



ซีพี...เพื่อความยั่งยืน

# FORCE FOR A SUSTAINABLE LIFE

**SUSTAINABILITY REPORT 2016**  
**CHAROEN POKPHAND GROUP**  
(Thailand)







In Memoriam of His Majesty  
**King Bhumibol Adulyadej**  
1927 – 2016

Charoen Pokphand Group and subsidiaries



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## MESSAGE FROM THE SENIOR CHAIRMAN G4-1

**The year 2016** was a particularly significant year for the Thai people as we mourned the loss of the father of our nation, His Majesty King Bhumibol Adulyadej. His passing caused great pain for all of us but has also made us determined to create a lasting legacy for him by continuing our focus on the application of his ‘Sufficiency Economy Philosophy’, which encourages moderation and helps us focus on long-term benefits over short-term profitability. We believe that the best way to pay tribute to the late King is by enshrining his spirit and beliefs in the next generation of business leaders.

“

**The ‘Three-Benefit Principle’,**  
aims to create prosperity for the country, local communities as well as the company and its people. Today, this principle continues to define who we are as a group and its focus on shared value means sustainability is very much a core part of our businesses.

”

Looking back on the long history of the C.P. Group, I am proud to see how we have deeply integrated His Majesty’s guidance into our strategy and how far we have come. C.P. Group has a global footprint but our home and heart is in Thailand. We started with humble beginnings, originating from a single seed trading store in 1921, and have since grown into 8 business lines in 20 countries across 6 continents. When my father started out, he quickly developed the ‘Three-Benefit Principle’, aiming to create prosperity for the country, local communities as well as the company and its people. Today, this principle continues to define who we are as a group and its focus on shared value means sustainability is very much a core part of our businesses.

We recognize that our world faces significant challenges, from climate change and food security to the disruptive impact of technological changes. These challenges impact our customers, our employees and society at large, and can only be tackled if we equip the next generation of leaders with the skills and values needed to do so. Through the C.P. Leadership Institute, we aim to do just this by training and developing 20,000 leaders and executives each year. These upcoming leaders will not only learn the theoretical basis of leadership but also embody the values of social responsibility.

C.P. Group also had an important update at the beginning of 2017 with a new leadership structure at our privately held holding company. I have assumed the role of Senior Chairman of C.P. Group. Mr. Soopakij Chearavanont is now Chairman, and Mr. Suphachai Chearavanont is CEO. I will continue to be closely involved in oversight of the Group’s strategy and direction while Mr. Soopakij focuses on new projects and investments, and Mr. Suphachai will focus

on the day-to-day running of the Group and the implementation of key strategic initiatives, including sustainability strategies.

This is the first time we have published a sustainability report for the entire group. We hope it serves as a useful tool to inform stakeholders of our work, enhance collaboration across our businesses and demonstrates our reach and commitment to address global sustainability issues.

I have always believed in the power of business as a force for good, but we can only realize its potential with the support of a broad range of stakeholders. Collaborators and critics alike help us to stay focused on pushing towards a shared vision for the future and delivering real, lasting change. With that in mind, I would like to take this opportunity to thank all our stakeholders around the world including our employees, our customers, suppliers, shareholders, partners, government agencies, and civil society partners for their continued support.

**Dhanin Chearavanont**  
Senior Chairman  
Charoen Pokphand Group Co., Ltd.





## MESSAGE FROM THE CHAIRMAN<sup>G4-1</sup>

**Charoen Pokphand Group** is approaching its 100<sup>th</sup> anniversary. The core reason why we have stood the test of time is our sustainable business model passed from generation to generation. At the foundation of this business model is our “Three-Benefit Principle”, through which we are committed to doing all that we can to benefit the countries we operate in, the communities we serve, and our own corporation; including employees and shareholders. Guided by this principle, Charoen Pokphand Group has grown over the years and contributed towards a better economy and society in Thailand and wherever we operate.

“  
**We firmly believe that**  
all stakeholders must work together  
to create the balance our country and the world needs  
for a sustainable future.  
”

The world today faces unprecedented socio-economic and environmental challenges, which include managing resource scarcity in a sustainable manner, climate change, labor shortages, an aging society, urbanization, and the disruptive effects of advanced technologies. These challenges, put pressure and expectation on the private sector to adopt sustainable business practices. Charoen Pokphand Group recognizes that our position in society brings both opportunities and responsibilities, which is why we announced the Charoen Pokphand Group Sustainability Principles in 2016 to drive our business towards stable and sustainable growth. These principles lead us to strengthen our organization across 3 key pillars: Human Resources, System, and Finance and Investment. Among these pillars, Human Resources is regarded as the most essential.

Charoen Pokphand Group is determined to cultivate a new generation of leaders who are both talented and ethical through our training programs at the C.P. Leadership Institute. These new leaders will embody our Six Core Values: 1. The Three-Benefit Principle; 2. Speed and Quality; 3. Simplification; 4. Accept Change; 5. Innovation; and 6. Integrity and Honesty. They will be advocates of unity and harmony as well as have a strong awareness of the social and environmental responsibilities.

For the organization to grow and prosper, we will not only employ essential training systems, but also invest in the most cutting-edge technologies. These technologies include: automation, robotics, artificial intelligence (AI), cloud technologies and analytics, and intelligence war room. Through these technologies, Charoen Pokphand Group will be able to access information from worldwide sources faster, forecast future trends more accurately, reduce risks, increase safety for our employees and make better decisions regarding sustainability in serving our stakeholders.

Moreover, by investing in new businesses, and collaboration among our business groups or our global partners with awareness of sustainability, we will ensure we have a greater global positive impact on sustainability issues.

Today, Charoen Pokphand Group invests in 20 countries, employs over 300,000 people, and exports goods and services to customers in 140 countries across 6 continents. I fully recognize the responsibility the Chairmanship of Charoen Pokphand Group brings. I am therefore committed to bringing Charoen Pokphand Group into the next century and abiding by our vision and founding sustainable principle which has guided us and contributed to our strength until the present.

I am confident that our committed sustainability plan will bring about positive development not only for Charoen Pokphand Group, but also for Thailand and every country we invest in. We firmly believe that all stakeholders must work together to create the balance our country and the world needs for a sustainable future.

**Soopakij Chearavanont**

Chairman

Charoen Pokphand Group Co., Ltd.



## MESSAGE FROM THE CEO

G4-1

**Charoen Pokphand Group** has sustainably developed for nearly a century by adhering to the ‘Three-Benefit Principle’ in its business operations. This principle, which grew out of a simple drive to put the interests of others first, means we are dedicated to providing benefit for all countries in which we invest, followed by the people and communities where we operate, and finally, the business itself, its employees and shareholders.

For businesses to be sustainable, they need to be mindful of the ever-changing world. The global economy is constantly developing, having moved from traditional industry to the innovation-driven economy of today. Over the years, Charoen Pokphand Group has evolved in order to meet such global economic changes.

“With our commitment to sustainability,

along with our network and expertise, the Group will become a major force for positive change, not only for our own businesses but as part of the global community as a whole.

”

Our strategy currently focuses on 4 areas:

1. Digitization of our organization including data analytics, covering production processes, management, marketing and customer services;
2. Research and development for innovation through our own investment or in partnership with venture capital;
3. Human resource development to create a new generation of leaders while fostering an open culture in which talent can thrive;
4. Implementation of organizational values that emphasizes sustainable business growth.

To help us execute these 4 strategies, in 2016 we announced our 2020 Sustainability Goals. These goals are based on 12 issues that are of vital importance to the sustainability of the Group and its stakeholders. Goals, key performance indicators, frameworks and short, medium and long term plans were set under these 12 issues, which are in line with the United Nations’ Sustainable Development Goals (SDGs).

Our goals are divided into three areas – heart, health and home. Examples of the work we have carried out in each of these areas include:

### Heart: Commitment to Sustainable Business

To strengthen our corporate governance, the Group appointed a Corporate Governance Committee in 2016. The committee today consists of 8 executive directors of C.P. Group and its listed companies, 4 independent non-executive directors of C.P. listed entities and 6 external independent members. At the same time, we announced our corporate governance principles and developed training courses for executives and staff. Furthermore, to engage more deeply with our stakeholders, the Group became a member of a number of global sustainability organizations such as the World Business Council for Sustainable Development (WBCSD) and United Nations Global Compact. As a UN Global Compact member, we are committed to the UN Global Compact’s 10 Principles and have spearheaded the establishment of the Global Compact Network Thailand in order to promote sustainable development in the Thai private sector. We are also committed to submitting an annual report that shows our progress in meeting the sustainability goals.

### Health: Commitment to Sustainable Society

Charoen Pokphand Group is committed to developing future

generations through education and by providing opportunities. We do this by focusing on 3 areas: firstly, the development and transfer of knowledge and skills; secondly, by enhancing digital preparedness; and thirdly, through the creation of opportunities and access to resources. By building an integrated network through public/private partnerships and work with community organizations, the Group promoted and supported access to education and necessary skills for over 2,000,000 people in Thailand in 2016. We place great importance on social engagement. Through our shared values initiatives, the Group has assisted more than 46,560 smallholder farmers, SMEs and vulnerable groups with career and income development.

### Home: Commitment to Sustainable Environment

Charoen Pokphand Group is committed to combating the impact of climate change throughout its supply chain. The Group adopts management practices designed to reduce greenhouse gas emissions at every operational stage, and we also actively promote positive environmental practice with our supply chain stakeholders. In 2016, we expressed our intention to join the UN’s ‘Caring for Climate’ program, which provides a channel through which we can engage with stakeholders and share climate-related solutions. In addition, as part of our commitment to responsible supply chain management, we initiated a comprehensive ‘Food Traceability Project’. At present, more than 30 food and commodity products in our supply chain including bananas, maize and fishmeal, have undergone traceability programs through this project.

The examples mentioned above represent only a small number of projects that Charoen Pokphand Group has undertaken. With our commitment to sustainability, along with our network and expertise, the Group will become a major force for positive change, not only for our own businesses but as part of the global community as a whole.



**Suphachai Chearavanont**

Chief Executive Officer  
Charoen Pokphand Group Co., Ltd.



# 2016 HIGHLIGHTS

(THAILAND)

G4-9

## ECONOMIC PERFORMANCE

Total sales revenue:

869,004 million Baht

Employees' benefits:

65,008 million Baht

Tax paid to governments and local authorities:

23,226 million Baht

Research and Development spending:

4,576 million Baht

## CREATING VALUES FOR SOCIETY

Support for job creation and improvement in the quality of life affecting:

31,008 smallholder farmers

20,632 SMEs

1,308 vulnerable persons

Supported access to education and necessary skill development for

2,021,352 people

## ENVIRONMENTAL PROTECTION

Reduced greenhouse gas emissions:

430,747 ton CO<sub>2</sub> equivalent

Cost saving from GHG emissions reduction initiatives of

419 million Baht

Reduced amount of waste disposal by landfill by

3.41% compared to 2015

Reduced water withdrawal per unit of revenue by

10.29% compared to 2015



# ABOUT C.P. GROUP

G4-3, G4-4, G4-7, G4-12

## C.P. Group Business G4-3, G4-4

From our beginnings as a small vegetable seed trading shop, C.P. Group has become a conglomerate with a diverse range of businesses both in Thailand and abroad. This structure allows us to streamline our internal resources and individual businesses and draw on a strong core of knowledge and experience to further expand our businesses.

C.P. Group operates as a holding company with investments in both domestic and international companies. These companies are distributed among 8 business lines and 13 business groups. The Group's investments are spread geographically in 20 countries, as follows:



Business Line	Business Group	Kingdom of Thailand	People's Republic of China	People's Republic of China (Taiwan)	Socialist Republic of Vietnam	Republic of India	Federation of Malaysia	Republic of Singapore	People's Republic of Bangladesh	Kingdom of Cambodia	Republic of the Union of Myanmar	Lao People's Democratic Republic	Republic of the Philippines	Russian Federation	Republic of Turkey	Islamic Republic of Pakistan	United Kingdom	Kingdom of Belgium	United Republic of Tanzania	Democratic Socialist Republic of Sri Lanka	United States of America	Republic of Poland
Agri-Food	Agro-Industry and Food	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Seeds, Fertilizers and Plant Protection Products	●																				
	International Trading	●	●			●	●	●		●											●	
	Crop Integration	●	●		●	●				●	●	●							●			
	Pet Food	●	●	●	●		●			●												
	Feed Ingredients Trading	●	●	●	●	●	●		●	●	●	●	●	●	●	●						●
Retail and Distribution	Retail and Distribution	●	●																			
Media and Telecommunications	Telecommunications	●																				
E-Commerce and Digital	E-Commerce and Digital (in the process of establishment as a new business group)	●																				
Property Development	Property Development	●	●																			
Automotive and Industrial Products	Automotive and Industrials	●	●																			
	Plastics	●	●		●																●	
Pharmaceuticals	Pharmaceuticals		●																			
Finance and Investment	Finance and Banking		●																			



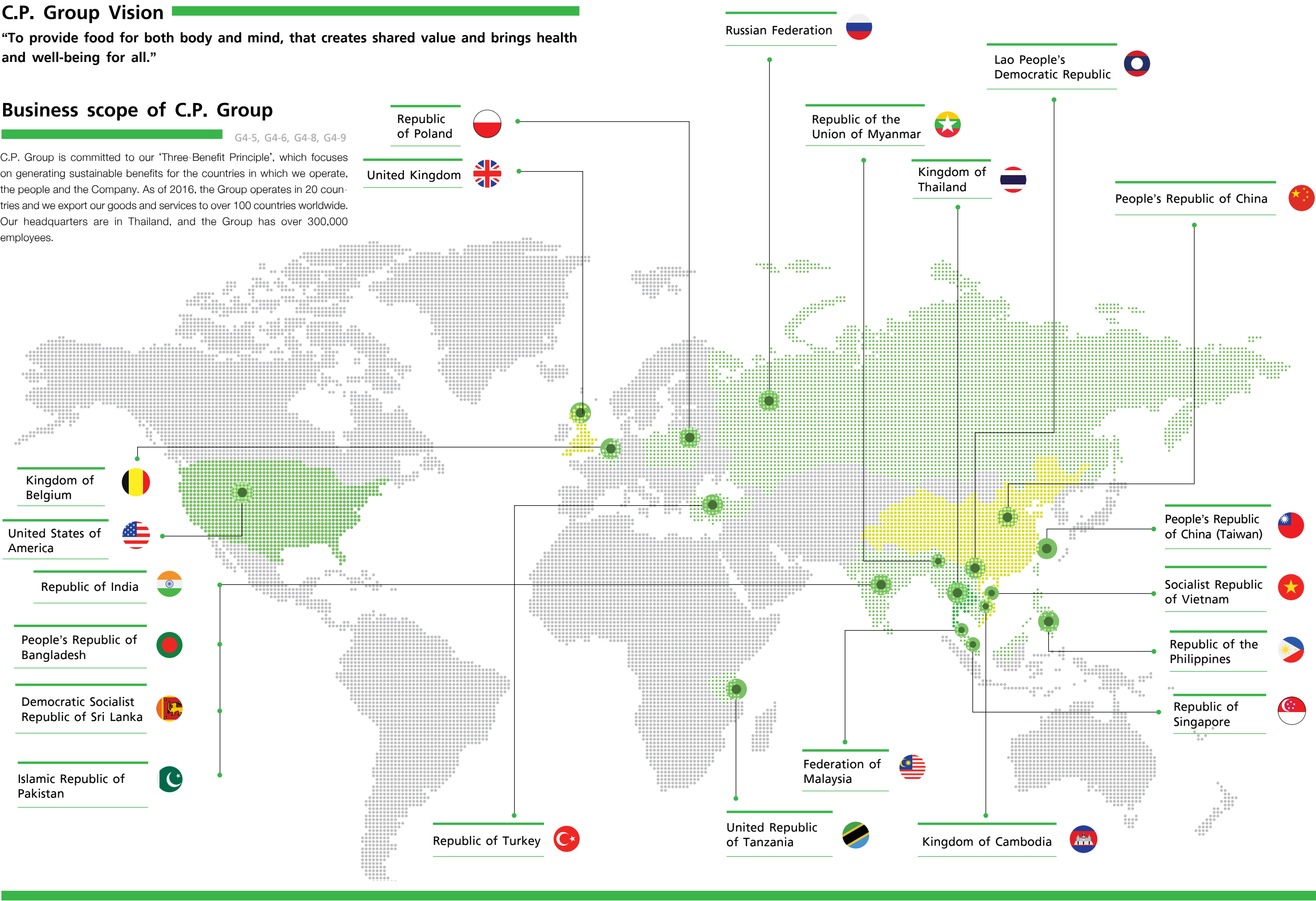
# C.P. Group Vision

“To provide food for both body and mind, that creates shared value and brings health and well-being for all.”

## Business scope of C.P. Group

G4-5, G4-6, G4-8, G4-9

C.P. Group is committed to our ‘Three-Benefit Principle’, which focuses on generating sustainable benefits for the countries in which we operate, the people and the Company. As of 2016, the Group operates in 20 countries and we export our goods and services to over 100 countries worldwide. Our headquarters are in Thailand, and the Group has over 300,000 employees.







## Agro-Industry and Food Business Group

### Listed Companies

#### Thailand

**Charoen Pokphand Foods Public Company Limited**

Year of  
establishment

1978

#### International (China)

**C.P. Pokphand Co. Ltd.**

1987

**Charoen Pokphand Enterprise (Taiwan) Co., Ltd.**

1977

#### Primary businesses

Animal feeds, animal farming and food

Animal medicine and agricultural equipment

#### Websites

<http://www.cpfworldwide.com>, <http://www.cpp.hk>, <http://www.cptwn.com.tw>



## Seeds, Fertilizers and Plant Protection Products Business Group

### Major Company

#### Thailand

**Chia Tai Co., Ltd.**

Year of  
establishment

1921

#### Primary businesses

Plant protection products, seed and fertilizer research development, vendors of greenhouses, greenhouse equipment and agricultural equipment, and the production and distribution of fresh produce, seeds, fruits and flowers for households

#### Website

<http://www.chiataigroup.com>



## International Trading Business Group

### Major Companies

#### Thailand

**C.P. Intertrade Co., Ltd.**

Year of  
establishment

1979

**Khao C.P. Co., Ltd.**

2005

**Ayutthaya Port & ICD Co., Ltd.**

1996

**Dynamic Transport Co., Ltd.**

1989

**Dynamic Intertransport Co., Ltd.**

1989

#### Primary businesses

Import and export of rice, food, agricultural products; also an integrated logistics business

#### Websites

<http://www.foodcpi.com>, <http://www.khaotrachai.com>, <http://dynamic.co.th>



## Crop Integration Business Group

### Major Companies

#### Thailand

**Charoen Pokphand Produce Co., Ltd.**

Year of  
establishment

1967

**Charoen Pokphand Agriculture Co., Ltd.**

2012

**Charoen Pokphand Engineering Co., Ltd.**

1978

#### Primary businesses

Research in maize seed development and production; plant feed; service center for farm crops such as rice seeds, rubber plants, durians, bananas, coconuts, mangoes, mangosteens, and palms; providers of rice mill machines, agricultural equipment and construction.

#### Websites

<http://www.cpcrop.com>, <http://www.cpe.co.th>



## Pet Food Business Group

### Major Company

#### Thailand

**Perfect Companion Group Co., Ltd.**

Year of  
establishment

1989

#### Primary businesses

Pet food for dogs, cats, fish, birds, rabbits and others.

#### Website

<http://www.perfectcompanion.com>



## Feed Ingredients Trading Business Group

### Major Company

#### Thailand

**Krung Thep Produce Co., Ltd.**

Year of  
establishment

1994

Charoen Pokphand Foods PCL holds 99.44% of shares (as of December 31, 2016)

#### Primary businesses

Purchase and provide ingredients for feed production



## Retail and Distribution Business Group

### Listed Companies

#### Thailand

**CP All Public Company Limited**

Year of  
establishment

1988

**Siam Makro Public Company Limited**

1988

#### International (China)

**C.P. Lotus Corporation**

#### Primary businesses

7-Eleven convenience stores (Thailand)

9,542 branches

Makro cash and carry retail stores (Thailand)

115 branches

Lotus retail stores (People's Republic of China)

60 branches

#### Websites

<http://www.cpall.co.th>, <http://www.siammakro.co.th>, <http://www.cplotuscorp.com>







## Telecommunications Business Group

Listed Company	Year of establishment
<b>Thailand</b>	
<b>True Corporation Public Company Limited</b>	1990
<b>Primary business</b>	
2G, 3G and 4G Mobile service provider, Internet service provider and TV subscription service provider	
<b>Website</b>	
<a href="http://www.truecorp.co.th">http://www.truecorp.co.th</a>	



## E-Commerce and Digital Business Group

Major Companies	Year of establishment
<b>Thailand</b>	
<b>Freewill Solutions Co., Ltd.</b>	1993
<b>Ascend Group Co., Ltd.</b>	2015
<b>Primary business</b>	
Software developer providing software for securities and consultation for businesses Service provider for E-Procurement, E-Auction, data warehouse and cloud services	
<b>Websites</b>	
<a href="http://www.freewillsolutions.com">http://www.freewillsolutions.com</a> , <a href="http://www.ascendcorp.com">http://www.ascendcorp.com</a>	



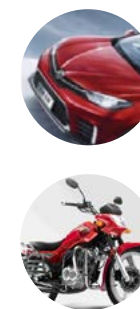
## Property Development Business Group

Major Companies	Year of establishment
<b>Thailand</b>	
<b>C.P. Land Public Company Limited</b>	1983
<b>International (China)</b>	
<b>Shanghai Kinghill Limited Company</b>	2002
<b>Chia Tai Land Co., Ltd.</b>	2003
<b>Primary business</b>	
Development of rental properties, provision of services for hotels, ownership and operation of the Khon Kaen International Convention and Exhibition Center, real estate management services and industrial estates.	
<b>Websites</b>	
<a href="http://www.cpland.co.th">http://www.cpland.co.th</a> , <a href="http://www.superbrandmall.com">http://www.superbrandmall.com</a> , <a href="http://www.cpgroup.cn">http://www.cpgroup.cn</a>	



## Automotive and Industrials Business Group

Major Companies	Year of establishment
<b>Thailand</b>	
<b>CP Motor Holding Co., Ltd.</b>	2012
<b>International (China)</b>	
<b>Lyoyang Northern EK Chor Motorcycle Co., Ltd.</b>	1992
<b>Primary business</b>	
Investor in automotive business Motorcycle production	
<b>Websites</b>	
<a href="http://www.saicmotor.com">http://www.saicmotor.com</a> , <a href="http://en.dayang-motorcycle.com">http://en.dayang-motorcycle.com</a>	



## Plastics Business Group

Major Company	Year of establishment
<b>Thailand</b>	
<b>CPPC Public Company Limited</b>	2004
<b>Primary business</b>	
Semi-finished plastics, finished plastics, plastic packaging and compound plastic granules	
<b>Websites</b>	
<a href="http://www.cppcnet.com">http://www.cppcnet.com</a>	



## Pharmaceuticals Business Group

Major Company	Year of establishment
<b>International (China)</b>	
<b>Chia Tai Enterprise International Limited</b>	1995
<b>Primary business</b>	
Medicine	
<b>Website</b>	
<a href="http://www.ctei.com.hk">http://www.ctei.com.hk</a>	



## Finance and Banking Business Group

Listed Company	Year of establishment
<b>International (China)</b>	
<b>Ping An Insurance Company China Limited.</b>	1988
<b>Primary business</b>	
Consultation services in finance, insurance, banking and investments	
<b>Website</b>	
<a href="http://www.pingan.com">http://www.pingan.com</a>	





# SIX CORE VALUES

G4-56

C.P. Group has nurtured relationships built on trust with stakeholders all around the world. We are committed to improving the quality of life for people living in every country in which we operate, supporting the growth of their economies and the sustainability of their natural resources.

Our global operations and our approach to business are deeply rooted in the Six Core Values, which provide a solid foundation on which the Group can grow. They have been an intrinsic part of how we conduct business since our foundation and they have helped us to advance and grow our business sustainably with integrity.

## 1. Three-Benefit Principle

C.P. Group has always operated our business by adhering to the three benefits. This is the principle that our business should benefit not just our Company and our employees but also the communities we engage with and the countries we operate in.

Since our Company's foundation, this principle has guided how we have grown and also ensured that our operations both in Thailand and around the world benefit not just our business but society as a whole.

## 2. Speed and Quality

Modern businesses must be fast-moving, without compromising on quality. They must be able to adapt to new circumstances, adopt the latest technologies, respond to changing consumer tastes and preferences, all the while responding to evolving regulatory systems.

As a result, C.P. Group places great importance on the efficiency and effectiveness of our business and of our employees.

## 3. Simplification

C.P. Group holds investments in 20 countries worldwide, operating through more than 200 subsidiaries and employing over 300,000 people.

We are therefore committed to implementing technology and innovation to streamline our systems and operations across the entire Group, which leads to improved efficiency and greater effectiveness.

## 4. Accept Change

Global businesses face circumstances that change daily, from political events and environmental issues through to consumer needs and technological development.

Our key strategy is to embrace change. This allows us to manage our response to evolving circumstances across all our markets. To ensure this, we encourage all our employees to stay informed about new opportunities so that we can deliver more to our customers.

## 5. Innovation

Innovation is the force that drives every aspect of a business from process through to products. Businesses must constantly innovate to keep pace with a rapidly changing world.

We actively encourage innovation in our employees and our goal is to foster innovation across all our businesses to enable us to deliver the best products and services to our customers.

## 6. Integrity and Honesty

Since the day we were founded, we have operated our business with honesty and integrity, and this applies to every action we take, whether large or small.

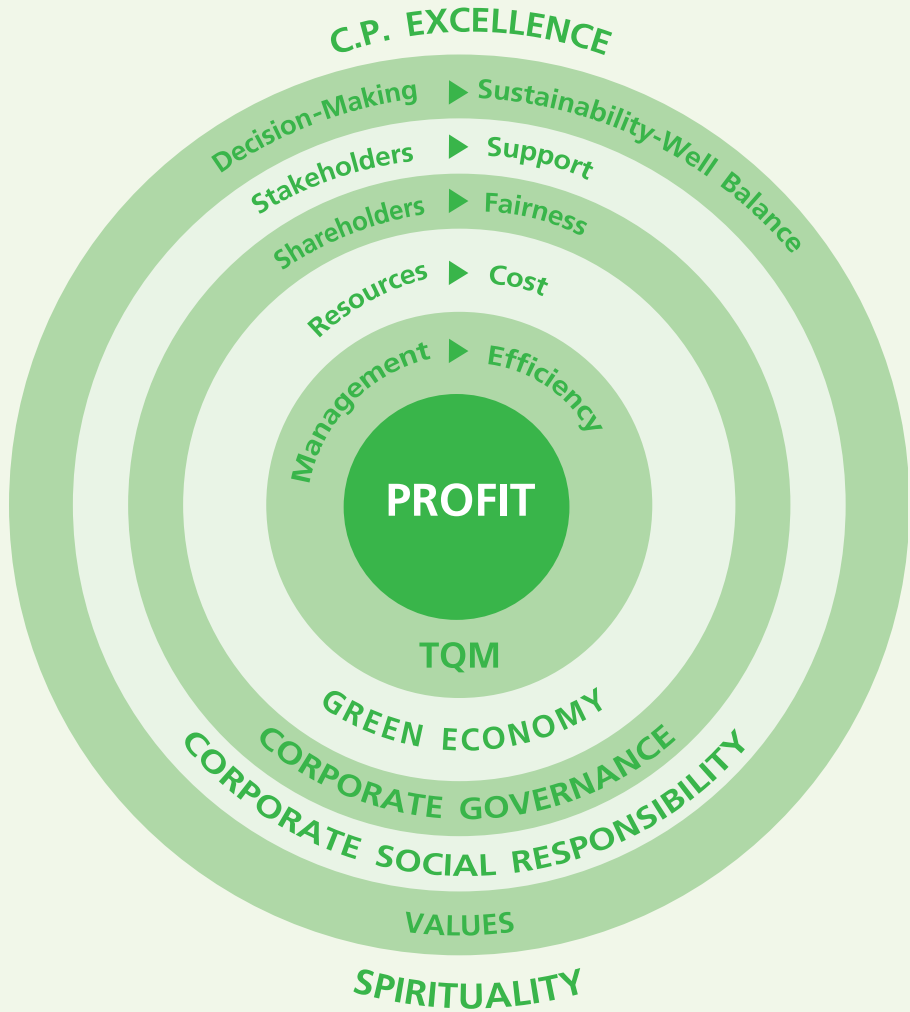
Even as we expand into new industries, honesty and integrity remain key pillars of our philosophy. We firmly believe that a business that focuses solely on enriching itself without regard to these values will ultimately erode the trust of all its stakeholders, and will not be able to operate in the long term.



