processing must be smooth and overseen by expert staff, such as CPF Poultry Welfare Officers, who have received training on animal welfare.

No Beak Trimming for Chickens

C.P. Group encourages chickens to exhibit their natural behaviors of digging and scratching at the ground, and we provide materials within our facilities to ensure that this happens. For this reason, it is not necessary to trim the beaks of chickens. All countries where the Group operates chicken farming businesses – breeding chickens, broiler chickens, and layer chickens – strictly adhere to this practice.

Pig Farming and the 3Ts: No Testicles Cutting, No Teeth Clipping, and No Tail Docking

C.P. Group raises pigs in closed facilities with proper air ventilation, and has committed to reducing, avoiding, and eliminating any practice that alters the physical features of pigs, or the 3Ts – No Testicles Cutting, No Teeth Clipping, and No Tail Docking. Today, 100% of our operations in Taiwan and Malaysia do not practice tail docking or teeth clipping.



Responsible and Prudent Use of Antibiotics

C.P. Group is conscious of the importance of using antibiotics responsibly and prudently in animals, as this will help reduce problems such as antibiotic residues in animal products, resistance to antimicrobial drugs, and negative impacts to human and environmental health. To deliver safe and quality foods to our consumers, the Group has strictly adhered to guidelines on antimicrobial drug use in animals across our global protein production

supply chain. The Group's process in this regard encompasses the ideation, research, and development of products; raw material selection; animal food production processes; farming; food processing; and finally, adherence to Health Management Practices. This ensures that we respond to social demands for 'One Health,' which refers to the integration of human, animal, and environmental health practices into one, for good health as a whole.

C.P. Group's Principles for Antimicrobial Use in Animals



1. Adopt best international practices on responsible antimicrobial use in animals that are raised as food, and use drugs with care.



2. Ban the use of shared-class antimicrobials, which are medically important for both humans and animals, for the purpose of growth promotion.



3. Search for new and better ways to care for animals to promote animal welfare principles, reduce the need for antimicrobial drug use, and stimulate continuous innovation development.



4. Increase the roles of veterinarians and conduct trainings to enhance capabilities and manpower.



5. Develop processes for monitoring antimicrobial resistance to ensure that the problem can be accurately identified and monitored.



"Benja Chicken is the first chicken product in the world to have been raised on brown rice that is abundant with Vitamins B3, B6, and B9, and GABA, which results in good health for the chickens. As a result, the product was certified by the NSF as being 100% free from antibiotics."

Results and Benefits

0% no antibiotic use throughout the entire lifespan of the chickens

0% hormone use throughout their nurturing

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Sustainable Swine Production and Integrated Raw Material Cultivation across the Supply Chain, Xianyang



The Project on ‘Sustainable Swine Production and Integrated Raw Material Cultivation across the Supply Chain’ in Xianyang, Wuhan, Hubei province, was formed as a strategic collaboration on new rural development between C.P. Group and the government of Hubei Province. This Project was the first integrated industrial supply chain project on pig farming where the Group made the largest investment, with smart capabilities, and is currently the best level of integration for the industry sector. The entire Project can be traced across its production supply chain in an integrated manner, from the raw materials used for animal feed, to pig farming, to food processing plants and logistics components. Overall, the Project comprises four aspects: 1) integrated industrial supply chain development; 2) smart production; 3) traceability of the production process; and 4) recycling of resources. As a result, the Project delivers its core value ‘Three Benefits’ to farmers, society, and the organization.

Project Benefits



Benefits to Farmers

- Over 10,000 farmers have received an increase of 150 million RMB in income per year
- Farmers are able to reduce fertilizer use by 5,400 tons per year, and save 15 million RMB on costs



Benefits to Society

- Create awareness of safe food production systems
- Develop a large market for agriculture



Benefits to the Organization

- Company receives a safe and secure supply of pigs
- Respond to needs across the supply chain

C.P. Group’s entire production process is fully controlled according to requirements on production, environmental protection, biological information, and food safety. The Group’s operations further align with the ISO 9001, ISO 14001, ISO 22000, and hazard analysis and critical control point (HACCP) standards, which ensure control over safety and compliance. In addition, the Group established the Center for Animal Feed Quality Control and the Center for Animal Welfare Protection to monitor animal health, disease, and farm conditions, and the Food Testing Center to test raw materials for animal feed and finished products, examining nutritional indicators, toxins, and heavy metals, among others. The process further integrates e-Work Production Management and a quality control system, developed by the Group, with Internet of Things (IoT) devices and modern telecommunications technologies (radio-frequency identification [RFID], QR Codes), to allow for the automatic consolidation of data in real-time. In turn, there is complete traceability of the production process.



C.P. Group partnered with Danish Farm Concept (DFC) of Denmark on a project to breed top-quality pigs. The Group received recommendations on process design, production equipment, and training, and constructed 6,000 pig farms and 28,000 breeding farms.

Importantly, measures are in place to protect and control African Swine Flu in pigs. Three days before pigs are sent to the abattoir, they must be tested for African Swine Flu, and before they are loaded for transportation, they must also receive health tests. Furthermore, at the food production plant, the finished product can only be sold after passing 100% of the blood tests. Following the announcement of the Ministry of Agriculture and Cooperatives, production must

also include a polymerase chain reaction (PCR) testing tool and testing kits for detecting African Swine Flu in pigs in order to certify product safety. Finally, the Group has set up 32 cleaning and disinfecting centers, and designed measures for cleaning and disinfecting across three levels to ensure comprehensive control and monitoring of the vehicles used, and that personnel have completed the cleaning and disinfecting process.



Logistics trucks across the entire supply chain are monitored with a GPS system.

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Promoting Access to Food

Promoting the best health and well-being for consumers

C.P. Group has leveraged and built upon our established strengths in the agro-industry and food business to support the good health and well-being of the people, as well as to mitigate the impacts that arise from limitations in accessing food for consumers,

communities, and society as a whole. We promote proper and nutritious food consumption and nutritional principles through projects and activities that are implemented domestically and internationally.

CASE STUDY | 15

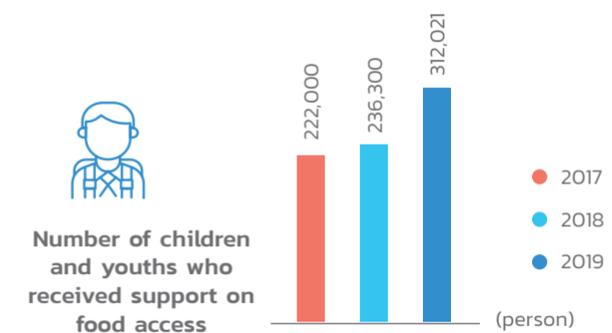
To recognize the importance of good nutrition among children and youth, who are the critical foundations of social development, C.P. Group supports food access and promotes good nutrition for students. We believe that good nutrition is a vital factor that will enable children and youth to grow to their fullest potential.



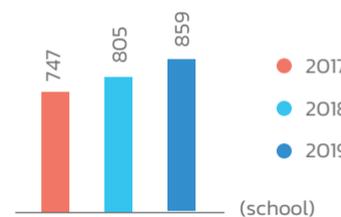
Examples of projects that promote access to food and good nutrition include the Raising Layer Chickens for School Lunches Project; the Open World of Learning Project; the CPF Growing Happiness, Growing Futures Project; Milk for Kids; and the Food for Life Project.



Results: Projects to Promote Access to Food and Good Nutrition (Thailand)



Number of participating schools



CASE STUDY | 16

Milk for Kids



Hand in Hand, Let Children far from hunger

CP Lotus China, in collaboration with Xiangnian Food Co., Ltd. and the World Food Programme, launched the 'Zero Hunger' program to improve child nutrition among preschool-aged children in rural areas.

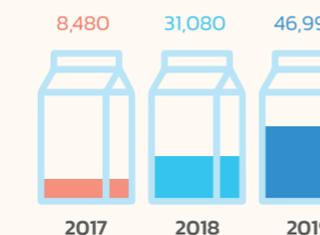
Results and Benefits ✓

160,000 preschool-aged children received lunches

3,098,355 THB value of donations

The 'Milk for Kids' Project promotes access to nutritious cow's milk for children and youth, in line with the Group's policy to develop dairy milk as a quality source of protein, and create a foundation for a stable career for local dairy farmers. Employees at all levels get involved by establishing networks with customers and suppliers to purchase pasteurized milk from the Naypyidaw dairy farm, which C.P. Group supports. The milk is then donated to boarding temple schools operated by communities and religious organizations, for children and youth who are vulnerable groups in society.

Project Results



Total volume of milk donated (liters)



Food Donations to the FareShare Charity

CP Foods (UK) Limited partnered with FareShare to donate food that is still of good quality and edible to groups who have limited access to food and/or have low incomes.

Results and Benefits ✓

13 tons of food donated to the FareShare organization

30,964 meals for recipients



Raising Layer Chickens for Lunches for Orphans

C.P. Vietnam Corporation organized the layer chicken farming project to use eggs as ingredients for children's lunches, and to promote good health and nutrition among school-aged children, particularly those from disadvantaged groups.

Results and Benefits ✓

1,043 children received protein from eggs

5 project expansions

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Health and Sports Promotion

Promoting the best health and well-being for consumers

In addition to our commitment and effort to deliver good and safe products to the hands of consumers, C.P. Group also focuses on improving the health of the people. We believe that sustainable health can be achieved through access to good quality food at affordable prices, and by having a strong and robust health.

C.P. Group has organized a diverse range of projects to promote health and sports, which are held frequently, to enable people full and equal access to good health. Examples of these projects include C.P. Group 100 Years: Giving Back through Blood Donations, Health Promotion Projects for Employees and Communities, and the CP CPR Volunteer Project, among others.

CASE STUDY | 17

C.P. Group 100 Years : Giving Back through Blood Donations

C.P. Group, through the Special Projects Management Office, partnered with the National Blood Center of the Thai Red Cross Society to organize the 'C.P. Group 100 Years: Giving Back through Blood Donations' Project, which encourages blood donations from companies within the Group, in Thailand and overseas. In 2019, the Project received the support of 172 C.P. Group companies.



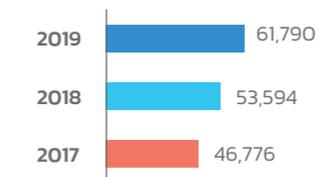
173.09 million C.C.

volume of blood donated by C.P. Group companies between 1991 and 2019

CP CPR Volunteer Project

C.P. Group encourages our employees to equip themselves with the knowledge and skills of first-aid and life-saving. Therefore, we organize trainings to develop employees into volunteer CPR instructors, also known as the 'CP CPR Volunteer,' who are responsible for sharing knowledge and providing support to victims of incidents within the Group and in society. In addition, C.P. Group has expanded the Project to include external youth participants through the project, 'CPR Youth Volunteers.'

Total number of participants involved in basic first-aid training and CPR (number of trained persons)



Number of participants in the 'Youth CPR Volunteer' Project Total number from 2013 - 2019



22,727 persons
number of participating youth



107 schools
number of participating schools





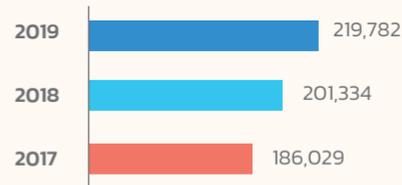
Let Them See Love Project Campaigning for Organ and Eye Donations

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, to help patients with degenerative organs achieve successful organ transplants. Consequently, these transplants help patients regain their strength, prepare to embrace a normal life, and reawaken their passion for living. In 2019, the Group created a short video commercial to create awareness

amongst the general public about the importance of eye donations. In addition, True Corporation launched various channels to support fundraising efforts for organ and eye transplant operations, including short message service (SMS) on the TrueMove H network, the TrueMoney Wallet application, and the exchange of 'True Points' into monetary donations through the TrueYou application.



Number of persons who wishes to donate organs and eyes



Good Community Health Project

Extra Plus Pharmacy, under C.P. Group, provided basic health checks and knowledge on healthcare to communities. The pharmacy also offered advice on nutrition and proper ways to exercise regularly. In 2019, the Group organized health checks for communities in 18 areas.



Results and Benefits

2,390 persons accessed in the community

100% were from at-risk groups, and those with at-risk conditions achieved better health

Generous Love by Acupuncture Needle over Thousand Miles Project

CP Lotus China, led by Mr. Li Wen Hai, Chief Executive Officer, organized the 'Free Acupuncture Treatment' program for the Tio Chew Association of Thailand, as a way to show love to Thai society and foster positive relationships between the people of the two countries – building a cultural bridge between China and Thailand.



Results and Benefits

1,000 persons received acupuncture treatment

Supporting the Thai National Team at International Competitions

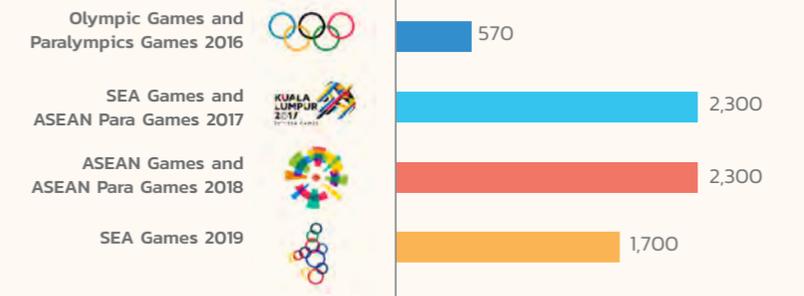
C.P. Group, in collaboration with Charoen Pokphand Foods Public Company Limited, CP ALL Public Company Limited, and True Corporation Public Company Limited, was entrusted by the National Olympic Committee of Thailand, and the Sports Authority of Thailand to provide food and formal communications services for over 1,700 members of the Thai national team, including staffs and medias, at the Southeast Asian Games (SEA Games) 2019 in Manila and Clark, The Philippines. The Group provided support through good nutrition to foster

physical and mental well-being. The Group offered clean, safe, quality, and nutritious foods, giving the athletes familiar tastes of home to strengthen their morale and prepared them for competitions with support at the total of 2,532,455 THB. Furthermore, the Group provided international roaming services to make it easier for the athletes to communicate with their families and boost their morale during the SEA Games 2019 with support at the total of 1,847,627 THB. In addition, C.P. Group and Group companies launched a commercial on the

concept of 'Thais: Hearts of Fighters,' to inspire support and unity among Thais throughout the country. We also carried out public communications activities and reported on competition results throughout the games, to encourage Thai people to join forces and send encouragement to Thai athletes during important competitions. This is another reflection of C.P. Group's commitment to driving and promoting good health and well-being for Thai society.



Number of Athletes who Received Food Support (persons)



6,870 persons

number of athletes, staffs, and medias that received food support during international sports competition between 2016 - 2019.

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STAKEHOLDER ENGAGEMENT

Supporting the SDGs



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

Challenges

C.P. Group is committed to maintaining positive relationships with all groups of stakeholders. However, as our Business Groups have production bases and activities in all regions around the world, managing and engaging all stakeholders become a key challenge. Ensuring the satisfaction of all stakeholder groups requires arranging for different types of channels for stakeholder communications, organizing activities that respond equally to the needs of all groups, and participating in international sustainability networks to build confidence for stakeholders over the long term.

2020 Goal (Thailand)

100%

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

Year-on-Year Progress



Key Plans in 2020



Review material sustainability issues from stakeholders



Monitor plans with stakeholders of C.P. Group's Business Groups



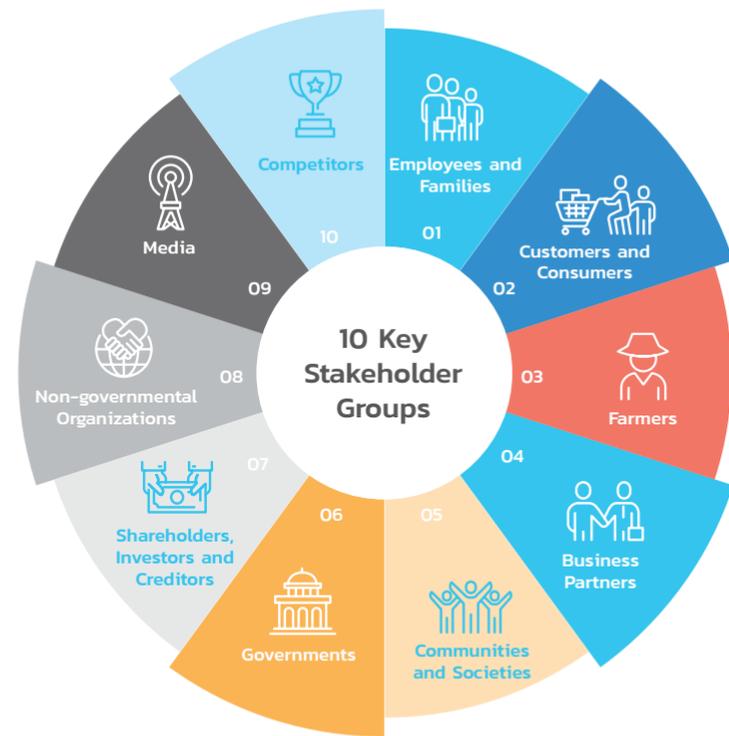
Develop digital communication channels for stakeholder engagement



Stakeholder Engagement Process

C.P. Group is fully committed to maintaining positive relationships with all stakeholder groups. This will enable the organization to grow and respond efficiently to the expectations of all stakeholders. As the framework for our stakeholder engagement, C.P. Group has adopted the AA1000 Stakeholder Engagement Standard, which provides guidances on developing effective engagement and

communications plans, preparing data and sufficient personnel for on-the-ground engagements with stakeholders to collect key information, assessing performance, and revising the Company's business plans, to better respond to stakeholders' needs and deliver sustainable values.



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Stakeholder Engagement Framework

Stakeholder Group	Method of Engagement	Issues of Interest
 <p>1. Employees and Families</p>	<ul style="list-style-type: none"> Intranet, CPG Connect Mobile Application E-mail, HR Communications Conversations, meetings, and working team meetings Innovation presentations Activities of the Welfare Committee Feedback and grievance channels Satisfaction and engagement surveys 	<ul style="list-style-type: none"> Compensation, benefits, and remuneration Career progression Work environment Occupational health and safety
 <p>2. Customers and Consumers</p>	<ul style="list-style-type: none"> Feedback and grievance channels Customer surveys and interviews Meetings and site visits Websites and consumer newsletters Consumer center 	<ul style="list-style-type: none"> Quality and safety of products and services Product traceability Post-sale information about products and services Personal data privacy
 <p>3. Farmers</p>	<ul style="list-style-type: none"> Site visits and participatory meetings Farmer promotion centers/collaboration projects Website and news/communications materials Surveys Grievance channel 	<ul style="list-style-type: none"> Capacity-building for farmers Timely and sufficient access to resources Fair business practices
 <p>4. Business Partners (Suppliers)</p>	<ul style="list-style-type: none"> Site visits and joint meetings Supplier capacity-building projects, partnerships, and joint innovation development Assessments, consultations, and technical services Grievance channel 	<ul style="list-style-type: none"> Supplier capacity-building Human rights and environmental impacts in the supply chain Fair business practices
 <p>5. Communities and Societies</p>	<ul style="list-style-type: none"> Opinion survey and listening to recommendations Grievance channel Dialogues and regular visits Activities to promote quality livelihoods 	<ul style="list-style-type: none"> Business impacts on societies, communities, and the environment Engagement in promoting community livelihoods Promoting community employment Transparent and efficient communications on performance

Response	Benefits Received by Stakeholders	Page
<ul style="list-style-type: none"> Treat employees with respect for human rights principles Continuously develop employees' capability Retain good and talented employees Develop a human resources management system Comply with Thai labor standards Enact the Safety, Occupational Health and Workplace Policy and Guidelines 	<ul style="list-style-type: none"> Employees receive appropriate training Leadership training and development Grievances and whistle-blowing management Assessments on safety, occupational health and work place environment 	<p>74-75</p> <p>78-79</p> <p>57</p> <p>70</p>
<ul style="list-style-type: none"> Develop products and services that meet quality and safety standards Help consumers understand products and services through product labeling, and protect customer data privacy Develop a product traceability system 	<ul style="list-style-type: none"> Commitment to quality production processes Product labels, website, and direct consumer hotline Raw material sourcing and traceability 	<p>115</p> <p>45</p> <p>188-189</p>
<ul style="list-style-type: none"> Support knowledge, skills, technologies, and responsible operations that are appropriate and sufficient for farmers' needs Guarantee sources of income, and find markets and sale channels for farmers Develop fair contracts according to the law 	<ul style="list-style-type: none"> Farmer support and rural community development projects Sustainable supply chain management 	<p>101-103</p> <p>202-213</p>
<ul style="list-style-type: none"> Continuously develop supplier partnership projects Develop criteria for supplier assessment according to the Sustainable Procurement Policy Communicate with suppliers to help them understand requirements Treat all suppliers equally and fairly according to business agreements/Business Code of Conduct 	<ul style="list-style-type: none"> Projects to promote small-scale entrepreneurs Open innovation Supplier capacity-building Communications on the Supplier Code of Conduct Operations based on the foundations of ethics and transparency 	<p>106-107</p> <p>149</p> <p>210</p> <p>205</p> <p>51</p>
<ul style="list-style-type: none"> Promote community engagement and partner with government agencies, private sector organizations, educational institutions, and independent organizations Leverage the Company's competitive advantages as tools to create positive impacts and mitigate negative impacts on societies 	<ul style="list-style-type: none"> Initiatives that create values for society Climate change management Water stewardship Ecosystem and biodiversity protection 	<p>102-103</p> <p>158</p> <p>174</p> <p>184</p>

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Stakeholder Engagement Framework

Stakeholder Group	Method of Engagement	Issues of Interest
 6. Governments	<ul style="list-style-type: none"> Meetings and visits on various occasions Collaboration and support for initiatives, project development, and beneficial activities Grievance channel 	<ul style="list-style-type: none"> Compliance to relevant laws and regulations Being a model business for social and environmental responsibility Complete, transparent, and efficient performance disclosures
 7. Shareholders, Investors, and Creditors	<ul style="list-style-type: none"> Meetings and roadshows Site visits to operational units Letters to creditors Investor Relations Office Grievance channel 	<ul style="list-style-type: none"> Corporate Governance Complete, transparent, and efficient performance disclosures Enhancing competitiveness and business direction
 8. Non-Governmental Organizations (NGOs)	<ul style="list-style-type: none"> Regular feedback and dialogues Support collaboration through networks as appropriate Site visits to operational units Grievance channel 	<ul style="list-style-type: none"> Impacts of business operation on societies, communities, and the environment Social projects Complete, transparent, and efficient performance disclosures to the public
 9. Media	<ul style="list-style-type: none"> Communications through all formats/channels Media visits to operational units Press conferences and regular media interviews Support and engagement in media activities Grievance channel 	<ul style="list-style-type: none"> Corporate governance Complete, transparent, and efficient performance disclosures Business impacts on societies, communities, and the environment Social projects
 10. Competitors	<ul style="list-style-type: none"> Meetings with third party organizations, such as the Federation of Thai Industries News and information obtained through public media and forums Grievance channel 	<ul style="list-style-type: none"> Compliance with ethics of competition, laws, and trade regulations

Response	Benefits Received by Stakeholders	Page
<ul style="list-style-type: none"> Monitor and strictly comply with all relevant laws and operating guidelines Collaborate on and support initiatives, and develop projects and activities that will benefit the country Communicate and disclose performance in a complete, transparent, and efficient manner, and receive recommendations for improving operational plans 	<ul style="list-style-type: none"> Good corporate governance Oversight of compliance across the Group Partnerships for sustainable development 	51 59 136-137
<ul style="list-style-type: none"> Operate in compliance with laws, corporate governance principles, objectives, company's regulations, and decisions of the Shareholders Comply strictly with the creditor's conditions Listen to the recommendations and reflections from shareholders and investors Collaborate with relevant agencies to improve operational efficiency 	<ul style="list-style-type: none"> Good corporate governance Corporate sustainability management Innovation management and promotion 	51 34-43 144-147
<ul style="list-style-type: none"> Coordinate work locally to jointly address problems Listen to recommendations to inform determination of operational approach Communicate and disclose performance in a complete, transparent, and efficient manner, and receive recommendations for improving operational plans 	<ul style="list-style-type: none"> Operations that uphold human rights and labor practices Value-added initiatives for societies Ecosystem and biodiversity protection 	63 102-103 184
<ul style="list-style-type: none"> Engage media to strengthen good relations Provide factual, useful, and timely information for official communication to the public Monitor news reports to inform future operational approach 	<ul style="list-style-type: none"> Good relations with the organization Useful and timely information based on facts 	136-137 45
<ul style="list-style-type: none"> Adhere to the rules/ethics of competition and establish a monitoring mechanism to ensure that there is no conduct associated with gaining trade secrets from competitors Prohibit any actions to defame competitors' reputation based on unfounded facts 	<ul style="list-style-type: none"> Good corporate governance Anti-corruption 	51 56

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Listening to Our Stakeholders

“C.P. Group can contribute to enhancing the country’s competitiveness by developing education and public health infrastructures, and co-investing with the government in the right sectors. To enhance the Group’s competitiveness, the agro-industry sector is a stable value sector, and future investments need to consider long-term sustainability. Technology and retail businesses are fast growing sectors; therefore, it is necessary for C.P. Group to increase value and utilize new business approaches, while ensuring that their businesses in these sectors will not be disrupted, and that they can handle various levels of changes.

