



Charoen Pokphand Group (C.P. Group)
Interim Communication in Progress to United Nations Global Compact
June 2016

Overview

As a signatory to the UN Global Compact, Charoen Pokphand Group (C.P. Group) reaffirms its commitment to conducting its business under the UN Global Compact principles and to promoting these principles within the relevant sectors. We are pleased to report a number of progress and achievements within the C.P. Group to promote sustainability in line with the UN Global Compact Principles. We strive to enhance our international engagement as well as strengthen our internal programs on sustainability.

Three key businesses within the C.P. Group: Charoen Pokphand Foods (CPF), True Corporation, and CPALL became signatories to the UN Global Compact over the last year. C.P. Group also signed on the Global Compact “Caring for Climate” initiative. CPF, for the first time, was listed on DJSI. The sustainability reports of the three main listed companies in Thailand are available on their respective websites: CPF (<https://www.cpfworldwide.com/en/sustainability/report/>); True Corporation (http://true.listedcompany.com/sustainability_report_2015.html); and CPALL (<https://www.cpall.co.th/News-Center/csr-report-2015>). They should provide in details the sustainability program of each entity.

At the Group level, Chairman Dhanin Chearavanont established the Sustainability, Good Governance, and Corporate Communications Committees on 2nd June 2015 to promote sustainable practices across the Group. The Committee is tasked to supporting the implementation of sustainability programs, policies and commitments of each entity across our 13 groups of businesses worldwide. Furthermore, Chairman Dhanin announced the Group Sustainability Principles on 15th January 2016 for policy consistency while respecting the independence of each listed entity in their operations. On 21st April 2016, Chairman Dhanin made another announcement to strengthen the Group’s corporate governance policy. Furthermore, the Group is in the

process of setting priority for its sustainability programs, in line with the Sustainability Development Goals.

As part of our efforts to encourage the business sector in Thailand to apply the UN Global Compact Principles in their practice, C.P. Group works with a number of businesses from various sectors such as energy, hotel, printing, and agri-food to establish Global Compact Network Thailand. We are about the launch the network in June 2016. The key theme is to strengthen business operations to respect, promote and protect human rights. The members will also conduct activities in line with the ten UN Global Compact Principles.

Outline of the full COP

As part of our commitment to regularly updating our sustainability programs, achievements, and challenges, we are developing a full COP to be submitted to the UNGC and relevant stakeholders by June 2017. We are conducting a materiality analysis to assess key issues, opportunities and risks of economic, social and environmental issues as well as to align the Group's current and future strategies on sustainability.

In principle, the COP will contain the following three elements:

1. **A statement by Chief Executive Officer or equivalent expressing continued support** for the Global Compact and renewing the company's ongoing commitment to the initiative and its principles.
2. **A description of practical actions** (e.g. disclosure of any relevant policies, procedures, activities) that the company has taken (and plans to take) to implement the Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption).
3. **A measurement of outcomes** (i.e., the degree to which targets/performance indicators were met, or other, qualitative or quantitative, measurements of results).

Specifically, in each of the four issue areas (human rights, labor, environment, anti-corruption), the COP will contain the following elements:

1. Human Rights Principles

Assessment, Policy and Goals

Description of the relevance of specific human rights issues for the company (i.e. based on assessment of human rights risk). Description of policies, public commitments and company goals on Human Rights.

Implementation

Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights related concerns.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

2. Labour Principles

Assessment, Policy and Goals

Description of the relevance of labor rights for the company (i.e. labor rights-related risks and opportunities). Description of written policies, public commitments and company goals on labor rights.

Implementation

Description of concrete actions to implement labor policies, reduce labor risks and respond to labor violations.

Measurement of outcomes

Description of how the company monitors and evaluates performance.

3. Environmental Principles

Assessment, Policy and Goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection.

Implementation

Description of concrete actions to implement environmental policies, reduce environmental risks and respond to environmental incidents.

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance.

4. Anti-Corruption Principles

Assessment, Policy and Goals

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk assessment). Description of policies, public commitments and company goals on anti-corruption.

Implementation

Description of concrete actions to implement anti-corruption policies, reduce anti-corruption risks and respond to incidents.

Measurement of outcomes

Description of how the company monitors and evaluates anti-corruption performance.

It is our hope that all of these developments should demonstrate our firm commitment to promoting sustainability in both policy and practice across the Group in line with the UN Global Compact Principles.

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