# C.P. EXCELLENCE

## C.P. Excellence Management Approach

For more than 9 decades since its beginnings as a small shop in 1921, Charoen Pokphand Group has grown into a multinational conglomerate, with businesses in diverse industries, operating in 20 countries worldwide. Over the years, C.P. Group has maintained its aspiration to grow in a sustainable manner. To summarize the core management philosophy that drives the Group’s development, Dr. Ajva Taulananda, Senior Vice Chairman of C.P. Group has developed the C.P. Excellence Management Approach, which states that a sustainable business cannot focus solely on short-term profit, it must strive to improve management effectiveness, resources and environmental management, while maintaining cost competitiveness. It must treat every shareholder and all categories of stakeholders fairly. Most importantly, the decision-making process of leaders should be guided by the principles of moderation, reasoning, and resiliency. A sustainable business requires both business expertise and moral values, which are reflected in C.P. Group’s 6 Core Values.

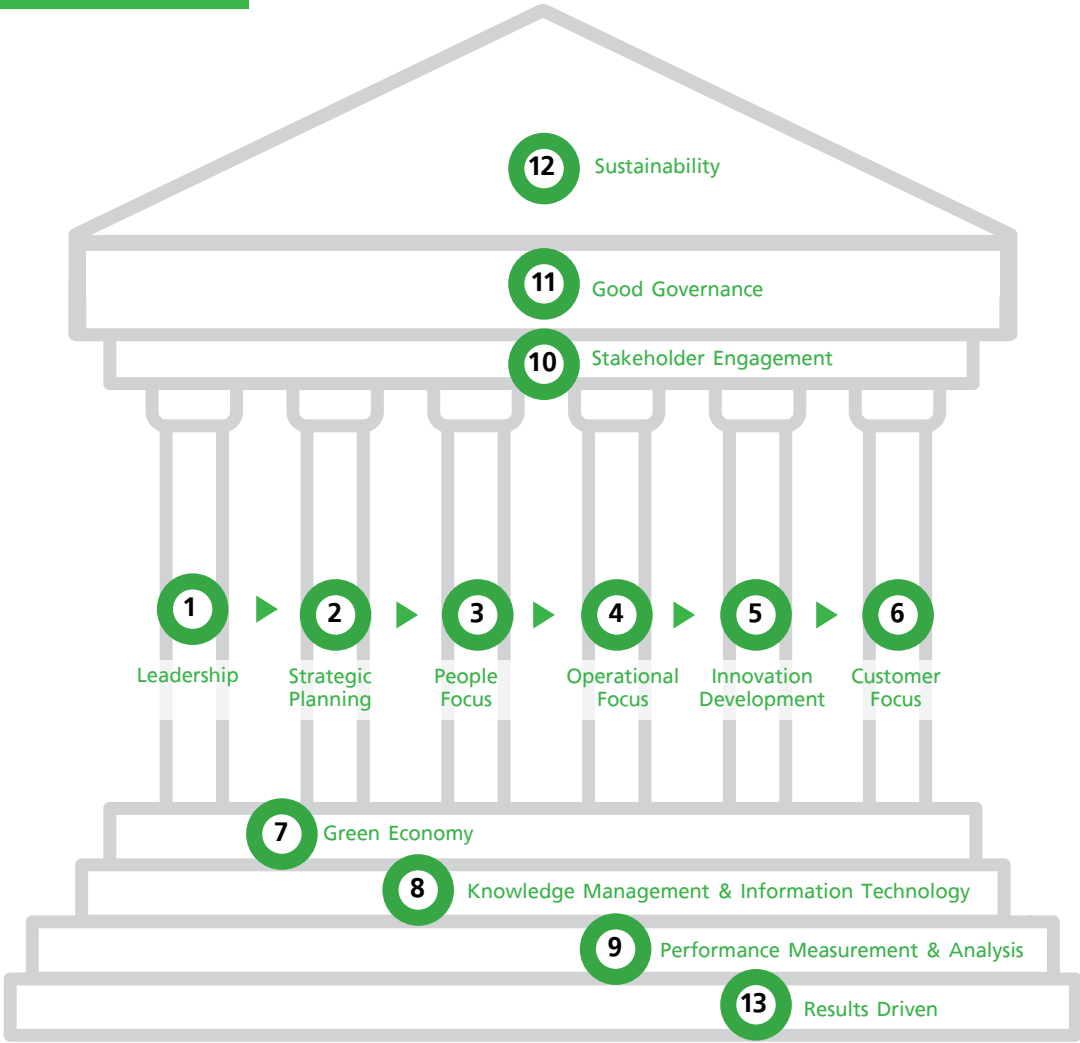


This unique management approach is referred to as “C.P. Excellence” and serves to align business operations throughout the Group, facilitate collaborations and understanding among people from different group companies. It is a foundation for building synergies among different organizations within C.P. Group, whether on business, people, or moral values.

The C.P. Excellence Management Approach is based on the internationally-recognized management principles outlined in the criteria for the Malcolm Baldrige National Quality Award (MBNQA) from the United States, combined with C.P. Group’s

own management style. It comprises 13 components, represented by the house below, including: 6 management aspects that form the pillars supporting the house, 4 principles forming the foundation that connects all the management pillars together for sustainable business growth, and 3 areas of responsibility as the roof that protects the organization. With the C.P. Excellence Management Approach, we are confident that we can enhance employee happiness, strengthen our businesses, and maintain support and recognition from society, reinforcing our role as a strong contributor to the nation’s development today and into the future.

## C.P. EXCELLENCE





# OUR SUSTAINABILITY JOURNEY



The global community has placed greater emphasis on sustainable development in the last 2 decades and business plays an important role. Sustainability has always been central to our business and is one of the pillars on which the C.P. Group was founded as we have sought to ensure our operations benefit communities and protect the environment as well as the business itself.

This can be traced back to our roots in 1921, when Mr. Chia Ek Chor, a Chinese immigrant from Guangdong, opened a small shop along Song Wat Road selling vegetable seeds. The shop was called Chia Tai Chung. His younger brother, Chia Seow Hui (Choncharoen Chearavanont), emphasized the importance of selling quality products and being fair and honest with customers, and this resulted in success for the small shop. For example, the brothers pioneered the use of expiration dates and product warranties, offering to exchange old seeds for new ones if farmers had not planted in time.

Chia Tai Chung grew and eventually became C.P. Group, a conglomerate that operates many of Thailand's most

significant companies, with diverse business interests across the world. However, the principle that business should benefit society is still integral to how the Group operates.

We firmly believe that no business can prosper in isolation, but that its prosperity depends on the prosperity of the community around it. This belief has guided C.P. Group's sustainable growth for the past 100 years and is embodied in the 'Three-Benefit Principle' through which we aim to benefit the countries in which we operate, the people whose communities we share and the companies for which we are responsible.



## Committed to building a sustainable business

In 1953, C.P. Group developed the first livestock feed production and distribution business in Thailand and this eventually led to the Group entering the livestock industry itself. In 1970, Mr. Dhanin Chearavanont, Senior Chairman of C.P. Group, imported into Thailand the US Arbor Acres chicken, which was considered to be the best chicken breed in the world at that time. He also introduced local farmers to the latest research on broiler farming, disease prevention and livestock management, enabling them to raise their farming capacity from 100 to 10,000 chickens per farmer, dramatically improving their income and quality of life. As a result, Southeast Asia's largest and most modern feed mill was constructed along Bangna-Trad Road.

With this success in the poultry industry, C.P. Group entered the swine industry, supporting over 4,000 farmers that included training on the use of new renewable energy technologies such as biogas.

In 1985, C.P. Group turned to black tiger prawn farming through a joint investment with Japan's Mitsubishi Group. To consistently deliver quality products, the business relied upon R&D and effective management systems. For instance, the farms used a closed system of recycled water, which reduced water usage, minimized the risk of disease and benefited the environment. Additionally, we implemented Best Aquaculture Practices (BAP)



across the prawn hatchery, farm and processing facilities.

C.P. Group has also operated 7-Eleven convenience stores and Makro wholesalers for over 30 years. We are committed to operating our businesses fairly and responsibly, delivering products that meet stringent food safety standards under a quality assurance system that covers the entire value chain. We provided opportunities to over 50,000 SMEs to distribute their products through our channels and we in turn offer these products at a fair price to consumers to improve their quality of life.

C.P. Group transformed the telecommunications industry in Thailand after receiving the operating license for the telephone landline network in 1988. The telecoms business is now operated by True Corporation PLC, which has, through consistent innovation become the only telecommunications company that provides a comprehensive and convergent service comprising cellular networks, subscription-based television and Internet provision. These services have benefited society by providing everyone with access to technology and helping to disseminate information and enhance education across the country. True's aim is to elevate Thailand's telecommunications industry to a global standard and usher in the benefits of the digital economy.





## Committed to building a sustainable society

C.P. Group operates its businesses on a foundation of social responsibility and ethics. We aim to be an agent for development, improving the quality of life, health and level of education in communities within and beyond our operations.

### Improving Quality of Life

As a demonstration of our commitment to improving quality of life, C.P. Group implemented the agricultural initiatives developed by His Majesty King Bhumibol Adulyadej. A collaboration between C.P. Group, government agencies, financial institutions and the farmers themselves, these initiatives aim to help farming communities improve their skills, create jobs and develop businesses.

As part of this, C.P. Group established the Nongwa Agricultural Village project in 1977 at Baan Nongwa, Baan Song sub-district, Phanom Sarakham district, Chachoengsao province, which has grown to become one of the most modern swine farming communities in Thailand. Village income there has also grown in line with its development and each family now makes on average THB 80,000 per month.

In 1978, C.P. Group established the Kamphaeng Phet Agricultural Village at Thepnakorn sub-district, Muang district, Kamphaeng Phet province, allocating 25 rai (10 acres) of land for each family, and providing technology and technical support for swine farming. Today, the average monthly income for each family is THB 50,000 with supplemental jobs bringing in additional income as well, ensuring that the community remains strong and sustainable.

Finally, to commemorate the 60<sup>th</sup> birthday of His Majesty King Bhumibol Adulyadej, C.P. Group founded the Rural Lives Development Foundation which applies His Majesty's teachings to a range of social activities. The Foundation's aim is to create good people, good citizens and good jobs through projects that focus on personal development, community development and the conservation of natural resources. These projects provide numerous benefits to society, especially to rural communities, driving the country's progress towards a more sustainable future.



### Health and Well-Being

C.P. Group is committed to supporting the health and well-being of the community. As a starting point, we are committed to producing safe and high-quality food products. However, we are also involved in a wide variety of projects and initiatives that support this, for instance the 'Raising Layer for Student's Lunch Project' initiative that has been in operation since 1997.

We also initiated the 'C.P. Do Good Blood Donation' drive in celebration of Her Majesty Queen Sirikit's 60<sup>th</sup> birthday. In collaboration with the Thai Red Cross Society, we encouraged both employees and non-employees to donate blood every 3 months. To date, we have collected over 400,000 units or more than 142 million cc of blood.

In 2002, we once more collaborated with the Thai Red Cross Society on the 'CPG Blood Donation Project for Thai Youth Project' where we taught students in secondary schools about blood donation and encouraged them to donate blood themselves.

In 2013, we ran the 'Youth Volunteers for CPR Project', which taught students life-saving CPR skills. A total of 3,333 students from 17 high schools in 17 provinces have participated and we aim to expand this program to reach over 10,000 participants in 100 schools by 2021.





## Education

C.P. Group seeks to promote education throughout Thailand, especially in rural communities where access to schools is limited. In 1977, C.P. Group set up the Chearavanont Uthit Project which provides education for over 40,000 students in remote areas. The project now manages 8 schools in 6 provinces. C.P. Group, through its subsidiary CP All PCL, founded Panyapiwat Technical College in 2004 and Panyapiwat

Institute of Management in 2007, both of which provide education with a vocational focus. The Group also funds 12,000 scholarships to both institutions, a contribution worth more than THB 1.1 billion.

## Committed to building a sustainable environment

C.P. Group is committed to protecting the environment and actively seeks to mitigate the environmental impact of our businesses. We set up the Environment Department in 1993 to manage this process, seeking in particular to minimize the impact of our factories and improve pollution control. In 1996, we announced our first environmental policy and

appointed our first Environmental Committee. Finally, in 1999, we set up the Environmental Office to oversee this vital function. At C.P. Group we continue to make progress in our commitments to the environment and strive to make the necessary changes to create a sustainable future for all.

# HISTORY OF SUSTAINABILITY THROUGH C.P. GROUP'S BUSINESSES

Airplane branded seeds was the first agricultural product to offer product warranties, use expiration dates and provide product exchange.



Mr. Chia Ek Chor opened the Chia Tai Chung vegetable seed store on Song Wat Road.



Chia Tai vegetable seed experimental farm



Constructed Southeast Asia's largest and most modern feed mill on Bangna-Trad road K.M. 21.



1973

First to offer integrated poultry farming and minimum income guarantees in Thailand.



1975

1921

1939



The business was expanded to Songkhla province and to overseas locations such as Penang, Malaysia, Singapore, Cambodia, Laos and Vietnam.

1959



Mr. Dhanin Chearavanont appointed General Director at the age of 25.

1953

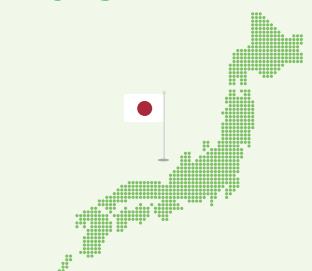


First modern animal feed production facility at Trok Chan

1970



Pioneers in the use of rearing house management technology and poultry farming with Arbor Acres chickens, considered the best chicken breed in the world at the time.



First poultry exports to Japan resulting in success and international recognition of our quality products.





Registered Charoen Pokphand Group Co., Ltd. to manage expanding domestic and overseas businesses.

1976

1977



Launched the Chearavanont Uthit schools to promote education in rural areas.



Established Nongwa Agricultural Village to help poor farmers obtain land ownership. Farmers earn an average monthly income of THB 80,000 and the village is considered the most modern swine farming community in Thailand.

Established Kamphaeng Phet Agricultural Village. Today, each family earns an average monthly income of THB 50,000 plus additional income from other supplementary occupations.



1978

Became the first multinational conglomerate to register in Shenzhen. Received business registration number 0001 for feed production and distribution business.



1979

1983



Establishment of Safety Department

1980



Began supporting swine farmers by offering income guarantees similar to the program for poultry farmers.



Joint investment with Japan's Mitsubishi Group to farm Black Tiger Prawn

1985

1987



Founded the Rural Lives Development Foundation to implement initiatives developed by His Majesty King Bhumibol Adulyadej.

Expanded into the retail business to improve the quality of fresh produce. Established Makro, a wholesale distribution channel for SMEs. Founded C.P. Seven-Eleven Co., Ltd. to operate convenience stores under the name 7-Eleven.



1988

1989



Launched the 'Raising Layer for Student's Lunch Project' to give children in remote areas improved access to essential proteins.

Transformed Thai telecommunications industry, making basic telephone usage more widespread. This business is now operated by True Corporation PCL.



1990

1991



Launched the C.P. Do Good Blood Donation project in collaboration with the Thai Red Cross Society, which has to date collected more than 400,000 units of donated blood.

Announced C.P. Group Environmental Policy to demonstrate our commitment to natural resources and environmental protection.



1996

2004



- Announced the C.P. Group Safety, Health, and Environment Policy to demonstrate our commitment to the health and safety of our employees.
- Announced the Energy Efficiency Policy and Target and appointed a committee to run an energy-saving campaign at Group level.



Adopted the product carbon footprint.



Promoted youth education and development by establishing Panyapiwat Technological College, a vocational training college.



Organized the first C.P. Innovation Exposition to serve as a platform for sharing ideas about innovation and to honor the contributions of our most innovative employees.



CPF published the first sustainability report in alignment with GRI G3.1 guidelines.



- CPF published its first sustainability report aligning with GRI G4 guidelines
- CPF developed the "Sustainable Sourcing Policy and Supplier Guiding Principle" based on basic environmental, social, and corporate governance requirements
- Established the Seafood Task Force (originally the Sustainable Shrimp Supply Chain Task Force) which is an alliance of leading retailers from the US and the EU, Thai seafood producers, and independent international organizations to promote sustainability in the Thai seafood industry

- Established a policy committee, a management committee, and a working committee on sustainability, governance, and corporate communication for C.P. Group
- CPF was selected as a member of DJSI Emerging Markets
- True published its first sustainability report in alignment with GRI G4 guidelines
- Formed a business alliance of C.P. Group (Thailand), Itochu Corporation (Japan), and CITIC Group (China) to both resources and business networks



2005

2007



Announced C.P. Group's Standards for Safety, Health, and Environmental Management.



Founded Panyapiwat Institute of Management, a tertiary institution specializing in retail business education and research.



Created opportunities for students and teachers to get access to information, news and educational content through True Plookpanya.

2009

2010



Launched the leadership development training program. The first class of participants received training in the Action Learning Program (ALP).

2011

2012



True published first annual report on action against climate change through the CDP Climate Change Program.



Initiated the 3 Million Layers project in Ping Gu, a suburb of Beijing. This is an integrated egg production project that uses automation and highly efficient renewable resources.

2014

2013

CPF chicken products were the first in the world to receive the ProSustain® standards from DNV GL.



True was the first company to bring 4G to Thailand giving access to modern communications on par with international standards.



2015

2016



CPF Sustainability Strategy 2016-2020			
Category	Target	Measure	Impact
Environment	Reduce CO2 emissions	Invest in renewable energy	Reduce environmental footprint
Social	Improve labor conditions	Provide training and development	Enhance employee well-being
Governance	Strengthen corporate governance	Implement transparent reporting	Build trust with stakeholders



- Established C.P. Group Corporate Governance Committee
- Developed corporate governance principles
- C.P. Innovation Exposition 2016
- Announced CP Group's sustainability strategy and goals for 2020
- Became a member of the United Nations Global Compact's Caring for Climate and WBCSD
- Participated in setting up the Global Compact Network Thailand
- CPF was selected as a member of DJSI Emerging Markets for 2 consecutive years.
- CP All published its first sustainability report in alignment with GRI G4 guidelines.



# SUSTAINABILITY STRATEGY



We aim to deliver long term sustainability values as quality products and services to both our customers and consumers, while continuing to operate our business in a socially and environmentally responsible manner. Our strategy is based on the Three-Benefit Principle – for the Country, the People, and the Company coupled with Total Quality Management principles within the C.P. Excellence framework, which has been applied to the Group’s operations, to drive human capital developments. This has been accomplished via integration of international standards, fitting to the Group’s context and characteristics, facilitating the deployment of expected standards to other business groups abroad.

Additionally, C.P. Group is committed to operate our business with fair consideration to all dimensions. This was achieved through an application of Sufficiency Economy Philosophy in the Group’s investment strategy and operations, along with establishing understanding and mitigating any impacts incurred from the Group’s activities. Therefore, the C.P. Group prioritizes sustainable business operations, based on good governance, transparency, accountability and social responsibility; in accordance with regulations, rules, and standards in each country of operations.

Furthermore, the Group is determined to operate in accordance with international principles on business for sustainable development. We are committed to making the United Nations Global Compact Principles part of our strategy, upholding the United Nations Guiding Principles on Business and Human Rights (UNGPs), and aligning our business with the United Nations’ 17 Sustainable Development Goals; in all material aspects concerning the Group’s sustainability.



# MATERIALITY ASSESSMENT

G4-18

The objective of this Sustainability Report is to disclose the Group's performance in relation to factors that are material to the business and its stakeholders. In our materiality assessment, we abide by the 4 principles of the GRI Guidelines: Sustainability Context, Materiality, Completeness, and Stakeholder Inclusiveness. Our process is detailed below:

## 1 Identification

Identify sustainability issues that are relevant to the Group's businesses

### Sustainability context considered in the analysis

- Sustainable Development Goals (SDGs)
- The United Nations Global Compact (UNGC)
- World Business Council for Sustainable Development (WBCSD)
- Dow Jones Sustainability Index (DJSI)
- National Economic and Social Development Plan
- Pracharat Initiative
- Benchmarking against industry peers
- C.P. Group Business Strategy

### Consolidation of C.P. Group's material sustainability aspects



## 2 Prioritization

Prioritize sustainability issues



Conduct online stakeholder surveys

### Prioritize sustainability issues

- Assign weighting for each business group
- Assign weighting for stakeholder groups
- Measure the importance of issues to stakeholders
- Measure the importance of issues to business
- Plot the Materiality Matrix

## 3 Validation

Interview external stakeholders

- Government
- Customers
- Business Partners
- Shareholders and Investors

Executives review materiality issues

Categorize C.P. Group's materiality issues into Heart - Health - Home

Independent third party evaluates accuracy and reliability

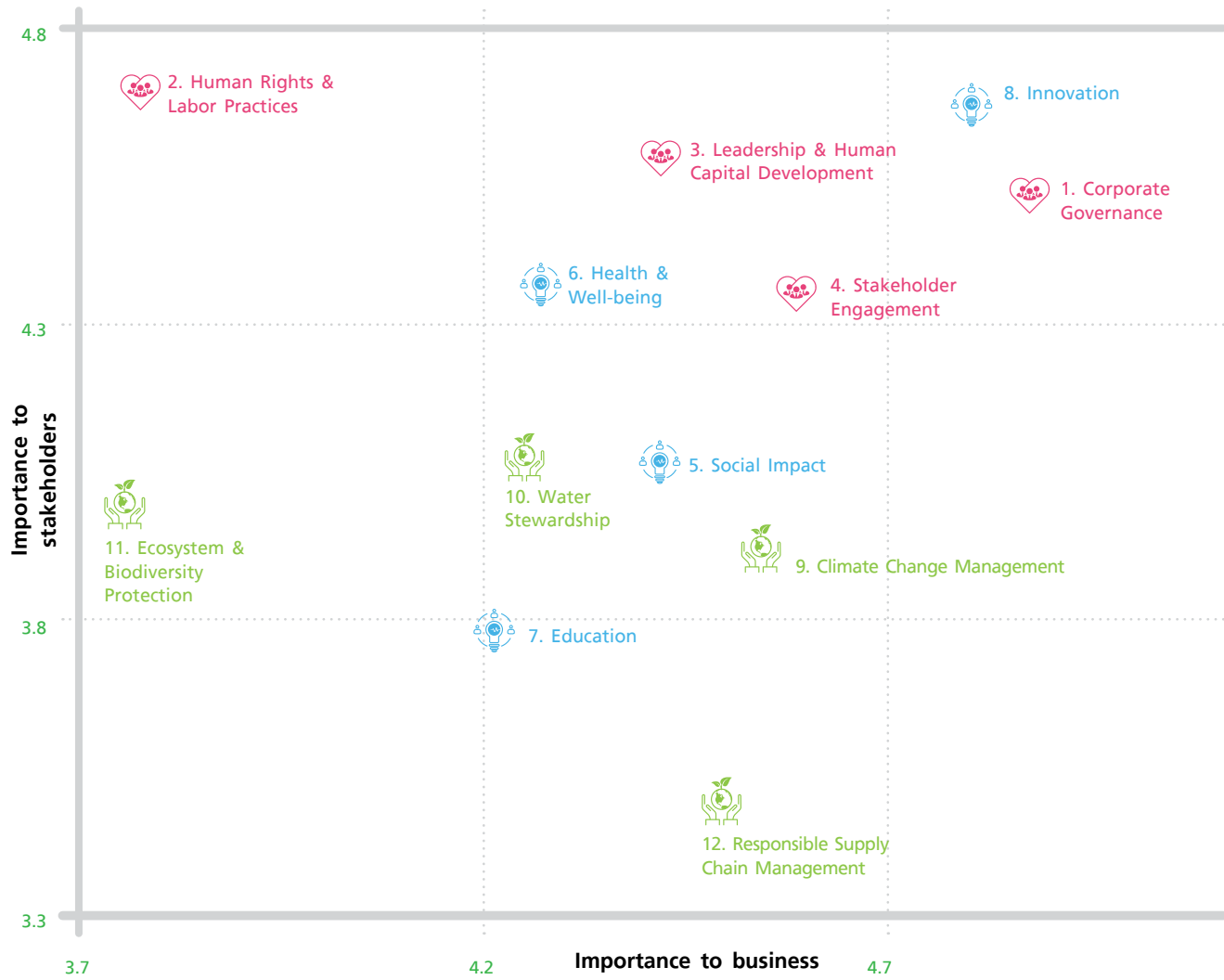
## 4 Continuous Improvement

Interview external stakeholders and receive feedback and recommendations



# OUTCOMES OF THE MATERIALITY ASSESSMENT

G4-19



Heart

- 1. Corporate Governance
- 2. Human Rights & Labor Practices
- 3. Leadership & Human Capital Development
- 4. Stakeholder Engagement



Health

- 5. Social Impact
- 6. Health & Well-being
- 7. Education
- 8. Innovation



Home

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



IMPACT BOUNDARY

G4-20, G4-21

Chapter	Material Issue	Impact Boundary													
		Within the Company												Outside the Company	
		Charoen Pokphand Group Co., Ltd.	Agro-Industry & Food Business Group	Retail and Distribution Business Group	Telecommunications Business Group	Seeds, Fertilizers and Plant Protection Products Business Group	International Trading Business Group	Crop Integration Business Group	Property Development Business Group	Plastics Business Group	Pet Food Business Group	Feed Ingredients Trading Business Group	Business Partners	Customers / Consumers	Society
 Heart	Corporate Governance	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Human Rights & Labor Practices	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Leadership & Human Capital Development	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Stakeholder Engagement	●	●	●	●	●	●	●	●	●	●	●	●	●	●
 Health	Social Impact	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Health & Well-being	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Education	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Innovation	●	●	●	●	●	●	●	●	●	●	●	●	●	●
 Home	Climate Change Management	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Water Stewardship	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Ecosystem & Biodiversity Protection	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Responsible Supply Chain Management	●	●	●	●	●	●	●	●	●	●	●	●	●	●

● High materiality   ● Medium materiality   ● Low materiality





# C.P. GROUP'S SUSTAINABILITY STRATEGY AND 2020 GOALS

G4-15

We aim to support sustainable development in all areas of our operations wherever they are to ensure we are moving in the right direction. In 2016, we used the results of our materiality assessment to develop a sustainability strategy that included a set of 2020 goals for the Group. Our strategy is based on the 'Three-Benefit Principle' in conjunction with the Total Quality Management (TQM) principles contained within the C.P. Excellence framework. We are also committed to good governance, transparency, accountability and social responsibility in accordance with the rules, regulations and standards of every country in which we operate.

C.P. Group is also committed to supporting international principles regarding sustainable development. This includes integrating UN Global Compact's 10 principles into our strategy, to upholding the United Nations Guiding Principles on Business and Human Rights (UNGP), and to aligning our business operations with the United Nations' 17 Sustainable Development Goals (SDGs).



C.P. Group abides by the 'Three-Benefit Principle', which aims to create benefits for the country, the people and the Group itself, within the framework of the C.P. Excellence Management System. To that end, we are committed to operating sustainably based on good governance and accountability, in accordance with the rules, regulations and standards of each country in which we operate.

## Three-Benefit Principle

Sufficiency Economy

C.P. Excellence Principles

The 10 UN Global Compact Principles  
UN SDGs & UNGP\*

Regulations and Standards



**Heart**  
Commitment to Sustainable Business



**Health**  
Commitment to Sustainable Society



**Home**  
Commitment to Sustainable Environment

Corporate Governance

Human Rights and Labor Practices

Leadership & Human Capital Development

Stakeholder Engagement

Social Impact

Health & Well-being

Education

Innovation

Climate Change Management

Water Stewardship

Ecosystem & Biodiversity Protection

Responsible Supply Chain Management

**Note:** \* 10 UN Global Compact Principles, United Nations Sustainable Development Goals, United Nations Guiding Principles on Business and Human Rights



# SUPPORTING SUSTAINABLE DEVELOPMENT GOALS (SDGs)

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Heart Commitment to Sustainable Business	1 Corporate Governance												✓				✓	
	2 Human Rights and Labor Practices			✓	✓	✓			✓		✓		✓				✓	
	3 Leadership & Human Capital Development				✓													
	4 Stakeholder Engagement																✓	
Health Commitment to Sustainable Society	5 Social Impact	✓							✓		✓							
	6 Health & Well-being		✓	✓														
	7 Education				✓				✓									
	8 Innovation								✓	✓								
Home Commitment to Sustainable Environment	9 Climate Change Management	✓	✓				✓					✓	✓	✓				✓
	10 Water Stewardship						✓		✓									✓
	11 Ecosystem & Biodiversity Protection						✓						✓		✓	✓		✓
	12 Responsible Supply Chain Management												✓				✓	





# ACHIEVING THE 3HS

Sustainability Goals

C.P. Group has set out 12 goals under the headings of Heart, Health and Home to be attained by 2020.