Today, C.P. Group has strength in sustainability. This will play an important role in the market, as businesses must not push the burden of sustainability to consumers in order to increase their profits. Instead, they must be responsible to society. Here, C.P. Group has done well by choosing sustainability as the key goal of the organization.”



Prof. Arturo Bris
Director,
IMD World Competitiveness Center



Emeline Fellus
Director,
FReSH, WBCSD

“Overall, C.P. Group’s sustainability strategy is good in that it covers the challenges concerning health and sustainable development. However, we must enhance our consideration for other environmental variables, such as nitrogen and phosphorus buildup and soil erosion, and revise those targets that are linked to impact valuations. For example, the target to develop 30% new products that promote health and well-being is good, but might not be enough. C.P. Group should strive to eliminate the most damaging products, or improve upon them, and assess

whether these better products are consumed or used to replace other products. Likewise, we should encourage consumers to eat better foods, and find ways to make these foods easily accessible, affordable, and attractive. For example, this could include plant-based alternatives for protein. The World Business Council on Sustainable Development’s (WBCSD’s) 2050 Vision will be disclosed in-depth with further details about future trends and changes that will impact businesses, and we encourage involvement through the WBCSD platform.”



Mr. Virachat Jae-lem
President of the Local Fishing
Association of Hua Sai
Hua Sai district, Nakhon Si
Thammarat province

“The success of the partnership between the local community and C.P. Group on marine resources conservation and restoration, and on improving the lives of our local fishermen, happened because C.P. Group came in to work with us. Before the partnership, the local villagers relied only on their own ideas – much like having a body with no heart or head, and no way to walk forward. However, once C.P. Group came in with their community relations team, they brought in the heart and the brain to complete the picture. This helped nurture the local fishermen’s ideas, enabled us to work together in harmony, and gave us strength and ability. As a result, our conservation work to increase the number of aquatic animals, produce food, and generate income, could move forward on secure footing. We now see the genuine commitment of C.P. Group who, despite the many obstacles encountered over the past three years, did not leave this area behind.

As for what I want to see improved in our collaboration going forward, I would like the projects to continue with genuine commitment. Prior to this, various organizations and private sector agencies would just come into the area for a short-term project, or they would pause or terminate their work as soon as they encountered problems. Because of this, our communities and networks became reluctant to work with the private sector. What’s very important is for the Company to also integrate the perspectives and needs of the community into their operational framework, so that the projects or activities that we undertake together will achieve the targets that we set, and create sustainability for both the Company and the community.”

“Sustainable development refers to the balanced development of societies, communities, environmental ecology, the economy, and governance. In turn, this translates to continuity, equality, inclusiveness, and responsibility for the environment, economy, and society. In all of this, we have to consider the education of the next generations, because the majority of agricultural families still lack the opportunity to access basic education. We must also consider stakeholder engagement, because the participation of all people in society is what will drive development – much more so than conflicting viewpoints. Engagement is also vital for development given our limited natural resources – soil, water, forests, and biodiversity; for balancing the needs of different

generations, especially when the elderly population is growing; and for the new generation to have a role in determining their futures. C.P. Group is a large business, with a highly interconnected supply chain that is strong in every regard. Because of this, the Company must look back and take responsibility for solving problems, and show accountability for all processes in their supply chain. They must strive to restore the biodiversity of ecosystems such as tropical forest and coastal ecosystems, and also connect cultures and communities using modern technology. C.P. Group has strong capabilities in trade, business management, and investment, and so they must connect with civil society and communities to foster joint development for sustainability.”



Mr. Samruay Padpol
President of the Subdistrict Administration
Organization of Muang Chang
and Chairman of the Ban Joko Learning Center
Muang Chang subdistrict, Phu Phiang
district, Nan province

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Partnerships For Sustainable Development

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C.P. Group recognizes the importance of building partnerships with organizations as this supports the Group's ability to efficiently meet our sustainability targets. In 2019, in addition to being a member of the United Nations Global Compact (UNGC) at the advanced level, the Group was also one of 15 private sector organizations to have co-founded Global Compact Network Thailand.

In order to drive the UN's Sustainable Development Goals and national sustainable development, the Group supports domestic and international organizations and trade associations that have the potential to support policies, rules, and other regulations related to the agro-industry, food, pharmaceutical, and retail sectors.

World Economic Forum

Mr. Suphachai Chearavanont received the honor to be a Co-Chair of the 2019 Annual Meeting of the New Champions in Dalian, China. The meeting aimed to discover ways of achieving inclusive and sustainable future growth, and eliminating inequalities. He also joined the panels: 'Leadership 4.0: Succeeding in a New Era of Globalization' and 'The Quest for Leadership 4.0'

UN Global Compact

C.P. Group, as a member of the United Nations Global Compact (UNGC), COP Advance level, discloses its sustainability performances and implementation of the 10 Principles of the UNGC, which covers anti-corruption, the environment, labor, and human rights. C.P. Group representatives also participated in the Leaders summit organized by UNGC during the High-Level Segment of the UN General Assembly in September 2019. C.P. Group aims to become LEAD member of UNGC in 2020.

Global Compact Network Thailand (GCNT)

As one of the 15 founding members of GCNT, C.P. Group has actively and continuously promoted cooperation among GCNT members and partners across all sectors to support GCNT's initiatives. In September 2019, the Group supported GCNT in organizing the 3rd National Dialogue on Business and Human Rights under the topic 'Sustainable Financing: What Companies Need to Know?', in partnership with Ministry of Justice of Thailand (MOJ) and UNDP Thailand. The Group and GCNT also supported the MOJ's event to announce the first National Action Plan (NAP) on Business and Human Rights (2019-2022) in December 2019. Furthermore, the Group has actively supported GCNT in its strategy development to promote private sector collaboration. The Group work with partners from all sectors in contributing to the achievement of the SDGs in Thailand.

WBCSD

C.P. Group is firmly committed to its membership of the WBCSD and other member organizations to promote global sustainability, particularly through WBCSD's 'Food Reform for Sustainability and Health' (FRSH), and WBCSD's social agenda as the Group is interested in eliminating and reducing food waste, and promoting human rights among businesses.

BOAO Forum for Asia, Hainan:

Mr. Dhanin Chearavanont (Senior Chairman) participated in the opening ceremony of the BOAO Forum for Asia Annual Conference 2019 and served as a panelist on the Overseas Chinese CEO Roundtable, speaking on the topic, 'Building a common future for humanity, overseas Chinese engagement and opportunities.'



World Economic Forum, Dalian:

Mr. Suphachai Chearavanont (Chief Executive Officer) shared his experiences during the session, 'The Quest for Leadership 4.0,' with world-leading business representatives and academics, including Huang Yiping (Beijing University), Enass Abo-Hamed (Imperial College), John Meacock (Deloitte), and Michelle Zatlyn (Cloudflare), with Amy Bernstein (Harvard) as moderator.



World Economic Forum, Dalian:

Mr. Suphachai Chearavanont (Chief Executive Officer) spoke with Dr. Anil Menon of the World Economic Forum on the topic, 'Conversation on Leadership 4.0.'



WBCSD, Singapore:

Mr. Noppadol Dej-Udom (Chief Sustainability Officer) discussed with Peter Pakker (WBCSD) and Diane Holdorf (WBCSD) during the World Business Council on Sustainable Development's 2019 council meeting.





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Supporting the SDGs

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

Challenges

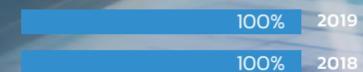
Innovation is essential in the 4.0 era economy. With the needs of consumers transforming in new directions, C.P. Group must adapt within the business operation demonstrate greater responsibility, and create value for society and the environment. We are focused on research and development (R&D) of innovations that support the economy, society, and the environment. We will accomplish this through both closed and open innovations, and by instilling behaviors and mindsets among employees that can inspire creativity, ultimately transforming us into a leading innovative organization, stepping in time with change.

2020 Goal (Thailand)

50%

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

Year-on-Year Progress



Key Plans in 2020



Digital transformation



Share knowledge on innovation at the C.P. Innovation Exposition

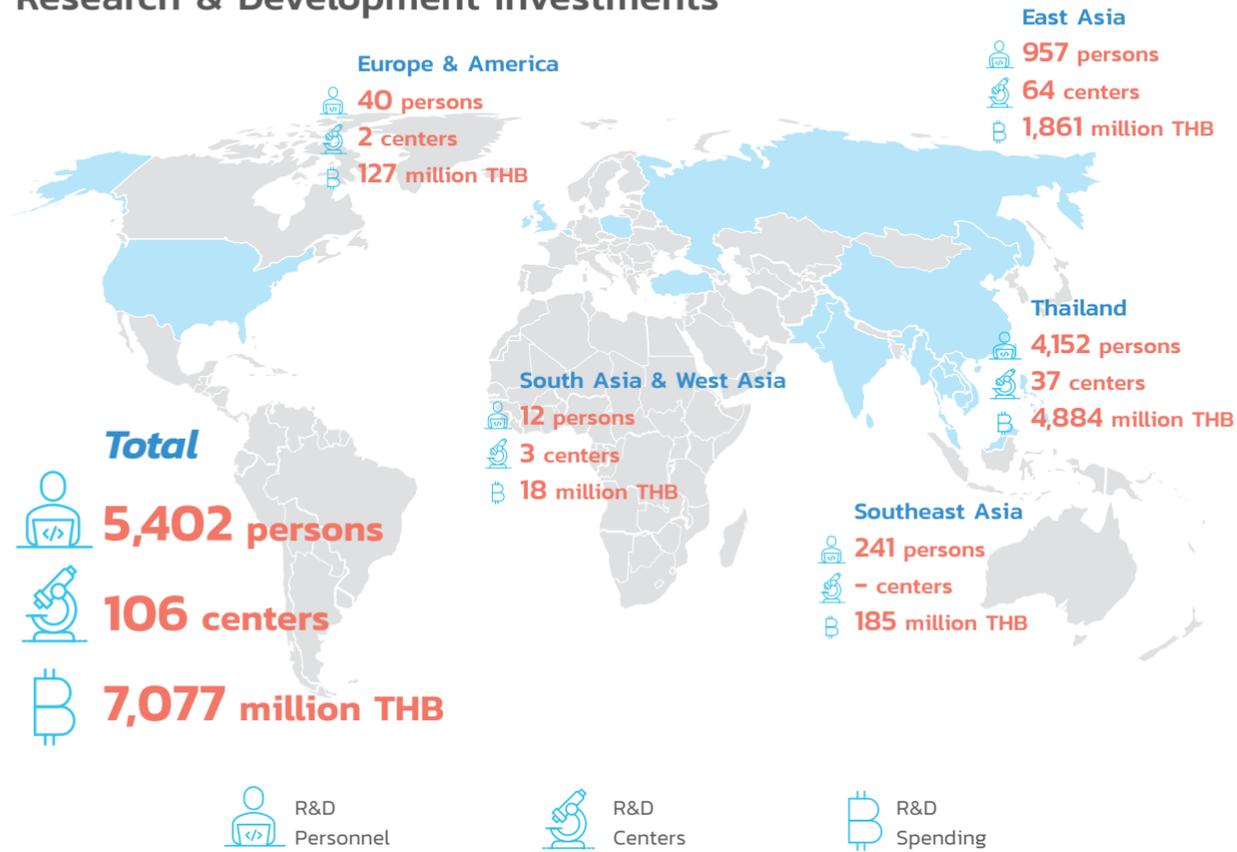


Create C.P. Group 'Innovators'



Key Performances 2019

Research & Development Investments



Digital Transformation

'Digital Transformation' is one of the visions that C.P. Group is applying to drive the business forward. It comprises six strategies, each focusing on how technology can be applied to enhance work efficiency for customers and internal operations, and analyzing big data from the manufacturing, marketing, and service processes to expand and strengthen the business and future investments. Over the past year, each strategy has progressed well according to our

set targets and indicators. Looking forward to 2020, the Group will continue to drive all six strategies in pursuit of our targets, as we believe that they will help enhance our potential in fulfilling the vision, "To be a leading tech and innovative conglomerate, providing food for both body and mind, that creates shared value and brings health and well-being for all."



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CPG CONNECT: Tools for Digital Collaboration

Internal communications are crucial for facilitating efficient running of an organization. The tools used for these communications must respond to the needs of the organization, as well as to the current lifestyles of employees. C.P. Group has invested in a technology to create new platform, called CPG CONNECT, which is a tool that supports internal organizational communications, equipped with high-level security technology. In addition, C.P. Group enhanced this tool further by adding numerous features to help employees work more efficiently at both the individual level and across functions.



Features of CPG Connect



Messaging

- Instant messaging
- Mobile messaging



Collaboration

- Team Rooms
- VDO conferencing
- Communities



Communication

- Portal/intranet



Business Applications

- 360 Feedback review
- Check in – Check out
- Leave management



Knowledge Management

- E-learning



Productivity

- Task management



Connectivity

- Employee directory



Crowdsourcing

- Survey
- Polling

Applying Artificial Intelligence (AI) for Swine Farming, Northern China

The vision of the C.P. Group's Senior Chairman is to help develop rural northern China, transforming it into a greener area and a business model for agriculture 4.0 using two strategies – Agriculture 4.0, which focuses on modern environmentally-friendly agricultural practices, and joint investments approach, creating synergy between the Group and local communities. Following on from this vision, to raise 1 million pigs, the Group launched a project that applies technology and innovations across the entire value chain. This involves, for example, raising pigs in enclosed facilities with computer-controlled temperature and environmental parameters,

designing the farming structure with positive pressure to reduce 99% of PM2.5 levels, and moving pigs using automated machinery. Within the facility itself, AI is used for various controls and activities, such as measuring the weight and fat content of a pig, and counting the number of pigs to calculate appropriate food ratios. An AI system is also used to analyze the sounds of pigs and sows to access their health. It is used to determine their readiness for breeding. All of this information is consolidated onto a smart platform, accessible via mobile phone, enabling swine farmers to make real-time decisions on animal care.



Intelligent Management Platform



AI system for examining breeding readiness



AI system for counting the number of pigs

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Building Innovation Infrastructure

Paving the way for future research, development, and innovation

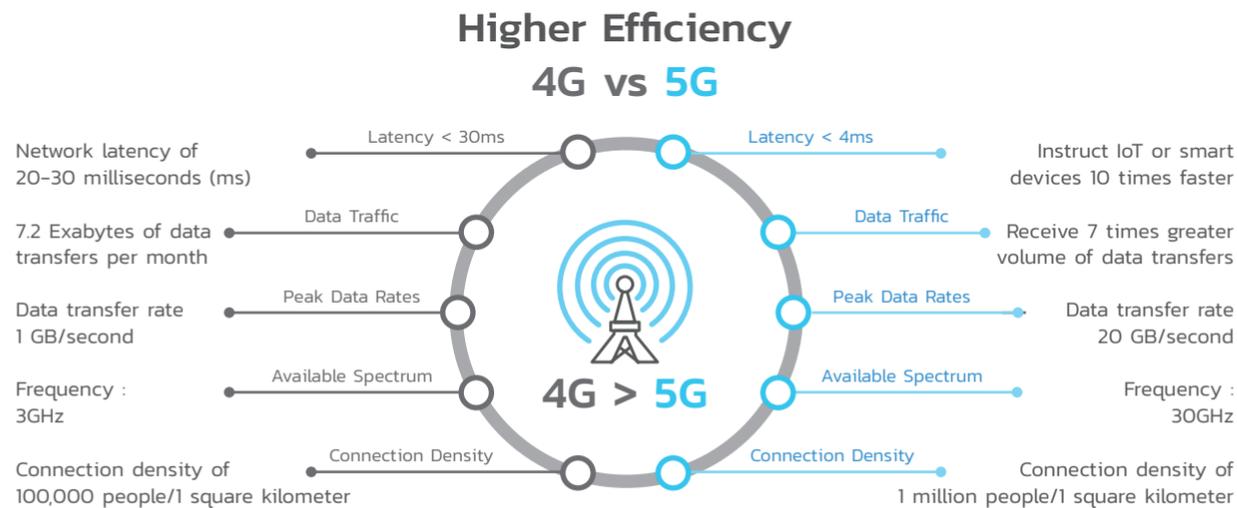
To achieve excellence in research and innovation in all types of businesses within the Group, we have invested in developing our research infrastructure to allow for continuous R&D. C.P. Group currently has 106 R&D centers around the world. Each center is supported by specialist researchers and R&D support personnel to ensure efficient operations, with 5,402 staff in total. Our efforts in

innovation infrastructure development not only focus on food and agriculture research centers, but also on technological research that can be used to support and enhance agriculture, education, health, and new lifestyles – keeping up with changing trends all around the world.

Developing a 5G Network: “True 5G: The Genius for the New Sustainable World”

The 5G technology implemented by True Corporation, launched in 2019, is a critical infrastructure that will help inspire innovations, develop livelihoods, and promote a more equal society. It is well known that 5G technology does not merely help speed up communications or data transfers and downloads. Once 5G technology is connected to existing IoT devices through the internet, it will be possible to transfer information between home appliances, remote equipment, and machinery on the production line. This means that work instructions can be ordered remotely, and remote learning and healthcare will be more accessible to all.

5G technology will help build capabilities, reduce costs for the business and manufacturing sectors, and reduce pollution. This can be achieved, for example, by using IoT to transfer information within the production process for more accurate calculations on how much raw material is needed to produce products at appropriate quantities and reduce waste materials. All of this will elevate Thailand’s potential and sustainably strengthen the country’s competitiveness in a new economic era.



True 5G Technology: Sustainability Potential

World of Agriculture

Strengthen Thai agriculture for a balanced ecosystem

- Solutions for monitoring cow behaviors
- Smart corn plantation
- Smart chicken farms

World of Education

New models for limitless learning

- Smart Campus
- Virtual Reality (VR) for teaching and learning
- True 5G Hologram Teacher

World of Security

Access to support and safety, anywhere and at anytime

- 5G Smart Rescue Helmet
- True 5G Drone to search for survivors

World of Health & Wellness

Accessible care for all with 5G

- Remote medicine with 5G
- Surveys and health services with 5G drones
- Home Health Care

World of Entertainment

Transforming entertainment for everyone to access, everywhere

- 5G VR Game
- 5G Dancing Robot
- True 5G Tech Concert



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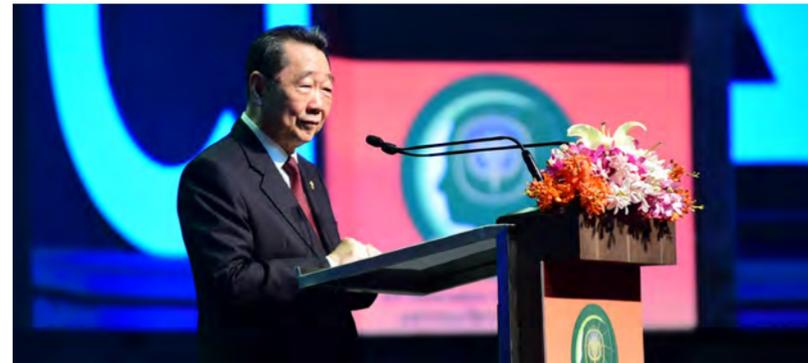
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Becoming an Innovative Organization

“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.”



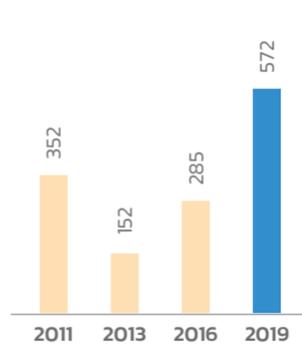
As a way to encourage all employees to participate in the creative process of developing innovations, C.P. Group organizes the C.P. Innovation Exposition every two years, and has done so for the past ten years, to stimulate knowledge and experience-sharing across Business Groups, and to encourage

and recognize employee contributions through exhibitions displaying innovations from all Business Groups around the world. Similarly, innovation exhibitions are also organized at the Business Group level to maintain a culture of innovation. Over the past year, the Agro-Industry and Food, Retail

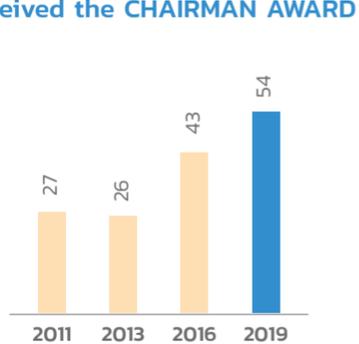
and Distribution, Telecommunications, and International Trading Business Groups, as well as our Business Groups in China, organized their own innovation exhibitions. The winning submissions from these competitions will be selected through a rigorous process to compete against all Business Groups at the C.P. Innovation Exposition in 2021, which marks the 100th anniversary of C.P. Group’s establishment. This collaboration on driving innovation development – at both the Business Group and Group levels – has made innovation an essential part of our business, which can be leveraged to further strengthen our competitiveness.