## HEART

### COMMITMENT TO SUSTAINABLE BUSINESS

Operate the business with integrity, developing relationships based on trust and public benefit



### CORPORATE GOVERNANCE

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



### HUMAN RIGHTS & LABOR PRACTICES

All 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



### STAKEHOLDER ENGAGEMENT

All businesses within C.P. Group develop a stakeholder engagement process



## HEALTH

### COMMITMENT TO SUSTAINABLE SOCIETY

Support the health and well-being of persons both physically and mentally



### SOCIAL IMPACT

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



### HEALTH & WELL-BEING

30% of new products and services will help promote health and well-being



### EDUCATION

Provide 4,350,000 children and adults with access to education and training for essential skills



### INNOVATION

Increase product value and process innovation by 50% against 2016 baseline



## HOME

### COMMITMENT TO SUSTAINABLE ENVIRONMENT

Protect natural resources and build a sustainable environment throughout the supply chain



### CLIMATE CHANGE MANAGEMENT

Reduce greenhouse gas emissions per unit of revenue by 10% against 2015 baseline



### WATER STEWARDSHIP

Reduce water withdrawal per unit of revenue by 10% against 2015 baseline



### ECOSYSTEM & BIODIVERSITY PROTECTION

100% of key raw materials are responsibly sourced

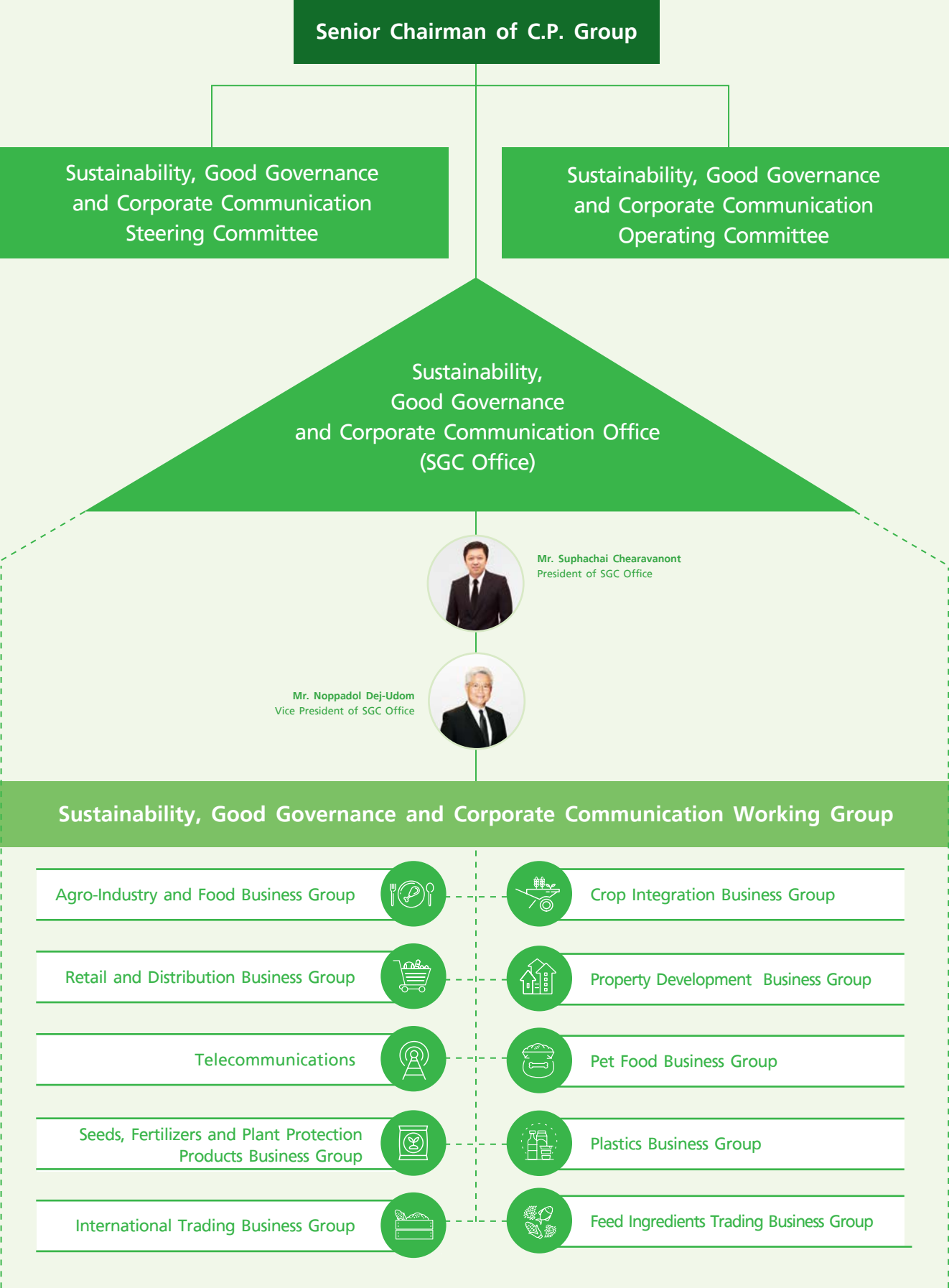


### RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Complete audit for all critical suppliers and ensure the traceability of raw materials sourced from them

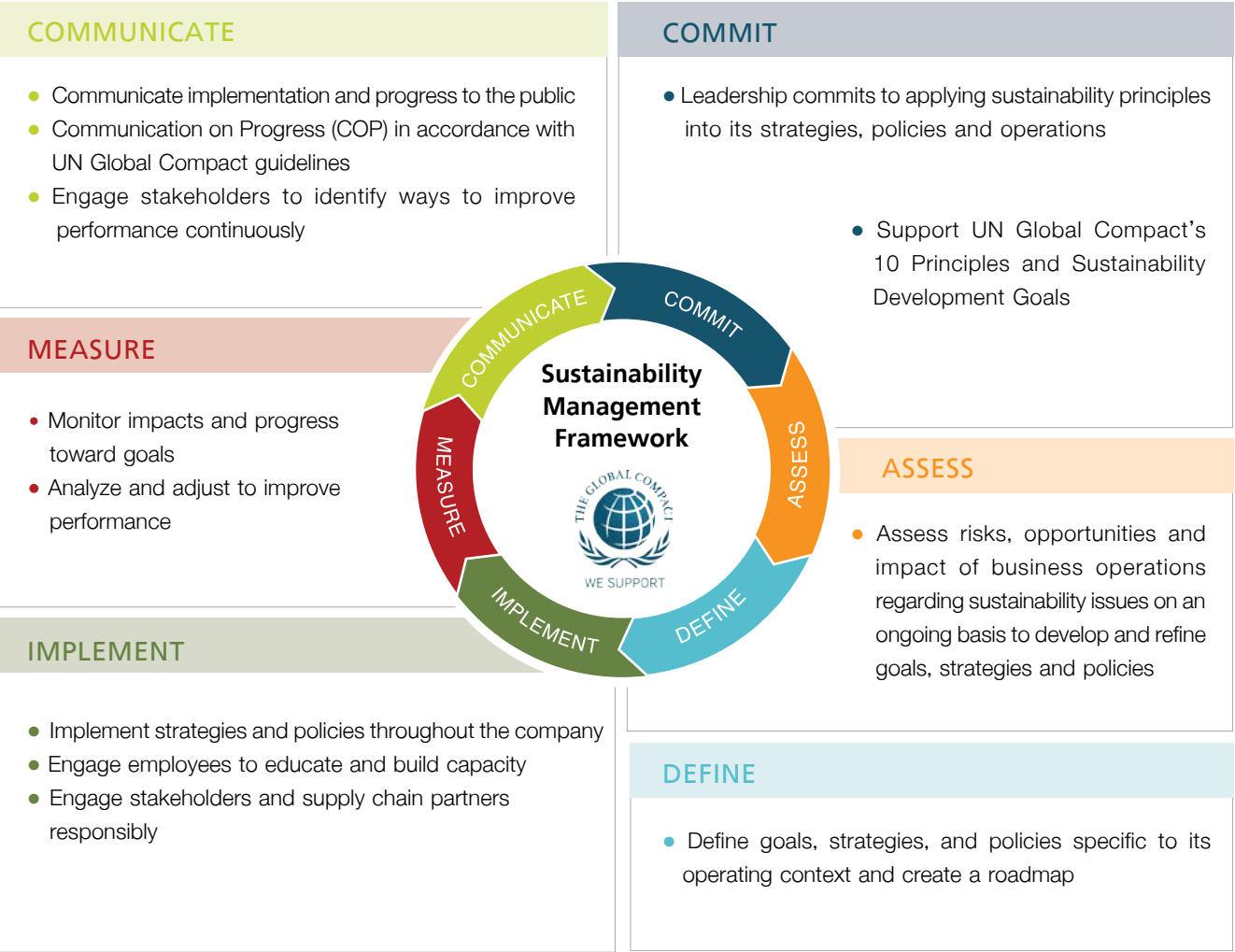


# C.P. GROUP Sustainability Governance Structure



# C.P. Group Sustainability Management Framework

(adapted from UN Global Compact Management Model)





COMMITMENT TO SUSTAINABLE BUSINESS

# HEART



C.P. Group operates our business by adhering to the “Three-Benefit Principle” which consists of benefits for the country, the society, and the company. Moreover, C.P. Group upholds the moral value of “Honesty, Integrity, and Gratitude” which serves as a cornerstone for good corporate governance within the organization. Respect for stakeholder rights, investment in future leaders, and contribution toward an economic, social, and environmental balance enables us to overcome limitations and advance sustainably together.





# CORPORATE GOVERNANCE



## Towards Excellence in Corporate Governance

Over the past century, we have grown from a single seed shop in Bangkok to a diverse conglomerate with 300,000 employees in 20 countries.

The modern corporation that we have become requires a robust corporate governance system to maintain our relationship of respect and trust with our shareholders and other stakeholders.

In 2016, C.P. Group began to develop and adopt a new corporate governance system for both our listed and unlisted subsidiaries, based on the Organisation for Economic Co-operation and Development (OECD) Principles of Corporate Governance and other regulatory frameworks, to ensure that our system is in line with international best practices.

Our goal is to create a culture of success while adopting international best practices in corporate governance and sustainable growth. We are creating the infrastructure and developing clear principles and policy guidelines for a robust system of oversight that ensures the entire Group is in line with our standards.



**Mr. Soopakij Chearavanont**  
Chairman  
Charoen Pokphand Group Co., Ltd.





# MANAGEMENT APPROACH

C.P. Group has established a Corporate Governance Committee, which reports directly to Mr. Dhanin Chearavanont, the Group’s Senior Chairman. This 18-member committee consists of 8 Executive Directors of C.P. Group and its listed companies, 4 independent non-executive directors of C.P. Group listed entities, and 6 external independent members. In its first 2 years, the Committee will convene every quarter to identify ways to improve specific corporate governance issues.

More information on the Committee’s recommendations can be found in the Committee Progress report (September 2016 – February 2017) available on the C.P. Group website at [www.cpgroupglobal.com](http://www.cpgroupglobal.com).

C.P. Group Corporate Governance Committee <small>G4-34</small>		
Executive Directors of C.P. Group and Listed Subsidiaries	Independent Directors of C.P. Group and Listed Subsidiaries	External Independent Members
<ul style="list-style-type: none"><li>● <b>Mr. Dhanin Chearavanont</b> Senior Chairman of C.P. Group Co., Ltd.</li><li>● <b>Mr. Soopakij Chearavanont</b> Chairman of C.P. Group Co., Ltd.</li><li>● <b>Mr. Suphachai Chearavanont</b> CEO of C.P. Group Co., Ltd. and Chairman of the Executive Committee of True Corporation PCL</li><li>● <b>Dr. Ajva Taulananda</b> Senior Vice Chairman of C.P. Group Co., Ltd. and Vice Chairman of True Corporation PCL</li><li>● <b>Mr. Adirek Sripratak</b> Senior Vice Chairman of C.P. Group Co., Ltd. Chairman of the Executive Committee of Charoen Pokphand Foods PCL and Director of Siam Makro PCL</li><li>● <b>Mr. Tanin Buranamanit</b> Managing Director and CEO of CP ALL PCL</li><li>● <b>Mr. Umroong Sanphasitvong</b> Director of True Corporation PCL, CP ALL PCL and Siam Makro PCL</li><li>● <b>Mr. Hans Werner Reich</b> Senior Advisor of C.P. Group Co., Ltd.</li></ul>	<ul style="list-style-type: none"><li>● <b>Dr. Chaipayat Wibulswasdi</b> Independent Director, Chairman of the Audit, the Corporate Governance, and the Corporate Social Responsibility and Sustainability Development Committees of Charoen Pokphand Foods PCL</li><li>● <b>Dr. Kosol Petchsuwan</b> Independent Director, Chairman of the Corporate Governance Committee, and Member of the Audit Committee of True Corporation PCL</li><li>● <b>Adjunct Professor Prasobsook Boondech</b> Independent Director of CP ALL PCL</li><li>● <b>Mr. Andrew Ma</b> Independent Director, Chairman of the Corporate Governance Committee of C.P. Pokphand Co. Ltd.</li></ul>	<ul style="list-style-type: none"><li>● <b>Mr. Paron Israsena Na Ayudhya</b> Former CEO of Siam Cement Group PCL</li><li>● <b>Professor Hiran Radeesri</b> Expert on Corporate Governance and Social Responsibility, the Stock Exchange of Thailand, and Honorary Chairman of the Thai Institute of Directors</li><li>● <b>Dr. Kittipong Kittayarak</b> Executive Director, Thailand Institute of Justice and former Permanent Secretary, Ministry of Justice</li><li>● <b>Mr. David Gordon Eldon</b> Former Chairman of HSBC Asia Pacific</li><li>● <b>Ms. Kath Cates</b> Former Chief Operating Officer of Wholesale Banking for Standard Chartered Bank and Global Head of Compliance at UBS</li><li>● <b>Mr. George Hongchoy</b> CEO of Link Asset Management Limited</li></ul>

# CORPORATE GOVERNANCE PRINCIPLES OF C.P. GROUP



C.P. Group has become one of Asia’s leading businesses through its focus on entrepreneurship, by anticipating the changing needs of countries and communities and through building our businesses with diligence and responsibility.

As C.P. Group has expanded across both industry and geographical boundaries, we have remained committed to the Three-Benefit Principle.

This is our guiding principle in defining the responsibilities of our Board of Directors: from leading the business to engaging our stakeholders, and from balancing the needs of minority shareholders to managing risk.

**1**  
**Our strength lies in our ability to constantly evolve and adapt our businesses.**  
The Group’s focus on entrepreneurship allows us to recognize new opportunities and to adapt our businesses to remain competitive in evolving markets.

**2**  
**Our network of businesses creates synergies, which we maintain responsibly and in full compliance with all regulations.**  
Our many interconnected businesses enable us to deliver higher quality and better service to our customers. Our corporate governance principles ensure that we pursue any synergy in full compliance with all relevant laws and regulations.

**3**  
**We strive to ensure our entrepreneurial spirit is always balanced by responsible risk management.**  
Our entrepreneurial mindset has enabled us to grow into the multinational business that we are today. However, our risk strategy ensures that our entrepreneurship flourishes strictly in line with the long-term interests of the Group and its stakeholders.



4

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

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

5

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

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

6

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

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

7

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

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

8

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

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

9

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

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

10

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

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

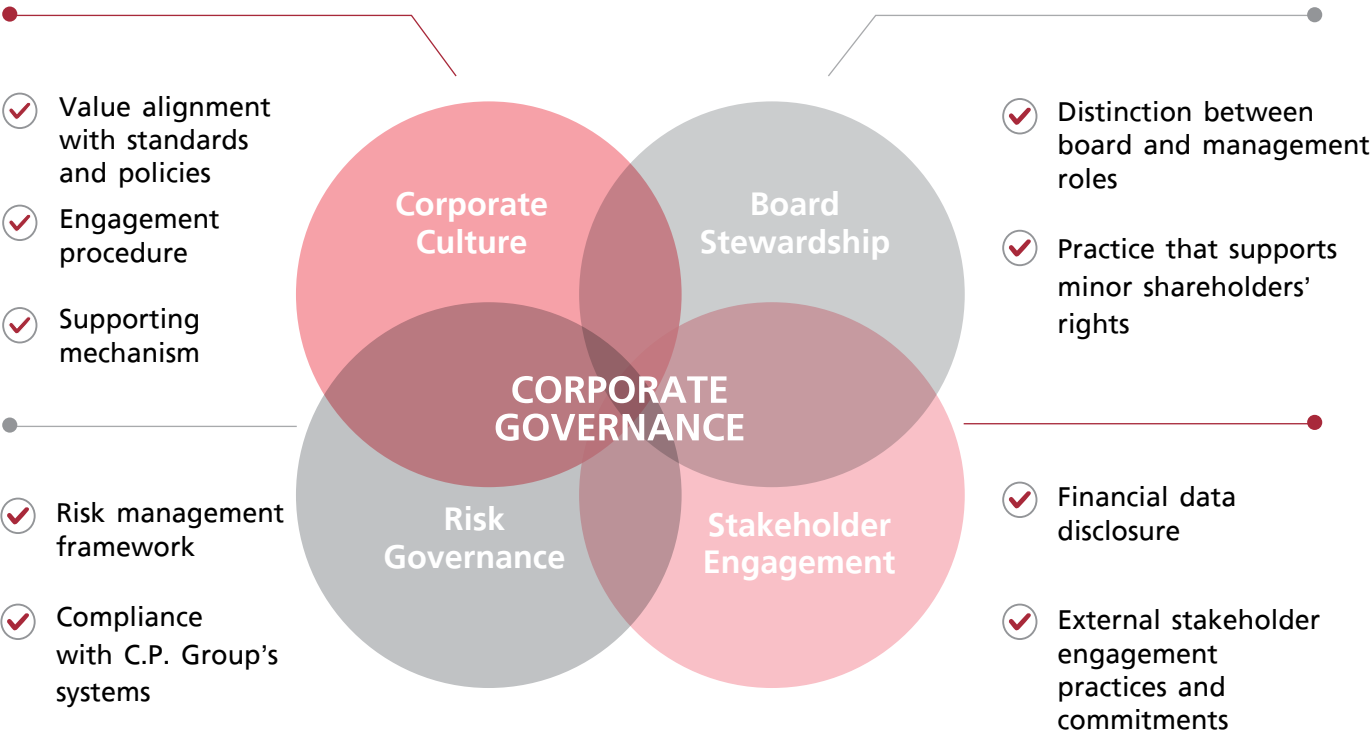
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**Integrity and honesty lie at the heart of who we are.**

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

# REVIEW PROGRESS

C.P. Group’s corporate governance review is conducted on an ongoing basis. Each subject under consideration is allocated up to 6 months for review. Reviews have been conducted of topics covered under “Disclosure and Transparency” and several topics in the “Risk Governance” section are currently being reviewed.



Stakeholder Engagement	Risk Governance	Corporate Culture	Board Stewardship
Disclosure and Transparency	Consumer Protection	Value Framework	Board Composition
Shareholder Rights	International Regulatory Compliance and Disputes	Sustainability	Authority
	Risk Management and Internal Controls		Accountability and Renewal
			Management Leadership



# CORPORATE GOVERNANCE DEVELOPMENT: NEXT STEPS FOR 2017

Our senior executives and employees are undergoing training on best practices in corporate governance to ensure we progress swiftly. In addition, we plan to increase supervisory roles and functions at the Group level to guide the business and ensure that new policies are successfully implemented.

## 3 Pillars to Corporate Governance



### Principles, Policies, and Guidelines

- ✓ Develop C.P. Group's corporate governance principles
- ✓ Prepare policies and guidelines on disclosure and transparency
  - Share Dealing
  - Insider Lists
  - Identification of Connected Persons
  - Conflicts of Interest
  - Disclosure of Insider Information
- ✓ On-going preparation of policies on consumer protection and risk management



### Training

- ✓ Develop training programs for senior executives and related functions (such as company secretary, investor relations officer)
- ✓ Certify employees who have successfully completed the training



### Corporate Culture

- ✓ Internal communications in parallel with training
- ✓ Develop materials to create awareness







# HUMAN RIGHTS & LABOR PRACTICES



C.P. Group is committed to working with other industries and organizations to promote social equality in parallel with economic growth. Social equality can be divided into 3 main areas:

- Basic human needs such as food, medicine, water, sanitation, housing and safety
- Well-being including education, IT, healthcare and environmental quality
- Rights such as privacy, freedom and access to higher education

Success in these areas will require consolidated, industry-wide collaboration.

As human rights are interrelated, interdependent, and indivisible, the needs of every group of stakeholders must be respected to promote happiness and equality for all. We want to promote rights and opportunities for vulnerable groups, including the rights of children to have access to healthy food and the rights of migrant workers to education and training.



**Mr. Adirek Sripratak**

Senior Vice Chairman  
Charoen Pokphand Co.,Ltd. and  
Chairman of the Executive Committee  
Charoen Pokphand Foods PCL



<sup>1</sup> Social progress indicators from <http://www.socialprogressimperative.org/global-index/>



# 2020 GOAL

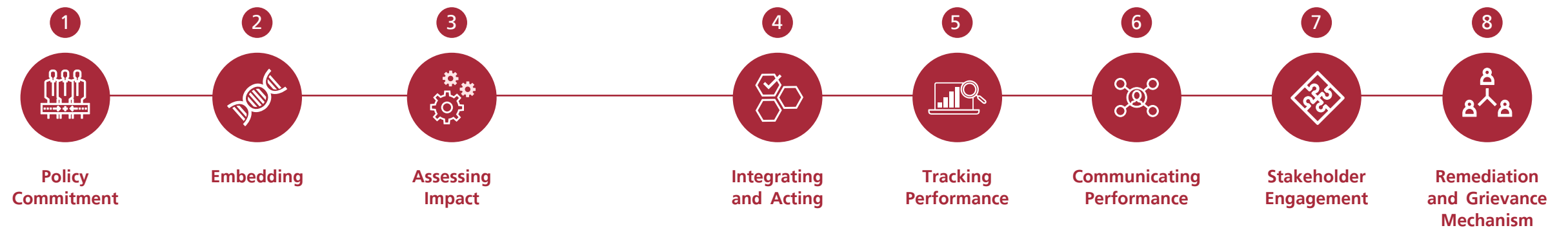


# 100%

All businesses within C.P. Group conduct human rights due diligence

## MANAGEMENT APPROACH

C.P. Group respects the rights of all our stakeholders including employees, customers and our business partners. All of our businesses comply stringently with the laws of the countries in which they operate as well as adhere to the Group's ethical standards and guidelines.



## Countries of Operation and Related International Laws

Our Human Rights Policy is based on the following international standards:

- We uphold the Universal Declaration of Human Rights (UDHR)
- We are committed to the UN Global Compact's principles on human rights and labor practices
- We are developing internal processes in accordance with the UN Guiding Principles on Business and Human Rights (UNGPs) and the resolutions of the International Labour Organisation (ILO) through the Sustainability, Good Governance, and Corporate Communication Steering Committee (details on the Group's corporate governance structure can be found on Page 46)

### Human Rights Due Diligence Process in accordance with the UN Guiding Principles on Business and Human Rights

**1 Policy Commitment**  
to integrate our responsibility to respect human rights and labor practices into our business.

**5 Tracking Performance**  
the effectiveness of preventative measures and remediation mechanisms with appropriate quantitative and qualitative indicators.

**2 Embedding**  
a consideration of our impact on human rights into our business practices.

**6 Communicating Performance**  
based on risk assessments and disclose our approach to addressing human rights violations.

**3 Assessing Impact**  
both actual and potential impacts on the human rights of parties that result from our direct or indirect actions.

**7 Stakeholder Engagement**  
through open dialogue with affected groups, human rights experts, and civil society organizations.

**4 Integrating and Acting**  
the results of risk and impact assessments into the organization and act on them.

**8 Remediation and Grievance Mechanism**  
for affected persons and groups.

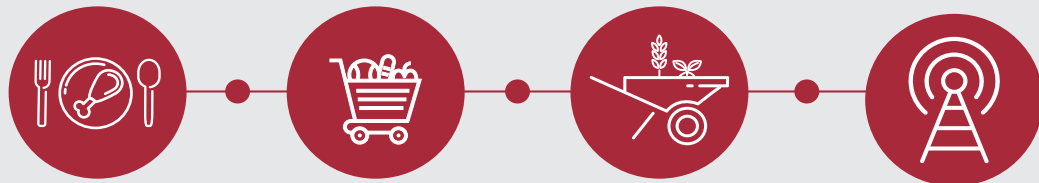


PERFORMANCE

In 2016, the Group assessed the potential human rights impact of 5 of our business groups in Thailand: Agro-Industry and Food, International Trading, Crop Integration, Retail and Distribution, and Telecommunications. The Group expects to assess all business groups by 2017. In addition, the Group has been a strong human rights advocate and strives to promote social progress in every aspect of our business operations.



Workshop on human rights and labor practices for business sustainability, C.P. Group



Promote the rights and access of consumers and children to high quality, safe, and nutritious food.

Additional information is available in the “Health and Well-Being” chapter on page 100

Support basic education by building schools, colleges, and tertiary education institutions.

Additional information is available in the “Education” chapter on page 108

Support the employment opportunities of smallholder farmers to alleviate poverty and improve the quality of life of vulnerable groups including children, the elderly and the disabled.

Additional information is available in the “Social Impact” chapter on page 92

Promote workplace safety to ensure that employees and contractors can work securely.

Additional information is available in the “Human Rights & Labor Practices” chapter on page 58

Part of Our Commitment to Promote Human Rights

Promote access to information technology to ensure that everyone has equal access to information and to promote the value of education.

Additional information is available in the “Education” chapter on page 108 and “Innovation” chapter on page 116.

Promote measures to mitigate the environmental impacts on communities and to support resource conservation.

Additional information is available in the “Climate Change Management” chapter on page 124 and “Water Stewardship” chapter on page 134

Enhance opportunities for suppliers to improve their products and services to meet market demand.

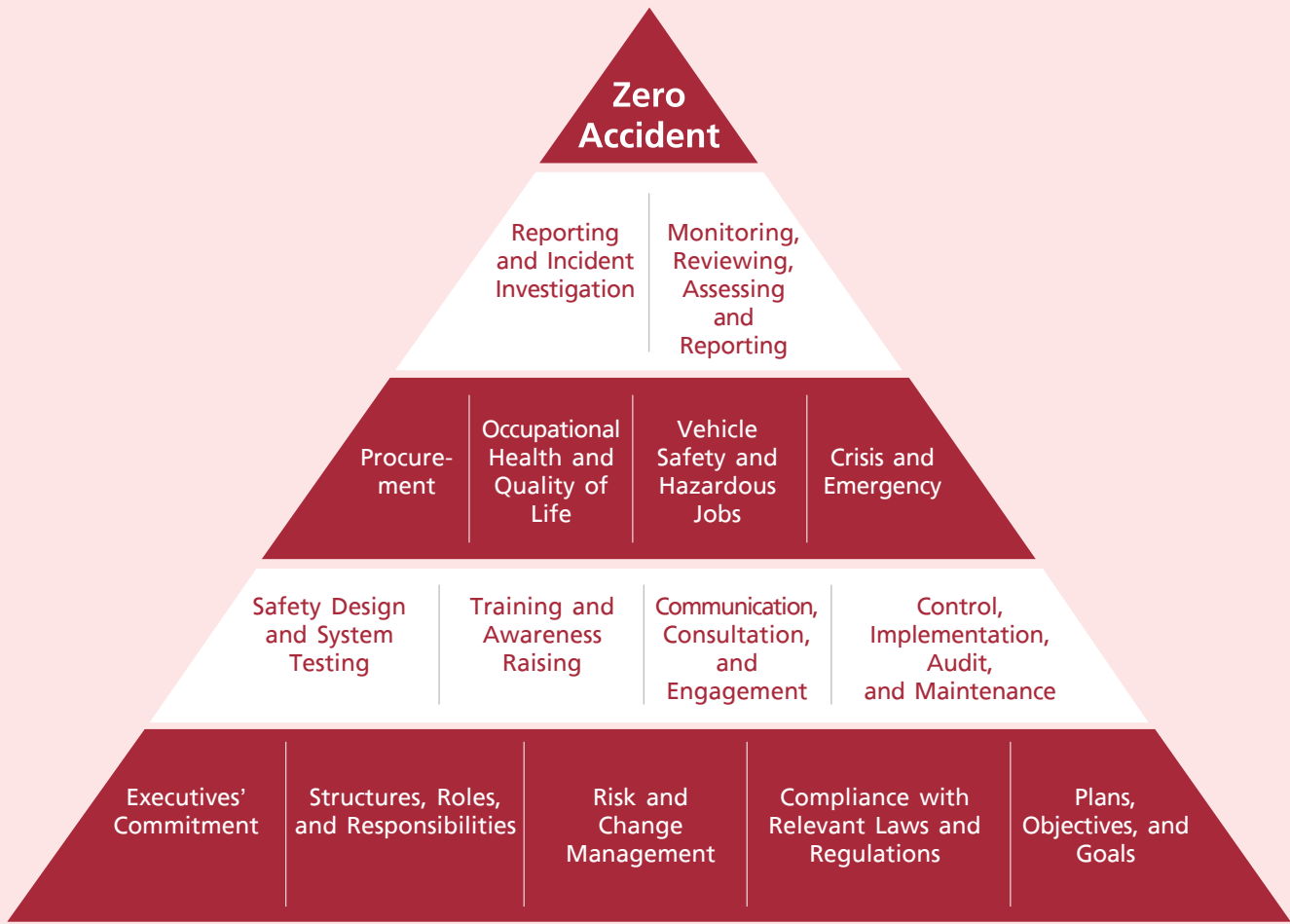
Additional information is available in the “Responsible Supply Chain Management” chapter on page 150



# BUILD A CULTURE THAT PROMOTES A SAFE AND HEALTHY WORKPLACE

We are committed to building a corporate culture that promotes occupational health and safety in line with our sustainability goals and compliant with local laws and international standards. We also aim to collaborate internally and externally to ensure that these practices are implemented at every operational level throughout the value chain. Our reporting on occupational health and safety at the Group level is also fully transparent and in compliance with international reporting standards.

## C.P. Group’s Framework on Occupational Health, Safety and Environment



# PERFORMANCE OF OCCUPATIONAL HEALTH, SAFETY, AND ENVIRONMENT FRAMEWORK



C.P. Group has been implementing safety policies for more than 30 years, starting with the establishment of a safety advisory office in 1983.

The Group organizes company-wide safety competitions based on rigorous criteria that combine recommendations from the Ministry of Labour, the International Labour Organisation (ILO) and our own guidelines.

These competitions enable different business groups to share knowledge, resulting in continuous progress and improvement. In 1999, the Group published 33 technical standards on

occupational health, safety, and environment and in 2004 launched the Group’s Policy on Occupational Health, Safety, and Environment.

The Group also encourages business units with good safety records to participate in the annual competition for Outstanding Workplace for Occupational Health, Safety, and Environment organized by the Ministry of Labour. In 2016, a total of 85 business units received an award and 8 employees received Outstanding Safety Personnel awards.

## Thailand Labour Management Excellence Awards received by C.P. Group and subsidiaries during 2009-2016

Award Category	2009	2010	2011	2012	2013	2014	2015	2016
Outstanding Workplace for Occupational Health, Safety, and Environment Award	70	94	87	84	92	95	95	85
Outstanding Safety Personnel Award	3	8	4	7	3	1	7	8
Outstanding Occupational Health, Safety, and Environment Committee Award	1	1		2			1	
ASEAN-OSHNET Excellence Award								1



VEHICLE SAFETY TRAINING AND TESTING AT C.P. GROUP



C.P. Group transports its products using a significant fleet of vehicles and it is therefore vital to have stringent vehicle safety procedures in place. These procedures include a training program to teach defensive driving as well as a mandatory physical examination for drivers. The Group has set out specific standards for vehicle safety and for accident investigation, analysis, and reporting. These vehicle safety procedures have been consistently implemented and have been further extended to our overseas operations.

PERFORMANCE

	2014	2015	2016
<b>Performance in Thailand</b>			
Number of Vehicles	8,239	8,537	8,690
Safe Driving Training for New Drivers (persons)	1,350	1,670	1,510
C.P. Group Driver’s License Renewal (persons)	2,200	2,150	2,150
Supplementary Training on Driving Attitude and Behavior (persons)	570	600	460
Business Partner and Contractor Training (persons)	950	810	930
<b>Performance Outside of Thailand (Vietnam and Cambodia)</b>			
Number of Vehicles	253	380	450
Safe Driving Training for New Drivers (persons)	385	280	460
C.P. Group Driver’s License Renewal (persons)	25	85	150

Furthermore, the Retail and Distribution business group has implemented measures to reduce traffic caused by product distribution. One measure now in place is to increasingly deliver products from our centers to retail outlets at night. Currently, 50% of total distribution takes place at night and we have also shortened the time spent parked at delivery points by streamlining the product counting process.



Occupational Health and Safety Data 2014-2016

GRI	Performance	2014		2015		2016	
G4-LA6		Employees, Workers and Supervised Workers	Independent Contractors	Employees, Workers and Supervised Workers	Independent Contractors	Employees, Workers and Supervised Workers	Independent Contractors
	Injury Rate (cases/200,000 hours worked)	1.40	1.20	1.34	0.68	2.38	0.88
	Lost Time Injury Rate (cases/200,000 hours worked)	0.22	0.28	0.16	0.16	0.18	0.26
	Lost day rate (lost days/200,000 hours worked)	1.59	2.21	1.13	0.95	1.40	1.44

Remarks: Occupational health and safety data for independent contractors excludes data from the Telecommunications, Property Development, And Crop Integration business groups.

Employee Information 2014-2016

GRI	Information	Unit	2014		2015		2016		
			Male	Female	Male	Female	Male	Female	
G4-LA10	Total Workforce	Person	157,085		167,267		180,254		
	By Employment Contract		66,857	90,228	72,442	94,825	77,032	103,222	
	Employee	Person	111,881		120,474		129,145		
			48,659	63,222	50,974	69,500	53,732	75,413	
	Worker	Person	43,936		44,897		48,749		
			17,248	26,688	20,033	24,864	21,668	27,081	
	Supervised Worker	Person	492		797		1,174		
			291	201	603	194	746	428	
	Contractor	Person	172		435		423		
			89	83	214	221	208	215	
	Special Type								
	People with Disabilities	Person	604		664		763		
			570	34	618	46	678	85	
	Employment								
	Number of New Employee Hires	Person	60,322		67,787		71,847		
			20,671	39,651	22,833	44,954	23,655	48,192	
	Rate of New Employee Hires	%	53.63		55.96		55.31		
			41.99	62.68	44.26	64.64	43.48	63.83	
	Number of New Worker Hires	Person	26,682		11,386		17,069		
			12,587	14,095	5,705	5,681	8,264	8,805	
	Rate of New Worker Hires	%	60.73		25.36		35.01		
			72.98	52.81	28.48	22.85	38.14	32.51	
	Turnover								
	Number of Employee Turnover	Person	39,601		44,696		41,174		
			14,201	25,400	15,970	28,726	14,564	26,610	
	Rate of Employee Turnover	%	35.20		36.90		31.69		
			28.85	40.15	30.95	41.30	26.77	35.25	
	Number of Worker Turnover	Person	12,912		13,428		12,899		
			5,889	7,023	5,869	7,559	5,826	7,073	
	Rate of Worker Turnover	%	29.39		29.91		26.46		
			34.14	26.32	29.30	30.40	26.89	26.12	





# LEADERSHIP & HUMAN CAPITAL DEVELOPMENT



In today's rapidly changing world, businesses must adapt quickly. Effective human resources management is the key to this. Every organization needs visionary leaders to anticipate and respond successfully to change, and business must therefore focus their efforts on finding and nurturing these leaders.

C.P. Group believes that building effective HR structures will develop our employees' capabilities and provide them with the opportunity to grow into the leaders that we need. As we expand across the globe, we need uniform guidelines for HR management so that we can foster a corporate culture in which our leaders can thrive.

The C.P. Leadership Institute will create career advancement opportunities for a new generation. People are at the heart of our organization and the institute is an environment in which leaders of tomorrow can be trained and nurtured by our current experienced executives.



**Mr. Dhanin Chearavanont**  
Senior Chairman  
Charoen Pokphand Group Co., Ltd.





OUR PHILOSOPHY

C.P. Group is committed to becoming competitive at the global level by adhering to our long-standing moral and ethical values. Our values ensure that our people are able to embrace change and respond rapidly to market conditions.



Commitment and Engagement of Senior Executives

Our senior executives serve as role models for leadership, sharing their experience and providing mentorship through our “Leaders Develop Leaders” program.

Action Learning

We continuously look to improve our leadership development process. For instance, in 2009 we developed the Action Learning Training Curriculum in collaboration with Dr. Noel M. Tichy, a leadership development specialist of Action Learning Associates, who worked under Jack Welch at General Electric.



Supporting our Business Strategy and Evaluating Success

Each level of the leadership development program provides opportunities for all our business groups to collaborate and develop practical projects that support the overall business strategy. To date, we have implemented and assessed over 120 projects under this initiative.

C.P. Group also established the Academic Advisory Board, which consists of leading academics and scholars from Harvard University and other leading institutions around the world, to advise on the curriculum and the management of the C.P. Leadership Institute.



C.P. Group has always emphasized the development of leadership skills in our people. The C.P. Leadership Institute was founded to serve as a center for learning based on real-life experiences in the business world.

Promoting our Culture through the C.P. Leadership Institute

The C.P. Leadership Institute was developed in 2010 to train future leaders and create a unified corporate culture. It serves as a central hub that connects our employees across businesses and countries to forge a strong network of relationships within the Group.



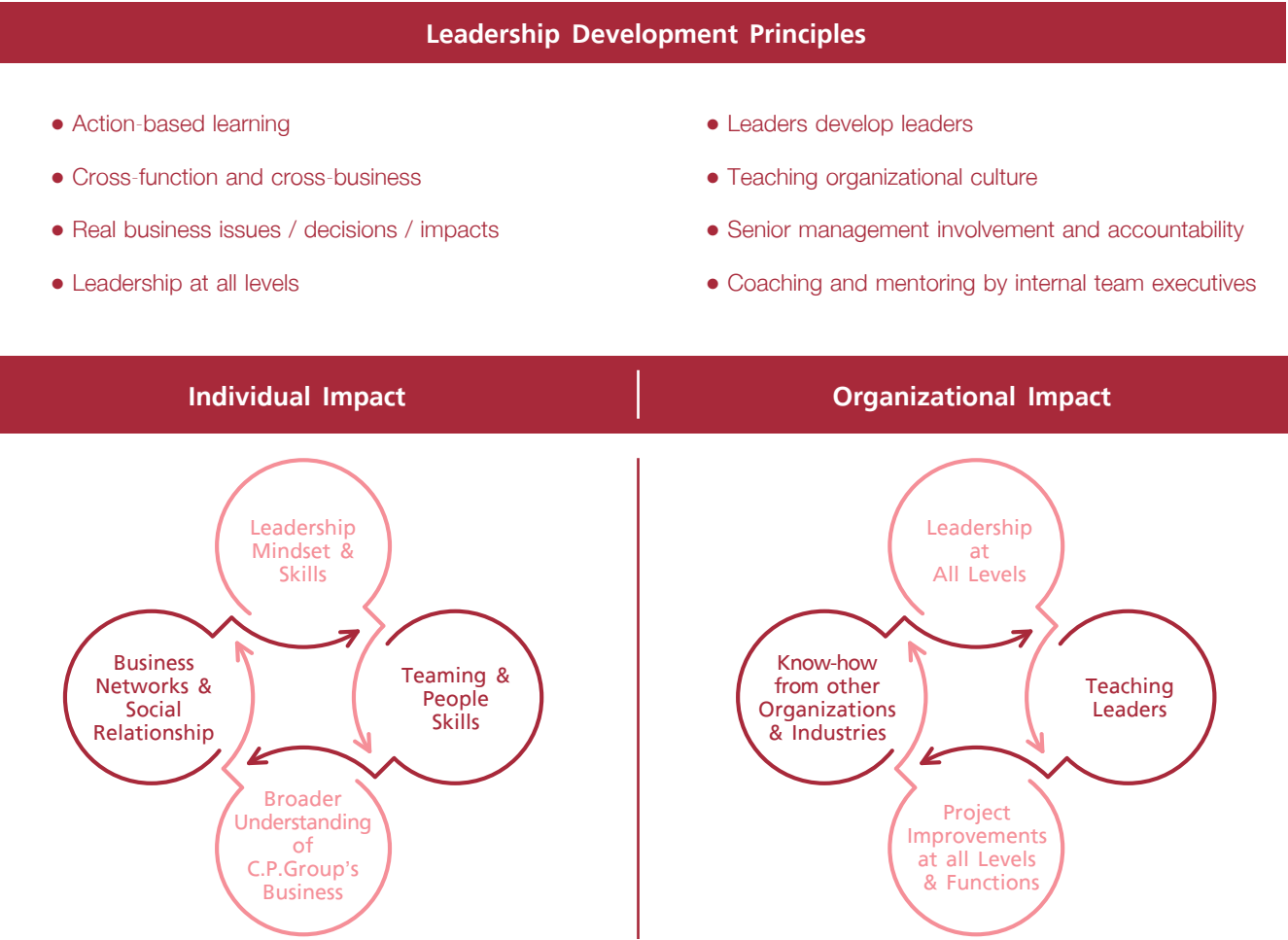
LEADERSHIP DEVELOPMENT PROCESS UNDER THE C.P. LEADERSHIP INSTITUTE



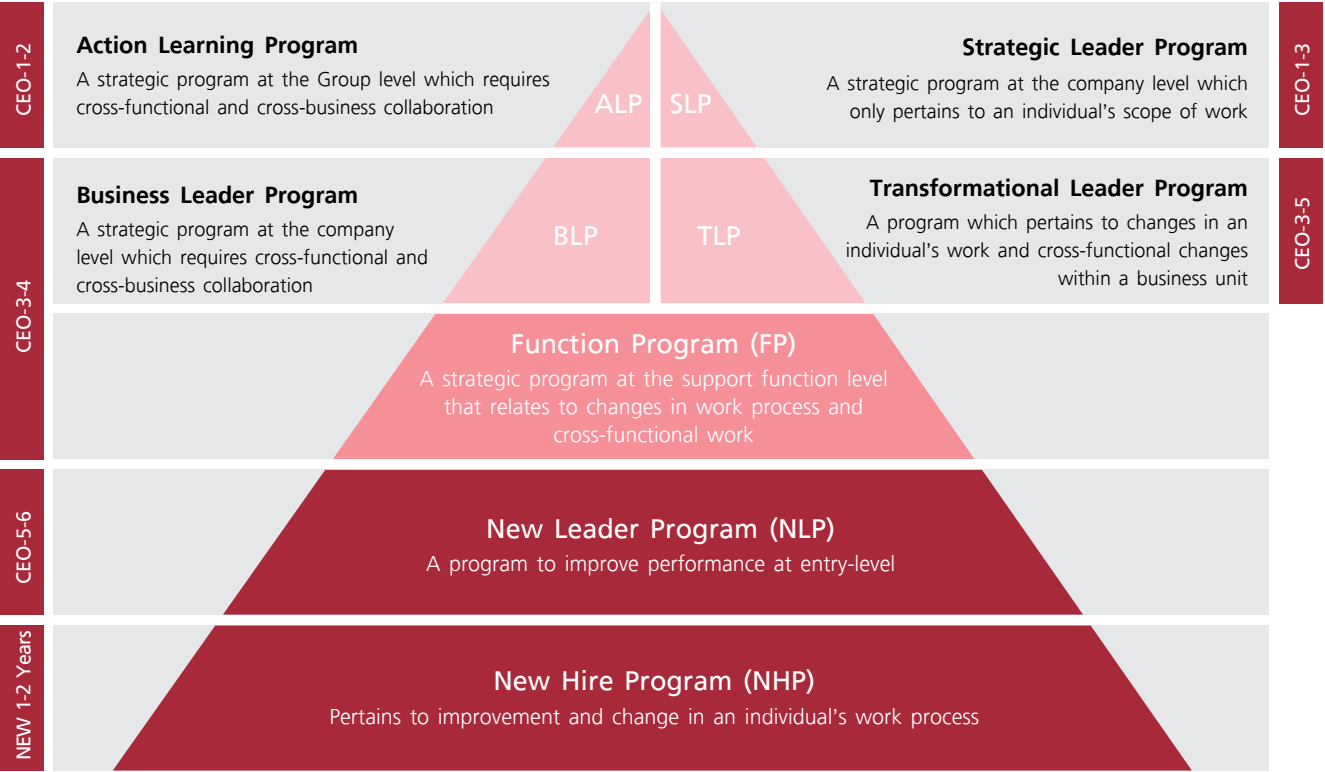
<p><b>Chairman Vision Cascade Conference</b></p> <p>Communicate vision, strategy, and new initiatives annually.</p>	<p><b>Group Synergy Seminar</b></p> <p>Business groups present an overview of their outstanding projects.</p>	<p><b>Chairman Vision Implementation Performance Meeting</b></p> <p>Business groups present an overview of vision implementation through projects as well as their outstanding project results.</p>	<p><b>Leadership Development Training</b></p> <p>Organize training to develop leaders at all levels for every business group</p>
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# C.P. GROUP LEADERSHIP DEVELOPMENT PRINCIPLES



## Action-Based Learning Programs and Projects



## C.P. LEADERSHIP INSTITUTE'S VISION “CULTIVATE LEADERS, BUILD SYNERGIES, DRIVE BUSINESS FORWARD”

### Location:

The C.P. Leadership Institute opened in 2016 and is located in Nakhon Ratchasima province, Thailand. The Institute includes a training center, accommodation and a recreation center in the 90,000 m<sup>2</sup> campus. Key features include:

- Eight 50-seat training rooms
  - One 505-seat auditorium
  - Two multi-purpose meeting rooms that seat respectively 500 and 200
  - One 2,902 m<sup>2</sup> recreation center with basketball courts
  - 244 rooms to accommodate training participants
- The training center building has been designed for energy efficiency and environmental friendliness in accordance with LEED (Leadership in Energy and Environmental Design) Gold standard.

### Operations:

The C.P. Leadership Institute is a training center for leadership through activities such as:

- Annual Chairman Vision Cascade Conference
- Seminars that encourage the sharing of experience and knowledge across different business units
- Group strategic planning meetings
- Training for over 20,000 employees from both Thailand and abroad



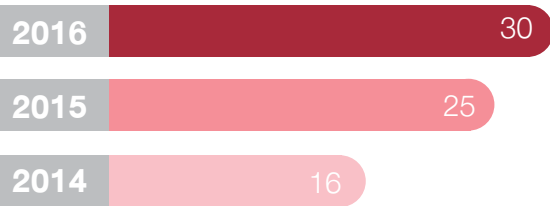
# MANAGEMENT APPROACH

We aim to equip our people with world-class knowledge and skills to ensure that they are fully prepared for the challenges they encounter in the workplace.

We launched the Global HR Transformation Project to unify our human resources framework, focusing on elevating our Group level processes to an international standard.

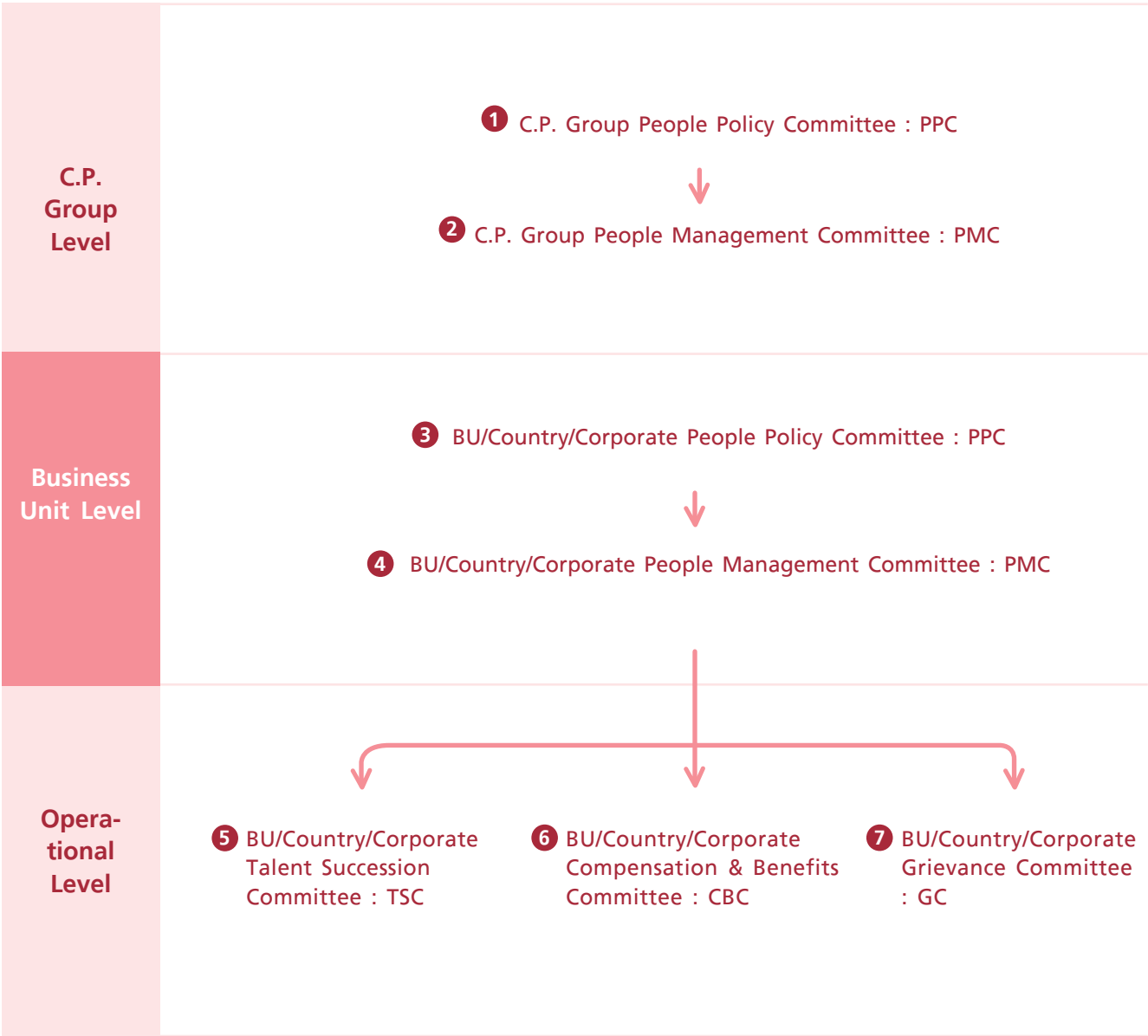
We also encouraged all of our people to participate in the programs offered by the C.P. Leadership Institute and in the training conducted by our business partners in collaboration with the People Committee.

Avarage Training Hours 2014-2016 G4-LA9  
(hours per person per year)



Note : Average employee training hours excluding workers

## Structure of the People Committee



# DEVELOPING PEOPLE FOR A SUSTAINABLE BUSINESS

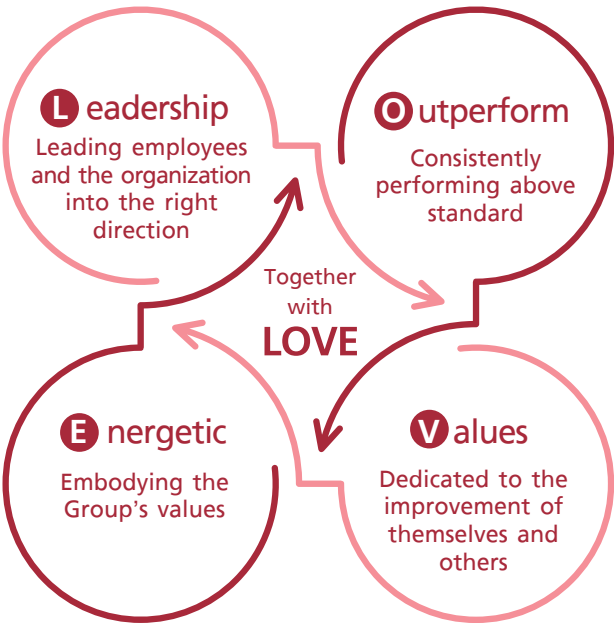
As C.P. Group expands into more countries, we require a unified framework for human resources to improve the efficiency of our processes. As a result, we have integrated this objective into the Group’s talent and succession management policies.

## C.P. Group High Potential (HiPo) Talent Identification Pilot Project

We launched this project to increase our ability to meet business challenges as well as to create career advancement opportunities for our people.

We select individuals with high potential based on 4 criteria: Leadership, Outperformance, Values and Energetic. Those selected receive specialized training from the Group and from their business units before being placed in the HiPo Talent Pool.

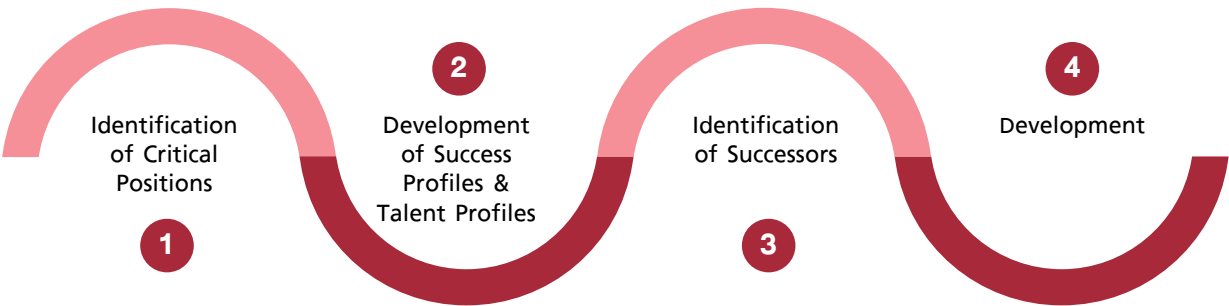
C.P. Group’s Talent Identification Criteria



## Succession Planning

C.P. Group has succession plans in place for key positions, with individuals selected based on their proven ability to meet business challenges and their potential for growth. Selected individuals report directly to the business unit heads and their respective Country Presidents. The Group’s target is for all business groups to identify key successors by 2017.

## Succession Planning Process







# STAKEHOLDER ENGAGEMENT



Our stakeholders rightly expect that we will not compromise our values in the pursuit of profit. As such, we must implement a comprehensive framework for stakeholder engagement so that we can ensure we are communicating effectively with them and resolving any issues that may arise.

“Stakeholder engagement is central to running a sustainable business as no business can survive in isolation. We must constantly engage with all our stakeholders and operate in a way that is open and transparent.”



**Mr. Tanin Buranamanit**  
Managing Director and CEO  
CP ALL PCL





# MANAGEMENT APPROACH

G4-25

Our approach to stakeholder engagement focuses on constructive dialogue and building trust. All business groups are required to continually develop and improve their processes in this regard.

We have a comprehensive framework that first requires the identification of stakeholder groups and their needs, followed by identification of the relevant communication channels.



# OUR STAKEHOLDERS FALL INTO 10 KEY CATEGORIES:





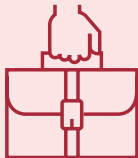


As part of our reporting process, we review the Group’s material sustainability issues by asking stakeholders for their opinions and suggestions so that we can form a better understanding of their key issues, develop appropriate responses and improve our operations.

As our stakeholders have diverse needs and interests, we set up diverse communication channels that enable us to build relationships. Frequency of communication depends on each business and on the needs of each particular stakeholder group.