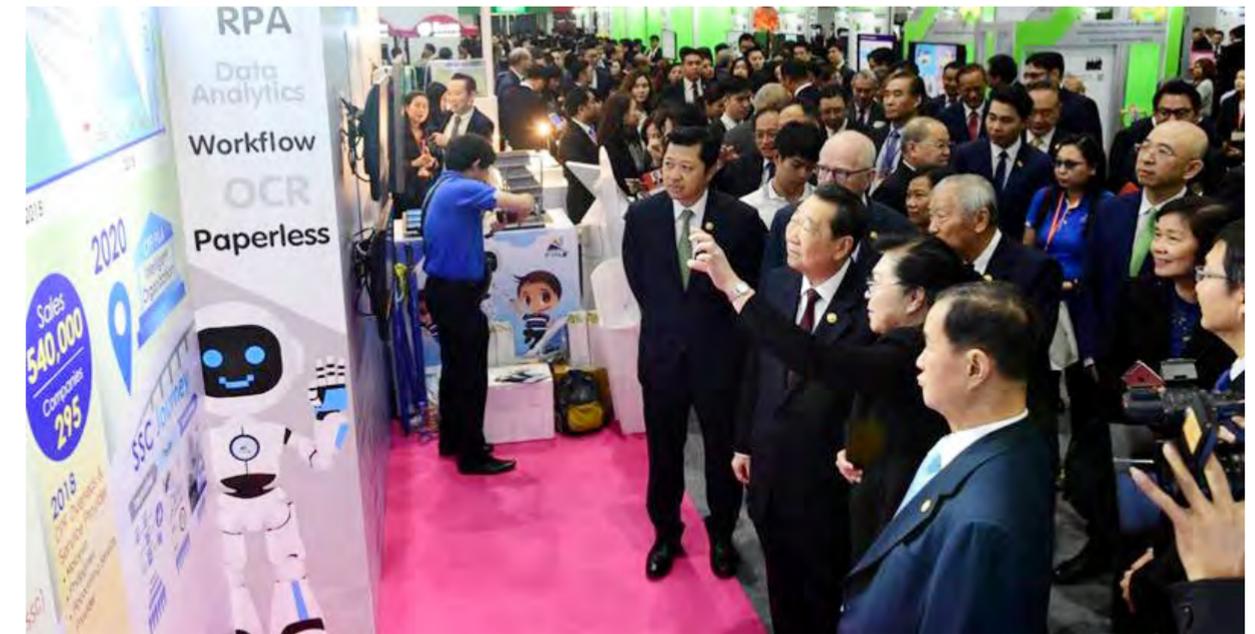
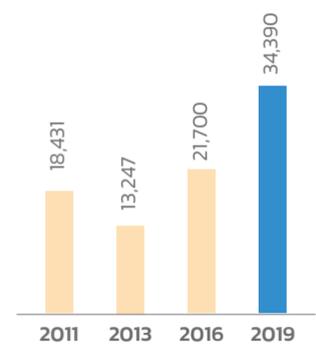
Number of innovations



Number of innovations that received the CHAIRMAN AWARD



Number of participants



Robot Accountant, an innovation from the C.P. Innovation Exposition 2019.

C.P. Group Innovation Promotion Platforms



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One Day Satisfaction Project

From Values to Applications, Transforming into a Sustainable Innovative Organization

Guided by the objective of putting our Six Core Values into practice, the 'One Day Satisfaction' Project encourages employees to get involved in initiating ideas, improving them, and creating innovations – to cultivate a mindset that embraces change, where they are satisfied in their successes for one day, but continue to strive for improvement the next. The Project encourages them to innovate new ideas for projects based on the concepts of simplification, achieving speed and quality, and benefiting multiple stakeholders. This concept has helped employees develop a more concrete understanding of the Group's values, and a core part of this Project involves encouraging employees to participate more actively in projects. Afterwards, participating employees receive scores that go towards the criteria for recognizing them as a Group 'Innovator.'

The One Day Satisfaction Project is now in its second year, and as of year-end 2019, a total of 15,962 employees participated in 17,882 work improvement projects. The participating employees also collected scores to become 'Innovators,' resulting in a total of 5,325 'Innovators' from all levels. Likewise, it has enabled employees to adopt a good perspective on improving their own work through new ideas and methods. This is the idea of putting values into practice, which is one of the essential foundations for becoming an innovative organization.

Improvements for better results

For example, making improvements to make things easier, faster, better, more convenient, or safer, without negatively impacting other aspects of work.

Big or small projects

Projects can be an improvement of your own work, such as reducing paper use, or can be cross-functional projects, such as applying software to support work collaborations.

Financial or non-financial results

Some projects can generate financial results such as cost savings, but in many cases projects do not need to deliver financial results, and instead help make things safer, easier, or faster.

Example of One Day Satisfaction Project

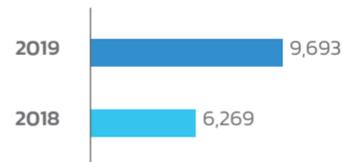


BEFORE IMPROVEMENT

AFTER IMPROVEMENT

The 'Self Service' Project allows customers to review and change their own promotions, as appropriate.

Number of participants

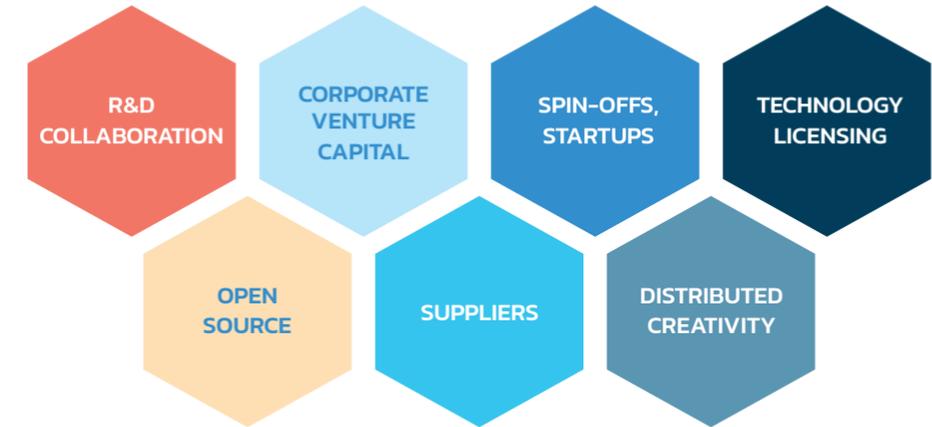


Number of 'Innovators'



Open Innovation

Creating a conducive ecosystem for innovation collaboration



In addition to developing innovations through research centers and other means of promotion, the Group places importance on developing innovations through an 'Open Innovation' approach, which involves collaborating with external agencies outside of the Group to leverage external knowledge

for innovations. C.P. Group has created a number of platforms, such as 7Innovation, an innovation platform with suppliers, and Startup Thailand 2019, a collaboration with the National Startup Committee (NSC) focusing on technology, to launch startups

in Thailand. Aside from innovation and business development, the suppliers and startups that undergo learning and share experiences with the Group can also build upon these experiences to further deliver positive impacts for the national economy.



True Digital Park is determined to become the largest fully-integrated Startup Ecosystem in Southeast Asia, with access to state-of-the-art technologies, and to provide an innovation space that consolidates all forms of new technologies, innovation testing, and learnings from public agencies and world-leading organizations.

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LIVING TOGETHER

C.P. Group is committed to protecting and caring for natural resources and the environment through efficient operations, in a way that also aligns with international targets on greenhouse gas (GHG) emissions reductions, to reduce the impacts of climate change. The Group also places priority on water resources through sustainable water resources management, to minimize the impacts of water use on the environment and surrounding communities.

In addition, C.P. Group partners with various organizations to protect ecosystems and biodiversity, as this is crucial to achieving a balance for natural resources and the environment as a whole. Apart from improving our own internal operations, the Group has also expanded our management approach in these areas to our suppliers and business partners across the supply chain, to build a truly sustainable society.



Climate Change Management

- Assessment of Climate-related Risks and Opportunities according to Task Force on Climate-related Financial Disclosures (TCFD) Recommendations
- Environmental Investments
- Climate Change Management
- Scope 3 Emissions (Thailand)
- Energy Management and Efficiency Improvements, and Promoting Renewable Energy Use
- Engaging with Public GHG Emissions Reduction Mechanisms
- Product Life Cycle Assessments
- Waste Management
- Reducing Plastic Packaging



Water Stewardship

- Integrated Water Risk Assessment
- Circular Water Management
- Promoting Community Water Access



Ecosystem and Biodiversity Protection

- Measuring Natural Capital
- Raw Material Sourcing and Traceability
- Conservation and Restoration of Forest and Marine Resources



Responsible Supply Chain Management

- Responsible Supply Chain Management
- Enhancing Suppliers' Capabilities



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Supporting the SDGs



SDG 7 Affordable and Clean Energy

- 7.2 Increase substantially the share 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

SDG 13 Climate Action

- 13.3 Improve education, awareness-raising and human and institutional capacity on climate change

Challenges

Given the challenge of the climate crisis today, C.P. Group recognizes the opportunity to inspire change, and encourage and contribute to reducing GHG emissions across all of our Business Groups in 21 countries. The Group is firmly committed to reducing both direct and indirect GHG emissions, promoting renewable energy use instead of fossil fuel-based energy, and enhancing the capacity for renewable energy use. In addition, the Group supports public sector GHG reduction mechanisms, and prioritizes products that have received carbon footprint certifications. In addition to becoming a carbon neutral organization, the Group has also set targets to reduce and reuse plastic for packaging, and achieve zero food waste across all of our business activities in all business sectors.

2020 Goal (Thailand)

10%

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

Year-on-Year Progress



Key Plans in 2020



Increase the proportion of renewable energy consumption



Reduce plastic use and increase plastic recycling



Reduce food waste from all activities



Circular Economy to Drive a Sustainable Business

(Circular Economy)

The Group adopts the 'Circular Economy' approach to driving business sustainability, focusing on optimizing the use of valuable resources, minimizing losses, and reusing resources throughout the value chain.



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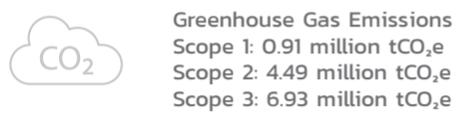
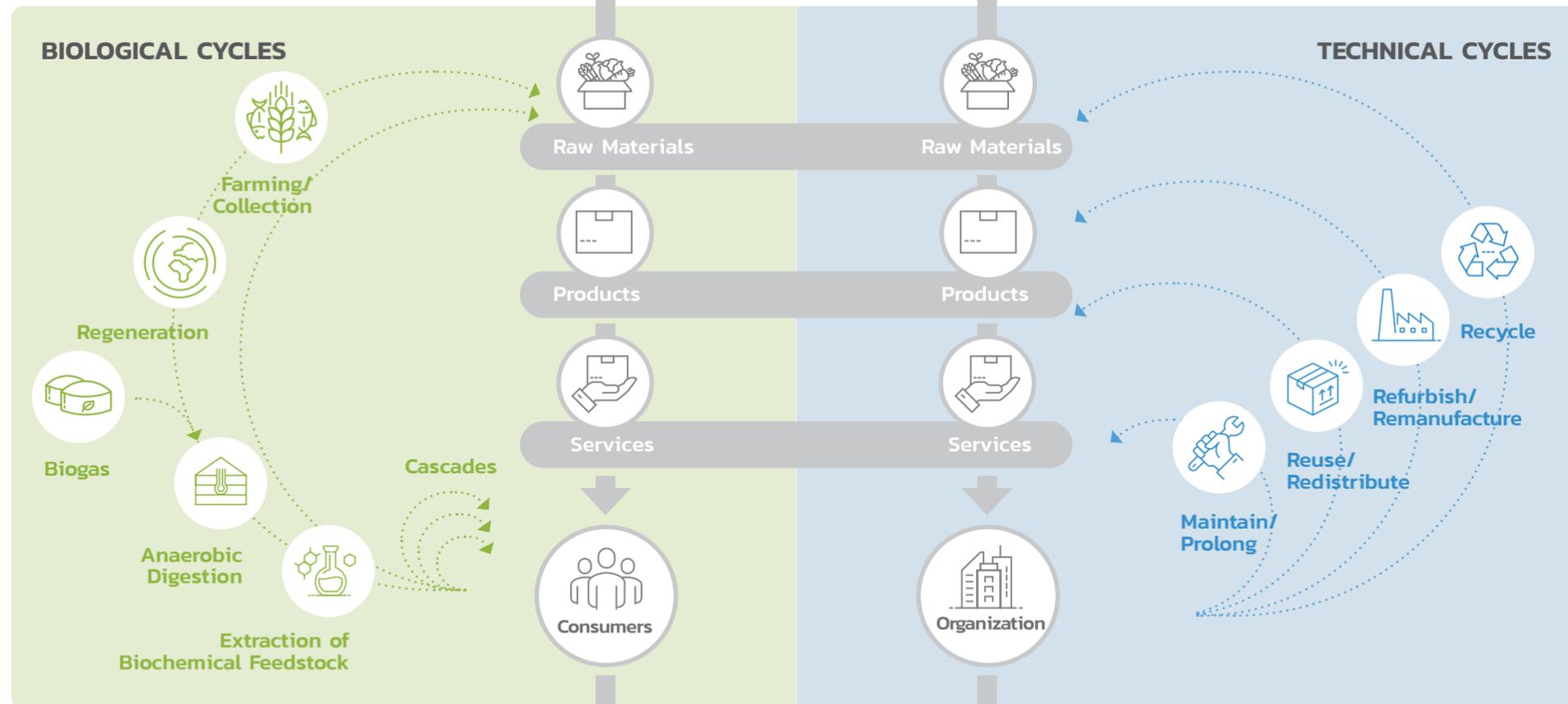
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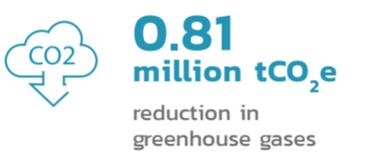
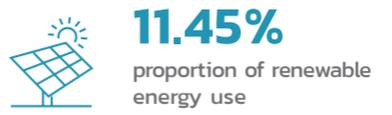
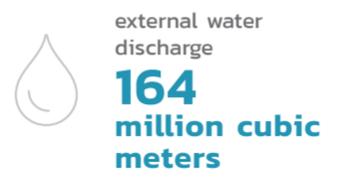
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Disposal with minimal pollution

Disposal with minimal pollution





Assessment of Climate-Related Risks and Opportunities According to TCFD

C.P. Group has put in place a framework for climate change management covering our entire supply chain. We have established policies and targets that cover energy efficiency, renewable energy use, waste management, and reductions in plastic packaging use. We further assess climate-related risks 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, technology, market, policy and legal, and reputational risks. In addition, the Group communicates with our stakeholders on our performance on climate change impact management and mitigation, through various channels. These include our sustainability report, the Communication on Progress to the UN Global Compact, and CDP's climate change disclosure system.

Climate Change Management Framework

- **Management Commitment**
Assume joint responsibility for climate change management throughout the supply chain
- **Assess Risks, Opportunities, and Impacts**
Analyze and disclose information according to the TCFD
- **Define Targets and Policies**
Establish a C.P. Group Environmental Sustainability Policy and 2020 sustainability goals on climate change management
- **Implement**
Reduce impacts and adapt to climate change throughout the supply chain
- **Measure Results**
Monitor progress against goals, and analyze ways to improve performance
- **Communicate with Stakeholders**
Communicate with stakeholders on strategy and implementation progress, and promote collaborations with external stakeholders

Low-carbon Future 1.5°C	Rapid Alignment with the Paris Agreement
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Risks	Financial Impact	Time Period	Possible Outcomes	
Transition Risks	Policy and Legal	<1% impact to the business	1-3 years, 10+ years	Introduction of international policies, requirements, and mechanisms to strengthen the control of overall GHG emissions according to UN requirements, where all countries will have to change their GHG emissions policies to align with current conditions.
	Technology	Spending on technology earlier than anticipated	1-7 years	New climate change technologies emerge that could impact current marketing efforts, and lead to advance spending on energy technologies to meet targets.
	Market	Increased investment budget and R&D budget for sustainability-related products	1-3 years	Policies or investments in low-carbon businesses or products, and reduced demand for high-carbon products. This could result in higher investments in R&D to speed up products for introduction to market.
	Reputation	Low reputation risks	1-10+ years	Higher stakeholder expectations lead to lower revenues, poorer reputation, and brand value. Although reputational risks are low, the Group remains committed to building a low-carbon economy.
Physical Risks	Acute	10% increase in investments for key facilities	1-10 years	Natural disasters, changing sea levels, coastal erosion, higher incidents of drought due to rising temperatures, human fatalities from heat, and spread of infectious diseases among plants and animals.
	Chronic	<1% impact to the business	4-7 years	Changes to product management stages, production planning, and agricultural outputs that are raw materials for the Company. This could cause minor impacts to business operations.

Opportunities	Financial Impact	Time Period	Possible Outcomes
Resource Efficiency and Energy Sources	3-5% increase in revenue from energy efficiency	1-7 years	Efficient renewable energy use, reduced energy costs, more diverse energy sources for production – all leading to more alternatives for energy use.
Products/Services	10-15% increase in revenue from sustainability-related products and services in 10 years	Most significant impact seen within 1-3 years	Increased development of new low-carbon products to market to respond to the changing needs of consumers.
Markets	5-10% increase in revenue from sustainability-related products and services in 10 years	1-3 years	Alignment with climate change trends will stimulate and increase competitiveness, and support access to new consumer markets for more diverse types of products.
Resilience	Determined to have no financial impact	1-10 years	Investments in sustainable products, services, and infrastructure could promote more sustainability in the Company's business model, should any change occur.

Governance	Strategy	Risk Management	Metrics & Targets
Established management committees at the Group and Business Group levels to govern climate-related risks and opportunities.	Implemented a business strategy for climate change management that aligns with the Group's financial strategies and plans.	Integrated risk and opportunity assessment results, and the operational contexts of each country, into climate change management approaches.	Adopted indicators and targets to assess and manage climate-related risks and opportunities that align with the Group's financial risk management.

Extreme Global Warming 4°C	Failure of the Paris Agreement
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Risks	Financial Impact	Time Period	Possible Outcomes	
Transition Risks	Policy and Legal	Determined to have no financial impact	4-10 years	Introduction of more stringent international policies, requirements, and mechanisms to control overall GHG emissions, and revisions and improvements to suit current conditions.
	Technology	<5% of costs avoided from using renewable energy technology	4-7 years	Renewable energy technology progresses at a significantly slower pace, and costs for renewable energy do not decrease as they have done in the past, resulting in higher operational costs.
	Market	Reduced capacity for long-term revenue growth in terms of economics and finance	8-10 years	A severe climate crisis could temporarily halt financial markets, which will impact key customer bases.
	Reputation	Determined to have no financial impact	1-10 years	Higher stakeholder expectations lead to lower revenues and poorer reputation and brand value.
Physical Risks	Acute	10% increase in investments for key facilities	1-10 years	Severe natural disasters and crises caused by extreme temperature increases, potential disruptions to business operations, and higher expenses than expected. Examples include pandemics that cause a significant loss of life, and major regional floods.
	Chronic	<1% impact to the business	4-7 years	Changes to product management stages, production planning, and agricultural outputs that serve as raw materials for the Company could disrupt business and reduce flexibility more than before.

Opportunities	Financial Impact	Time Period	Possible Outcomes
Resource Efficiency and Energy Sources	Minimal energy cost savings	8-10 years	Renewable energy prices stagnate while the prices of existing energy sources continue to climb, given that climate change leads to higher operational expenses. However, support will continue for new climate change technologies despite higher prices, as well as the maintenance of existing renewable energy technologies.
Products/Services	<5% increase in revenue from sustainable financial products	4-7 years	Increased development of new low-carbon products and services to market, and greater diversification of products, to respond to the needs of new consumer groups.
Markets	<1% increase in product revenue	8-10 years	In the event of market volatility, time and transparency is required to demonstrate business alignment with climate change trends, and to create and increase competitiveness.
Resilience	<1% increase in value of tangible assets	8-10 years	If climate change continues on its current trajectory, the Company will already have investments in sustainable products, services, and infrastructure. However, if any changes occur, this will promote the sustainability of the Company's business model, and increase the value of property assets under the Company's ownership.

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Climate Change and Energy Management

C.P. Group recognizes that our business operations have contributed to GHG emissions, and so we share the responsibility of addressing the issue of climate change. We do so in accordance with our sustainability targets and the Paris Agreement, which aims to control the global temperature increase to below 2 degrees Celsius, and is currently attempting to keep the global temperature increase to below 1.5 degrees Celsius. The Group has made it a policy to become a carbon neutral organization by 2030, and to set the target to reduce GHG emissions per unit of revenue by 10% by 2020, compared to base year 2015. Concrete measures have been put in place to meet these objectives.



Energy Efficiency

- Improve energy efficiency in areas with significant energy use in order to reduce GHG emissions, such as by improving production processes and installing high-efficiency equipment.
- Apply the 'Circular Economy' approach within the Group to create an efficient recycling and reuse process.



Renewable Energy

- Increase the proportion of renewable energy use, such as using solar power to generate electricity and improving biogas production efficiency, and expand the use of renewable energy to all Business Groups around the world.

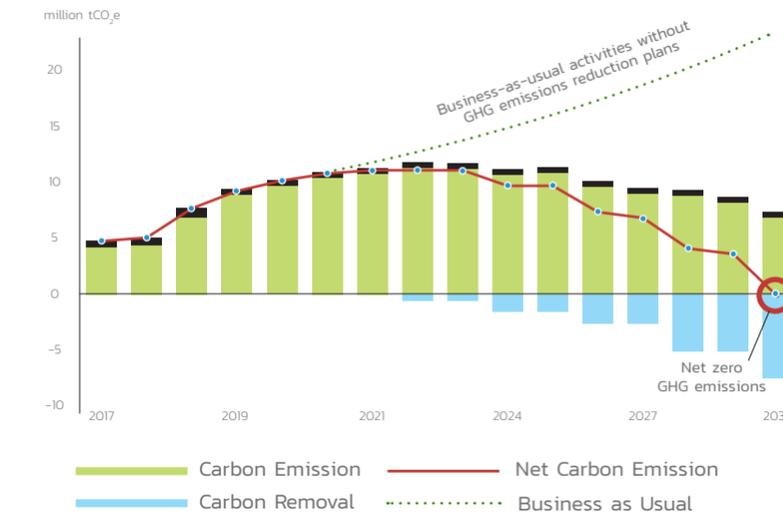


Carbon Removal

- Encourage all Business Groups to meet GHG absorption targets by planting perennial plants within their premises and applicable areas.
- Promote using Nature-Based Solutions (NBS) through various projects, such as by encouraging farmers to practice cultivation methods that mitigate GHG emissions, and developing animal feed with lower climate impacts.