# RESPONDING TO STAKEHOLDERS

G4-24, G4-26, G4-27

Stakeholder*	Type of Engagement	Sample Issues	Sample Responses
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Intranet and internal magazine</li> <li>• Employee surveys</li> <li>• Meeting with executives and open dialogues</li> <li>• Presentation on performance/innovation</li> <li>• Volunteer programs</li> <li>• Channel for voicing opinions</li> </ul>	<ul style="list-style-type: none"> <li>• Employee engagement</li> <li>• Occupational health and safety</li> <li>• Professionalism</li> <li>• Career advancement and stability</li> <li>• Creating innovation within the organization</li> </ul>	<ul style="list-style-type: none"> <li>• Treat employees fairly and respect for human rights</li> <li>• Continuously develop and retain talent</li> <li>• Improve HR system based on labor standards policy</li> <li>• Require workplace to comply with Thai (or local) labor standards and ensure concrete and effective implementation</li> <li>• Adhere to good labor practices</li> <li>• Build a culture for innovation throughout the organization</li> </ul>
<b>Customers and Consumers</b> 	<ul style="list-style-type: none"> <li>• Customer surveys</li> <li>• Customer visits</li> <li>• Website and newsletter for consumers</li> <li>• Meetings</li> <li>• Consumer complaint center</li> <li>• Consumer center</li> </ul>	<ul style="list-style-type: none"> <li>• Quality and safety</li> <li>• Product labelling with complete product and service information</li> <li>• Change in consumer behavior</li> <li>• Confidentiality measures</li> </ul>	<ul style="list-style-type: none"> <li>• Develop high quality products and services and continuously improve the standards to meet the needs of consumers and customers</li> <li>• Implement a system for quality assurance from raw material sources to points of sale</li> <li>• Distribute products via country-wide distribution channels to ensure a thorough service coverage</li> <li>• Deliver quality products and services in a timely manner</li> <li>• Clearly communicate with customers and consumers on nutrition and product/service usage through product labelling</li> <li>• Protect confidential customer information as if it were confidential business information</li> </ul>
<b>Business Partners</b> 	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Visits and open dialogues</li> <li>• Joint initiatives to create innovation</li> <li>• Audits and advisory services</li> <li>• Capacity-building programs</li> </ul>	<ul style="list-style-type: none"> <li>• Human rights in the supply chain</li> <li>• Supply shortage</li> <li>• Environmental impact in the supply chain</li> <li>• Knowledge and technology transfers</li> </ul>	<ul style="list-style-type: none"> <li>• Treat all business partners equally and fairly by adhering to agreements and business ethics</li> <li>• Clearly communicate with business partners on selection processes as well as performance evaluation</li> <li>• Develop supplier audit protocols in accordance with the Sustainable Sourcing Policy and Supplier Guiding Principle</li> <li>• Encourage business partners to be cognizant of product and service quality and safety</li> </ul>
<b>Shareholders and Investors</b> 	<ul style="list-style-type: none"> <li>• Quarterly meetings</li> <li>• Annual general meeting</li> <li>• Visits</li> <li>• Office of Company Secretary</li> <li>• Office of Investor Relations</li> <li>• Other communication channels such as website</li> </ul>	<ul style="list-style-type: none"> <li>• Good corporate governance</li> <li>• Accurate and timely information disclosure</li> <li>• Performance and continuous growth</li> <li>• Commitment to social and environmental responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with laws, good corporate governance principles, objectives, and corporate rules, including shareholder resolutions</li> <li>• Open to feedback from shareholders and investors to be incorporated into corporate strategy and management approach</li> </ul>
<b>Communities and Societies</b> 	<ul style="list-style-type: none"> <li>• Public participation forums</li> <li>• Ongoing dialogues and visits</li> <li>• Complaint channels</li> <li>• Initiatives to promote quality of life</li> </ul>	<ul style="list-style-type: none"> <li>• Community development and good environmental management</li> <li>• Knowledge sharing and job creation</li> <li>• Food access in the community and preservation of local culture</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance employment prospects and improve quality of life for people through initiatives that have social impact</li> <li>• Support small entrepreneurs in delivering quality and safe products</li> <li>• Prepare an annual community relations plan by focusing on engagement of the Group, employees, and communities.</li> </ul>



Stakeholder*	Type of Engagement	Sample Issues	Sample Responses
<b>Governments</b> 	<ul style="list-style-type: none"> <li>Joint initiatives, projects and activities</li> <li>Participation in public policymaking</li> <li>Meetings</li> <li>On-site visits</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with relevant laws and regulations</li> <li>Setting example for the business sector in social and environmental responsibility</li> <li>Using the Group's potential to create shared values</li> </ul>	<ul style="list-style-type: none"> <li>Comply with relevant laws and regulations</li> <li>Support the government and other sectors related to sustainable development in conducting preliminary assessments</li> <li>Stay informed and apply relevant laws and regulations to the business as well as lend support and offer cooperation for the benefits of the country</li> </ul>
<b>Non-governmental Organizations</b> 	<ul style="list-style-type: none"> <li>Open dialogues through various channels and meetings to facilitate collaboration</li> <li>Networking</li> </ul>	<ul style="list-style-type: none"> <li>Human rights in the supply chain</li> <li>Resources efficiency</li> <li>Natural resource restoration and environmental conservation</li> </ul>	<ul style="list-style-type: none"> <li>Listen and incorporate recommendations from non-governmental organizations into sustainability management</li> <li>Provide on-site coordination to jointly address problems</li> </ul>
<b>Media</b> 	<ul style="list-style-type: none"> <li>Public relations activities through multiple communication channels</li> <li>Media tours</li> <li>Participation in media events</li> <li>Executive interviews</li> </ul>	<ul style="list-style-type: none"> <li>Accurate, precise, and timely information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Emphasize on accurate, useful, fact-based, and timely information disclosure to the public</li> <li>Treat all media fairly and with professionalism</li> </ul>
<b>Competitors</b> 	<ul style="list-style-type: none"> <li>Participation in industry organizations, such as the Federation of Thai Industries</li> <li>Obtain information from the media and public forum</li> </ul>	<ul style="list-style-type: none"> <li>Business direction and adaptation</li> <li>Fair and lawful competition</li> <li>Transparent, honest, and ethical business operations</li> </ul>	<ul style="list-style-type: none"> <li>Compete within the boundary of the rules and ethical principles</li> <li>Set up a control system to prevent any action to illegally obtain a competitor's confidential trade information including causing reputational damage to a competitor</li> </ul>
<b>Creditors</b> 	<ul style="list-style-type: none"> <li>Letter to creditors</li> <li>Meetings</li> <li>Knowledge sharing</li> </ul>	<ul style="list-style-type: none"> <li>Strict adherence to creditors' conditions</li> <li>Punctual repayment</li> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>Adequate information disclosure and transparent corporate governance</li> <li>Strictly comply with creditors' conditions to maintain corporate reputation</li> </ul>

Note: \* C.P. Group's stakeholders are organizations or persons affected by our business operations as well as those who have a special interest in them.



STAKEHOLDER INTERVIEWS

G4-27



“Sustainability aligns with the Buddhist teaching of doing good, not negatively affecting nature, the environment, being generous, and helping society.”

**Dr. Chaiyawat Wibulswasdi**  
Chairman, The Stock Exchange of Thailand  
Independent Director, Charoen Pokphand Foods PCL  
Independent Director of the Corporate Governance Committee, Charoen Pokphand Group

With increasing stakeholder expectations of global conglomerates, what is your view on the future of corporate sustainability leadership?

“Global conglomerates have more readiness than smaller businesses to drive sustainability, but they need to work on more leadership readiness and capacity to mobilize the whole organization for sustainability. Leadership must be engaged for change and make benefits tangible in 3 dimensions: economic, environmental, and social. SMEs are looking for a model to follow and adapt to their suitability. Therefore, if big businesses set a clear direction and communicate it externally through comprehensive sustainability reporting until it is accepted by society, it would strengthen their leadership.”

“Effective value chain management is important for sustainable development because it’s about managing the entire value chain. This requires participation from and understanding of various stakeholders, including suppliers, customers, and employees. For suppliers, bargaining power should be used to improve SME management in, for example, green procurement and efficiency. Helping suppliers helps society, and ensures that the business will have supply security of raw materials for production and consumption. This helps to strengthen consumer confidence, which in turn will support the business.”

C.P. Group is a group of companies in various business sectors. How should C.P. Group approach the SDGs; by selecting the most relevant or mapping its business impact to the corresponding ones?

“Business can help at the micro level, focusing on SDGs that are most relevant to the business operation. At the same time, it can link its targets to the macro level, directly and indirectly. Mapping the SDGs will show how business links to the 17 goals, and in the case of C.P. Group, the diverse businesses of agriculture, food, retail, and telecommunications will support almost all the goals.”



“Leaders in sustainability will seize these opportunities, becoming the most successful businesses of the present, and of the future.”

**Mr. Peter Bakker**  
President  
World Business Council for Sustainable Development (WBCSD)

Sustainable development in emerging markets

“The most critical issue for sustainable development in emerging markets is inclusiveness. The current global economic system is broken – for too long, too many have been excluded from economic development, and the political unrest we’re seeing worldwide is the result of too many being left out or left behind.”

“At WBCSD, we encourage companies to focus on business solutions that impact one or more of the SDGs. By taking a more holistic approach, companies are better able to have wider, inclusive impact – rather than the more piecemeal approach of taking one SDG at a time.”

Approach to SDGs

Future of corporate sustainability leadership

“Business as usual is no longer an option. Prioritizing sustainability in business is imperative. Never has global attention been more focused on sustainability, and never has the science for pursuing sustainable options been more clear or more relevant. The adoption of the Sustainable Development Goals (SDGs) and the Paris Agreement provide a clear pathway forward – and smart businesses are climbing on board early. The Business Commission on Sustainable Development’s (BCSD) Better World, Better Business report reveals that pursuing 60 market opportunities across four key economic areas (cities, energy, food and land, and health and well-being) could bring over \$12 trillion in economic value by 2030, generating up to 380 million jobs – mostly in developing countries. Leaders in sustainability will seize these opportunities, becoming the most successful businesses of the present, and of the future.”





“

Businesses need a greater level of stakeholder engagement to understand implications and opportunities, and leverage on the learning that can be shared up and down the chain.

”

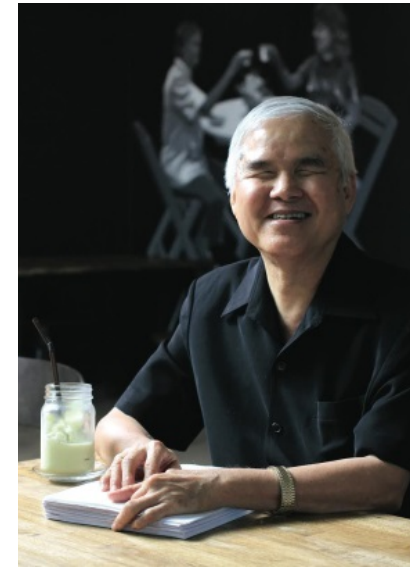
**Ms. Lucy Bruzzone**  
Programme Manager  
Cambridge Institute  
for Sustainability Leadership

#### How should a business group ensure that its value chain contributes to sustainable development?

“Traceability is very important to understand the contribution across the value chain. It’s difficult to keep track of what’s happening. Businesses need a greater level of stakeholder engagement to understand implications and opportunities, and leverage on the learning that can be shared up and down the chain. There are opportunities for certain industries, groups, and operations to be offering their insights across the chain to help stimulate innovation and address challenges: emissions and access to natural resources; water, energy, which have implications across the value chain. How can the Group support the communities in which they operate? How can the Group support communities as well? Could the Group consider new operating models based on Circular Economy principles to reduce the dependence on natural resource use? This is about creating shared values and seeking opportunities locally and in the wider business to have a win-win for all parties involved.”

“There is a lot of thinking about how emerging markets can ensure growth that is decoupled from emissions and ensure that inequalities are addressed. Low labor wages incentivized manufacturers to move to emerging markets and the rapid pace of change is widening the education and skills gaps in many countries. There is a role for business to ensure a just and fair transition to a sustainable future. Businesses can address inequality, grasp opportunities to develop products for, and with the base of the pyramid. They can create shared values across value chains, and bring communities, employees and stakeholders into decision making, helping to access the resources required to grow whilst managing their impacts. There are opportunities to leapfrog with technological advances to cleaner and greener energy access and water resources. It’s really about how emerging markets can grow while managing the impacts of this growth. This points to the importance of good governance and the need for well-planned and managed infrastructure.”

#### Sustainable development in emerging markets



#### How should business drive and implement social projects?

When we talk about sustainability, we also mean “self-reliance”. Achieving this requires a drastic change in our beliefs since we were all taught that those born with disabilities are inherently less able. This is in stark contrast to Western society, which downplays individual disability and instead emphasizes equal opportunities and a supportive social environment. Therefore, it is exciting to see a private organization such as C.P. Group providing employment opportunities specifically for people with disabilities.

#### Professor Wiriya Namsiripongpun

President of Universal Foundation for Persons with Disabilities

#### How should business engage the value chain in sustainable development?

C.P. Group should ensure that Group businesses implement the UN Guiding Principles on Business and Human Rights, which include investigating potential issues and providing remedies for affected parties. The National Human Rights Commission of Thailand is available to provide support and recommendations to the private sector on compliance matters.

#### Mrs. Prakairatana Thontiravong

Commissioner  
National Human Rights Commission of Thailand



#### How should business drive and implement social projects?

I strongly urge the Thai business sector to provide opportunities for vulnerable groups to live independently with dignity and financial stability. Businesses can contribute by collaborating with civil society organizations to develop a framework and teach essential skills to those with special needs.

#### Mr. Chusak Chantayanon

President of the Thai Autism Foundation



FOUNDING THE GLOBAL COMPACT NETWORK THAILAND

C.P. Group became a signatory of the UN Global Compact and intends to apply the Compact’s 10 Universal Principles to their everyday business operations. Moreover, the Group is also one of 15 founding members of the Global Compact Network Thailand (GCNT) and Mr. Suphachai Chearavanont, CEO of Charoen Pokphand Group Co., Ltd., serves as the organization’s Chairman.

The GCNT’s mission is to support the private sector in its efforts to comply with the 10 Universal Principles of the UN Global Compact and to attain the 17 Sustainable Development Goals. The GCNT organizes seminars and training programs, and publishes the journal how “UNITE” to raise awareness of human rights issues.



The GCNT has recently organized the following activities for members and stakeholders:

- The “Next Step into the Global Compact Thailand... for Sustainable Development Goals” workshop
- Conducted a meeting with Ms. Helen Clark, the Administrator of the United Nations Development Program, on what role the Thai business sector can play to attain the 17 Sustainable Development Goals
- Became a signatory to the Declaration on National Cooperation in Implementing the UNGP in Thailand



PARTICIPATION IN INTERNATIONAL ORGANIZATIONS

G4-16

C.P. Group participates in and collaborates with international organizations to achieve the Sustainable Development Goals and to support the Group’s management of key sustainability issues, as illustrated by the following examples.

	Heart (Living Right)	Health (Living Well)	Home (Living Together)
Organization	Corporate Governance Human Rights & Labor Practices Leadership & Human Capital Development Stakeholder Engagement Social Impact Health & Well-being Education Innovation	Climate Change Management Water Stewardship Ecosystem & Biodiversity Protection	Responsible Supply Chain Management
UN Global Compact	● ●	● ● ● ●	
Caring for Climate		●	
World Business Council For Sustainable Development (WBCSD)		● ● ●	
Food Reform for Sustainability and Health (FReSH)		●	
Seafood Task Force			●
One Health (United Nations efforts to combat antimicrobial resistance)		●	
United Nations Development Program (UNDP)			●
Massachusetts Institute of Technology (MIT)		●	
Harvard University		●	
Roundtable on Sustainable Palm Oil (RSPO)			● ●



C.P. Group became a signatory to the UN Global Compact and intends to apply the Compact’s 10 Universal Principles to its everyday business operations in 4 areas: human rights, labor, environment, and anti-corruption.



In addition, C.P. Group joined the World Business Council For Sustainable Development (WBCSD). C.P. Group is committed to collaborating with the WBCSD and learning how to contribute to sustainable development with the organization’s 200 global member companies.



COMMITMENT TO SUSTAINABLE SOCIETY

# HEALTH



We recognize that C.P. Group as an organization which has a responsibility to leverage its resources and capabilities for the benefit of society. We do this not only by creating jobs and driving economic growth, but also by promoting healthy diets and lifestyles, enhancing access to education and training as well as by encouraging innovations that will contribute to society.

Ensuring that we are playing a full and active role in addressing social issues is central to our culture. We believe that by taking a holistic approach to such issues, we can make a significant contribution to poverty alleviation while also improving the health and well-being of people in Thailand and around the world.





# SOCIAL IMPACT



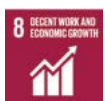
Government statistics show that over 20% of the Thai population are still classified as living in poverty. Furthermore, those working in agriculture are twice as likely to be living in poverty because of land rights issues, access to education and technology, as well as economic disadvantage.

At the same time, the agricultural sector is faced with an aging labor force as the younger generation moves towards other industries. Thailand's workforce as a whole is aging and as this trend continues, the older generation will become increasingly dependent on those still in the workforce. Compounding this issue is the growing economic gap between the wealthy and the poor, particularly vulnerable groups such as the elderly, children and the disabled.

Small businesses are regarded as the economic and social foundation of the country. At Makro, we strive to support them and enable them to operate sustainably. We are committed to their development through a range of projects that teach management skills to SMEs throughout the country.



**Mrs. Suchada Ithijarukul**  
Chief Executive Officer  
Siam Makro PCL





2020  
GOAL

Improve employment prospects and quality of life for

# 100,000

farmers

smallholder farmers, SMEs and vulnerable groups

## MANAGEMENT APPROACH

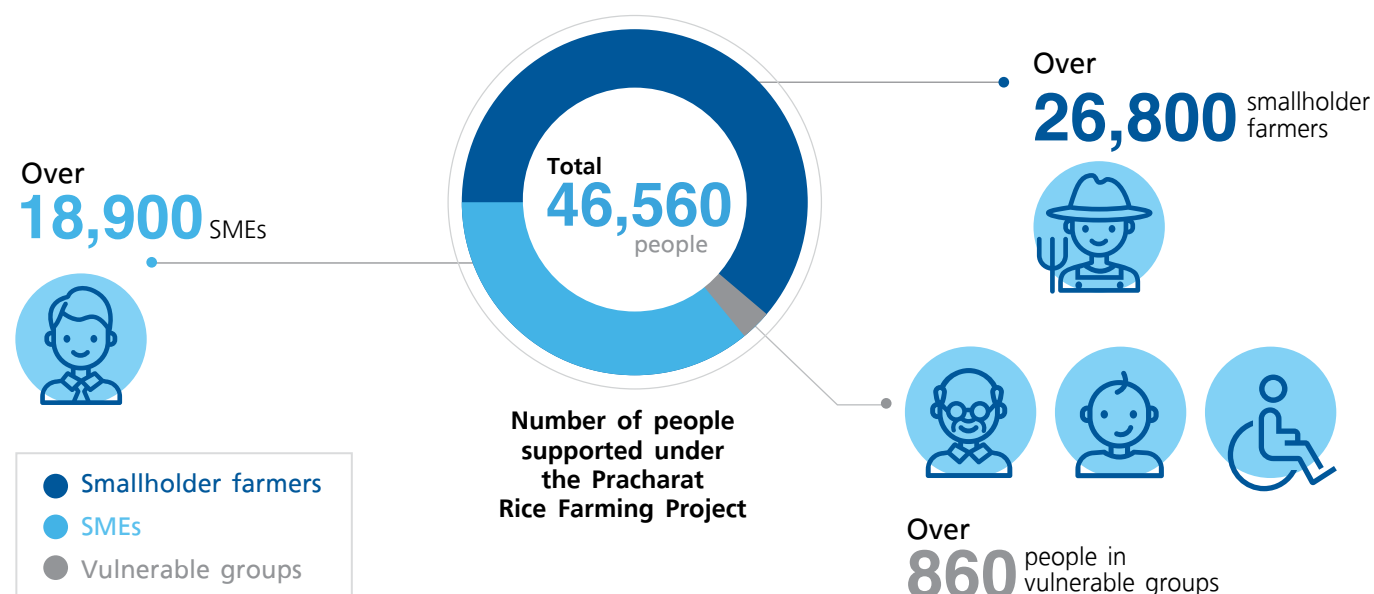
G4-SO1

C.P. Group is aware that social and economic issues may have a large impact on business operations. As a result, we actively seek to improve the employment prospects and incomes of farmers and SMEs so that they can make a fair living and become self-sufficient. This also involves improving their quality of life and the lives of those around them under the 3Cs Management Framework.

3Cs Management Framework		
Creating Value	Collaboration	Communication
<ul style="list-style-type: none"> <li>Enhancing knowledge and skills</li> <li>Training</li> <li>Providing consultation</li> <li>Technology transfer</li> <li>Developing basic learning infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Access to financial capital</li> <li>Exchanging knowledge and experience</li> <li>Marketing and customer reach</li> <li>Creating and enhancing value towards innovation</li> </ul>	<ul style="list-style-type: none"> <li>Social media</li> <li>Learning materials</li> <li>Journals</li> <li>Meetings</li> </ul>

## PERFORMANCE

C.P. Group aims to develop and strengthen the agricultural sector in a sustainable way. This commitment began in 1975 and has continued to the present day. In 2016, we launched the Pracharat Rice Farming Project, and we currently collaborate with over 46,560 smallholder farmers, SMEs and people in vulnerable groups.



### 1975-2000

#### 1975

- Contract Farming Project

#### 1977

- Nongwa Agricultural Village

#### 1978

- Kamphaengphet Agricultural Village

#### 1988

- Agricultural Training Center for Youth

#### 1993

- The Huai Ong Kot Royal Project

#### 2000

- Oolong Tea Plantation Project
- Five-Star Business Entrepreneurs

### 2002 - 2010

#### 2002

- Adopted Family/Orphan Project

#### 2004

- Polyculture Farming System Project 7 occupations, 7 income sources

#### 2005

- Kaset-Santirat Village

#### 2007

- Mit-Tae-Show-Huay

#### 2008

- Sustainable Revenue Growth for Convenience Store

#### 2009

- Learning for Sustainable Agricultural Life Project

#### 2010

- Career Development Center, Saijaithai Foundation under Royal Patronage

### 2011-2016

#### 2011

- CPF Funds for the Elderly

#### 2013

- Rice-Fish-Palm Modern Agricultural Learning Center
- Jasmine Rice Growing Project
- Japanese Rice Growing Project
- Life Quality Development for Children with Autism Project

#### 2014

- Self-sufficient Farmers, Sustainable Corn Project

#### 2015

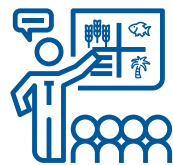
- Career Development for People with Autism at True Coffee Shop Project

#### 2016

- Pracharat Rice Farming Project
- Corn Farming Project
- CP Pork Shop Business



## PART OF OUR COMMITMENT TO SUPPORT THAI FARMERS



### Rice-Fish-Palm Modern Agricultural Learning Center, Kamphaengphet Province

This is a Polyculture Farming System which integrates modern technology with environmental conservation practices.

- ✓ Effective use of agricultural land
- ✓ Mitigate risks from Monoculture Farming
- ✓ Generate income from a variety of products approximately THB 56,000 per rai (0.4 acres) per annum



### Agricultural Training Center for Youth, Phetchaburi Province

In collaboration with the Huai Sai Royal Development Study Center, this Center trains students in a variety of sustainable agricultural practices. Scholarship students under the Royal Patronage of His Majesty King Bhumibol Adulyadej reside in the foundation's training center.



1. Layer Breeder Chicken Farming System with a total number of 14,400 chickens within 2 coops, currently in its 14<sup>th</sup> generation.
2. Saanen Dairy Goat Farming – processing milk into supplementary food substituting cow milk. Some goat milk products are also distributed to generate extra income.
3. Natural fish farming such as Nile tilapia and Catfish.
4. Non-chemical crop rotation systems. Crops are consumed not only in the Center but also distributed to neighboring communities.
5. Mixed cropping systems which yield fruits such as dragon fruit, santol, coconut, and mango throughout the year.
6. Hydroponics Farming
7. Mushroom Farming



### Self-sufficient Farmers, Sustainable Corn Project

We collaborate with business partners and the public sector to assist farmers in applying modern farming methods to enhance their corn yield, reduce production costs and produce first-grade, traceable products for the market to 20 provinces throughout the country.



### Contract Farming Project

This project consists of 2 schemes which guarantee income and price through the collaboration with the Group, financial institutions and the farmers themselves. The Group assists in:

- ✓ Production technology
- ✓ Knowledge transfer
- ✓ Marketing
- ✓ Financial resources

The contract is disclosed to all parties and is developed in accordance with UNIDROIT Principles, the most well-known independent intergovernmental organization on private law. We were the first company in Thailand to adopt these guidelines. A total of 98% of farmers enrolled in this scheme experienced positive benefits.



### Nongwa Agricultural Village, Chachoengsao Province and Kamphaengphet Agricultural Village, Kamphaengphet Province

These projects collaborated with the public sector and financial institutions to help farmers:

- ✓ Offering agricultural land for farmers
- ✓ Providing business loans for working capital
- ✓ Providing knowledge of new agricultural techniques and theories
- ✓ Marketing support to mitigate the risks of market price inconsistency

The goal is to increase and stabilize farmers' incomes, leading to a better quality of life. In some cases, incomes have surged from THB 2,000 a month to over THB 80,000 a month. In addition, the knowledge and experience gained can be passed down to the next generation.





## PART OF OUR COMMITMENT TO SMEs

### 7-Eleven: A supporter of SMEs

For 30 years, CP ALL, the parent company of 7-Eleven and 24 Shopping, promotes and supports the development of SMEs, acting as their distribution channel to reach consumers. Many of the SMEs we have nurtured have grown and expanded their reach to markets across the ASEAN region and beyond.



In our support of SMEs, we provide advice on operations, packaging, marketing and sales. We have also assisted them in developing production processes that meet international standards. Currently, over 2,000 SMEs distribute over 25,000 products through 7-Eleven and 24 Shopping.



We also work with the government to promote SMEs, collaborating on projects such as the 7-Eleven Sustainable SME program, which raises the profile of Thai products on the national and global levels.



## PART OF OUR COMMITMENT TO VULNERABLE GROUPS

### ASEAN Occupational Training Center for People with Disabilities

C.P. Group and True Corporation are actively involved in promoting job creation and training for people with disabilities. We opened the first ASEAN Job Training Center for People with Disabilities in Chiang Mai province, in collaboration with the International Foundation for the Disabled and the Thai government.

The Center's core mission is to train and educate people with disabilities from Northern Thailand and other ASEAN countries so that they are able to engage in stable and sustainable employment.



### Job Creation for People with Autism Project in Collaboration with Autistic Thai Foundation

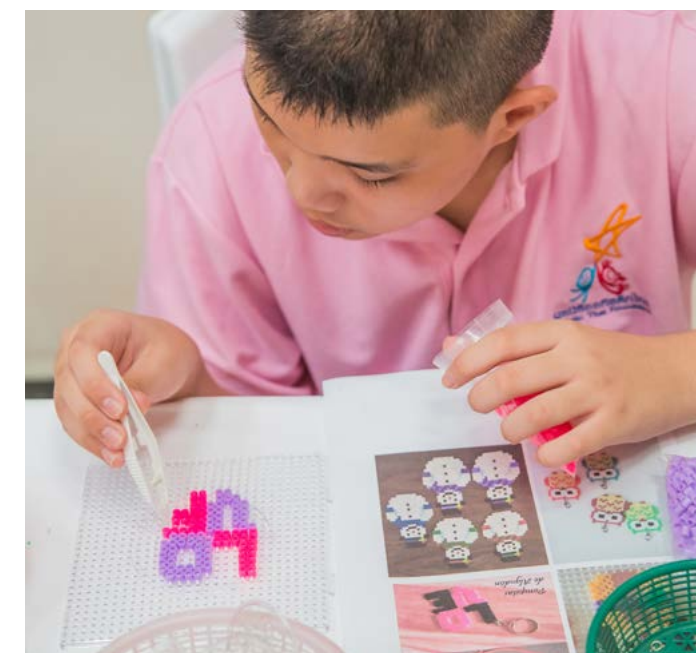
True Corporation is committed to creating sustainable jobs and careers for people with autism. Launched in collaboration with the Autistic Thai Foundation, this project aims to help those with autism to build their confidence and improve their quality of life by enabling them to lead a financially independent and dignified life.

#### This project has 3 main areas of focus:

**1. Technological Innovation:** The project has developed a number of apps to help people living with autism. One is available in 3 languages (Thai, Chinese and English) which is aimed at children with autism. A second focuses on developing interpersonal skills in adults with autism. The project also hosts a website ([www.thaispecialcare.com](http://www.thaispecialcare.com)) which serves as an information sharing hub for children, parents and specialists.

**2. Promote Employment Prospects:** True Corporation is involved in 2 separate centers: The True Autistic Thai Center specializes in comprehensive job training while True LAB focuses on research into skill building for people with autism. True also supports this vulnerable group by actively using products and services provided by people with autism.

**3. Employ People with Autism:** We actively look to employ people with autism, for instance at True Coffee where we employ over 120 people with autism as baristas.







# HEALTH & WELL-BEING



The food industry faces an increasing number of challenges as consumer expectations increase and trade regulations become increasingly stringent. At the same time, the supply chain has become more complex, and it has become more complicated to manage both food safety and quality.

According to the World Health Organization, Thailand is suffering from the impact of non-communicable diseases such as hypertension, hyperlipidemia and diabetes, all of which are primarily driven by diet and lifestyle factors. In addition, Thailand's Ministry of Education reports that Thai children up to primary school age are experiencing the effects of malnutrition with 13% underweight, 12% suffering from stunted growth, and 14% suffering from obesity. Food companies must therefore strive to enhance quality and traceability throughout the value chain, investing in research on how to meet consumer needs and advising consumers about nutrition, especially for customers in the high-risk and vulnerable groups.

Ensuring food safety and traceability and developing healthy products are both a challenge and an opportunity for food companies. We look at every detail, ensuring quality throughout our production process. We have always been dedicated to creating value through innovation, with a strong focus on research and product development. This represents our most basic responsibility towards our customers.



**Mr. Sukhawat Dansermasuk**  
Chief Executive Officer (CEO)  
Food Business and Co-President  
Charoen Pokphand Foods PCL





# 2020 GOAL



# 30

percent of new products will help promote health and well-being

The foundation of a strong nation is a healthy population. C.P. Group is committed to improving the health and well-being of our customers and of the population as a whole. We adopt the 4Ps approach to this: people, process, product and promotion of health.



We strongly believe that to produce safe, high quality food, we must look to the quality of our employees. Therefore, we invest heavily in the recruitment, training and development of our staff, working with industry experts to ensure that we are able to efficiently manage risk and quality control. This is important along the entire value chain from the sourcing of raw materials through to manufacture and delivery to our consumers.



We believe good manufacturing processes require good systems and standards. As a result, we are continually improving our food quality and safety systems, using laboratory analysis, automation, traceability systems and regular certification to international standards, such as ISO/IEC 17025 accreditation, by both internal and external parties.

100%

**International Food Quality Standards**

- ✓ GMP
- ✓ HACCP
- ✓ ISO 9001 : 2008
- ✓ BRC (for exporting facilities)
- ✓ GENESIS GAP (for poultry processing facilities)



We believe that product innovation plays a vital role in improving health and well-being, and are dedicated to investing in it. We have created more diverse product ranges, improving both taste and nutritional value and continue to do so. We also focus on developing new products for different target groups, including functional and medical foods.



We believe that clear and accurate product information can help consumers make good decisions. As a result, we have a strong focus on communicating clear, accurate, and sufficient information to our customers. In addition, we engage in a number of projects to support public education on appropriate levels of consumption, food hygiene and nutrition as well as initiatives that provide consumers with better access to nutritious food products.

## PERFORMANCE

C.P. Group's efforts to promote good health and well-being are reflected in our continued focus on the research and development of innovative and nutritious products.



## 2013

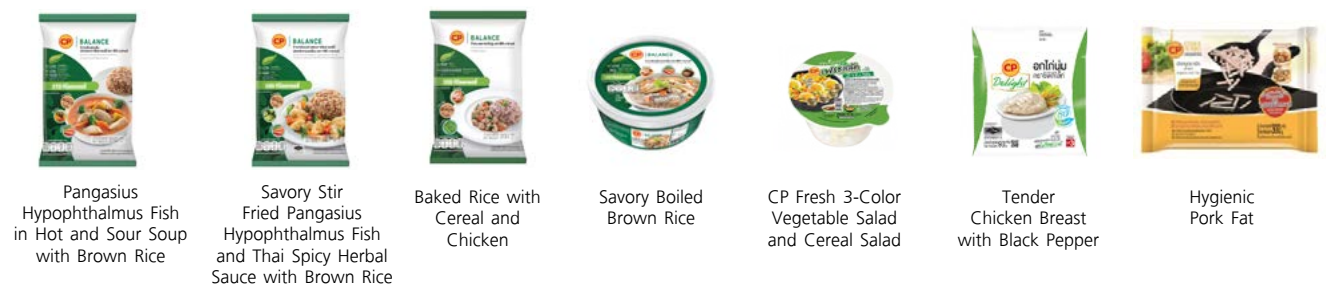


## 2014

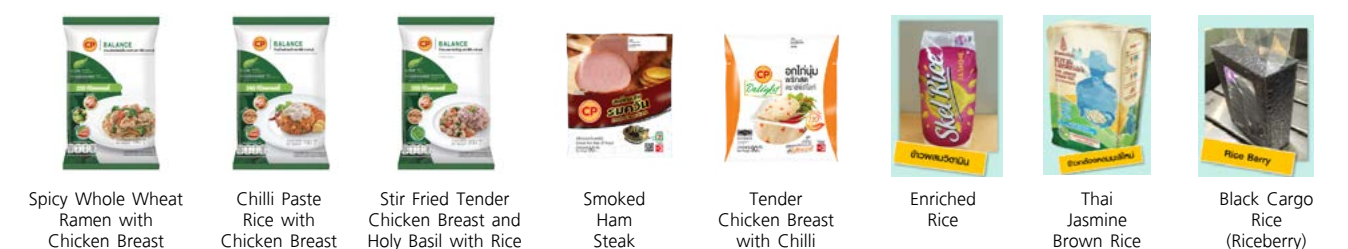


## 2015

First in Thailand : CP BALANCE - INNOVATION IN FROZEN HEALTH FOODS



## 2016



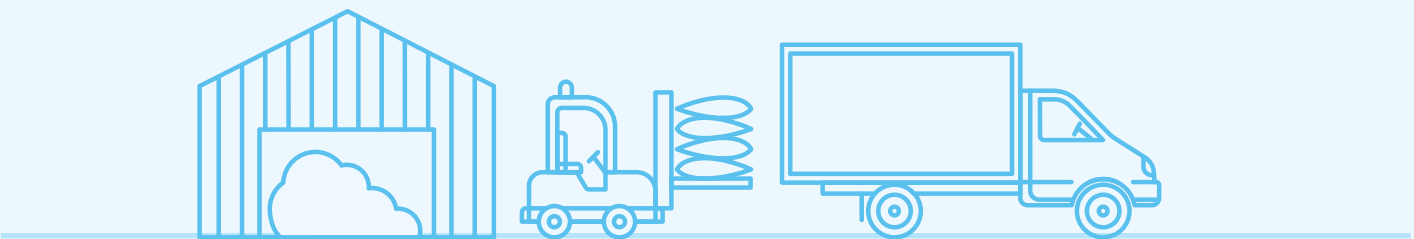


PRODUCT INFORMATION AND TRACEABILITY

G4-PR3

Proper labeling is central to educating consumers about the food they eat. Our labels follow regulatory guidelines in providing information about ingredients, cooking methods, storage instruction, and nutritional value.

iTrace software enables us to quickly and easily determine the supply chain of a product. We also add Quick Response (QR) codes to our product packaging to allow consumers to trace products back to the specific farm, production facility or other source as well as any international certifications or standards. For now, our traceability system covers more than 30 product categories and we plan to expand it to cover every product by 2020.



Rice



Corn seed



Maize



Cassava



Palm oil



Fishmeal



Soybean



Shrimp



Ready Meal



Duck



Dairy products



Pork



Chicken eggs



Fish



Bananas



Oranges



Papayas



Melons



Tomatoes



Parsley



Rosemary



Holy basil



Steamed Bun



Ready Meal



Bananas



Oranges



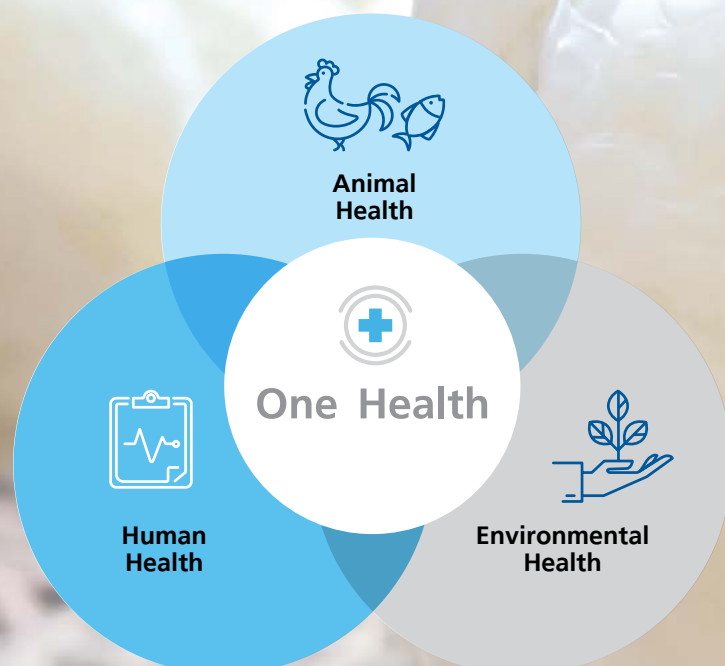
## SUPPORT FOR ONE HEALTH

G4 DMA-Healthy and Affordable Food

C.P. Group's Agro-Industrial and Food business group pledged their commitment at the UN's One Health Summit 2016 to tackle the growing problem of antimicrobial resistance. As part of our efforts to produce safe animal protein food chains, we have developed a stringent health system under the One Health<sup>1</sup> umbrella.

Our livestock business integrates the internationally accepted Five Freedoms framework into its policies and guidelines and we abide by the laws of Thailand, EU Directives and international standards on animal welfare. By adopting best practices, we provide safe, fresh and processed food products. We do not use hormones, human antibiotics or other prohibited drugs in any of our farms and we administer animal antibiotics strictly under veterinarian authorization and only to treat ill or injured animals.

<sup>1</sup>One Health is the multidisciplinary and cross-sectoral approach to address health issues, integrating best practices on human health, animal health and the health of the environment.



## SUPPORT FOR BETTER PRODUCTION AND CONSUMPTION TOWARDS GOOD NUTRITION

G4-SO1

C.P. Group is committed to educating consumers about food production, nutrition and safety to reduce malnutrition. Since 1989 the Raising Layer for Student's Lunch Project has helped students in remote areas gain access to good sources of protein. We launched the Open the World of Learning Project in 2006 to educate the young about food production and nutrition by allowing them to enter and experience our food processing facilities. In 2015, we launched the CPF Growing Happiness, Growing Futures Project in collaboration with the Ministry of Education to improve the health of students living near our farms and factories.

### Promoting food access

for more than  
**180,000** children  
in more than  
**635** schools through



Raising Layer  
for Student's  
Lunch Project



CPF Growing  
Happiness,  
Growing Futures  
Project,



Open the  
World of  
Learning Project

### Northern Region

**81** schools  
**2** schools

### North-eastern Region

**213** schools  
**14** schools

Korat Poultry Further  
Processing Factory

### Western Region

**97** schools  
**2** schools

### Central Region

**68** schools  
**28** schools

- Minburi 1-2 Food Processing Factories
- Saraburi Poultry Processing Factory
- Saraburi Food Processing Factory
- Nongchok Food Processing Factory

### Eastern Region

**36** schools  
**15** schools

- Pad Rew Food Processing Factory
- Klang Food Processing Factory

### Southern Region

**71** schools  
**8** schools

- Ranot Food Processing Factory





# EDUCATION



According to a 2016 study by the Thailand Future Foundation, the Thai educational system faces many challenges: at preschool level, approximately 20% of students are at a below average developmental level, while in primary school 140,000 students are unable to read and 270,000 are unable to write. When viewed from an economic perspective, these issues are estimated to cost Thailand up to 11% of GDP or THB 1.5 trillion.

Such problems are felt on an economic, social and political scale. Education has been highlighted as a major challenge for Thailand and for other countries around the world as it is crucial for equitable development. Improving educational standards in Thailand and around the world will require multi-stakeholder commitment encompassing: families, schools, communities, organizations as well as the government sector.

C.P. Group is committed to collaborating with all sectors to help build a functional and sustainable educational ecosystem. We want to create a system that is student-oriented, and that is fair and equal. We want to aid schools by encouraging engagement with all sectors and creating opportunities for collaboration. Our approach is results-based, which enables us to fill existing gaps and promote lifelong learning and sustainable development.



**Mr. Suphachai Chearavanont**  
Chief Executive Officer  
Charoen Pokphand Group Co., Ltd.





# 2020 GOAL



Provide

# 4,350,000

children, youth and adults with access to education and training for essential skills

## MANAGEMENT APPROACH

G4-SO1

C.P. Group is committed to investing in all aspects of education in Thailand, and believe that this investment will enhance opportunities for the entire nation. Our approach focuses on 3 main areas: developing knowledge and skills, strengthening digital competence and creating greater access to knowledge. These 3 areas we believe contribute to a process of lifelong learning.



### Knowledge and Skills

- Development of knowledge, innovation and new learning activities
- Imparting a variety of essential knowledge and skills to students and education providers



### Preparation for the Digital Era

- Providing equipment and technology
- Providing digital media to supplement integrative learning, coupled with training and advice



### Access to Knowledge

- Developing basic infrastructure and learning models
- Developing channels for better access to knowledge, as well as creating digital channels for widespread knowledge dissemination

Collaborate with learning networks and educational institutions to create constructive environments and the opportunity for lifelong learning

## PERFORMANCE

Since 1977, C.P. Group has consistently worked to improve access to education as well as opportunities for essential skill development for over 2 million children and adults.

# 1977



Early Childhood and Primary Education



### Established Chearavanont Uthit Schools

The Group wished to provide children in remote areas with access to education, and this had led to the establishment of 8 Chearavanont Uthit Schools across the country. We also provided the following support for the schools:

#### Learning Materials and Equipment

- School construction and renovation
- Student uniforms and medicine
- Educational supplies
- Teachers' development opportunities
- Scholarships
- Internet Project

#### Extra-curricular activities

- ✓ Raising Layer for Student's Lunch Project
- ✓ School Lunch Fund
- ✓ Fish and Home-Grown Vegetables Project
- ✓ Agriculture for Lunch Project



# 1989



Early Childhood and Primary Education

### Raising Layer Chicken for Student's Lunch Project

We believe that children need nourishment not just for health but to prepare them for education. We launched the Raising Layer Chicken for Student's Lunch Project in over 500 schools, which enabled 145,000 students to gain better access to high quality protein sources, improving their nutritional intake. The program also helps them develop essential management skills.

#### Extra-curricular activities

- ✓ Skills obtained from basic chicken farming
- ✓ Trade skills
- ✓ Accounting skills
- ✓ Data management skills
- ✓ Financial management skills





# 2005



Secondary/  
Vocational Education

## Panyapiwat Technological College

Students need to develop their skills and training to meet the requirements of the job market. We founded Panyapiwat Technological College in collaboration with partners in the business sector to offer practical vocational education. Currently, the college offers the Certificate of Vocational Education (CVE) in 2 programs: Retail Business and Electrical Power. To date, the college has taught over 5,800 students.

### Creating Shared Values

- 100% employed after graduation
- Learning from hands-on experience
- Scholarships offered for the entire program (only Retail Business Program)
- Financial allowance during practical apprenticeship

# 2007



Higher Education

## Panyapiwat Institute of Management

We founded the Panyapiwat Institute of Management, which offers work-based higher education specializing in retail business studies and research. The Institute offers vocational education through 12 academic programs and over 14,700 students are either graduates or are currently enrolled in one of our Bachelor's or Master's degree programs.

### Faculties

- Business Administration
- Engineering and Technology
- Management Sciences
- Education
- Agro-Industry
- Logistics and Transportation Management
- Communication Arts
- Liberal Arts
- Innovative Agricultural Management
- Food Business Management
- International College
- Chinese Graduate School

“ Vocational training provides opportunities for students to gain both theoretical and practical knowledge. Real work experience helps our students obtain employment immediately upon graduation. Students gain a deeper understanding of the working world, which helps them greatly. All students, from the very first graduates are the pride of CP ALL and we are delighted to have been able to train such a talented workforce to drive Thailand's economic development. ”



**Mr. Korsak Chairasmisak**  
Chairman of the Executive Committee  
CP ALL PCL



# 2007



Early Childhood  
and Primary Education

## True Plookpanya Project

This project provides schools in remote areas with access to education that is on a par with that of schools in larger cities. We support schools with an integrated approach to education, using digital media and technology. Our project consists of 3 areas of focus that are run in parallel with a series of edutainment activities. Over 1.86 million students and 95,600 teachers from over 6,000 schools have participated in this project.



### Cultivating Knowledge

- Learning Vision for Schools Countrywide
- True Plookpanya Model Schools

### Cultivating Virtue

- Enhancing capabilities and the quality of life for persons with disabilities
- TrueMove H for community health
- True Plookpanya Volunteer Program

### Cultivating Love for the Environment

- Nature Conservation National Photography Contest

Other activities promoting  
“Cultivating Knowledge, Cultivating Virtue  
and Cultivating Love for the Environment”

- True Young Scientist
- True Youth Camp
- True Young Producer Award
- True Future Journalist Award

### True Plookpanya Media

- www.trueplookpanya.com: Thailand's largest online knowledge base
- True Plookpanya Channel: TV channel promoting knowledge and ethics through education and entertainment content
- Plook Magazine: Thailand's first magazine promoting knowledge and ethics for youth
- A free educational mobile application targeted to youth
- Initiatives and activities under True Plookpanya Media
  - Competitions
  - True Novice Monks Cultivating Dharma Wisdom
  - True Plookpanya on Tour



# 2013



Vulnerable Groups

## Autistic Application

We work closely with the Autistic Thai Foundation to help children with autism and their families to develop essential skills using our series of specialized mobile apps for people with Autism. These apps aim to bolster the physical, intellectual, and mental capabilities of children with autism. It has become one of the top 10 most popular educational apps in over 25 countries.



### Daily Tasks

Coaching in daily tasks, such as brushing teeth and showering, which develops their interests, improve muscle function, and support imitative skills



### Communications

Teaching fundamental communication skills through illustrated books to improve their expressive and linguistic skills.



### Trace & Share

Teaching drawing by hand, which trains students to learn patience, familiarizes the concept of sharing, and helps develop academic, social, and imitative skills.

# 2014



Vulnerable Groups

## Mobile Literacy for Out-of-School Children Project

Education is a fundamental right and so the Group, in collaboration with UNESCO, Microsoft and the Thai Ministry of Education, has developed technological solutions to provide access to education for students in remote areas.

### What we provide:

- TrueVisions set-top box, television, device cabinets along with broadcasting channels for learning
- Digital content DVDs covering 8 subject areas
- TrueMove H wi-fi routers



# 2016



Early Childhood and Primary Education

## CONNEXT ED: Leadership Program for Sustainable Education

The CONNEXT ED: Leadership Program for Sustainable Education was initiated by a group of 12 private organizations in Thailand in an effort to establish a successful and sustainable system for educational development. This program is one of the 6 drivers in the Pracharat Initiative (E5: basic education and leadership development), which is a public-private initiative to promote basic education and leadership development.

Launched in 2016, CONNEXT ED is driven by School Partners – young professionals trained in leadership from each of the 12 organizations. The School Partners advise on the development of educational programs in collaboration with the management teams at Pracharat Schools.

The objective of the program is to help Thai students develop further skills and abilities by creating an educational ecosystem that promotes learning at 3,342 schools under the program. It also uses market mechanisms to create linkages between different sectors such as businesses, communities, schools and universities.

Our Telecommunications, Retail and Distribution and Agro-Industrial and Food business groups are 3 of the 12 participating organizations. As a result, the Group is providing 413 School Partners as advocates for education that are helping to develop 1,256 schools nationwide.



Transparency of information



Access to digital infrastructure



High quality principals and teachers



Health & Heart – cultivating ethics, morality, and civic duty in students



Tax incentives for local & international professors



Market mechanisms and community involvement



Student-centric curriculum



Enhancing English language skills

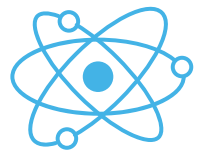


Regional Technology Hub R&D



Young Leader Development





# INNOVATION



With rapid changes in today's markets as well as environmental considerations such as population growth, resource depletion and climate change, we must focus on innovation to help us adapt for the future.

C.P. Group is committed to technological development throughout the value chain to ensure that the world can find new ways to thrive sustainably in the industry 4.0 era.

“Our vision is to become an organization that fosters innovation, creating economic, social and environmental benefits for the entire world. We encourage our employees to embody this way of thinking and to appreciate the importance of innovation in everything we do. Innovation is not just about scientific discoveries, it is an attitude that is integrated in every aspect of our business. Most importantly, innovation does not flourish in a vacuum, but is a product of collaboration and cooperation.”



**Dr. Ajva Taulananda**  
Senior Vice Chairman  
Charoen Pokphand Group Co., Ltd.





# 2020 GOAL



Increase in value of products and process innovation by

**50 %** compared to 2016

## MANAGEMENT APPROACH

C.P. Group's mindset focuses on creating new and better products every day. We embed the spirit of innovation throughout our organization in 3 key ways: by creating an atmosphere conducive to innovation, by providing incentives and by practical application of our innovations. We also collaborate with external organizations and institutions to conduct research on innovation.



### Creating a conducive atmosphere

Creating an atmosphere where innovation thrives, for instance by changing the way we think about innovation as an organization



### Providing incentives

Providing incentives for innovation in the form of praise, recognition, awards and compensation



### Applying the innovation

Creating practical applications for innovations and sharing them across the organization so that we can further improve them

## PERFORMANCE

For nearly a century, C.P. Group has adhered to the Three-Benefit Principle and pursued value-added innovation for the country, creating jobs that provide stable incomes for farmers, and consistently demonstrating good business performance. In 2016, products developed through engineering and innovation generated THB 4.06 billion, of which THB 2.4 billion can be attributed to cost-saving innovations, and THB 1.66 billion to revenue-generating innovations.

## C.P. INNOVATION EXPOSITION



We organized the C.P. Group Engineering Conference in 2009, bringing together 13 business groups to build a network of engineers across the organization to share and exchange their knowledge and experience of efficiency enhancement. We then organized the C.P. Innovation Exposition in 2011 to inspire our people to foster a spirit of innovation. In subsequent years we brought these 2 events together and launched the C.P. Innovation Exposition and Engineering Conference, with the main objective of honoring and showcasing our employees' innovations while providing a forum where business groups both

within and outside of Thailand can share their knowledge and experience. We are delighted that each year we have been able to showcase an increasing number of innovative ideas.

We also encourage each business group to promote innovation internally with contests and presentations. Those that stand out are nominated for the Chairman's Award, which is presented at the event.

### Engineering and Innovation Products

	2009	2011	2013	2016
Submitted Innovations	224	552	725	941
Showcased Innovations	86	140	239	282
Awarded Innovations Chairman Award	* -	27	40	43

\*There was no Chairman Award in 2009



## OUR APPROACH TO INNOVATION



### Concept

- Why does chicken farming in the US only require a small amount of land and yet achieves a high output? Why do US chickens at 8 weeks already weigh as much as 1.5 kg?
- How can chicken be raised to a uniform size that enables automated plucking and meat processing?

“

Penetrate barriers with technology and increase efficiency through an integrated production system as well as promoting access to chicken protein at an affordable price, leading to Thailand's first new chicken farming model.

”

### Implementation

1970

Development of a chicken breeding business in Thailand by forming a joint venture with US-based Arbor Acres Company.

1973

Construction of an egg hatchery to deliver a large number of chicken to farmers and create an integrated chicken meat production system comprising animal feed mill, hatchery, chicken farm, slaughterhouse and processing facility in the same area.

1975

Adoption of US chicken farming model where animal feed companies agree to repurchase chickens that reach a certain weight from chicken farmers. This model was applied to Thailand, marking the start of mass broiler farming to support smallholder famers.

### Outcome

1975

Development of the Thai chicken farming industry

- Development of industry from home-raised broilers to a system of rearing houses, increasing efficiency and food safety
- Expansion of maximum farm capacity from 100 chickens to 10,000, with an upper limit of 150,000, generating higher incomes for farmers
- In the past, farmers held financial burden. Today, costs are shared between the private sector, bank and farmers.
- Transformation of chicken from an expensive food to an affordable one, providing high quality and accessible protein to urban and rural consumers



### Concept

Is there any way to develop environment-friendly shrimp farming?

### Implementation

Allocate budget to conduct research on shrimp and aquatic animal farming as well as working with experts to train farmers on suitable skills and technology for each locale

1988

Development of an intensive method for black tiger prawn farming

1991

Development of an environment-friendly closed water recirculation system. This method uses less space for greater output, helping to reduce water loss from natural sources by 80% and preventing disease. This method can even be used in farms where previous intensive farming has degraded the environment.

1996

Development of the Wanuchsoontorn method and standard for assessing baby shrimp quality, which is a critical factor for successful farming. This method has become widely popular and is now standard in the Thai shrimp industry.

2002

Development of the biosecurity farming system which does not use medicines or chemicals. Development of method for farming Vannamei shrimp which generates higher yields of 2.5 tons per rai (0.4 acres) per cultivation. This method is now widespread among shrimp farms throughout the country.

### Outcome

Continuous knowledge and technology transfer have helped develop Thailand as an important global shrimp producer and exporter

- Between 2006-2012, shrimp production in Thailand reached 500,000-600,000 tons per year with more than 300,000 tons in exports. This generated more than THB 100 billion of import revenue for the country, a massive increase from THB 9.7 billion in 1988.
- In 2016, Thailand was one of the top 5 shrimp producers and the second largest shrimp exporter in the world, generating more than THB 60 billion of export revenue for the country.



### Concept

What can be done to eliminate product odor in fresh markets that lack refrigeration?

### Implementation

1988

Entered into a joint venture with SHV, the Dutch parent company of Makro, to build logistics systems for both chilled and frozen products. Negotiation with US-based Southland Corporation to open 7-Eleven in Thailand.

### Outcome

1989

Launch of both the first cash & carry wholesalers and the first integrated 24-hour convenience stores in Thailand

- Resolve product odor in outlets lacking refrigeration
- Maximize product quality at all times, effectively raising food safety for our consumers
- Increase channels for product distribution. Makro and 7-Eleven have become widely popular with 115 branches of Makro and 9,542 branches of 7-Eleven nationwide



### Concept

How can Thais get access to affordable telecommunications?

### Implementation

1990

Offer of basic telephone services

1998

Entry into cable TV business

2001

Entry into mobile telephone business, offering high-speed network service

2003

Offer of wireless high-speed internet service and of online payment service through TrueMoney

2007

Offer of international internet service

2008

Launch of international call service

2009

Launch and expansion of 3G service

2010

Launch of True App Center, a training facility for mobile application developers

2013

Launch of first 4G LTE service in Thailand

### Outcome

We have secured our position as a pioneer and a leader in convergence service provision in Thailand Giving our consumers comprehensive access to both information and technology, thereby laying the foundation for Thailand to enter the digital age.

As a service provider, we are:

1. The second largest mobile phone provider in the country
2. The largest provider of basic telephone services in Bangkok and its vicinity
3. The largest Internet and broadband provider in the country
4. The largest nationwide cable TV provider in the country



COMMITMENT TO  
SUSTAINABLE ENVIRONMENT

# HOME



The need to act against climate change has never been more apparent. As an organization of scale, C.P. Group is in a position to have a significant positive impact on the world's drive towards environmental sustainability.

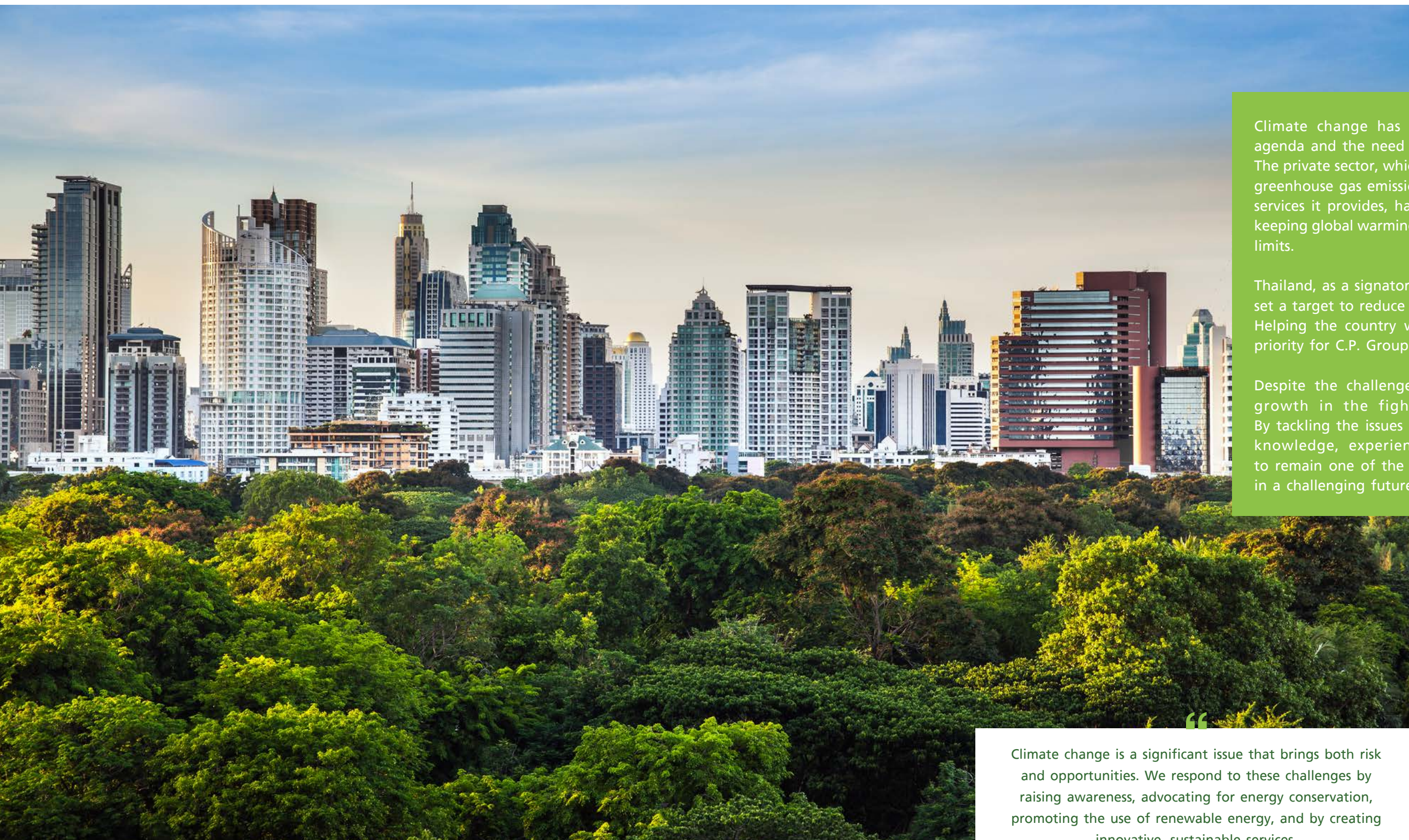
By committing to mitigate the impact of climate change, efficiently manage our water resources, and collaborate with others to protect ecosystems and biodiversity, we believe our organization can be a powerful force for good in Thailand and around the world.

Our commitments are not limited to our own operations – we also work hard to promote sustainable practices throughout our supply chain. We are confident that our efforts will serve as a model for others to learn from and, most importantly, will help preserve vital natural resources for future generations.





# CLIMATE CHANGE MANAGEMENT



Climate change has risen rapidly up the global agenda and the need for immediate action is clear. The private sector, which is responsible for significant greenhouse gas emissions through the products and services it provides, has a significant role to play in keeping global warming within internationally agreed limits.

Thailand, as a signatory of the Paris Agreement, has set a target to reduce emissions by 20-25% by 2030. Helping the country work towards this target is a priority for C.P. Group.

Despite the challenges, we see opportunities for growth in the fight against climate change. By tackling the issues head on, we can develop the knowledge, experience and innovation needed to remain one of the world's leading organizations in a challenging future.

“

Climate change is a significant issue that brings both risk and opportunities. We respond to these challenges by raising awareness, advocating for energy conservation, promoting the use of renewable energy, and by creating innovative, sustainable services.