Becoming a Carbon Neutral Organization by 2030

To become a 'Carbon Neutral Organization' in accordance with our environmental management strategy, C.P. Group is focused on managing energy and resources by using the Circular Economy principle. This principle focuses on improving energy efficiency and related activities to minimize as much environmental impact as possible, starting with the design process, to the management and selection of high-efficiency equipment and technology, in order to reduce GHG emissions. This also includes promoting reforestation and farming projects to absorb emissions over the long term.



Increasing Energy Efficiency and Proportion of Renewable Energy Use



Carbon Dioxide Absorption



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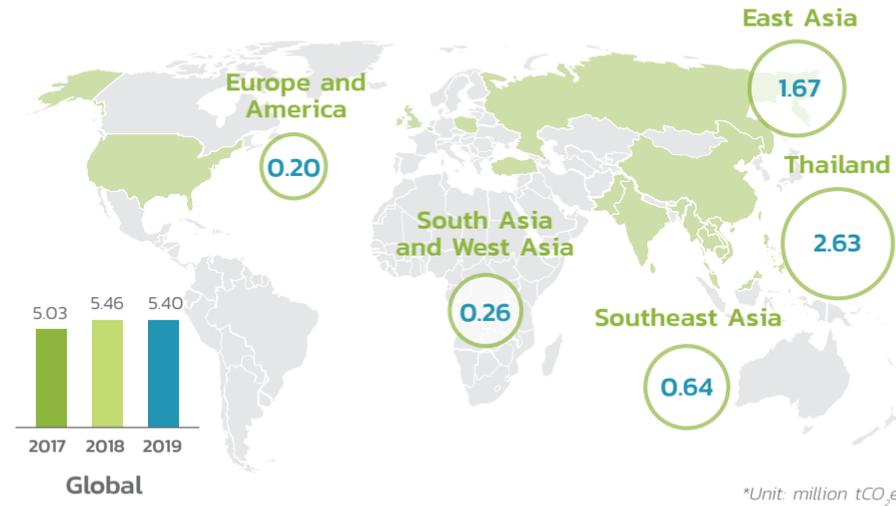
Greenhouse Gas Management Data

2019 Performance

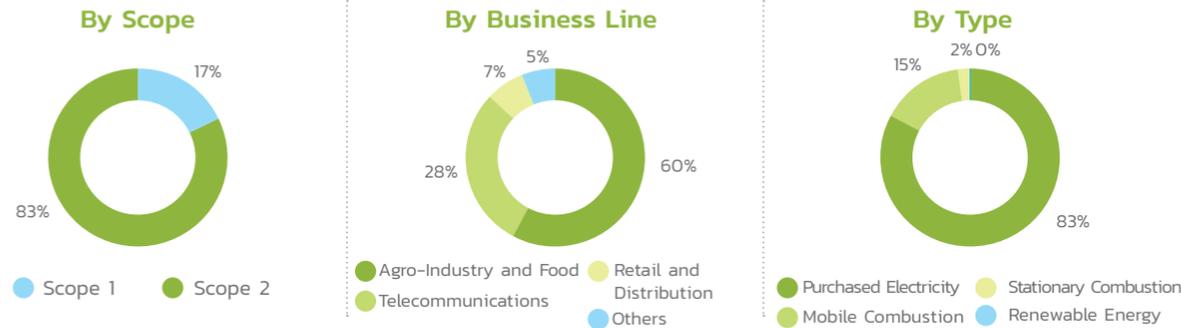
total greenhouse gas emissions
5.40
million tCO₂e

greenhouse gas reduction
0.81
million tCO₂e

greenhouse gas emissions intensity
2.70
tCO₂e/million THB



Greenhouse Gas Emissions Ratios 2019

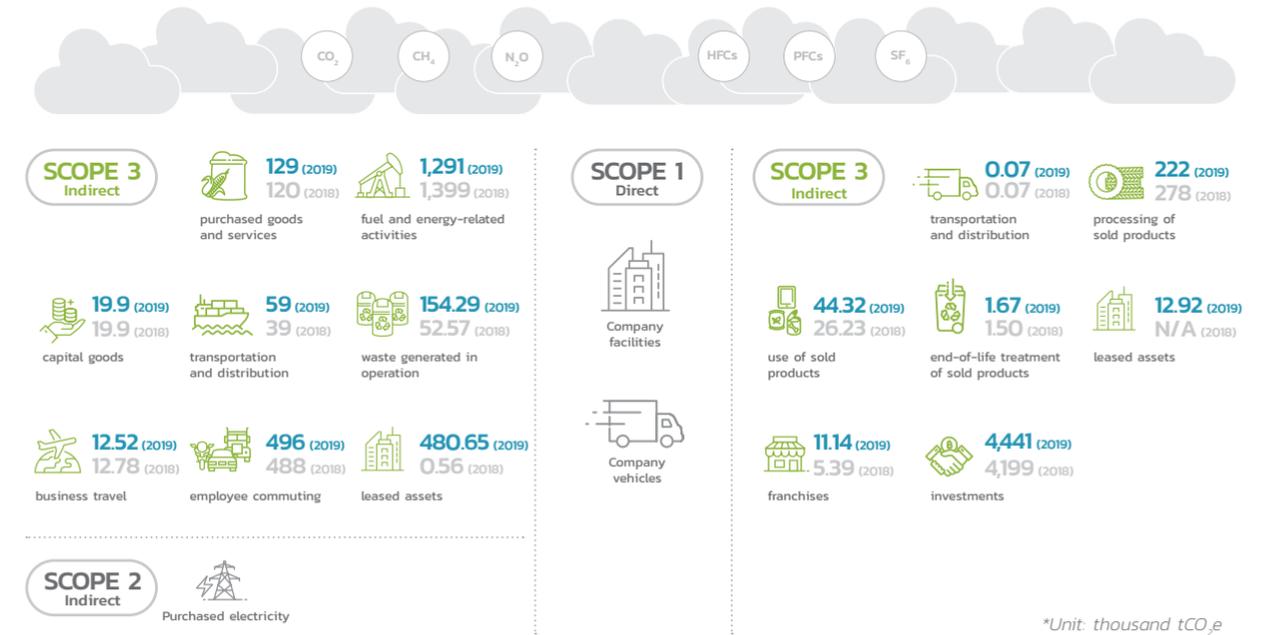


Greenhouse Gas Emissions Intensity (per unit of revenue)



Scope 3 Emissions (Thailand)

C.P. Group plans to expand the scope of our data collection for Scope 3 GHG emissions, making it much more comprehensive, as it is our responsibility and determination to reduce emissions across our entire supply chain.



Remarks:

- GHG Scope 1 refers to direct GHG emissions.
- GHG Scope 2 refers to indirect GHG emissions from energy use.
- GHG Scope 3 refers to indirect GHG emissions from other sources, including:
 - Purchased goods and services from external parties for use by the organization – The manufacturing of mobile phones sold through 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 base stations for mobile phone network.
 - Fuel and energy-related activities – Electricity generation 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 management in operations – Total waste generated by True Group and CP ALL offices in 2019.
 - 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 in spaces 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 – Manufacturing processes for truck tires (refer to Carbon Footprint of Product: TGO-CF15-108-406), and TSR products (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 – Disposal 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.

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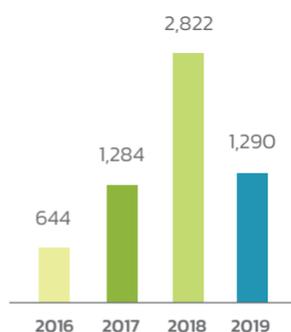
Environmental Investments

The natural environment belongs to all members of society. For this reason, individuals, public agencies, and the private sector must all play a part in the preservation and conservation of nature and the environment. C.P. Group fully recognizes the importance of caring for the environment, in particular considering the problems caused by industrial pollution, including GHG emissions that lead to the current global warming crisis we face today. The Group and its subsidiaries have always prioritized solutions to these issues, as well as all other environmental problems, regardless of whether it is air, water, or waste pollution. We strive to achieve this by investing in the environment and adopting internationally-certified environmental management systems across all Business Groups and in all countries where we operate. Similarly, we work to instill a sense of awareness among employees, encouraging them to recognize the importance

of environmental conservation, to reduce energy use, and to optimize resource use or minimize plastic use.

As for environmental management, the Group regularly assesses its use of resources, types of energy use, and waste management from business activities. The Group has invested in many different types of environmental management projects, including renewable energy development projects such as solar energy, geothermal energy, and biogas, to reduce the need for grid electricity and other carbon intensive sources of energy. In addition, the Group continues to expand its investment in green buildings. During the past year, the Group invested over 1,290 million THB in various environmental projects.

Environmental Investments (million THB)



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Examples of Environmental Returns on Investments

All Business Groups under C.P. Group prioritize the efficient use of natural resources, and recognize the rapidly changing impacts of climate change. Therefore, C.P. Group has developed an Environmental Management Accounting (EMA) tool to support more efficient decision-making and budget planning.

Solar-powered electricity generation with around 60 MWp installed capacity



Generating biogas from wastewater treatment systems at swine farms and food processing factories



Increasing energy efficiency for electricity and thermal energy



Performance Summary

	unit	2017	2018	2019
Total investment cost	million THB	1,150	2,511	1,086
Total operating cost	million THB	114	310	204
Total cost savings	million THB	413	854	495
Total energy reduction	GJ	450,795	663,622	448,312



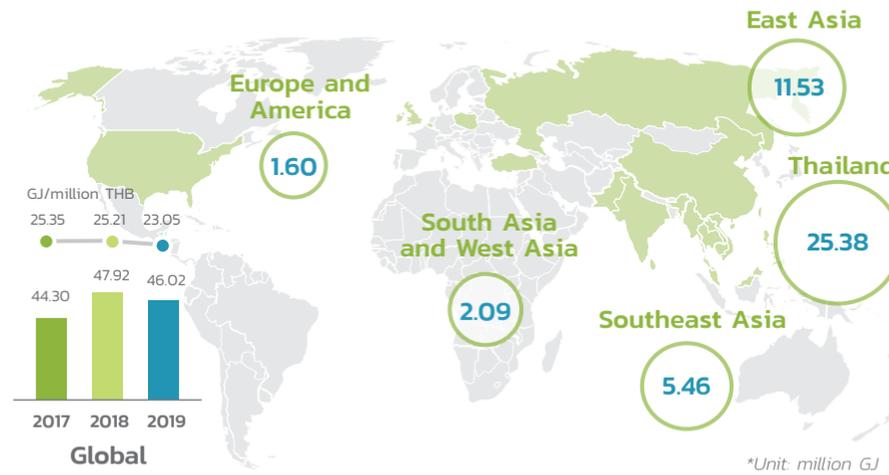
Energy Management Data

2019 Performance

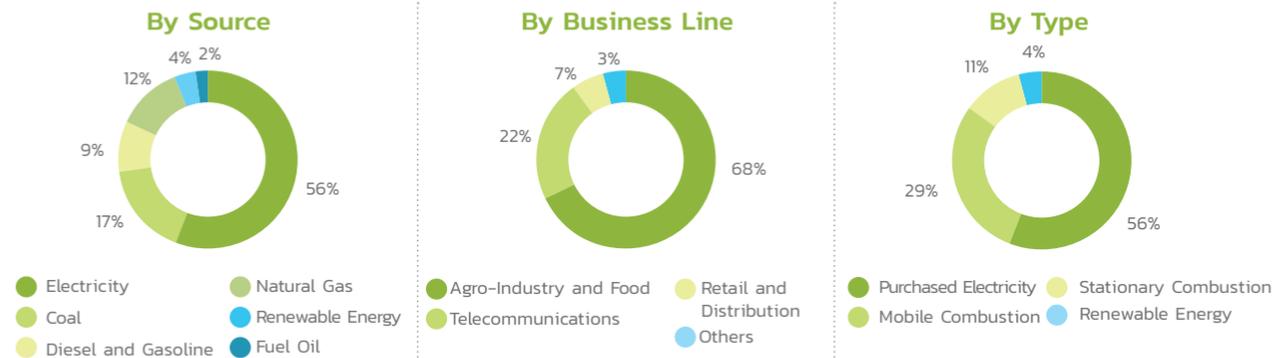
total energy consumption
46.05
million GJ

proportion of renewable energy use
11.45%

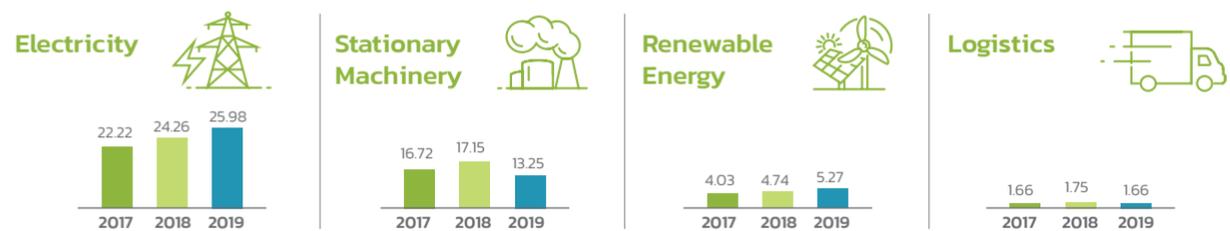
energy use intensity per unit of revenue
23.05
GJ/million THB



Energy Use in Details 2019



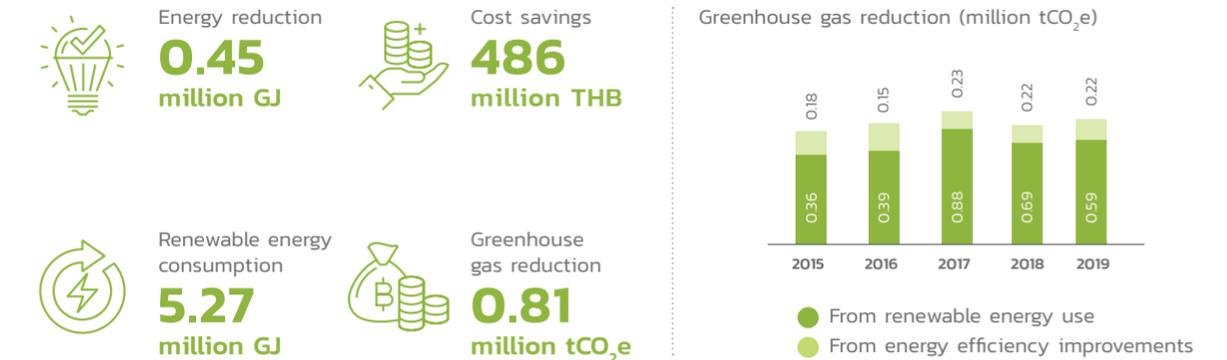
Energy Consumption Breakdown 2019



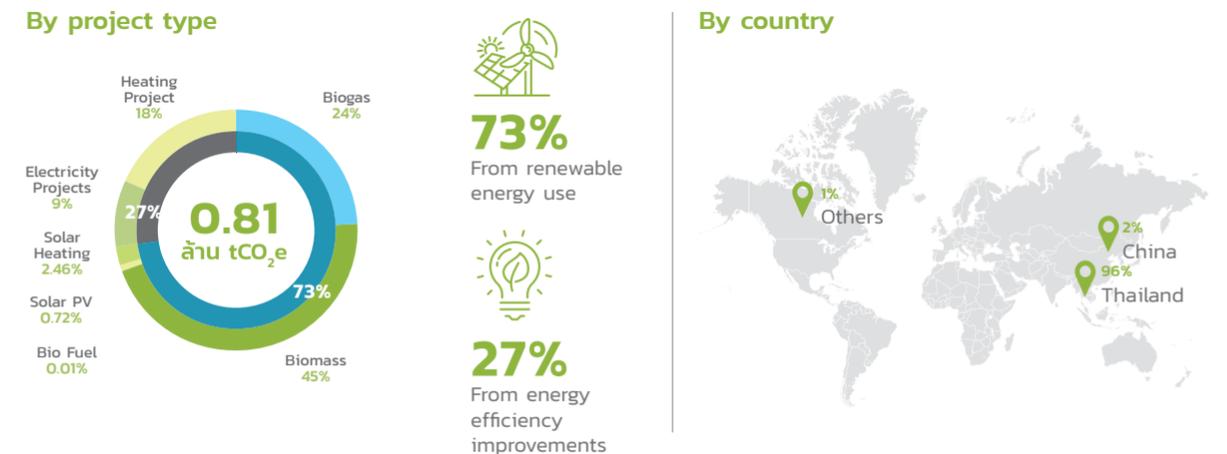
Energy Management and Efficiency Improvements, and Promoting Renewable Energy Use

C.P. Group is firmly committed to managing climate change, and all of our Business Groups in Thailand and overseas have implemented energy efficiency improvement projects. The Group focuses on promoting renewable energy use through solar-powered electricity generation, biomass utilization, and improving the efficiency of bioenergy production, among others. Once tested successful, these best practice are then expanded to our Business Groups worldwide.

Data on Energy Efficiency and Renewable Energy Promotion



Greenhouse Gas Reduction Breakdown 2019



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Solar-powered Electricity Generation

All companies within C.P. Group have fully recognized the consequences of using energy sources that impact the environment and global climate change. The Group is committed to playing a part in minimizing these impacts, by encouraging organizations to improve their energy use efficiency, and providing support for the concrete adoption of renewable energy.



C.P. Group's companies have implemented multiple renewable energy projects, starting with installing solar rooftop electricity generation systems at animal feed factories, food processing factories, distribution centers, office buildings, base stations, and 7-Eleven stores. The solar rooftop system has an installed capacity of 58.9 MWp, and is able to produce over 85 million kWh of electricity per year, which is equivalent to around 49,200 tCO₂e of GHG emissions reduction.

Results and Benefits

58.9 MWp
installed capacity of solar rooftop system

83 locations
using the solar rooftop electricity generation system

49,200 tCO₂e
reduction in GHG emissions

Promoting Green Building Design and Development

At C.P. Group, reducing environmental impacts and energy use are vital considerations in green building design and development. All aspects, including designing the building, selecting materials that help to conserve energy, using natural light, and controlling air quality and ventilation as appropriate for the surrounding environment using natural ventilation methods, adhering to the 'Green Building' concept.

Examples of Green Building Projects

The C.P. Leadership Institute (CPLI) has been designed and developed as a green building, and is managed with an ecosystem approach. The main building was designed to meet the Leadership in Energy and Environmental Design (LEED) requirements of the United States Green Building Council (USGBC), ensuring that CPLI has in place efficient energy, resource management, and waste disposal systems.



LEED BD+C: New Construction v.3 - LEED 2009
Rating system for new construction and major renovations

The CPLI received the LEED Gold Certification for New Construction from the USGBC on 11 November 2019.

LEED Certification Criteria



Sustainable Sites



Water Efficiency



Energy & Atmosphere



Materials & Resources



Indoor Environmental Quality



Innovation in Design



Regional Priority

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Product Life Cycle Assessment

A Life Cycle Assessment is an environmental management approach that comprehensively evaluates the impact of a product across its entire lifespan, starting from raw material sourcing through to transport, production, distribution, use, and finally, disposal. C.P. Group has adopted this concept as part of its climate change management strategy, and since 2009, has applied for Carbon Footprint of Product certifications from the Thailand Greenhouse Gas Management Organization (Public Organization).

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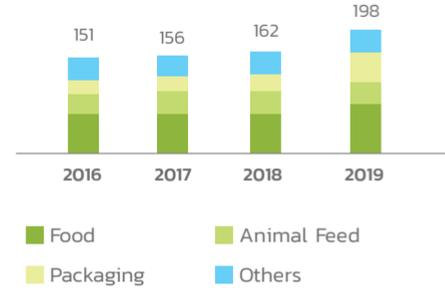
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198
Products
certified with the Carbon Footprint for Product labels

Number of Certified Products



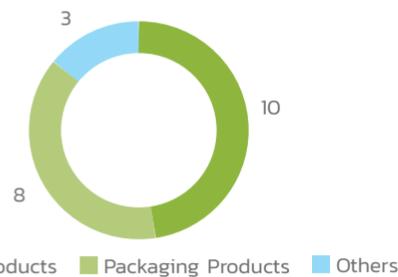
Examples of Certified Products



In addition, from 2015 onwards, the Group also requested certifications for the Carbon Footprint Reduction Label, demonstrating its joint efforts to reduce greenhouse gases.



21 Products
certified with the Carbon Footprint Reduction labels



21 organizations
certified with the Carbon Footprint for organization labels



Reducing the Carbon Footprint of 'Big Bao'

C.P. Group is dedicated to food safety and to the production of quality products that are environmentally-friendly, as this serves to mitigate the continuously worsening impacts of climate change. These commitments have been integrated into all aspects of our operations.



Results and Benefits

2%
GHG reduction by the 'Big Bao with Minced Pork' product

7%
GHG reduction by the 'Big Bao with Minced Pork and Salted Egg' product

448.2 tCO₂e
GHG reduction in 2019





Waste Management

Waste management is a priority at C.P. Group. From waste that is generated by the activities of its Business Groups and from manufacturing processes or services, to those activities of suppliers upstream and downstream, the Group has enacted a waste management approach and framework that covers our entire supply chain. One of the biggest issues concerning the global community today is food waste. The Food and Agriculture Organization (FAO) of the United Nations has estimated that 1 in 3 of food produced globally is lost or becomes food waste. Apart from negatively impacting the economy, food waste also contributes to GHG emissions, and reduces the efficiency of water and land resources utilization.

C.P. Group, as a manufacturer, distributor, and provider of agricultural products and food, recognizes the importance of our role in addressing this issue and meeting the Sustainable Development Goals (SDGs), especially Target 12.3. We have therefore mandated that companies in C.P. Group, in Thailand and overseas, commit to the joint target of zero food waste across all of our operations by 2030. A monitoring and reporting system has been developed to track progress, in line with international standards.

CASE STUDY | 26

CP Food World: Food Waste Management at the United Nations

CP Food World has been selected by the United Nations in Bangkok, Thailand, to be the provider for its international cafeteria and banqueting services within the UN building, which serves around 300-500 UN staff per day. CP Food World and the UN have in place a 'Zero Waste Management' policy that focuses on reducing waste to zero, and managing waste to ensure that the minimum amount is sent for disposal. This serves as a model for waste management in other restaurant businesses within the Group, where this same policy will be promoted to drive business sustainability.



Food Waste Management Approach



Provide knowledge and understanding to employees to help them recognize the importance of waste management and separation.



Record the weights of different types of waste, and send waste to be produced as biofertilizer or animal feed, recycled, or donated to foundations.