”



**Mr. Adhiruth Thothaveesansuk**  
Co-President, Operations  
True Corporation PCL





# 2020 GOAL



# 10%

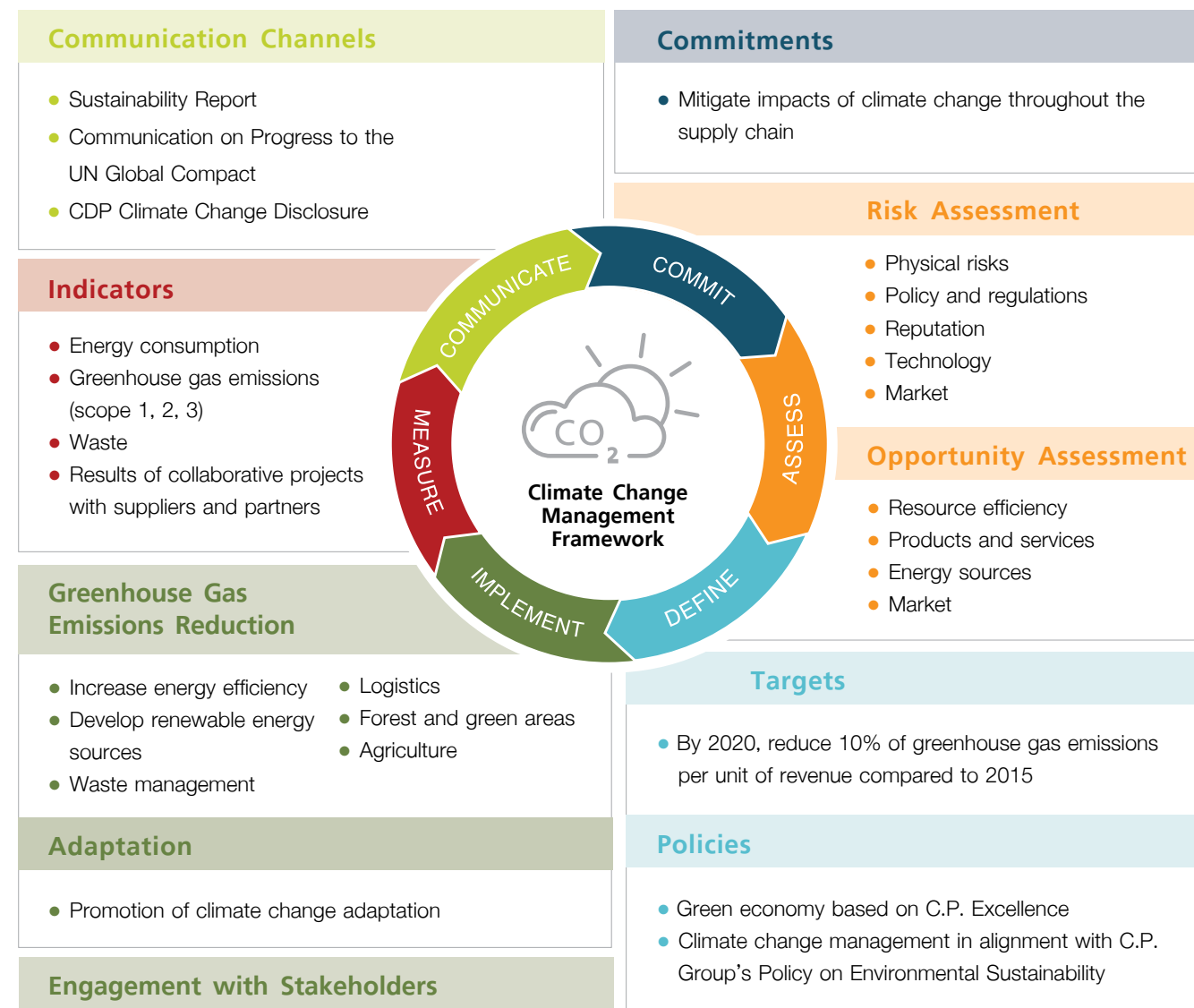
reduction in greenhouse gas emissions (Scope 1 and Scope 2) per unit of revenue in comparison to 2015

## MANAGEMENT APPROACH

C.P. Group is committed to managing climate change throughout our value chain and we have advocated energy saving in all our operations since 2005. We also adhere to the UN Global Compact's Caring for Climate initiative, which focuses on growing business opportunities while committing to

emissions reduction. We encourage climate change adaptation and we actively engage with suppliers and other stakeholders to promote this. Our efforts to manage climate change are shown in the framework below:

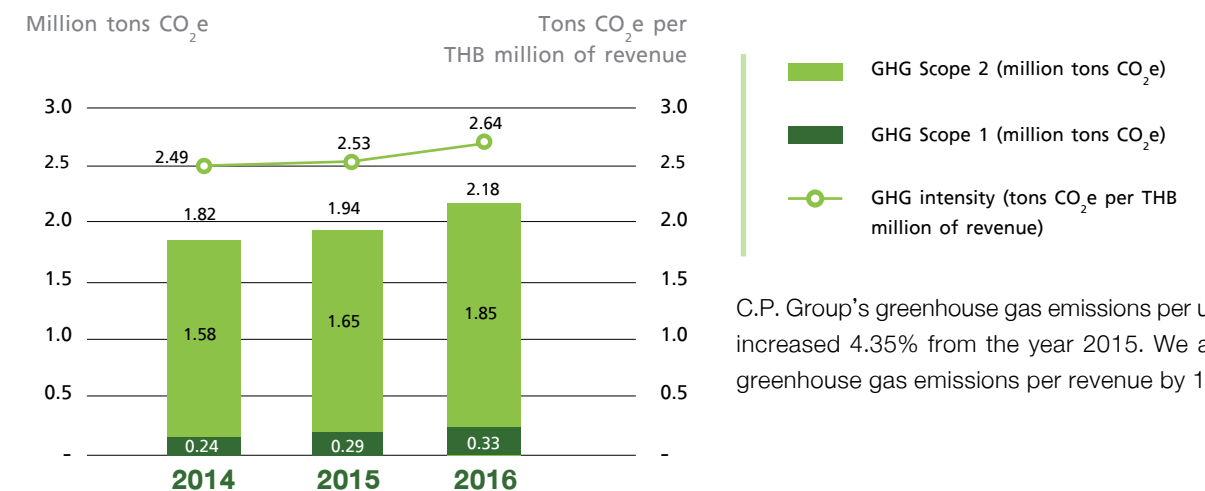
## Climate Change Management Framework



## PERFORMANCE

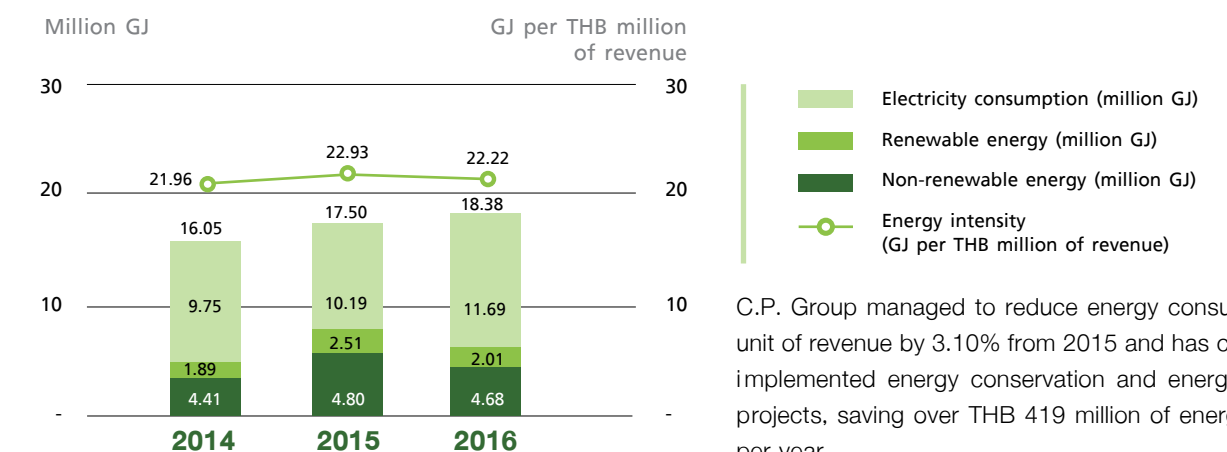
G4-EN3, G4-EN5, G4-EN15, G4-EN16, G4-EN18, G4-EN23

### Greenhouse Gas Emissions



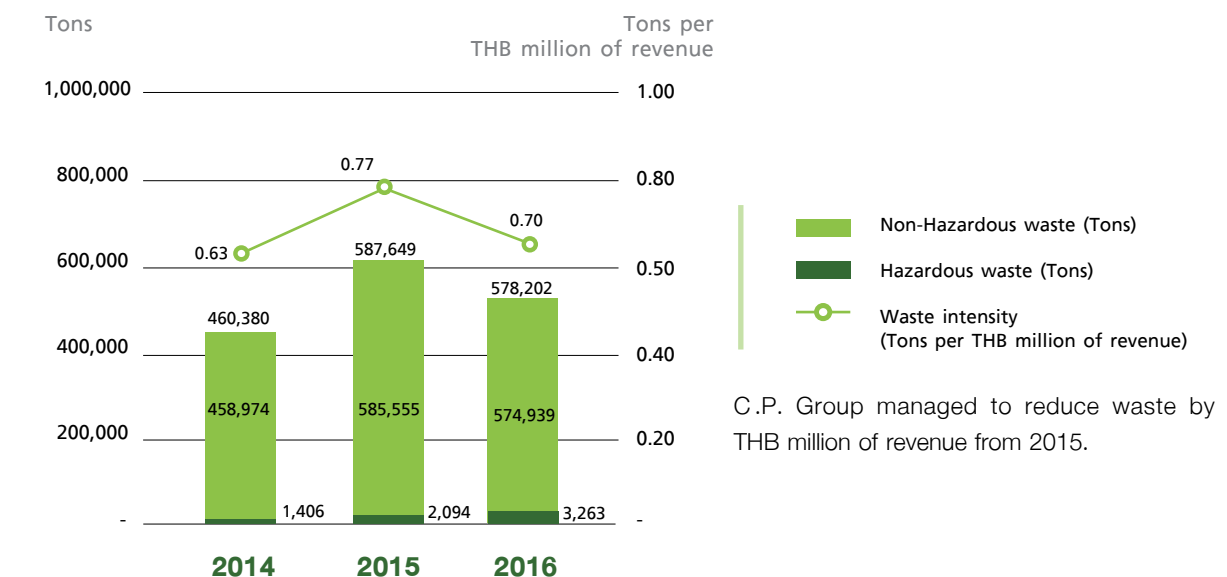
C.P. Group's greenhouse gas emissions per unit of revenue increased 4.35% from the year 2015. We aim to reduce greenhouse gas emissions per revenue by 10 % by 2020.

### Energy Consumption



C.P. Group managed to reduce energy consumption per unit of revenue by 3.10% from 2015 and has continuously implemented energy conservation and energy efficiency projects, saving over THB 419 million of energy expense per year.

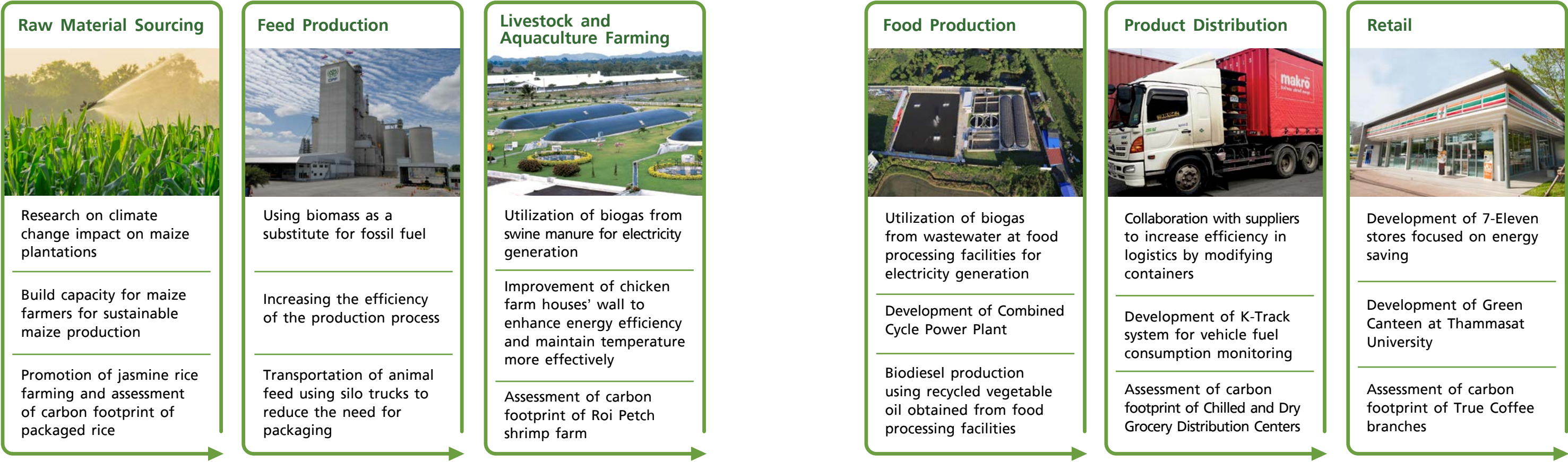
### Waste



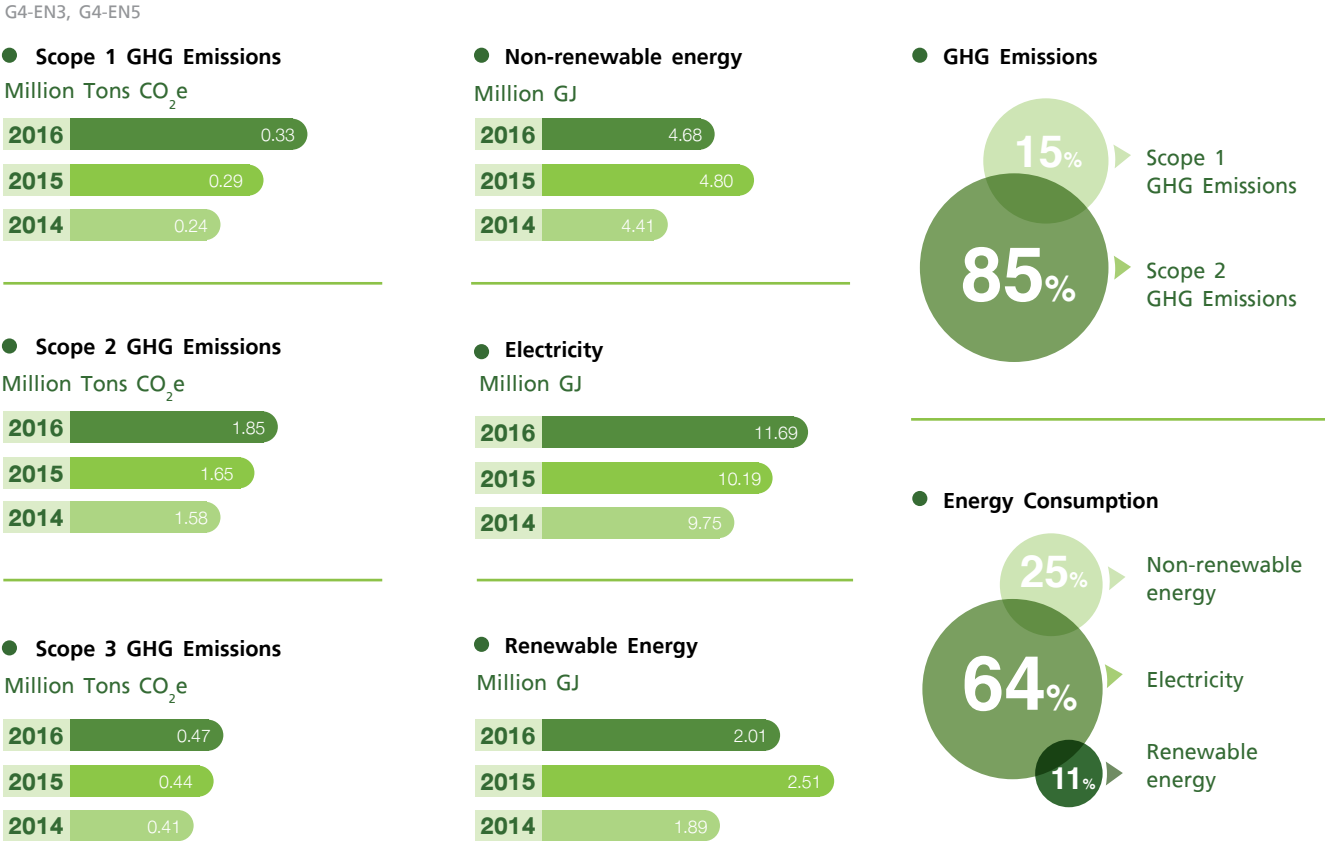
C.P. Group managed to reduce waste by 9.09% per THB million of revenue from 2015.



# CLIMATE CHANGE MANAGEMENT THROUGHOUT THE VALUE CHAIN

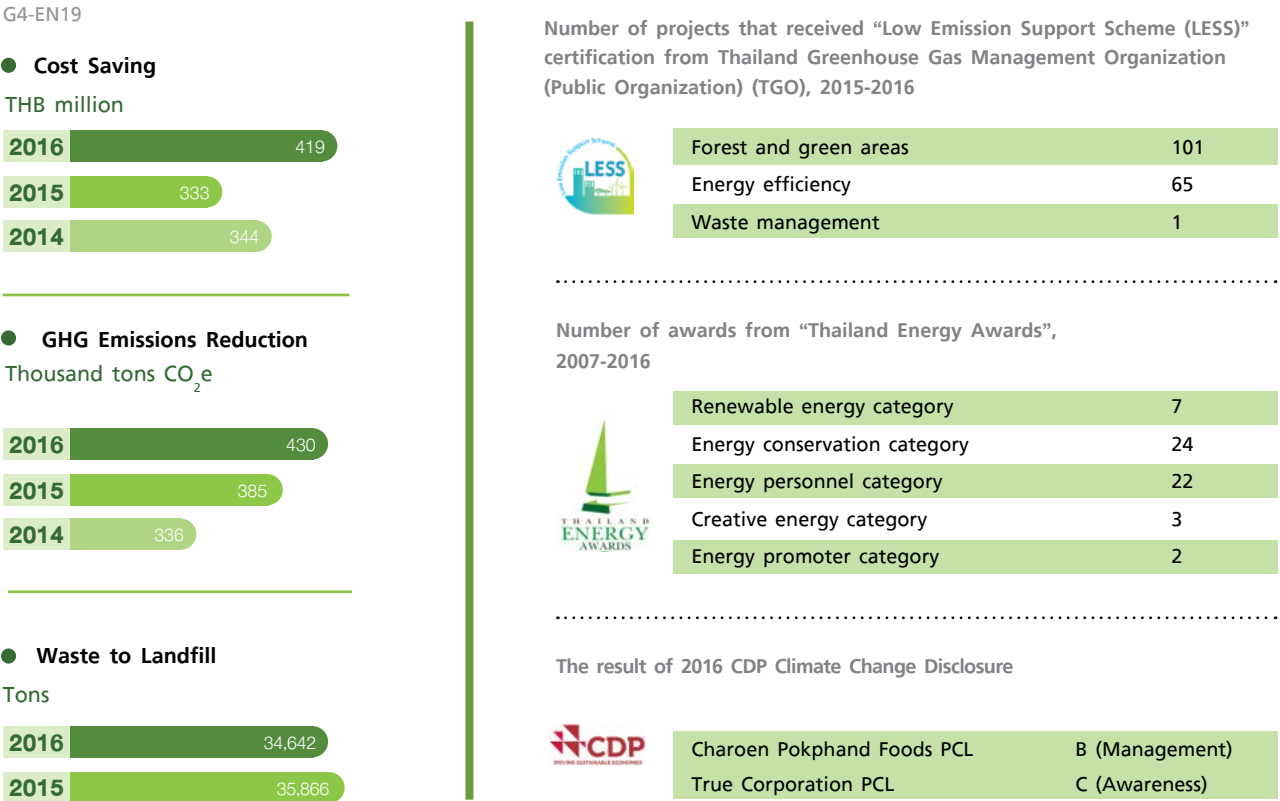


## Greenhouse Gas Emissions and Energy Consumption



Remarks : GHG Emissions Scope 3 is from electricity used by tenants of CP Land (Downtown Leased Assets) and from 7-Eleven franchise stores

## Reduction of Greenhouse Gas Emissions



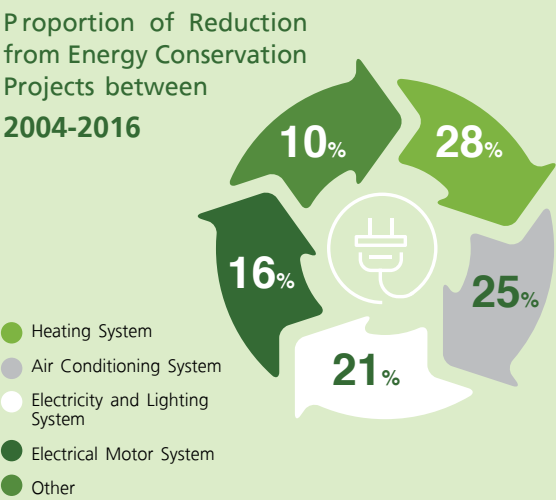


JOINING FORCES TO REDUCE GREENHOUSE GAS EMISSIONS

C.P. Group has designed an environmental and energy management system and initiated projects to mitigate the impact of climate change.

In 2005, we set our corporate energy conservation target at 20%, to be achieved without disruption to our business operations. We first applied this target to our domestic operations before extending it to our global operations.

To reduce our greenhouse gas emissions, we make continual improvements to our production processes, equipment and machinery. This has led to reduced energy consumption and greater energy efficiency.



Green Store Program Following the “7 go Green” Strategy

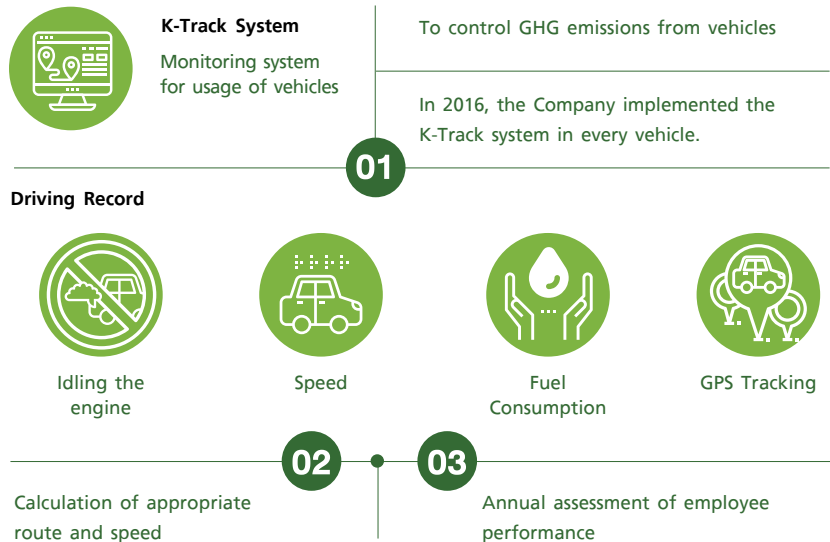
CP All PCL is committed to ensuring that our 7-Eleven convenience stores play a part in reducing our impact on the environment. We have initiated a number of technological improvements to increase energy efficiency and reduce emissions: for example, LED lightbulbs, a centralized cooling system and inverter air-conditioners.



G4-EN6

Program	Reduced Energy Consumption (kWh)	% of Reduction	Number of 7-Eleven Stores Participating in the Program
Utilization of LED Lightbulbs	29,524,063	59%	5,317
Centralized Open Showcases	2,747,267	8%	1,057
Inverter Air-conditioners	14,595,878	34%	1,537

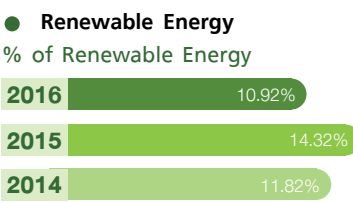
K-Track System: Energy Control System for Vehicles



True Corporation PCL implemented the K-Track system, which helps control GHG emissions by monitoring the usage of our vehicles. The K-Track system records data from each vehicle, including speed and fuel usage, and also detects whether a driver is idling the engine. It also features a GPS navigation system to help calculate routes and speed, which reduces energy consumption in vehicles.

DEVELOPMENT OF RENEWABLE ENERGY SOURCES

C.P. Group recognizes that there are opportunities for renewable energy to replace fossil fuels throughout our value chain. We follow the principles of ISO 50001 energy management.



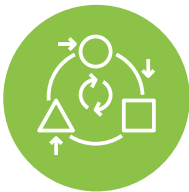
Boiler Modification in Feed Mills to Substitute Biomass for Fossil Fuels

C.P. Group has continuously made improvements to its operational processes. We have modified our boilers to utilize biomass extracted from corn cobs, palm shells, and other vegetable waste products to replace fossil fuels, significantly reducing our emissions. Such initiatives have also provided us with valuable experience, improving our expertise in areas of biomass management and boiler operations.

Performance	2014	2015	2016
Reduction in Fuel Oil Consumption (Million liters)	40.26	35.83	33.02
Reduction of GHG Emissions (Tons CO <sub>2</sub> e)	123,900	110,295	101,965



Waste Management

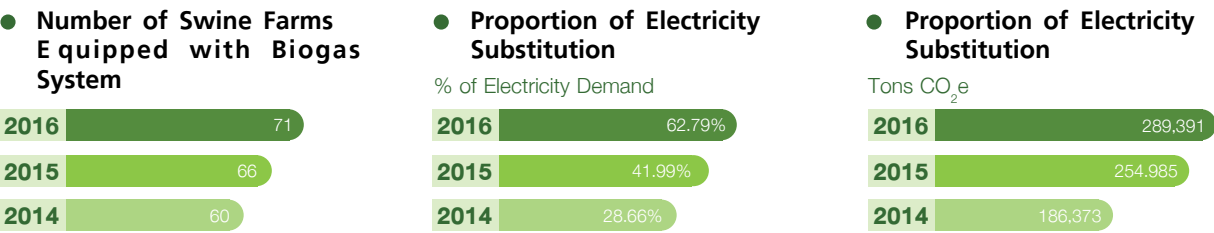


We are committed to treating the communities located near our operations with respect. We also hold ourselves accountable to them for the impact our operations have on their environment. As a result, we are firmly committed to managing our solid waste and wastewater from our operations to reduce their impact on the environment.

Green Farm



CPF launched the Green Farm project with support from Chiang Mai University and the Ministry of Foreign Affairs. We set up the Phra Phutthabat model farm, which mitigates environmental impact in 3 ways: we have increased the efficiency of the treatment of wastewater produced from swine manure; we have reduced the odor generated by the farm; and we have set up a process to produce biogas from swine manure. The success of this farm has given us valuable knowledge and experience which we have transferred to other farms. Between 2014 and 2016, our project to produce biogas was awarded and certified under the Low Emission Support Scheme (LESS) by the Thailand Greenhouse Gas Management Organization.





C.P. Group recognizes that climate change is one of the biggest challenges we are facing globally, with the potential to have a tremendous impact on the entire world. Apart from reducing risks and mitigating our impact on the environment, we also support climate change adaptation and provide assistance to those affected. We collaborate on this with suppliers, partners, and consumers throughout our value chain.

Siam Makro PCL in collaboration with their logistics partner, DHL, adjusted their containers to increase capacity, which improved transportation efficiency. This helped to conserve energy and reduce GHG emissions by 17,711 tons of CO<sub>2</sub>e between 2014 to 2016.



C.P. Group is committed to our responsibilities towards every one of our stakeholders. We continuously engage with both national and international public sector organizations so that we are able to understand and implement the latest research on environmental issues and help prepare for our transformation into a Low-Carbon Socio-Economy.







# WATER STEWARDSHIP



As agriculture, industrials and tourism grow, so does the demand for water. Water supplies are becoming increasingly unpredictable, and we are seeing more and more challenges related to this including droughts, floods and issues with water quality. Globally, over 660 million people struggle to access clean water, and this has broader implications for socio-economic development, food safety and public health.

The World Economic Forum has stated that water crises are becoming a global threat, and that they will only increase in frequency over the coming decades. According to the World Bank's 2011 report, Thailand's status as an agricultural economy means that it is even more vulnerable to water shortages, as water demand is expected to increase by 35% over the next 20 years.

More than 70% of our water usage is for irrigation and food production. As such, water shortages are a critical risk for our business. Improving our agricultural and food production processes to use water more efficiently is a challenge for us. It is also an important opportunity for C.P. Group in our drive towards sustainability.