Control and limit the procurement of products to match actual demand, and arrange products according to the expiration dates labeled on their packaging.



Improve and adapt different food recipes to minimize food waste.

Waste Management Data

2019 Performance



Total waste
1.78 million tons



Percent of waste recycled/reused
12.16%



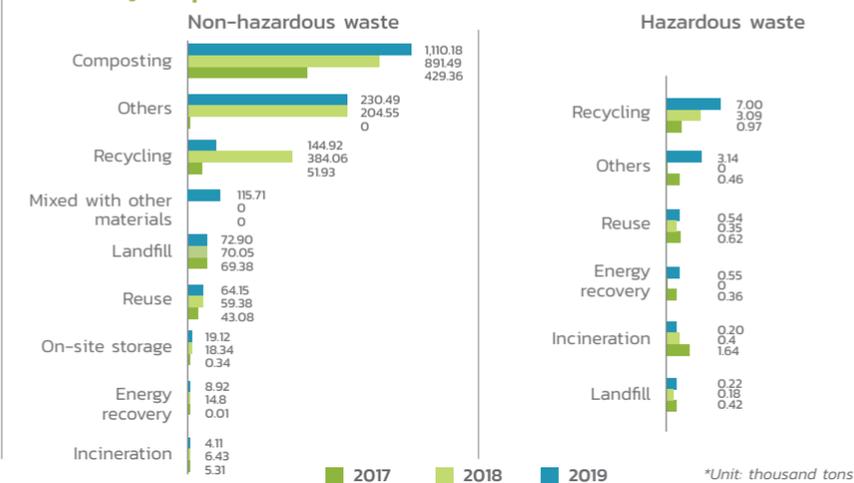
Waste by Type



Non-hazardous waste
1,770 thousand tons

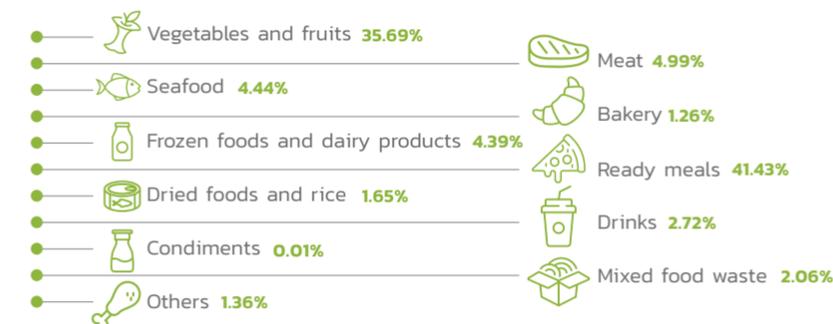
Hazardous waste
11.66 thousand tons

Waste by Disposal Method



Food Waste in 2019 (Agro-Industry and Food Business Group and Retailed Distribution Business Group in Thailand and China)

45,027 tons



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Reducing The Use of Plastic Packaging

C.P. Group recognizes the importance and necessity of solving the global problem of plastic waste. This aligns with the Group's own sustainable business principles, where we are committed to promoting and conserving the quality of the environment, providing knowledge, and fostering engagement in consumer behavioral change for sustainable development. This is achieved through our '5Rs' strategy, which comprises: Re-educate consumers to minimize waste creation, Reduce plastic waste, Recycle plastic waste, Replace with alternative materials, and Reinvent through research and innovation. All Business

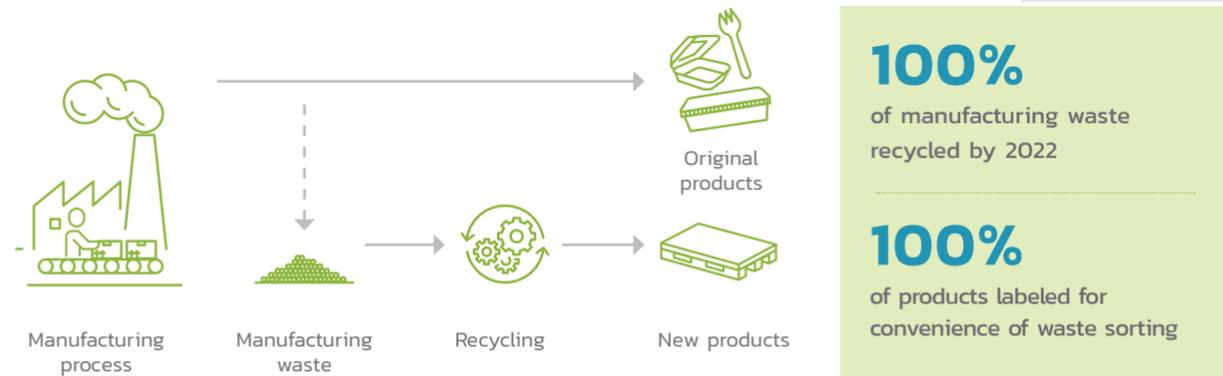
Groups in Thailand have committed to the joint 2025 target – that 100% of all plastic packaging used should be 'reusable, recyclable, or biodegradable.' C.P. Group has further mandated that all Business Groups in Thailand and overseas uphold this commitment and operate in the same direction, in order to align with the Group's overall mission and sustainability policy, and to contribute to the solution of plastic waste, care for the environment, and create a sustainable society.

CASE STUDY | 27

Recycling Manufacturing Waste



CPPC Public Company Limited is committed to more sustainable plastic packaging manufacturing processes. The Company has implemented a project to recycle leftover plastic materials from the manufacturing process, where they undergo a separation and melting process, and are then reused to create new products of higher value. Information on the type of plastic and recycling instructions is labeled on the product packaging for ease of waste segregation.



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Sustainability Plastic Packaging Dashboard

2019 Performance



Total plastic packaging used
219,729 tons

2025 Goal (Thailand)

100%

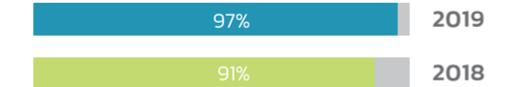
Reusable, recyclable and compostible packaging

82.45%

Percentage of recyclable plastic packaging used

Plastic packaging used
17,290 tons

Year-on-Year Progress



Plastic Packaging Use by Type

Difficulty of Recycling Plastic by Type

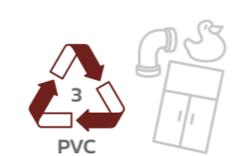
- Easy
- Manageable
- Difficult
- Very Difficult



3,749 tons (2019)
3,901 tons (2018)



21,762 tons (2019)
17,243 tons (2018)



32,861 tons (2019)
16.38 tons (2018)



36,566 tons (2019)
7,388 tons (2018)



80,938 tons (2019)
22,128 tons (2018)



378 tons (2019)
180 tons (2018)



4,803 tons (2019)
18,232 tons (2018)



WATER STEWARDSHIP

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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 Implement integrated water resources management
- 6.B Support the participation of local community in improving water and sanitation management

SDG 12 Responsible Consumption and Production

- 12.2 Achieve the sustainable management and efficient use of natural resources

SDG 14 Life Below Water

- 14.1 Reduced marine pollution

Challenges

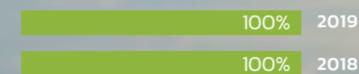
Water shortage remains a top global environmental issue, given the demand for water in all sectors – including in agriculture, industry, and households – coupled by the expansion of the global population. To respond to this higher demand for water and to promote more efficient use of this valuable resource, C.P. Group has strived to safeguard water resources throughout its entire supply chain and to mitigate the impact of water shortage. We achieve this through an integrated water resources management, and through technologies and innovations that enable efficient water management of both agriculture or manufacturing processes. This increases the capacity for business resilience and ensures that access to quality water resources is equally shared with communities.

2020 Goal (Thailand)

10%

Reduction of water withdrawal per unit of revenue compared to base year 2015.

Year-on-Year Progress



Key Plans in 2020



Increase water use efficiency according to the 5Rs principle



Assess water risks according to the management framework

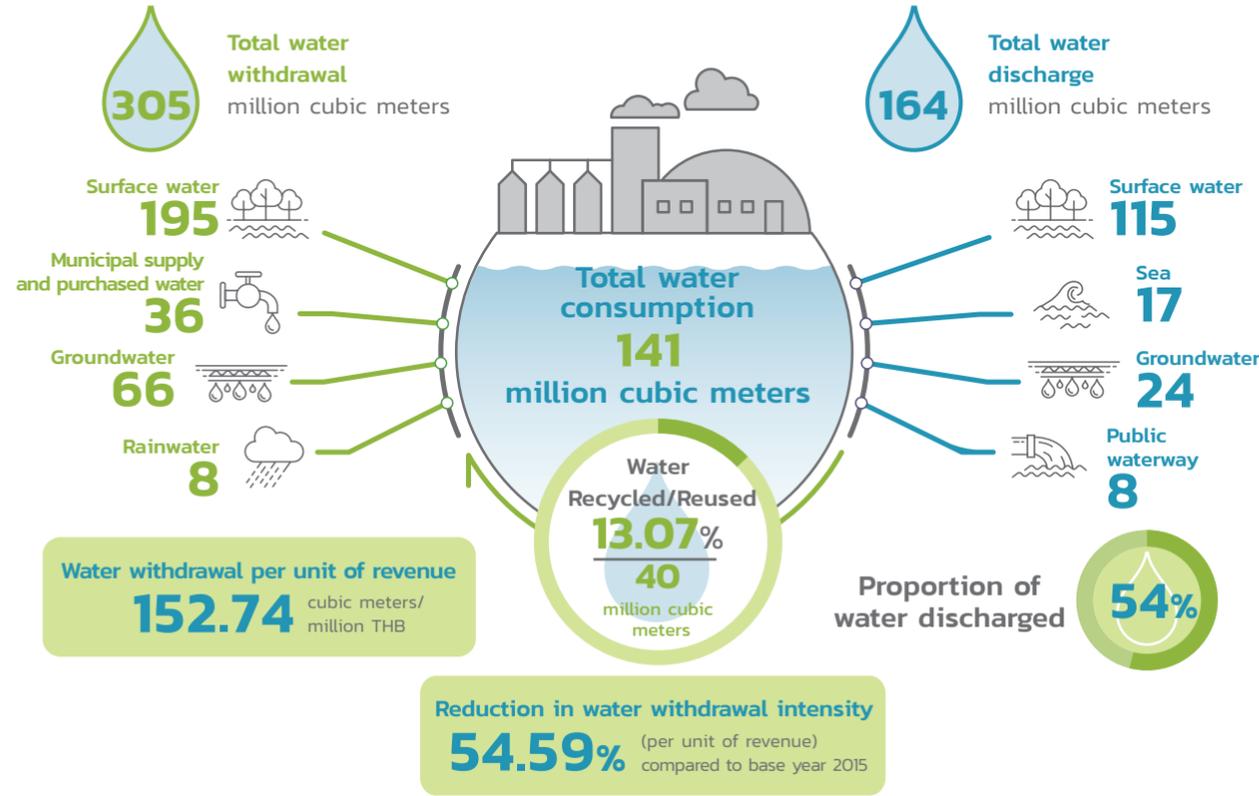


Promote community access to water resources

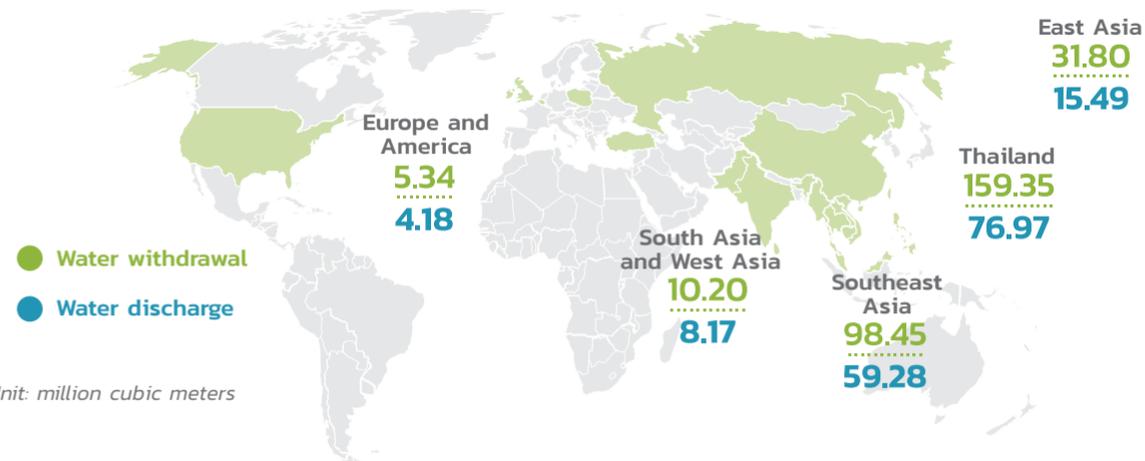




Key Performances 2019



Water and Effluents by Geography

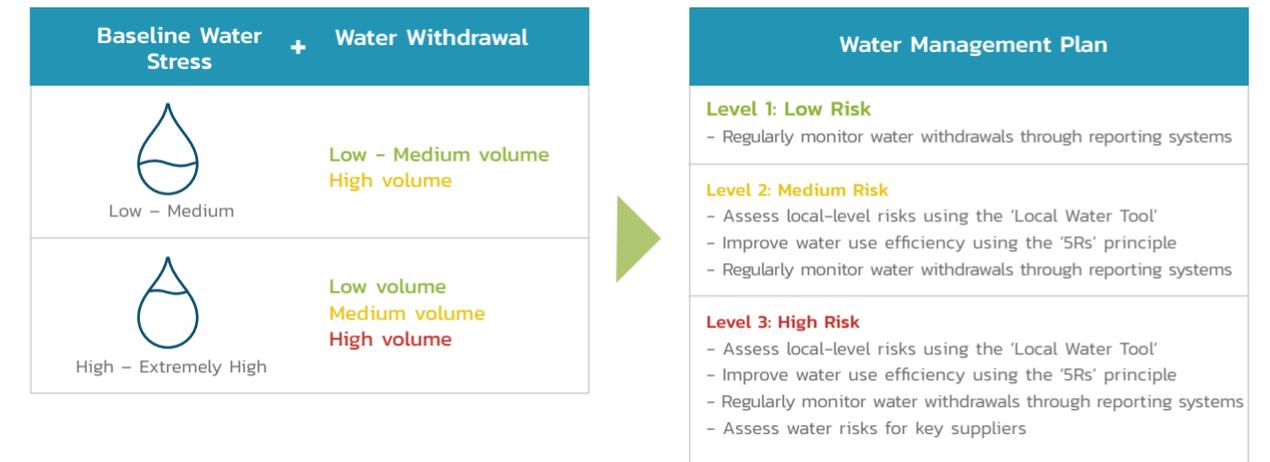


Integrated Water Risk Assessment

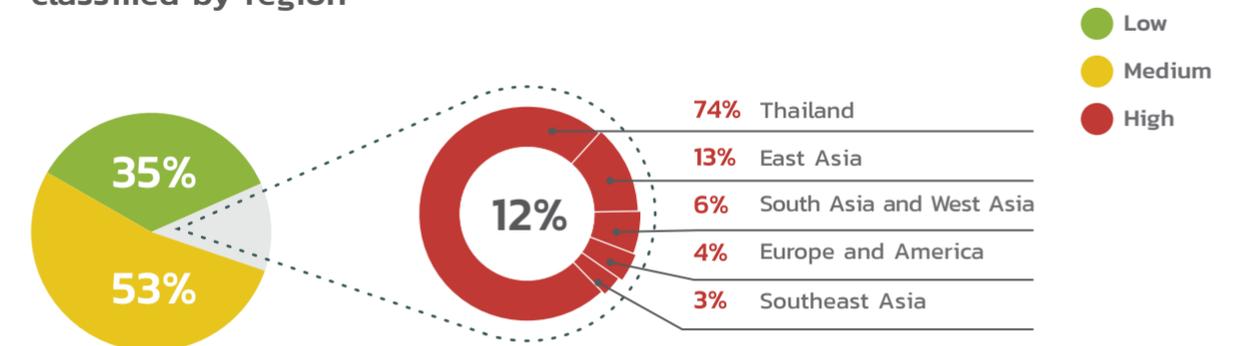
Enabling water management planning throughout the supply chain

C.P. Group has developed a water resources risk assessment framework that is applied across all of its units and Business Groups. The assessment evaluates risk factors in various dimensions, including the volume of water withdrawal by organization, and baseline water stress levels. C.P. Group has adopted the internationally-recognized Aqueduct Water Risk Atlas tool of the World Resources Institute (WRI) for use as our preferred assessment tool. The results of the assessment are ranked according to three levels of water risk, and are then used to develop appropriate management plans.

Water Risk Assessment Framework



Units with high water risks level, classified by region



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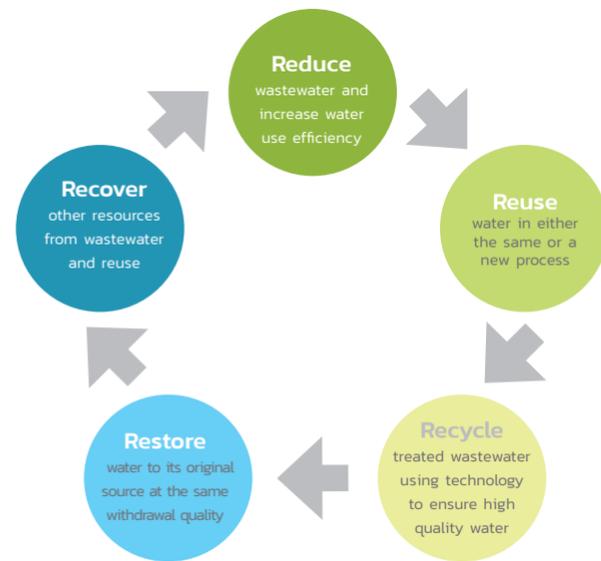
Circular Water Management

Maximizing water use efficiency

C.P. Group has adopted the Circular Water Management approach, in accordance with the '5Rs' principle, for water management within the organization, as well as to improve water efficiency through various measures.

Charoen Pokphand Foods Public Company Limited (CPF), has adopted water treatment technologies – Biofloc and the Recirculating Aquaculture System (RAS) – to replace existing methods of shrimp cultivation, which require regular water exchanges. These two technologies have enabled a 75% reduction in water use compared to previous methods. However, these technologies still leave traces of pollutants, such as organic matter and high volume of inorganic nitrogen, in the water following cultivation, which could then impact the environment if not managed properly.

To address this issue, CPF has applied electrochemical technology in shrimp aquaculture. This involves using electrochemical cells to produce hypochlorous acid (HOCl) from the water used in shrimp cultivation, where HOCl then converts ammonium ions (NH₄⁺) into nitrogen gas (N₂) which is then safely released into the air. This has resulted in up to a 90% reduction in the quantities of organic substances and inorganic nitrogen found in the water used for shrimp aquaculture, compared to just using the two technologies alone, and as much as an 83% reduction in water use compared to cultivation using previous water exchange methods.



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Improving Water Use Efficiency in Shrimp Cultivation Using a Biofloc System: C.P. Vietnam

Shrimp cultivation in Vietnam is generally practiced using an outdoor pond and phytoplankton, which relies on photosynthesis. This results in limitations due to pH levels, vast differences in the ability of oxygen to dissolve between mornings and afternoons, difficulties in controlling shrimp cultivation, and high amounts of built-up ammonia and nitrites.



To overcome these limitations, C.P. Vietnam developed a technology for shrimp farming, covering the process from juvenile shrimp hatching all the way to cultivation, that uses a greenhouse structure for shrimp cultivation instead of the traditional outdoor pond. This helps to protect against environmental contaminants, and enables C.P. Vietnam to regulate temperature changes and pH levels. C.P. Vietnam has also integrated Biofloc technology into its shrimp nurseries and cultivation process.

Following improvements to its shrimp cultivation using a Biofloc system for nursing juvenile shrimp and growing them into adults, C.P. Vietnam was able to increase its output up to 15 tons per rai per year, and reduce water use from 74,250 cubic meters to merely 26,850 cubic meters – a 64% reduction.

Results and Benefits

47,400
cubic meters

reduction of water use in juvenile shrimp hatching and cultivation

64%
reduction in water use



Recycling Water in the Production Process for Ready Frozen Meals



Due to the high volume of water consumption in its production processes, CPRAM Company Limited (CPRAM) has developed water management plans that emphasize maximizing resource efficiency, reducing discharges to the environment, and enhancing the capabilities of its wastewater treatment system. CPRAM further set up a unit to oversee water use within its factories, utilizes groundwater on a sustainable basis to reduce dependence on surface water, and municipal water supply, alleviating water shortage problems in surrounding communities. As a result of these measures, in 2019, CPRAM was able to reduce withdrawal of municipal water supply by

1,078,230 cubic meters. In addition, the Company installed an aeration control system in its wastewater treatment system, which enables the wastewater that passes through the treatment process to achieve higher quality than that required by law. The treated wastewater can then be reused for other purposes, including watering plants and cleaning outdoor spaces, resulting in 'Water Zero Discharge' and further reduction of municipal water use by 355,804.15 cubic meters per year.

Results and Benefits

355,804
cubic meters

reduction in municipal water supply use per year

Zero discharge
into public waterways



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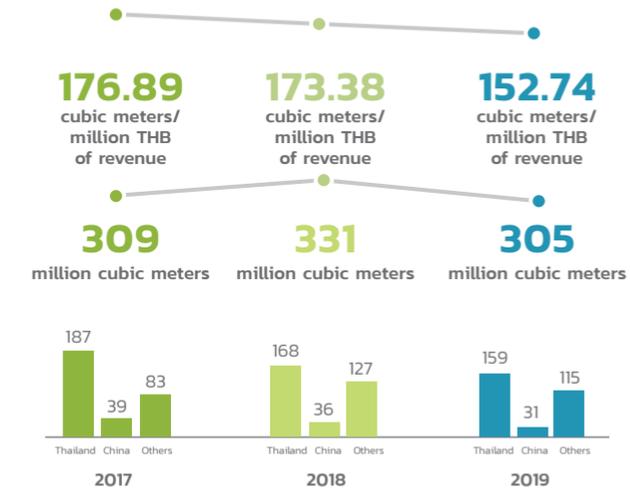
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Water Resource Management Data

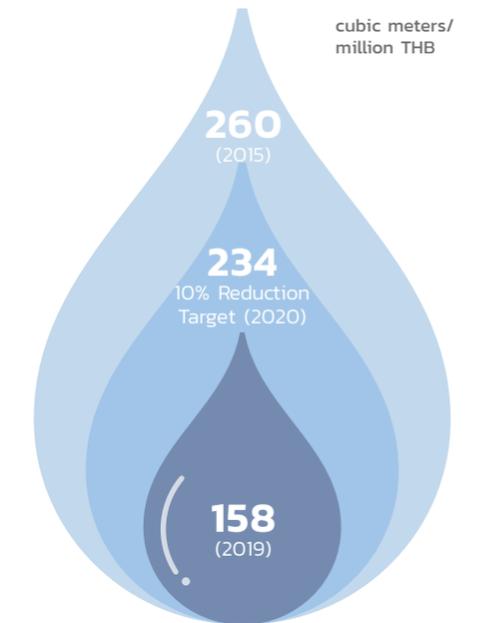
Total water withdrawal



Reduction in water withdrawal intensity

per unit of revenue compared to base year 2015 (Thailand)

- ▼ Reduce **10%** 2020 Target
- ▼ Reduce **39.07%** 2019



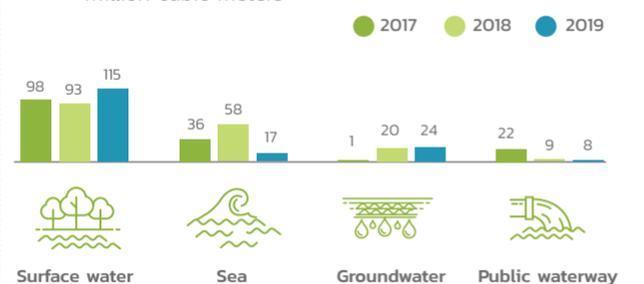
Proportion of water recycled/reused (%)



Water withdrawal by source (million cubic meters)



External water discharge by destination (million cubic meters)





Collaborating with Partners to Promote Access to Water for Communities

Optimizing benefits from water resources

Water resources are essential for all livelihoods. C.P. Group fully recognizes the importance of access to clean and sufficient water resources for all community members, and has therefore initiated partnerships with various sectors to promote sustainable access to water resources for all communities, in all the countries where we operate.

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Groundwater Well Construction Projects

C.P. Bangladesh constructed groundwater wells for children and communities living near the company's headquarters and facing water shortages. Wells were constructed in seven locations, including schools, markets, and mosques, serving 7,000 people.



'Nam Phang' Model

In partnership with the Northern Development Foundation, the Group constructed check dams to help retain water within the forest and support farmers' livelihoods in Nam Phang Subdistrict, Mae Charim District, Nan Province. A total of 200 check dams and one pond was constructed, benefiting 285 farmers.



Safe Nature Project

Constructed 11 wells for farmers in areas with water scarcity for agricultural use, allowing farmers to store a total of 2,090 cubic meters of water.



Water for Life Project

Given the difficulties of accessing clean water resources in India, CPF India installed reverse osmosis (RO) water filtration systems to provide clean and safe drinking water for communities in 17 villages, comprising 4,250 households, and for 21 schools with a total of 2,180 students.



Collaboration Project in Mueang Chang Subdistrict

The Group collaborated with the Ban Joko Learning Center and Tambon Administrative Organization of Mueang Chang to promote access to water resources for communities in Mueang Chang Subdistrict, Nan Province. The project involved constructing nine check dams and reservoirs and one community pond, and installing a 21,000 meter pipeline network to distribute water to six villages, for individuals in 2,024 households.



Water Resources for Agricultural Development Projects

The Group partnered with the Highland Research and Development Institute and the Land Development Department to construct ponds and pipelines to deliver water to the Ban Mae Wak community in Chiang Mai Province, ensuring that they have access to water resources for agriculture. A series of seven community ponds were constructed, and polyvinyl chloride (PVC) pipelines spanning 8,524 meters were installed.



Living Weir Projects

The Group collaborated with Nan Civil Society Coordination Center to rehabilitate a watershed forest, which involved constructing weirs to prevent flooding, and to help manage the issue of sufficient water resources for communities. Overall, 112 weirs were constructed for communities in the 17 Northern provinces of Thailand.



Sharing Water Resources with the Barangay Gugo Community Project

CPF Philippines supported the Barangay Gugo community, near the Company's factory, in accessing clean water by installing water pumps and pipelines to feed water from the groundwater well within the factory to the 62 households within the community. This resulted in around 1,673 cubic meters of water available for use per year.



Ka Nau Village Water Pipeline Installation Project

C.P. Vietnam, in collaboration with the Youth Union of Vietnam in Binh Dinh province, installed a 1,500-meter pipeline system to enable the villagers of Ka Nau, located in a remote area of the province and consisting of 68 households, or 250 people, to access clean water.



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ECOSYSTEM AND BIODIVERSITY PROTECTION

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

Challenges

Rapid advancements in digital technology and innovation today have led to business practices and lifestyles that negatively impact the biodiversity of ecosystems. Examples include the destruction of forests for agricultural land, reduced fish populations caused by overfishing, and the use of natural water resources in areas with water shortages. C.P. Group is aware of the impact of these issues on the ecosystem abundance. The Group is therefore dedicated to playing its part in restoring ecosystem. It also prioritizes the protection of the ecosystems and biodiversity for future generations.

2020 Goal (Thailand)

100%

of key raw materials come from responsible sources that do not contribute to the depletion of forest and marine resources.

Year-on-Year Progress



Key Plans in 2020



Expand raw material sourcing assessment to sources that do not deplete forest and marine resources



Conduct research and development on sustainable fishing with coastal communities



Increase efforts on forest resources conservation and restoration



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1 CPF Rak Ni-Ves Project at Pasak Watershed, Khao Phraya Doen Tong, Charoen Pokphand Foods Public Company Limited
Lopburi Province



5 Multi-purpose Forest Management Project Espousing His Majesty's Philosophy, Ban Gong Gai, Charoen Pokphand Group
Chiang Mai Province



2 Mun River Canal Conservation Project, Charoen Pokphand Foods Public Company Limited
Nakhon Ratchasima Pprovince



6 Plant Forests to Create Incomes, Charoen Pokphand Group
Phayao Province, Lampang Province



3 Modern Agriculture Learning Center, C.P. Seeds
Kamphaeng Phet Province



7 Safe Nature Project, Charoen Pokphand Produce Co., Ltd.
Chiang Mai Province



4 Barren Mountain Top Rehabilitation Project, Charoen Pokphand Group
Nan Province



8 Thai Buffalo Conservation Center, Charoen Pokphand Group
Chonburi Province



15,347 rai
forest areas restored



11,268 rai
agricultural areas with water resources development



14 provinces
receiving marine resources restoration



10,989 persons
benefiting from projects



1 CPF Grow-Share-Protect Mangrove Forestation Project, Charoen Pokphand Foods Public Company Limited
Samut Sakhon Province, Rayong Province, Chumphon Province, Phang Nga Province, Songkhla Province



2 Artificial Reef Project, Charoen Pokphand Group
Songkhla Province, Pattani Province, Narathiwat Province



3 Sustainable Blue Crab for Thai Seas Project, Charoen Pokphand Group
Surat Thani Province



4 Aquatic Animal Bank Projects, Charoen Pokphand Group
Trat Province, Chanthaburi Province, Samut Songkhram Province, Nakhon Ratchasima Province, Surat Thani Province, Krabi Province, Trang Pprovince, Pattani Province



5 Database and Knowledge Integration Project on Thai Mackerel in the Gulf of Thailand, Charoen Pokphand Group
Chonburi Province, Chachoengsao Province, Phetchaburi Province, Samut Songkhram Province, Surat Thani Province, Prachuap Khiri Khan Province, Chumphon Province, Samut Prakan Province, Samut Sakhon Province



Raw Material Sourcing and Traceability

Building confidence for consumers

Management Approach:

Despite our ever-expanding and increasingly complex supply chain network, C.P. Group has always been committed to sourcing agricultural raw materials responsibly and sustainably. In our approach, we emphasize supplier engagement and promote partnership networks in different sectors, including public, private, community, and non-governmental organizations (NGOs). The Group has set the target to source five key raw materials for the production of animal feed through responsible and sustainable means. These are: maize, soybean meal, palm oil, cassava, and fishmeal. In addition, Charoen Pokphand Foods Public Company Limited has implemented various projects to promote skills development on proper cultivation

methods in accordance with agricultural product standards, namely the Thai Agricultural Standard – TAS 4402-2010 and Good Agricultural Practices for Maize. An example is the ‘Self-Sufficient Farmers, Sustainable Corn Project,’ implemented since 2014 to support small-scale farmers occupying a total area of 225,000 rais. The Project further encourages corn suppliers for animal feed to source their raw materials from farmlands that have the following qualifications: proper legal title deeds; no encroachment on forests; 100% traceability back to their plot using GPS coordinates and title deeds; and registration on the ‘Corn Traceability’ system.

Performance:

Progress on the traceability of five key raw materials for animal feed, by the Agro-Industry and Food Business Line



Purchasing Point
100%



Cultivation area
100%



Crushing mill
100%



Cultivation area
100%



Crushing mill
100%



Cultivation area
100%*



Processing plant
100%



Processing plant
100%



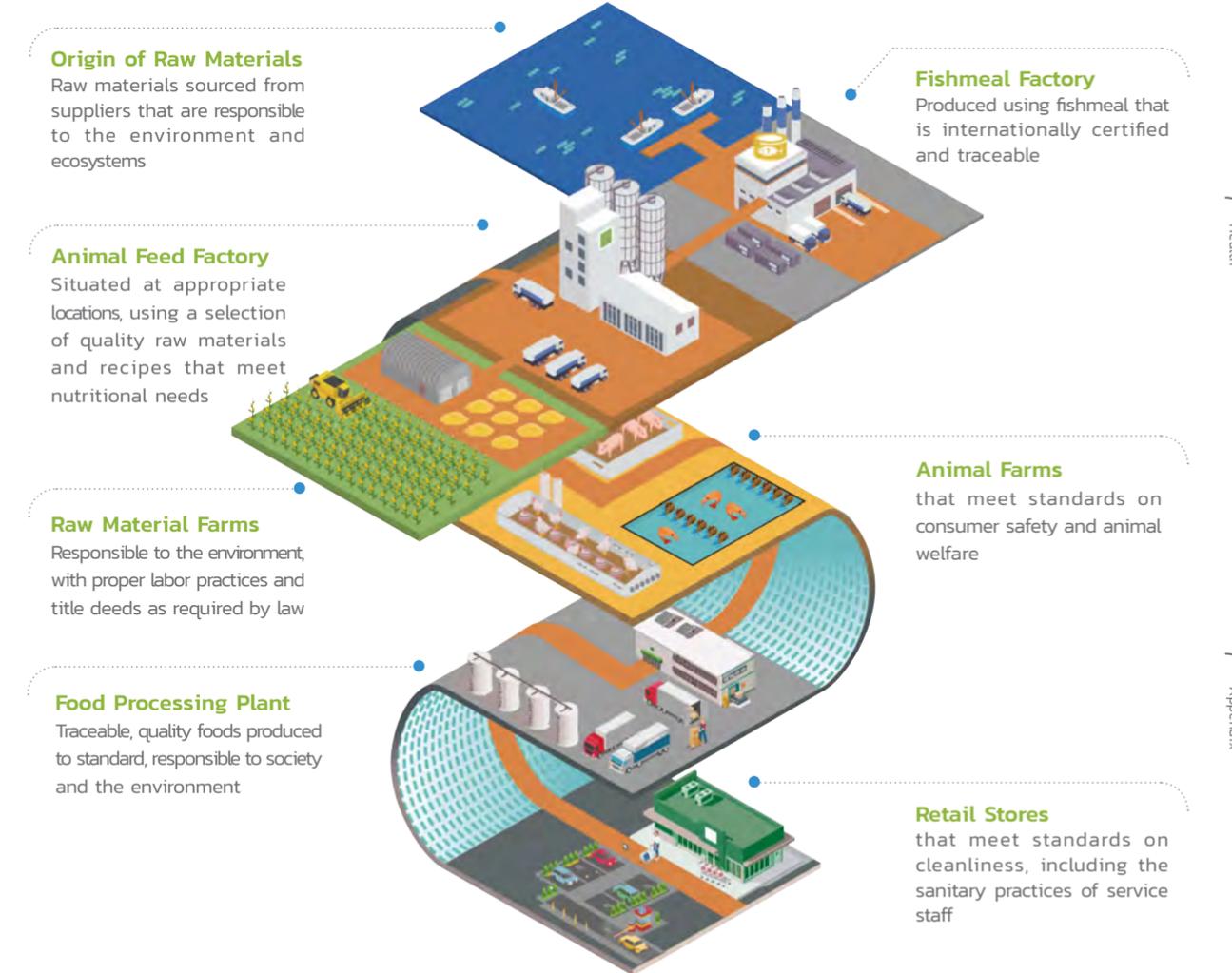
Fishing area
100%

Remarks: Animal feed business in Thailand

C.P. Group Integrated Traceability System

The traceability of a product is very important at C.P. Group. The Group has developed an integrated product traceability system that can trace a product starting from its raw material source to its area of cultivation, animal feed mill, farm, food processing factory, warehouse, and all the way through to distribution and sales channels,

into the hands of consumers. Consumers can rest assured that all of the products produced by C.P. Group are of high quality, in compliance with safety standards, and made with socially and environmentally responsible raw materials and processes.



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Conserving and Restoring Forest Resources

Promoting ecosystem and biodiversity protection

Charoen Pokphan Group adopted the concept of balancing the ecosystem in an implementation of the developing forest for sustainable livelihood project. The company executed this project through the social enterprise concept, where we promoted reforestation for livelihood development, raised awareness toward protection and promotion of sustainability in local systems among the community.

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The Sob Khun Model

Developing the forest and sustainable livelihoods for farmers in Ban Sob Khun, Nan Province



Barren mountain top near Ban Sob Khun, Nan Province (2015)

Project Background: Sob Khun Model

In northern Thailand, the increasingly widespread practice of burning forests to make way for agricultural land has led to forest fires and smog, which in turn raised the concentration of particulate matters to hazardous levels, causing health problems. In recognition of this situation, in 2015, C.P. Group went on the ground to survey the area of Ban Sob Khun, Pa Kha Subdistrict, Tha Wang Pha District in Nan Province. Ban Sob Khun lies in a mountain top area overcome by corn plantation, and is home to 1,185

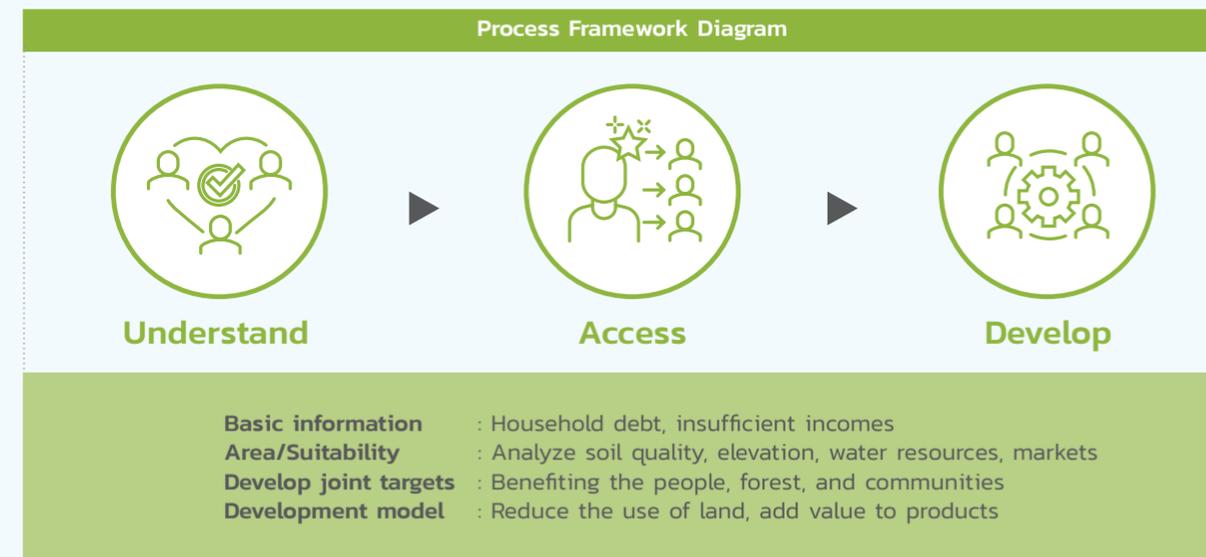
persons, 328 households, and 42,895 rai of arable land. This led to the creation of the Ban Sob Khun Model, where C.P. Group provided support for the Ban Sob Khun community on growing high-value plants instead of corn to generate income. Coffee was the alternative, as it offers high returns and more environmentally-friendly benefits. The Model also stimulated partnerships with various sectors, including the public sector and community networks.

“Today, I have arrived at my turning point, away from growing corn. I am making my dreams come true.”



Mr. Yat Thammalangka
Ban Sob Khun, farmer

Management Framework:



Performance

C.P. Group implemented the Sob Khun Model based on the teachings of His Majesty King Bhumibol Adulyadej, Rama IX, “Understand, Access, Develop.” This entails understanding the problem, understanding ourselves and the others, and recognizing the needs of farmers and their problems – in order to deliver full-scale impact. These could include, for example, problems of insufficient income, household debt, and the exploitation of forest land, water resources, and other inputs needed to earn livelihoods. The approach focuses on addressing the problems facing farmers by setting clear objectives: generating income, restoring forest to its natural state and

preventing destruction, and enabling peaceful coexistence between people and the forest. Furthermore, it involves transitioning to more environmentally friendly crop alternatives such as coffee, which is grown with shade trees and therefore supports forest preservation, and reduces the need for farmland while increasing income. Likewise, there is an emphasis on the development of soil and water; filling gaps for communities; giving knowledge, providing management systems, market processes, technologies, and innovations; and managing the Sob Khun Village Social Enterprise, which was set up and managed by the community themselves.

Overall, the Sob Khun Model promotes sustainability through people development. This will only be achieved through a mentoring system, involving knowledge transfers to villagers, building trust and confidence among the farmers to help them learn from one another, strengthening capabilities, and encouraging them to step outside the box to learn new things and establish new goals for the sustainable development of their communities and society at large.

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Supporting Farmers through Social Enterprise Development



Mr. Suphachai Chearavanont picking coffee cherries with farmers

A social enterprise model, which integrates the knowledge management with innovation for developing a business plan, is an essential tool for promoting the sustainability of farming enterprises. C.P. Group promotes this model by supporting the construction of coffee processing plants, machinery, coffee drying warehouses, and other facilities, to enable local communities to earn income from coffee growing, from upstream to midstream. In addition, farmers are able to manage and use their accumulated profits for the benefit of the group to address social and environmental issues and create long-term sustainability for their communities.

Past Performance

The Sob Khun Model social enterprise is now entering its fifth year. A total of 101 farmers have now participated in the project, covering 129 plots of land. This has reduced the deforestation for farmland and has prevented up to 614 rais of mountain tops from becoming clear-cut. Today, more than 1,822 rais of forest area has been restored – resulting in the transformation of 42.91% of the former barren mountain top into now abundant green forest.

Future Plans

Building off the initial success of this model, a challenge now concerns scaling the project to cover other districts, and inviting more local communities to participate. The goal is to enable more people to coexist with forest in harmony, and for farmers to earn sufficient and sustainable income.



Coffee cherries



Farmers collecting coffee cherries



Results and Benefits

39 farmers
from the first cohort benefited from the project

83 cultivated areas

167,973 THB
income generated for the communities

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Conserving and Restoring Marine Resources

For the abundance, resilience, balance, and sustainability of Thai seas

Charoen Pokphan Group collaborated with the Fishery Department to develop sustainability for Thailand's sea. We have been continuously placing artificial reef in suitable waters off the coast of Thailand. In the second phase, 1,000 artificial reefs were placed in the coastal areas of Amphoe Ranod, Songkhla Province, and Amphoe Muang, Narathiwat Province. The objective of this project is to restore the abundance of the Southern sea, and to increase income and improve livelihood of the local communities.

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Aquatic Animals Banks

For Sustainable Marine Resources Conservation

Project Background

The degradation of the marine environment has resulted in a significant reduction in the population of aquatic animals in Thai territorial waters, where some species are now nearing extinction. This has impacted the livelihoods of fishermen, who are unable to earn sufficient income to support their families. Therefore, C.P. Group, as a private sector company that plays a role in the agro-industry and food supply chain with direct links to Thailand's seas, places a strong emphasis on the conservation of marine resources and restoring coastal fishing communities through sustainable means in both the Eastern coastal provinces on the Gulf of Thailand and the Andaman Sea.

To address this issue, the Group adopted the 'SEACOSYSTEM: For Sustainable Thai Seas' concept, in which one of the key components involves increasing the stock of aquatic animals through innovations for hatching juvenile aquatic animals, or the Aquatic Animal Bank. The 'Bank' has been developed by the Group with the goal of reducing the problem of diminishing aquatic animal population and its impacts on fishermen's incomes and the livelihood of fishing communities. It can be used for breeding aquatic species that lay eggs outside their shells such as blue crabs, giant mud crabs, mangrove crabs, flathead lobsters, giant freshwater prawns and spiny lobsters. The hatchery system adopts the use of modern technology with an automated control system, which increases efficiency



Automatic hatchery innovation

and flexibility. Not only is it easy to use, but the system also has low maintenance costs and helps to promote community collaboration and engagement, which will consequently support sustainable marine conservation. The Project involved working with 16 communities in eight provinces. Since its launch in 2017, more than 4.7 billion juvenile crabs have been released back into the sea. The innovation has received awards both in Thailand and overseas.



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Creating Income from Fishing Products (Blue Crabs)

From innovation to social enterprise, Surat Thani Province

Results and Benefits ✓

Released more than **4,700 million** juvenile crabs back into the sea

Revenue from selling blue crabs **3,132,655 THB**



Project Background

Following the Group's success with Community Crab Banks (Aquatic Animal Banks) in many provinces on the Gulf of Thailand and Andaman Sea, with a large quantity of crabs being released back into the sea, fishermen have now been able to catch a higher quantity of crabs. Nevertheless, they have encountered marketing issues as local buyers have limited purchasing capacity. To help with this, C.P. Group developed plans with local communities to process their catch and to identify fair markets. In response, CPRAM Co., Ltd. a company within C.P. Group with demand for crab meat in their rice box products, created a project to purchase crabs

directly from high-potential pilot communities – a business model that could then be replicated with other communities. The community selected for this project was the Takrob community in Chaiya District, Surat Thani Province, which worked in collaboration with private companies in their purchase of crabs from the area. More importantly, the fishermen participating in the project receive a higher price from the Company than from local buyer as these crabs are sourced through sustainable fishing practices.



Takrob Local Fishing Community, Chaiya District, Surat Thai Province

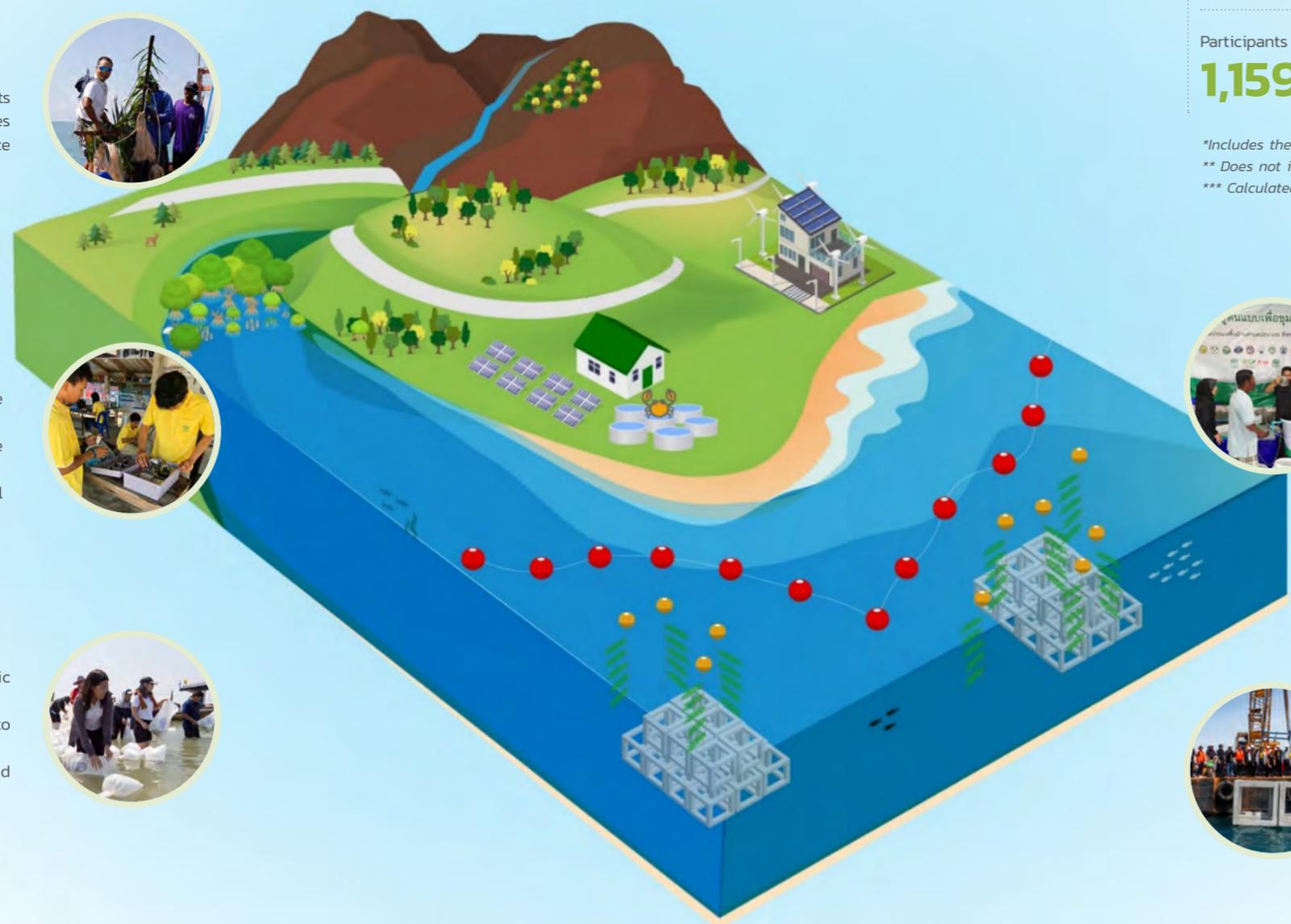
Viya Crab Products Co., Ltd. Surat Thani (Supplier of CPRAM)

**Buyers in CPRAM Group
Buyers outside the Group: MK, Tops Supermarket, international markets**



SEACOSYSTEM

For Sustainable Thai Seas



Sustainability Development in Process

- Fishmeal Purchasing Policy and Requirements
- Sustainable Packaging Policy and Guidelines
- Support industries related to marine resource use across the supply chain

Research and Development

- Conduct ground-level research with the participation of coastal communities
- Conduct research in support of sustainable fishing
- Develop and apply innovations and digital technologies

Stock Enhancement

- Innovations for raising juvenile aquatic animals, such as Aquatic Animal Banks
- Aquatic animal cultivation for release into nature
- Examples of aquatic animals raised and released: blue crabs, sea crabs, prawns, banana shrimps, and spotted scat fish

Number of juvenile aquatic animals released to sea*

4.7 billion

Number of new aquatic animal species found

35 species

Areas for cultivating and protecting aquatic animals**

2,253,600 sq.m.

Increase in income for farmers***

6–36% increase

Participants in sea conservation projects

1,159 persons

Local fishing communities supported

38 communities

*Includes the release of 4.7 billion juvenile crabs, 3 million prawns, and 5,000 spotted scats

** Does not include another 520,000 sq.m. of mangrove forests

*** Calculated from two projects with two communities, not all communities

Community Development

- Sustainably supporting community businesses
- Renewable energy and waste management
- Developing leaders and the capabilities of community members

Marine Habitats Management

- Grow-Share-Protect Mangrove Forestation Project
- Artificial Reef Project with the Fisheries Department
- Promoting community marine resources management

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RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Supporting the SDGs

SUSTAINABLE DEVELOPMENT GOALS



SDG 4 Quality Education

4.4 Increase the number of youths 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, and 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

Challenges

Charoen Pokphand Group (C.P. Group) is fully committed to the responsible management of our suppliers, across our entire supply chain. However, due to the diversity of our business operations, with businesses, products, and services located in all regions of the world, this management might not cover all suppliers, particularly those located very far away. Another key challenge is that suppliers could still be lacking a full understanding of sustainability principles. Nevertheless, supply chain management is not merely one of the Group's key strategies for achieving sustainable growth, but also a way to create shared values between the Group, suppliers, and producers, in line with the Group's 'Three-Benefit' Principle.

Year-on-Year Progress



2020 Goal (Thailand)

100%

of critical suppliers are assessed on sustainability.

Key Plans in 2020



Create a team of assessors to develop suppliers' capabilities



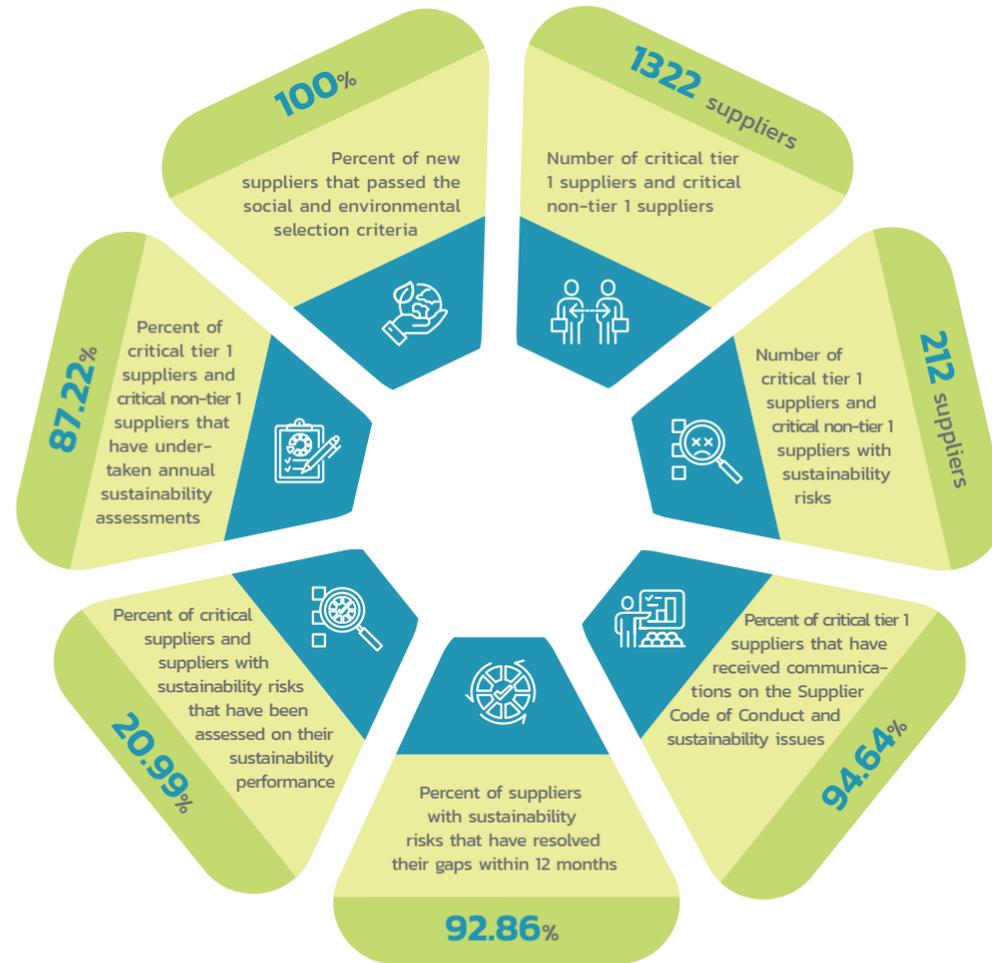
Create learning materials for suppliers



Develop a digital platform to communicate on sustainability issues



Key Performances 2019



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Supplier Code of Conduct

Efficient supply chain management is essential for reducing the risk of business interruptions, which could directly impact C.P. Group's reputation and operations as well as other stakeholders across the supply chain. To avoid this risk, C.P. Group developed the Procurement Policy and Guidelines and the Supplier Code of Conduct to enable suppliers to operate in accordance with all three dimensions of sustainability. Examples of issues covered in the Code of Conduct include environmental management, child labor, human rights, forced labor and abuse of labor, employment arrangements, remuneration and benefits, occupational health and safety, operating with integrity, and anti-bribery and corruption. C.P. Group has translated the Code of Conduct into three languages – Thai, English, and Chinese, and has communicated the Code to all suppliers for their acknowledgement and compliance. If a supplier does not comply with the Code, the procurement contract will be cancelled and the supplier will be notified accordingly. Finally, C.P. Group also organizes trainings for suppliers through a number of channels including in-person trainings and videos to enhance their understanding of the Code.



Scan here to access the contents of the Supplier Code of Conduct

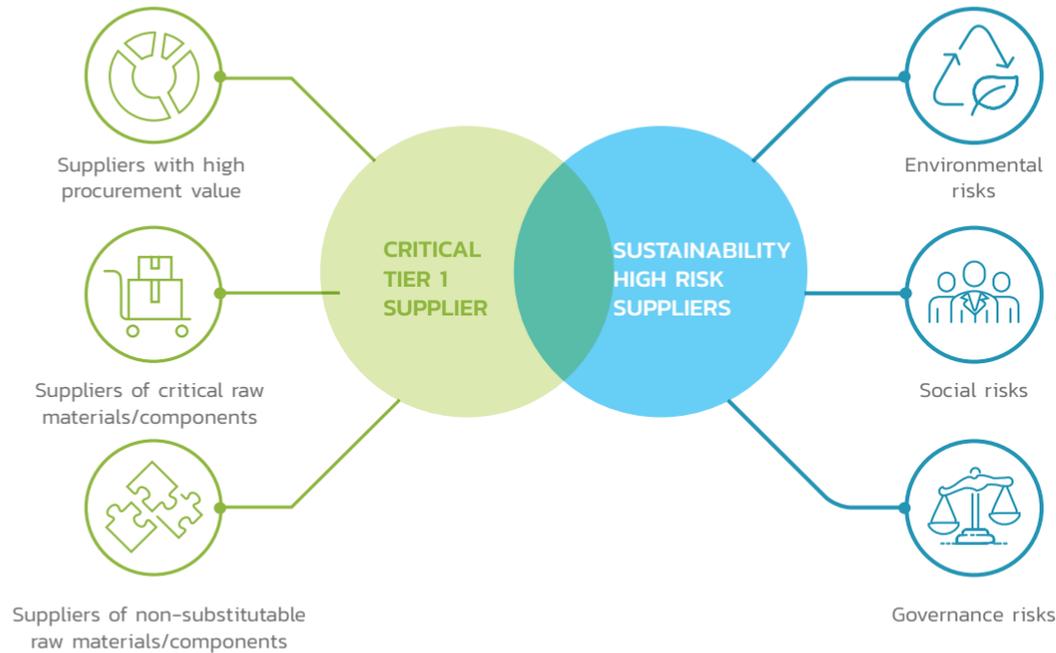




Awareness and Risk Exposure

Given that C.P. Group's business involves a great number of suppliers, we begin our approach to responsible supply chain management by first working with critical suppliers. Here, critical suppliers are classified according to the following criteria: 1) high procurement value; 2) suppliers of critical raw materials/components; and 3) suppliers of non-substitutable raw materials/components, or limited numbers of suppliers who are able to deliver on the requirements. Additionally, we identify high-risk suppliers by conducting a sustainability risk assessment across the entire supply chain, using

evaluation criteria in two dimensions: severity of impact and likelihood of risk. Risk factors included in the assessment come from reputable sources, namely: 1) news; 2) past performance; 3) industry-relevant risk factors; and 4) future emerging risk trends. C.P. Group's risk assessment covers suppliers of raw materials, packaging, and services, and are not only limited to tier 1 suppliers or those with direct purchasing relationships with the Group, but also include non-tier 1 suppliers as well. For more information, please refer to <http://www.cpgroupglobal.com/>.



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Supplier Sustainability Assessment

To foster joint sustainable growth, C.P. Group has required that sustainability risk assessments be conducted at suppliers' operational sites, at regular intervals, by a team of assessors with expertise on environmental, social, and governance (ESG) criteria. C.P. Group further monitors progress on improvements, and supports a team of experts that work with suppliers to provide advice, recommendations, and shared knowledge through videos, such as www.youtube.com/channel/UCcn00Y2h-SiqSU4wMlvKRg6Q



ESG Integration in Supply Chain Management Strategy



C.P. Group has integrated ESG issues into its procurement process, beginning with the Supplier Selection Process through to the Supplier Retention Process. These processes consider suppliers' sustainability performance using appropriate methods, for example Supplier Self-Assessments, which are assessments by companies within the Group or by reputable third party agencies that are in compliance

with international sustainability standards such as ISO 14001 (Environmental Management), ISO 50001 (Energy Management), ISO 45001 (Occupational Health and Safety), and Supplier Ethical Data Exchange (Sedex). The latter, Sedex, is a collaborative platform used to identify improvement opportunities and devise proactive measures to foster collaboration between suppliers and C.P. Group.



Partnership Collaboration Projects

Enhancing the capabilities of suppliers

We believe that the collaboration of all sectors in society is essential for achieving a balance between the economy, society, and environment – and in particular for the creation of a responsible supply chain. Importantly, collaboration is key to generating added-value for the business across the supply chain, and also for stakeholders on a wider scale.

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Quality Vegetables by Local Farmers Promotion Project

Siam Makro Public Company Limited supports local farmers in the Shan State of Myanmar in learning about the “market-driven” approach to production, and purchases vegetables from a large group of over 200 farmers in the Shan State.



IFFO RS Improver Program (IFFO RS IP)

CPF India enhances the capabilities of its fishmeal and animal feed factory suppliers in order to improve the procurement process for an IFFO RS certification in the future.



Nan Model Project: Creating Jobs and Restoring Forests in Ban Nan

Chia Tai Co., Ltd. creates jobs that produce vegetable seeds for trade on flat terrain, using a contract farming model, to ensure that farmers will have secure and stable jobs with regular income throughout the year. In 2019, a total of 967 farmers participated in the project, which generated a total income of 92,985,957 baht.



Hom Thong Banana Farmer Development Project

CP ALL Public Company Limited supports farmers in Tha Yang District, Phetchaburi Province, in growing quality hom thong bananas to meet consumers’ requirements. The bananas are sold to 7-Eleven stores.



Capacity Building for Small-scale Shrimp Farmers

CP, Vietnam Corporation developed the 3C Model for shrimp cultivation – Clean Shrimp, Clean Water, Clean Bottom – which focuses on cultivating shrimp without antibiotics. This led to an increase of up to four generations of shrimp raised per year, and up to a 99% increase in yields.



Safe Orange, Smiling Thais Project

Siam Makro Public Company Limited has brought together orange farmers with the objective of creating learning models that are sustainable and environmentally-friendly, a network of agricultural labs in each region, and a traceability system. The project generated income for communities through the sale of 8,400 tons of oranges per year, on average.



“Roi Jai Rak” Mango Project: From the Mountain Top to the Land of the Rising Sun

C.P. Starlanes Co., Ltd. developed the “Ban Huay San Fruit Enterprise” in Chiang Mai Province by sharing knowledge and technologies on the cultivation of quality mangoes, where the mangoes produced by the farmers are purchased and exported for sale in Japan. In 2019, this project generated over 804,225 baht in income for farmers.



Capacity Building for Partnership Training Project

C.P. Vietnam Corporation organized trainings for their critical suppliers on the topic of labor practices and workplace safety, according to legal requirements. The objective is for suppliers to apply these learnings in their operations, in compliance with international standards, and promote work safety and good qualities of life for their workforce.



Enhancing Suppliers' Capabilities

C.P. Group strives to enhance the capabilities of our suppliers in various key areas, including safe and sustainable production practices. This is achieved through a management system that ensures proper planning and continuous improvements, creates learning networks, adopts digital technologies, and supports marketing to enhance the value and capabilities of suppliers to achieve sustainable business operations.

<p>Knowledge Sharing</p>  <ul style="list-style-type: none"> • Using resources efficiently • Food safety • Occupational health and safety • Sustainability principles 	<p>Management System</p>  <ul style="list-style-type: none"> • Good Agricultural Practices (GAP) • Good Manufacturing Practices (GMP) for food • Traceability system • International standards 	<p>Increasing Value</p>  <ul style="list-style-type: none"> • Product development • Increasing efficiency • Using modern agricultural tools • Identifying production inputs using theoretical principles
<p>Synergy</p>  <ul style="list-style-type: none"> • Building learning networks • Joining forces with the public sector • Sharing experiences and best practices • Creating agricultural equipment networks to reduce costs 	<p>Digital Technology</p>  <ul style="list-style-type: none"> • Using digital platforms to develop cultivation plans • Creating communication and learning channels • Registering farmers • Receiving recommendations and complaints 	<p>Marketing/ Finance</p>  <ul style="list-style-type: none"> • Setting fair prices • Guaranteeing Product price buyback • Planning production based on actual market needs • Promoting credit

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Promoting Corn Cultivation for Animal Farming in CLMVT Irrigation Zones

Distributing knowledge on integrated agricultural management

The lack of appropriate knowledge on integrated agriculture and agricultural inputs, including the limitations of modern agricultural technology, are driving forces behind an important transformation among rice farmers. In particular, this concerns farmers adapting to the option of growing other plants instead of off-season rice farming, where previously farmers would cultivate rice off-season, despite the risks of drought or insufficient water resources. Recognizing this issue, the Crop Integration Business Group (Corn) conducted research and

development and found that growing corn for animal feed during the dry season – after rice has been harvested – will yield better results for farmers, as corn requires two to three times less water than off-season rice farming. In addition, to stimulate a business to consumer (B2C) model of agricultural management, the Crop Integration Business Group (Maize) also disseminated knowledge and promoted various types of agricultural inputs, providing support in areas such as: selecting quality seeds that are most suited to the conditions of the area;

analyzing nutrients in the soil to recommend appropriate types of fertilizers; using machinery provided by farmers' networks for sowing/ploughing; identifying water sources for farming; and caring for various tree species. Overall, this support covers the cultivation stage through to recommendations on proper harvesting methods.

Results and Benefits

42,245 farmers participated in the project

632,928 rais farmers' areas included in the project



Drill 200 groundwater wells/year



Build a shared service tractor network



Analyze soil to recommend suitable fertilizers



Promote credit and points of purchase



Manage production using digital platforms such as a service reservation platform, and a news and market reporting platform.



Nine Assurance Services Project

Developing swine farmers

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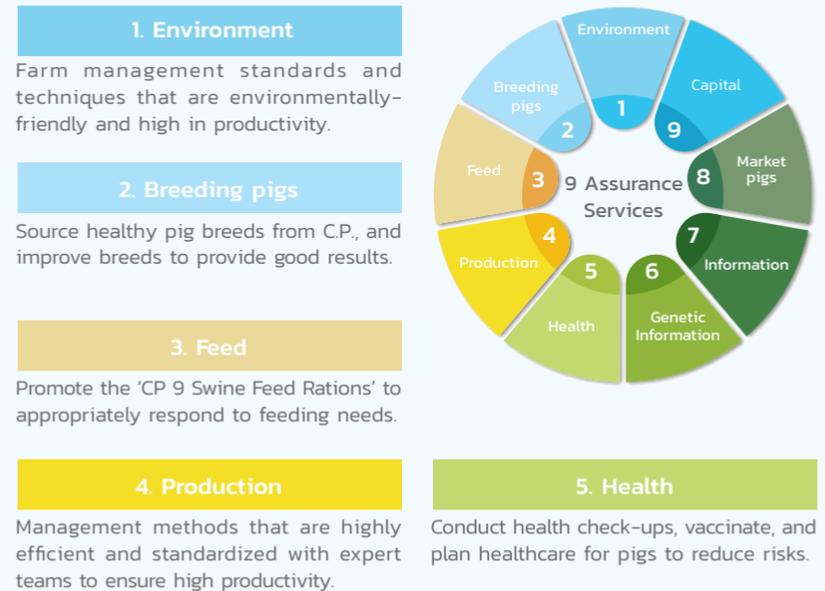
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The '9 Assurance Services Project' was developed to enhance the capabilities of swine farmers in China. Launched in 2011 and still ongoing today, the Project helps to reduce the problems associated with traditional swine farming methods such as facilities with poor sanitation practices and low productivity, the lack of data analysis and sales channels, and the lack of funding resources for farm development. After recognizing this problem, the Group adopted a '3-in-1' approach, which allows farmers to have a sense of ownership in the project,

provide knowledge on appropriate rearing methods, and engage in close collaboration. Throughout, the Group has provided services and supported farmers using the '9 Assurance Services' principle that, once adopted, helps farmers feel confident that they will be able to select pig breeds, raise and sell their stocks according to proper sanitation standards, and maintain high efficiency. Not only that, farmers wishing to expand their farms will also be able to access financial sources more easily through the Project.



1. Environment
Farm management standards and techniques that are environmentally-friendly and high in productivity.

2. Breeding pigs
Source healthy pig breeds from C.P., and improve breeds to provide good results.

3. Feed
Promote the 'CP 9 Swine Feed Rations' to appropriately respond to feeding needs.

4. Production
Management methods that are highly efficient and standardized with expert teams to ensure high productivity.

5. Health
Conduct health check-ups, vaccinate, and plan healthcare for pigs to reduce risks.

9. Capital
Provide recommendations and coordinate with financial institutions to identify funding sources and financial management.

8. Market pigs
Provide services to abattoirs and distribution networks, and provide consultations on market data to increase sales.

7. Information
Offer free IFARM system services to train employees, check data, prepare accounts, and analyze issues.

6. Genetic Information
Provide support and information on rearing methods that are most suitable for specific breeds, and introduce ways of selecting and improving breeds.

4.8 million yuan
increased access to funding sources

92%
breeding readiness of pigs

Results and Benefits

7-Eleven: Sustainable Thai SMEs Project

Supporting business growth in the digital age

CP ALL Public Company Limited, under the Retail and Distribution Business Group, organized the SMEs promotion project, '7-Eleven: Sustainable Thai SMEs Project,' to recognize and award the SMEs that sell their products through 7-Eleven and 24Shopping. The Project aims to elevate the quality of products and promote outstanding product innovation, ultimately to inspire SMEs to develop quality products. They will be able to compete through more diverse sales channels and become role models for other SMEs in the digital age.

Seven Awards Categories:

- Sustainable SMEs Award
- Excellent SMEs Award
- Rising Star SMEs Award
- Community-based SMEs Award
- Agri-Product SMEs Award
- Health Product SMEs Award
- Outstanding Creativity SMEs Award



21 SMEs
received awards

50,000 SMEs and farmers
received recommendations on product development

Results and Benefits



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REPORTING BOUNDARY

CHAROEN POKPHAND GROUP 2019

BUSINESS GROUP/COMPANY NAME	COUNTRY	ECONOMIC	ENVIRONMENTAL				SOCIAL	
			ENERGY	EMISSIONS	WATER	WASTE	HEALTH & SAFETY	HUMAN RESOURCES
1 CHAROEN POKPHAND GROUND CO., LTD.	THAILAND	●	○	○	○	○	○	●
AGRO-INDUSTRY AND FOOD BUSINESS GROUP								
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 GROUP/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 MOTORCYCLE CO., LTD	CHINA	○	○	○	○	○	○	○
3. CPPC PUBLIC COMPANY LIMITED	THAILAND	●	●	●	●	●	●	●
	CHINA	●	○	○	○	○	○	○
	VIETNAM	●	○	○	○	○	○	○
PHARMACEUTICALS BUSINESS GROUP								
1. SINO BIOPHARMACEUTICAL LIMITED	CHINA	●	●	●	●	●	●	●
FINANCE AND INVESTMENT BUSINESS GROUP								
1. ZHENGXIN 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 2019 Sustainability Report.
 ○ Company performances that are not covered in this 2019 Sustainability Report.
 *The Finance and Investment Business Group is not currently under the management of Charoen Pokphand Group.

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GRI STANDARD	KEY PERFORMANCE INDICATORS	UNIT	2017	2018	2019
1. CORPORATE GOVERNANCE					
DEPARTMENT THAT ARE WITHIN THE SCOPE OF THIS SUSTAINABILITY REPORT					
	• Production Plants	Plants	259	259	278
	• Animal and Horticulture Farms	Farms	940	951	951
	• 7 Eleven Stores	Stores	10,268	10,988	11,712
	• Hypermarkets/Superstores	Stores	195	204	216

2. HUMAN RIGHTS & LABOR PRACTICES

HUMAN RESOURCE DATA

102-8 EMPLOYMENT			MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
• Total Workforce	Persons	306,695		314,337		375,891		
		159,364	147,331	159,763	154,574	191,223	184,668	
BY CONTRACT TYPE			MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
• Employees	Persons	212,230		304,205		339,431		
		111,354	100,876	153,436	150,769	169,633	169,798	
• Workers/Contractors	Persons	94,465		10,132		36,460		
		48,010	46,455	6,327	3,805	21,590	14,870	

405-1 EMPLOYEE DIVERSITY

BY LEVEL			MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
• Top Management	Persons	1,499	400	774	178	768	200	
• Middle Management	Persons	5,298	2,733	2,555	1,237	2,620	1,397	
• Management	Persons	11,319	7,135	13,914	7,202	28,923	14,357	
• Officers	Persons	135,634	135,827	131,413	137,849	137,737	153,844	
BY AGE			MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
• Under 30 years old	Persons	65,304	63,576	61,417	64,636	72,482	75,968	
• 30-50 years old	Persons	79,839	76,314	77,862	75,586	85,386	85,828	
• Over 50 years old	Persons	9,032	6,000	9,327	6,244	11,765	8,002	

LABOR PRACTICES

401-1 NEW EMPLOYEE HIRES			MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
• Number of new employee hires	Persons	101,919		105,644		125,134		
		51,016	50,903	50,533	55,111	59,674	65,460	
BY AGE			MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
• Under 30 years old	Persons	34,406	33,115	35,091	40,150	40,336	46,054	
• 30-50 years old	Persons	12,738	12,937	12,401	13,705	17,979	18,373	
• Over 50 years old	Persons	780	537	3,041	1,256	1,359	1,033	

GRI STANDARD	KEY PERFORMANCE INDICATORS	UNIT	2017	2018	2019		
LABOR PRACTICES							
TURNOVER							
EMPLOYEE TURNOVER							
• Number of turnovers	Persons	78,837		86,387			
		40,174	38,663	42,959	43,428	54,977	54,195
BY AGE							
• Under 30 years old	Persons	26,103	25,881	27,268	28,668	35,410	34,943
• 30-50 years old	Persons	12,174	10,854	14,193	13,418	17,861	17,695
• Over 50 years old	Persons	1,110	977	1,498	1,342	1,706	1,557
PARENTAL LEAVE (EMPLOYEES)							
• Number of employees taking parental leave	Persons	-		507		1,017	
		-	-	494	852	1,531	5,881
• Number of employees that returned to work after parental leave ended	Persons	-	-	494	852	1,531	5,881

Health & Safety

403-2 (A) EMPLOYEES			MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
• Injury Rate (IR)	Cases per 200,000 hours worked	3.03		1.92		1.77		
		2.81	3.26	2.04	1.86	1.70	1.83	
• Lost Time Injury Rate (LTIR)	Cases per 200,000 hours worked	0.27		0.40		0.29		
		0.37	0.18	0.49	0.33	0.36	0.22	
• Occupational Disease Rate (ODR)	Cases per 200,000 hours worked	0.04		0.00		0.00		
		0.05	0.03	0.01	0.00	0.00	0.00	
• Lost Day Rate (LDR)	Lost days per 200,000 hours worked	2.82		6.05		18.07		
		3.75	1.90	7.53	4.70	12.29	23.61	
• Absentee Rate (AR)	Percentage %	1.63		1.61		1.32		
		1.51	1.75	1.38	1.82	1.21	1.47	
• Fatalities	Persons	7		7		5		
		6	1	7	0	4	1	

403-2 (B) CONTRACTORS			MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
• Injury Rate (IR)	Cases per 200,000 hours worked	0.30		0.20		0.34		
		0.32	0.24	0.16	0.34	0.35	0.32	
• Lost Day Rate (LDR)	Cases per 200,000 hours worked	-		-		2.82		
		-	-	2.90	2.55	-	-	
• Lost Time Injury Rate (LTIR)	Cases per 200,000 hours worked	-		-		0.12		
		-	-	0.12	0.15	-	-	
• Fatalities	Persons	1		2		3		
		1	0	2	0	3	0	

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GRI STANDARD	KEY PERFORMANCE INDICATORS	UNIT	2017	2018	2019		
3. LEADERSHIP & HUMAN CAPITAL DEVELOPMENT							
EMPLOYEE TRAINING AND DEVELOPMENT							
• Average number of training hours for all employees	Hours/person /year	16.18		13.30		13.49	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
		16.39	15.97	12.69	14.81	12.06	14.91
BY LEVEL							
• Top Management	Hours/person /year	13.34		25.55		32.45	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
		13.60	12.40	26.55	21.23	33.30	29.16
• Middle Management	Hours/person /year	20.47		24.33		22.04	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
		21.55	18.39	22.55	28.00	21.78	22.52
• Management	Hours/person /year	18.35		20.19		16.02	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
		19.38	16.71	18.44	23.58	14.66	18.73
• Officers	Hours/person /year	12.12		13.51		12.93	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
		12.24	12.00	12.27	14.69	11.22	14.47
4. STAKEHOLDER ENGAGEMENT							
• Number of business groups compiling expectations of stakeholders	Business groups	13		13		13	

Remarks:

- The number of training hours excludes the hours that employees have spent in continuing education at the Master's and Doctoral Program levels, domestically and internationally, as well as the continuous training courses.
- Injury data for contractors does not include the Telecommunications Business Group.
- Injury refers to work-related injuries, from minor injuries (requiring First Aid) to injuries causing at least one lost work day.
- Lost Time Injury refers to the injuries that result in one lost day of work and more (calculated from the day following the incident).
- The severity level of an injury is calculated from the number of absent work days.
- Injury Rate (IR) = [Total number of injuries at all levels (during the reporting period) X 200,000 hours worked] / Total number of hours worked (during the reporting period).
- Lost Time Injury Rate (LTIR) = [Total number of lost time injuries (during the reporting period) X 200,000 hours worked] / Total number of hours worked (during the reporting period).
- Lost Day Rate (LDR) = [Total number of lost days (during the reporting period) X 200,000 hours worked] / Total number of hours worked (during the reporting period).

HEALTH

GRI STANDARD	KEY PERFORMANCE INDICATORS	UNIT	2017	2018	2019
5. SOCIAL IMPACT					
• Farmers receiving support • SMEs receiving support • Individuals from vulnerable groups receiving support	Persons	92,378	113,067	129,829	
	Persons	57,646	543,572	706,100	
	Persons	15,245	12,287	22,389	
6. HEALTH & WELL-BEING					
• Number of available products that aim to promote better health and well-being • Number of children receiving support and increased opportunities for food access	Products	168	283	525	
	Persons	32,650	243,280	525,195	
7. EDUCATION					
• Number of children, youth, and adults with access to education • Number of scholarships provided	Persons	2,568,762	3,411,278	4,608,990	
	Scholarships	22,109	32,734	38,135	
8. INNOVATION					
• Research and Development (R&D) spending • Number of R&D positions • Number of patents and petty patents	Million THB	12,223	17,533	7,077	
	Persons	5,388	5,950	5,402	
	(Petty) Patents	866	1,296	729	

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SUSTAINABILITY PERFORMANCE DATA 2019

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GRI STANDARD	KEY PERFORMANCE INDICATORS	UNIT	2017	2018	2019
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9. CLIMATE CHANGE MANAGEMENT

ENERGY CONSUMPTION					
302-1 (E)	TOTAL ENERGY CONSUMPTION	MILLION GJ	44.29	47.92	46.05
302-1 (A)	• Non-renewable energy consumption	Million GJ	18.04	18.92	14.91
302-1 (B)	• Renewable energy consumption	Million GJ	4.03	4.73	5.27
302-1 (C)	• Electricity purchased	Million GJ	22.22	24.26	25.98
302-1 (D)	• Electricity sold	Million kWh	5.01	39.67	28.68
302-3	• Energy intensity	GJ/Million THB of revenue	27.10	28.98	23.05
GREENHOUSE GAS EMISSIONS					
GHG EMISSIONS (SCOPES 1 + 2)		MILLION TCO ₂ E	5.03	5.46	5.40
305-1	• Direct GHG emissions (Scope 1)	Million tCO ₂ e	1.26	1.22	0.91
305-2	• Indirect GHG emissions (Scope 2)	Million tCO ₂ e	3.77	4.24	4.49
305-4	• GHG emissions intensity	Million tCO ₂ e/Million THB of revenue	3.08	2.88	2.70
305-1 (C)	• Biogenic CO ₂ emissions	Million tCO ₂ e	0.38	0.45	0.50
WASTE					
TOTAL WASTE GENERATION		TON	941,611	2,108,194	1,781,534
306-2 (A)	Hazardous Waste	Ton	11,978	15,331	11,661
	• Reused/Recycled	Percentage (%)	13.22	22.42	64.69
306-2 (B)	Non-Hazardous Waste	Ton	926,633	2,092,863	1,769,873
	• Reused/Recycled	Percentage (%)	10.22	21.19	11.81
	• Composting	Percentage (%)	46.19	42.60	62.32
	Waste intensity	Tons/Million THB of revenue	0.58	1.27	0.89

10. WATER STEWARDSHIP

WATER CONSUMPTION					
303-1 (A)	WATER WITHDRAWAL	THOUSAND M ³	309,068	329,585	305,145
303-1 (A)	• Surface water	Thousand m ³	185,917	212,636	159,870
	• Ground water	Thousand m ³	54,215	76,664	65,888
	• Rain water	Thousand m ³	10,930	7,673	7,801
	• Municipal water/Purchased water	Thousand m ³	57,998	32,612	33,723
	• Wastewater from other organizations	Thousand m ³	10	-	-
303-3 (A)	Reused and recycled water	Thousand m ³	34,183	39,774	39,880
303-3 (B)	Percentage of water reused/recycled	Percentage (%)	11.06	12.06	13.07
	Water withdrawal intensity	m ³ per million THB of revenue	189.13	199.33	153.74

WATER DISCHARGE					
306-1 (A)	WATER DISCHARGE	THOUSAND M ³	157,279	181,355	164,098

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GRI STANDARD	KEY PERFORMANCE INDICATORS	UNIT	2017	2018	2019
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11. ECOSYSTEM & BIODIVERSITY PROTECTION

• Mangrove and watershed forest areas protected and conserved	Rai	6,223	1,143	15,347
• Agricultural areas developed for water and plant sources	Rai	NA	11,268	11,268

12. RESPONSIBLE SUPPLY CHAIN MANAGEMENT

• Number of suppliers receiving communications on the Supplier Code of Conduct Handbook	Persons	11,377	13,510	20,544
• Farmers receiving capacity-building trainings	Persons	18,362	19,168	23,369

Remarks:

- NA: Not Available
- The calculation method under this Sustainability Report is in accordance with the GRI Standards.
 - 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 cobs, pal kernel shells, and sawdust) and biodiesel, and electricity consumed within the organization only. Calculation of the greenhouse gas emission Scope 2 has been recalculated using the emission factor according to the Energy Policy and Planning Office, Ministry of Energy
- 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 the IPCC and Thailand Greenhouse Gas Management Organization (Public Organization).
- GHG intensity per revenue covers GHG scope 1 and scope 2 (GRI 305-1, 305-2).
- 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 the Meteorological Department (GRI 303-1).
- Total reused/recycled water is calculated by using data from water meter and flow rate of water pump.
- 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 waste in the previous year.
- 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 does not include data from the Telecommunications Business Group.
- Sustainability performance data 2018 (Thailand) is available through www.cpgroupglobal.com/sustainability.



GRI CONTENT INDEX GRI102-55

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 Our Business 	-
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 Our Business 	-
102-7	Scale of the organization	<ul style="list-style-type: none"> 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"> CPG Value Chain 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"> Corporate Governance Climate Change Management Water Stewardship 	-
102-12	External initiatives	<ul style="list-style-type: none"> Supporting UN SDGs 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 	-
102-19	Delegating Authority	<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 	-
102-29	Identifying and managing economics, environmental, and social impacts	<ul style="list-style-type: none"> Stakeholder Engagement 	-
102-32	Highest governance body's role in sustainability reporting	<ul style="list-style-type: none"> Sustainability Governance Materiality Assessment 	-
102-33	Communicating critical concerns	<ul style="list-style-type: none"> Materiality Assessment 	-
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	<ul style="list-style-type: none"> GRI Content Index 	-
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"> Communication Channels 	-
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 External Assurance 	-

SPECIFIC STANDARD DISCLOSURES

DISCLOSURES		PAGE/WEBSITE	OMISSION/NOTE	EXTERNAL ASSURANCE
Economic Performance (2016)				
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"> 2019 Highlights 	-	-
Indirect Economic Impacts (2016)				
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 indirect economic impacts	<ul style="list-style-type: none"> Social Impact Education Innovation 	-	-
Anti-corruption (2016)				
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 	-	-

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	DISCLOSURES	PAGE/WEBSITE	OMISSION/NOTE	EXTERNAL ASSURANCE
Energy (2016)				
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 (2016)				
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 (2016)				
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 (2016)				
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	-	-

	DISCLOSURES	PAGE/WEBSITE	OMISSION/NOTE	EXTERNAL ASSURANCE
Effluents and Wastes (2016)				
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	-	✓
Supplier Environmental Assessment (2016)				
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 (2016)				
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	-	-
401-3	Parental Leave	• Appendix	-	-
Occupational Health and Safety (2016)				
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	-	-
403-1	Workers representation in formal joint management worker health and safety committees	• www.cpgroupglobal.com/pdf/CPGCG.10she-en-20180907-x.pdf	-	-

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DISCLOSURES	PAGE/WEBSITE	OMISSION/NOTE	EXTERNAL ASSURANCE	
Occupational Health and Safety (2016)				
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	• Appendix	-	✓
Training and Education (2016)				
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	-	-
404-2	Program for upgrading employee skills and transition assistance programs		-	-
Diversity and Equal Opportunity (2016)				
405-1	Diversity of governance bodies and employees	• Appendix	-	-
Human Rights Assessment (2016)				
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 (2016)				
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	-	-

DISCLOSURES	PAGE/WEBSITE	OMISSION/NOTE	EXTERNAL ASSURANCE	
Local Communities (2016)				
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 (2016)				
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	-	-
414-1	New suppliers that were screened using social criteria	• 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 (2016)				
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 (2016)				
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	-	-

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UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS – ADVANCED LEVEL

CRITERION	DESCRIPTION	PAGE
1	The COP describes mainstreaming into corporate functions and business units	34-41, 48-49, 51-52, 54-59, 60-64, 67, 69-71, 73, 75-76, 78, 98-99, 101, 106, 108, 110-111, 114, 116-117, 138-139, 141, 144-149
2	The COP describes value chain implementation	56, 60-65, 106-107, 115-118, 126-128, 130-133, 174-175, 184-189, 202-211
3	The COP describes robust commitments, strategies or policies in the area of human rights	60-65
4	The COP describes effective management systems to integrate the human rights principles	62-65, 69, 202-204
5	The COP describes effective monitoring and evaluation mechanisms of human rights integration	62, 69, 202-204, 207
6	The COP describes robust commitments, strategies or policies in the area of labor	60-65, 69-71, 76, 188-189
7	The COP describes effective management systems to integrate the labor principles	50-52, 54-55, 60-64, 69-71, 202-205
8	The COP describes effective monitoring and evaluation mechanisms of labor principles integration	69-71, 202-205
9	The COP describes robust commitments, strategies or policies in the area of environmental stewardship	35-39, 152-159, 174-176, 202-205
10	The COP describes effective management systems to integrate the environmental principles	158-159, 178, 184-186, 202-205
11	The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	176-180, 182-183, 184-188, 207
12	The COP describes robust commitments, strategies or policies in the area of anti-corruption	52, 54-56
13	The COP describes effective management systems to integrate the anti-corruption principle	56
14	The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	57
15	The COP describes core business contributions to UN goals and issues	12-15, 36-37, 42-44, 48, 60, 63-64, 72, 83, 98, 102-103, 110, 126, 138, 152, 174, 184, 202
16	The COP describes strategic social investments and philanthropy	12-15, 98-109, 110-113, 117-121, 123-125, 180-181, 189, 192-195, 210-213
17	The COP describes advocacy and public policy engagement	56, 86-87, 128, 130-137
18	The COP describes partnerships and collective action	85-87, 182-183, 192-195, 198-201, 208-209, 211-212
19	The COP describes CEO commitment and leadership	6-11
20	The COP describes Board adoption and oversight	34-41, 43, 48-52, 54-55
21	The COP describes stakeholder engagement	42-43, 57, 126-128, 130-137

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

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- Water Stewardship
- Ecosystem and Biodiversity Protection
- Responsible Supply Chain Management

Appendix



LR Independent Assurance Statement Relating to Charoen Pokphand Group Company Limited's Sustainability Report for the calendar year 2019

This Assurance Statement has been prepared for Charoen Pokphand Co, Ltd in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

Lloyd's Register Quality Assurance Limited (LR) was commissioned by Charoen Pokphand Co, Ltd (CPG) to provide independent assurance on its Sustainability Report for the calendar year 2019 ("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 LR's verification procedure. LR's verification procedure is based on current best practice, is in accordance with ISAE 3000 and ISAE 3410 and uses the following principles of - inclusivity, materiality, responsiveness and reliability of performance data.

Our assurance engagement covered only CPG's operations and activities in Thailand and specifically the following requirements:

- Confirming that the report is in accordance with:
 - GRI's Standard and core option
- Evaluating the reliability of data and information for only the selected indicators listed below:
 - GRI 302-1 Energy consumption within the organization: 2016, GRI 303-1 Total water withdrawal by source: 2016, GRI 305-1 Direct (Scope 1) GHG emissions: 2016⁽¹⁾ - combustion only, GRI 305-2 Energy indirect (Scope 2) GHG emissions: 2016, GRI 306-2 Waste by type and disposal method: 2016, GRI 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities:2016

Notes: (1) Reporting scope of Direct GHG emission includes emission from sources of fuel combustion only but exclude direct GHG emission from flaring of biogas and other sources of direct GHG emission

The information for these selected indicators is available at <http://www.cpgroupglobal.com/th/sustainability>

LR's responsibility is only to CPG. LR 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.

LR's Opinion

Based on LR's approach nothing has come to our attention that would cause us to believe that CPG has not, in all material respects:

- Met the requirements above
- Disclosed reliable performance data and information for the selected indicators as no errors or omissions were detected
- 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. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LR's approach

LR's assurance engagements are carried out in accordance with our 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 collaborating information from third party assurance engagements done for CPF, CPAll, CPI, CPP and True Corp. We also spoke with key people in various facilities responsible for compiling the data and drafting the Report.
- Sampling evidence presented at CHIATAI Head office and Bangsai warehouse, MG and remote verification to CPPC plants and CP Land office to confirm the reliability of the selected indicators.

Note: LR 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 collaboration with stakeholders through business activities and the sharing of performance improvement.
- 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 global warming, water stress management and good governance.
- Responsiveness: CPG has processes for responding to various stakeholder groups. We believe that future reports should further explain the actions being taken by CPG to manage resource and handle waste using the circular economy business model.
- Reliability: CPG uses spreadsheets and manual systems to collect and calculate the data and information associated with the selected indicators listed above. CPG should encourage those subsidiary companies, that currently do not have independent assurance, to periodically review their own data and information. This would promote awareness of the data management systems and internally check the accuracy of data sources and any information transposed.

LR's standards, competence and independence

LR 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 LR for CPG and as such does not compromise our independence or impartiality.

Signed

Dated: 17 July 2020

Opart Charuratana
LR Lead Verifier
On behalf of Lloyd's Register Quality Assurance Ltd.
Lloyd's Register International (Thailand) Limited
22th Floor, Sirinrat Building, 3388/76 Rama IV Road
Klongton, Klongtoey, Bangkok 10110 THAILAND
LR Reference: BGK600000414

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Sustainability Management

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HEART *Living Right*

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- Human Rights and Labor Practices
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- Education

HEALTH *Living Well*

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HOME *Living Together*

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- Responsible Supply Chain Management

Appendix





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CHAROEN POKPHAND GROUP CO., LTD.
313 C.P. Tower, 14th, 16th FL., Silom Road
Silom, Bangrak, Bangkok 10500 Thailand



+66(0)-2858-6254



www.cpgroupglobal.com