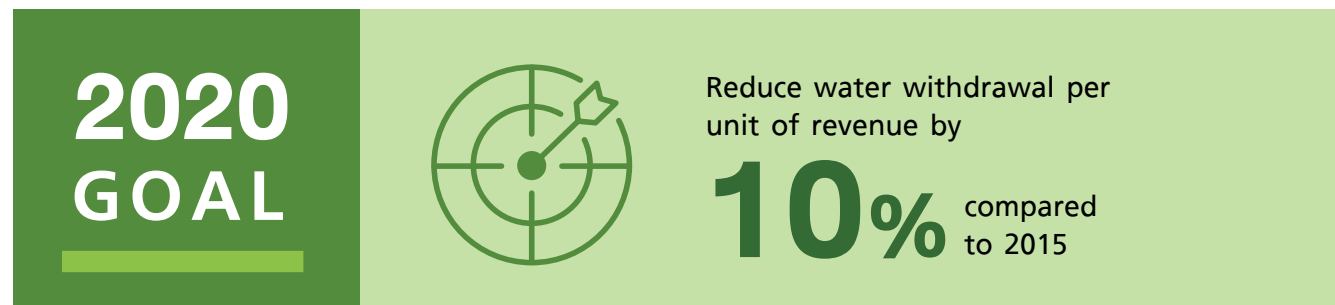
Water is a vital resource for our agriculture and food businesses. We combine 3 separate steps in our water management process: a comprehensive risk assessment, developing innovations to increase efficiency and conservation projects.



**Mr. Sooksant Jiumjaiswanglerg**  
Chief Executive Officer of Agro  
Industrial Business and Co-President  
Charoen Pokphand Foods PCL







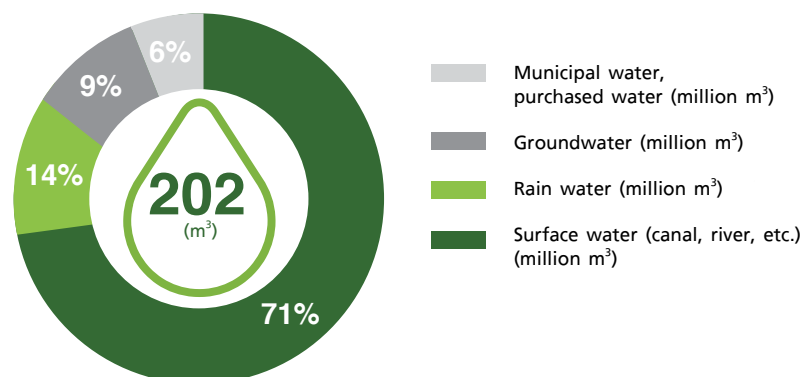
## MANAGEMENT APPROACH

C.P. Group has made water resource management a priority throughout our supply chain. We believe this will bring benefits not just to the organization but to society as a whole.



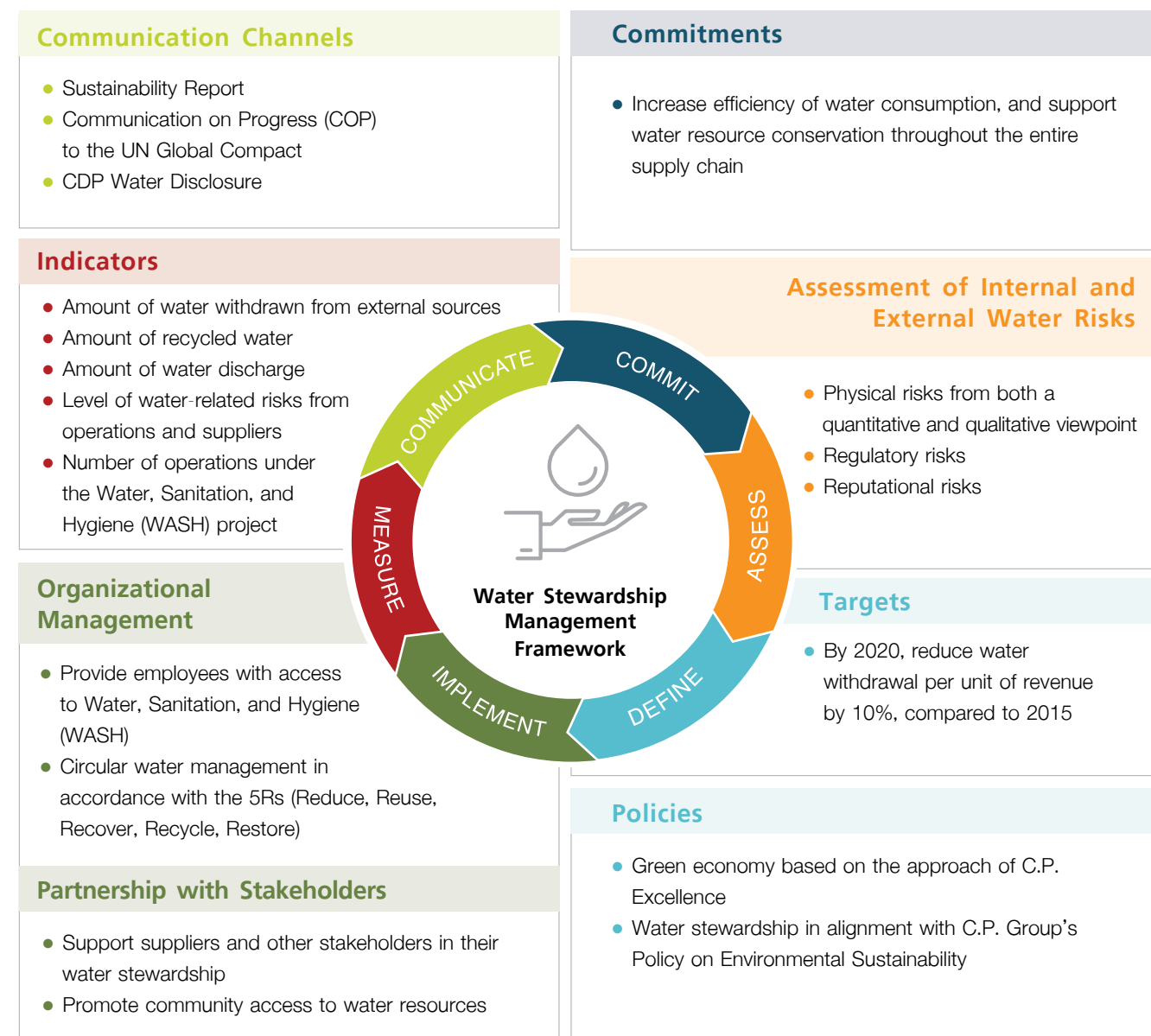
## PERFORMANCE

In 2016, C.P. Group managed to reduce water withdrawal per unit of revenue by over 10.29% against our 2015 figure. Our total water withdrawal for the year was 202 million m<sup>3</sup>, or 244 m<sup>3</sup> per THB million of revenue. We reduced water consumption in our shrimp farming business by changing the method of production and with strict controls to reduce water loss.

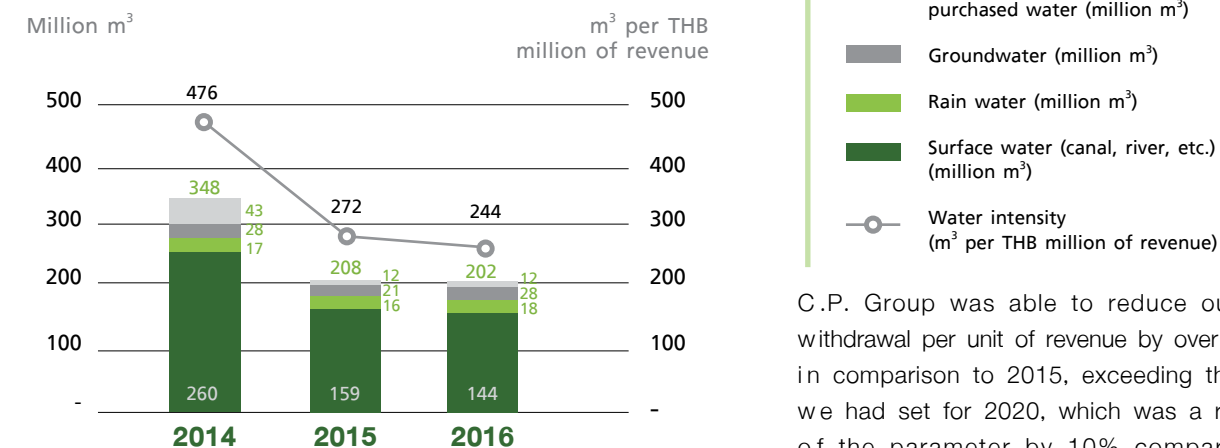


To make progress on our water resource management, C.P. Group has implemented the following Water Stewardship Management Framework

## Water Stewardship Management Framework



### Water withdrawal G4-EN8



C.P. Group was able to reduce our water withdrawal per unit of revenue by over 10.29%, in comparison to 2015, exceeding the target we had set for 2020, which was a reduction of the parameter by 10% compared with the base year 2015.



# INTEGRATED WATER STEWARDSHIP MANAGEMENT

## OPERATIONS

### Increase internal water management efficiency



#### WASH (Access to Water, Sanitation and Hygiene) Pilot Project

C.P. Group recognizes the importance of our employees' health and well-being, and has therefore launched the WASH (Access to Water, Sanitation and Hygiene) Pilot Project in accordance with guidelines issued by the World Business Council for Sustainable Development (WBCSD), of which C.P. Group is a member. We initiated the program by using the WASH Self-Assessment Tool for Business in 7 food processing plants, covering over 20,000 employees in 2016. We expect to achieve full coverage on all operations by 2019.



#### Reduce water consumption in CPF aquatic farms

Reduced over **5,000** m<sup>3</sup> of water consumption per ton of production

In 2016, CPF used an innovative approach to improve water efficiency in shrimp production. First, nursery ponds were constructed for small larvae. Once the larvae reach a particular size, they are transferred to hatchery ponds. This shortens the time spent in hatchery ponds and reduces the amount of water used in the water exchange process. As a result, in 2016 CPF reduced water consumption in aquatic farms by over 5,000 m<sup>3</sup> per ton of production, equivalent to a saving of over 47% compared to the previous year.



#### Water Recycling in CPRAM Production Process

Over **200,000** m<sup>3</sup> of water is recycled annually

CPRAM Co. Ltd., a subsidiary of CP ALL PCL is a producer of cooked foods. It has installed a wastewater recycling system that treats wastewater with ultrafiltration and reverse osmosis technology to produce clean water that meets WHO standards. This project reduces the amount of wastewater discharged to communities and creates additional value for industrial wastewater. As a result of this project, over 200,000 m<sup>3</sup> of water is reused in cooling towers, for vehicle washing and in flushing systems.

## CONTEXT

### Water risk management



#### Water shortage risk assessment with Global Water Tool

C.P. Group utilized WBCSD's Global Water Tool to assess water shortage risks within the Group's operations and suppliers, identifying:

- the number of companies, suppliers and employees located in water stressed areas
- the operations with high water shortage risk
- the amount of production potentially affected by water shortage



#### Multidimensional water risk assessment via AQUEDUCT

C.P. Group utilizes AQUEDUCT, which was developed by the World Resources Institute to assess and develop a holistic water risk map. The map's scope covers both quantitative and qualitative physical risks, as well as regulatory and reputational risks.



#### Using the Local Water Tool to Develop Water Management Plans

After conducting water risk assessments using the Global Water Tool and AQUEDUCT, C.P. Group trains employees in high risk areas in the use of the Local Water Tool to enable them to develop their own water management plan for that region. We have provided training and developed plans in over 80% of water stressed areas, and we aim to achieve 100% coverage by 2019.

## STRATEGY

### Water management is a part of business operations.



#### Benchmarking water management processes using Ceres Aqua Gauge

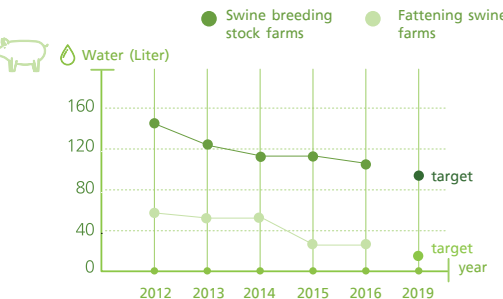
C.P. Group uses the Ceres Aqua Gauge program to assess each group's water management status against international benchmarks. This allows us to define and prioritize comprehensive plans for improving water management, addressing the following criteria:

- Monitoring and evaluation
- Risk assessment
- Governance
- Policy and standard
- Planning
- Stakeholder engagement
- Disclosure

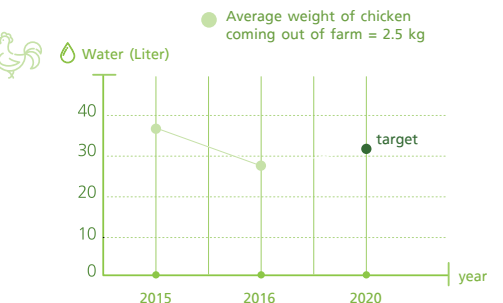
#### Continuous improvement to increase water efficiency in livestock farms

Livestock farming is water-intensive compared to other industries. Therefore, CPF has invested in research and technology to lower water consumption and maximize efficiency. This has resulted in a continuous reduction in the water consumption per unit of our livestock farming.

##### Water consumption per swine per day



##### Water consumption per chicken per day



## ENGAGEMENT

### Responsible engagement with stakeholders and supporting communities' access to water



#### Mae Chaem Environmental Safety Project

The Crop Integration business group assisted the Baan Dorn San Kiang and Baan Mae Parn communities in Chiang Mai province to gain access to water for their highland agricultural projects. The development of water sources for agriculture in this area has continued since 2013. At present, 5 wells with 750 m<sup>3</sup> capacity and 32 wells with 175 m<sup>3</sup> capacity have been built. They provide sufficient water to 169 farming households for their agricultural activities throughout the year, covering over 1,404 rai (554.94 acres) of land.



#### CPF Clean Water at Baan Samong

CPF has used its expertise to help develop communal water supplies and improve water quality in Baan Samong near our Kok-udom Farm. Our assessment showed that the area currently has low risk of water shortage, but will become a medium risk by 2025. We have used our expertise in maintaining faucet systems to help the community reduce water usage.



#### Mun River Conservation Project

CPF launched the Mun River Conservation Project in 2009, in collaboration with the Nakhon Ratchasima Provincial Authority and surrounding communities. The project aims to conserve and restore the natural condition of the Mun River and its tributaries so that they can be used more sustainably.

We focus on providing training to local communities to ensure that they have the knowledge to conserve their water resources and the surrounding ecosystems through forestation and fish breeding programs. In the 8 years since the program launched, forest cover has increased by 60% and the fish population in the river has increased by 100%.





# ECOSYSTEM & BIODIVERSITY PROTECTION



CPF Rak Nives at Phraya Doen Thong Mountain Project

According to the United Nations Food and Agriculture Organization (FAO), global food production must increase by 60% by 2050 to feed the projected global population of 9 billion. This drastic increase in food production will lead to crises over land use, water supply, deforestation and biodiversity, unless it is managed sustainably.

We recognize the role C.P. Group must play in mitigating against these issues, which is why we are putting great effort into ensuring that the impact we have on the environment is minimized, while working towards full traceability and transparency in the supply chain. This approach requires not just a strong commitment from us, but also ongoing collaboration with stakeholders all around the world.

It is our responsibility to strike the right balance between development and the conservation of our natural resources while respecting the rights of all of our stakeholders. As such, we are constantly seeking ways to share knowledge with and build the capabilities of the communities we impact while also ensuring we do all we can to help ecosystems and biodiversity flourish. This will help ensure that the natural resources on which our business depends remain sustainable and abundant.



**Mr. Prasit Damrongchietanon**  
Vice Chairman of International Trading Business Group and Executive Vice Chairman of Crop Integration (Maize) Business Group





2020  
GOAL

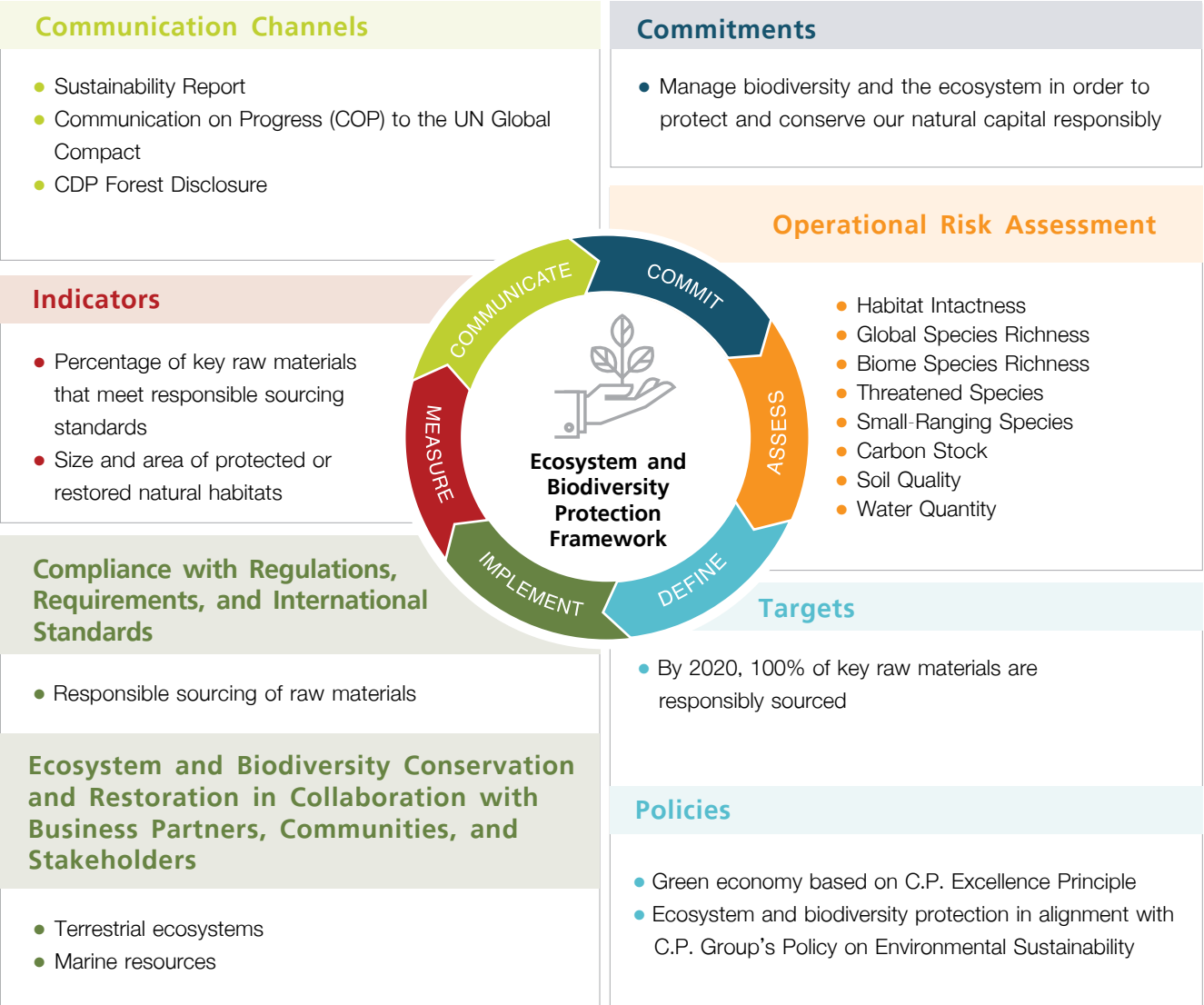


100%
of key raw materials are responsibly sourced

## MANAGEMENT APPROACH

C.P. Group is committed to protecting the balance of our ecosystems and their biodiversity. We choose sites for our facilities that are located far from conservation areas and we regularly assess the impact of our business activities. We engage with our business partners and stakeholders in an effort

### Ecosystem and Biodiversity Protection Framework





## PERFORMANCE

To date, all maize and fishmeal sourced and used in Thailand comes from responsible sources: 27% of our soybeans, which come from responsible sources, have already surpassed our original target of 20%. We are in the process of developing traceability systems of international standards to assess palm oil and cassava, and we expect them to be in operation by 2020.



Target Percentage of Responsibly Sourced Raw Materials G4-EN32

		2016	2017	2018	2019
	Fishmeal	100 %	100 %	100 %	100 %
	Maize	100 %	100 %	100 %	100 %
	Soybean	20 %	40 %	60 %	100 %
	Palm Oil	0 %	25 %	50 %	100 %
	Cassava	0 %	10 %	100 %	100 %



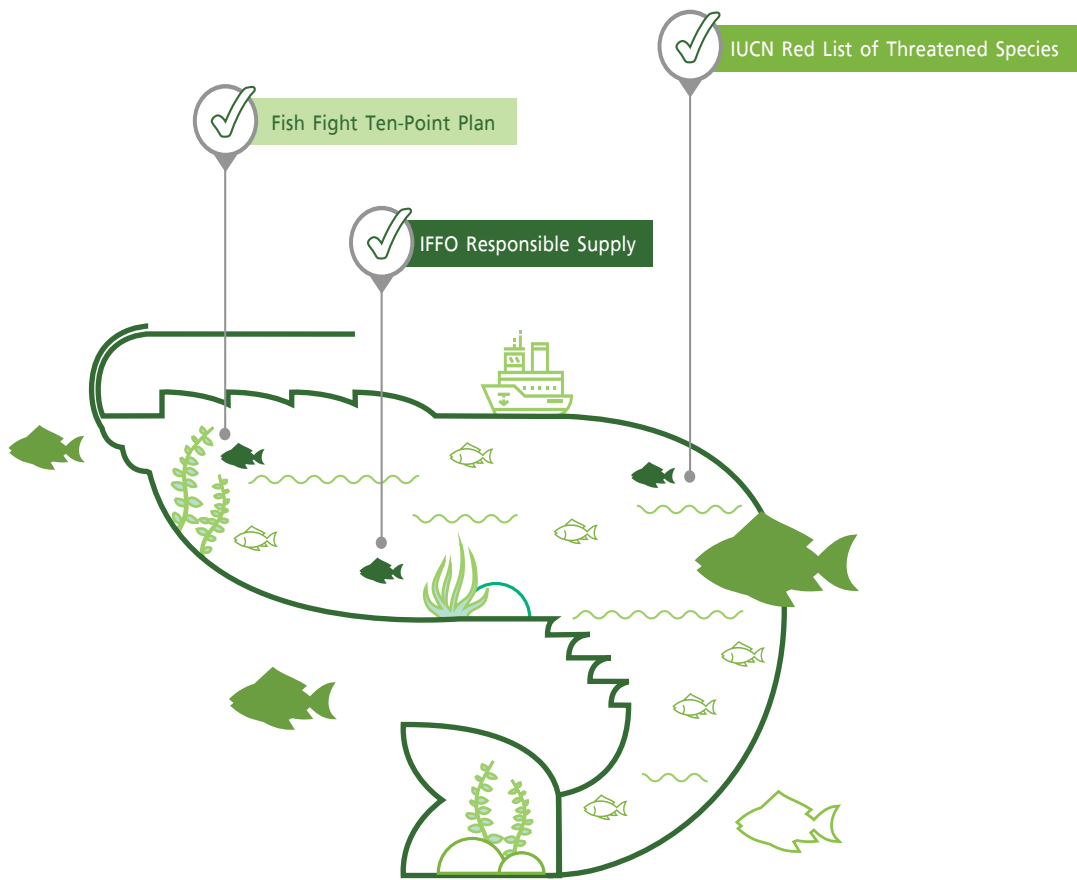
# SUSTAINABLE FISHMEAL SOURCING

As one of the world's leading producers of shrimp feed, C.P. Group is committed to sustainability in the seafood industry, which has seen criticism in recent years due to concerns related to the rapid deterioration of marine resources, poor labor practices, human rights violations and negative impact on communities.

Since 2012, C.P. Group has collaborated with public organizations and related parties to eliminate Illegal, Unreported and Unregulated (IUU) fishing in order to protect Thai waters. We implemented the Fish Fight Ten-Point Plan, aimed at mitigating the environmental impact arising from inappropriate fishing practices. Efforts include reducing the use of fishmeal in shrimp feed production, investing in research and development to find fishmeal substitutes, developing policies on sourcing fishmeal from vendors certified to international standards and investing in certified and traceable fishmeal.

In 2014, C.P. Group added more stringent requirements for the purchase of fishmeal, taking environmental and labor issues into consideration. At the same time, we have also built the capacity of fishmeal suppliers and collaborated with partner networks to promote sustainable seafood production and the protection of marine resources both in Thai and international waters.

Since 2015, our strict policies have meant that we only purchase fishmeal made from fish by-product<sup>1</sup> that is traceable and sourced from processing plants certified under the IFFO Responsible Sourcing (IFFO RS) standard. This is consistent with the Code of Conduct for Responsible Fisheries developed by the United Nations' Food and Agriculture Organization. Additionally, we ensure our operations pose no threat to species at risk from extinction, as defined by the World Conservation Union: IUCN Red List of Threatened Species. We also own and operate the first IFFO RS Chain of Custody certified shrimp feed mill in the world, which has become the new sustainability benchmark for the global shrimp industry.



<sup>1</sup>Ingredients of fishmeal derived from 1) By-Product, such as Surimi factories, canned - tuna factories, fish sausage factories or from 2) By-Catch



## Fishmeal Purchasing Policy

- When purchasing fishmeal, we will only acquire the by-product from processing plants that are traceable and certified by the IFFO Responsible Sourcing (IFFO RS), or the IFFO RS Improvers Programme (IFFO RS IP). The by-product must not include species at risk from extinction, as defined by the World Conservation Union: IUCN Red List of Threatened Species, and must be traceable by third parties
- We will only acquire the by-catch component of fishmeal from suppliers certified by international standards, or that has been legally examined by authorized parties
- Fishing vessels, fishmeal processing factories and food processing factories in the supply chain must be verified in accordance with Thai Labor Standards or by independent parties



## Capacity Building of Fishmeal Suppliers

- Product: quality and safety
- Personnel: Fair labor practices and occupational health and safety
- Process: environmental management and efficiency improvement



## Sustainable Value Chain

- Sustainability Standards: the Group's aquatic feed mills, shrimp hatcheries, shrimp farms, shrimp processing factories, and suppliers' canned fish processing factories are certified against Best Aquaculture Practices (BAP). Suppliers' fishmeal factories are certified against IFFO RS, while fish farms are certified by ASC
- Labor Standards: The Group's aquatic feed mills, shrimp hatcheries, shrimp farms, shrimp processing are certified by Thai Labor Standards. Canned fish processing factories and fish farm labor standards have been verified by SGS
- Verification: 4 C.P. Group aquatic feed mills, 7 supplier fishmeal factories, 7 piers, and 86 supplier fishing vessels have been verified by auditing firm, UL as being free from indentured labor



## Alliance for Sustainable Seafood Industry

- Thai Sustainable Fisheries Roundtable (TSFR): C.P. Group supports the work of TSFR, which brings together all 8 fisheries industry associations to engage directly with the relevant government agencies for the Fisheries Improvement Project (FIP) which aims to develop more sustainable fishing practices in both the Gulf of Thailand and the Andaman Sea, in consultation with the Sustainable Fisheries Partnership (SFP) and the World Wildlife Fund for Nature, Thailand (WWF)
- Seafood Task Force: C.P. Group was instrumental in establishing this task force to develop and promote the implementation of traceability systems and fair labor practices, in accordance with international standards, throughout the seafood supply chain. It also aims to develop transparent protocols for third party audit and support the development of FIP in Thai waters. (For the full detailed progress report of the Seafood Task Force, please visit <http://www.seafoodtaskforce.global>)



# RESPONSIBLE SOURCING OF MAIZE

C.P. Group realizes that the only way we can ensure the raw materials we use are developed responsibly, is through a comprehensive system of traceability.

In 2014, in collaboration with our business partners, we launched the development of a traceability program for maize. Upon its completion in August 2015, we organized workshops for all maize suppliers, to raise awareness about responsible sourcing, and to ensure that they understood the system prior to its launch on January 1, 2016. This was the first step taken to address environmental issues in maize farming, including forest encroachment, forest fires, and haze from agricultural waste management.

The close relationships we have developed with our business partners, have enabled C.P. Group to become the first company in Thailand to source all its maize from legal sources. We have been able to ensure that all maize is grown on land that either has proper legal ownership, is authorized by government agencies, or is a collaboration between the government and NGOs.



Self-Sufficient Farmers, Sustainable Maize Project: 2014-2016 Performance  
 “Increasing capacity for farmers, increasing yields, and reducing cost in a safe and environment-friendly manner”



### Policy on Sourcing of Maize and Farming Promotion

- Suppliers, traders, and other parties dealing in maize must register and use the Maize Traceability System
- If any vendor is found to be involved in the planting of maize in restricted areas, conservation areas or in lands without a legal title deed, C.P. Group will immediately terminate their contract

### Responsible Maize Traceability System

- The use of the mass balance model
- Developed based on feedback from various stakeholder groups, for example business partners, farmers, academia and the government

### Building the Capacity of Maize Farmers through the Self-Sufficient Farmers, Sustainable Maize Project

C.P. Group collaborates with the Agricultural Land Reform Office to share knowledge with farmers holding legal title deeds regarding agricultural practices in accordance with Thai Agricultural Standard – TAS 4402-2010 (Good Agricultural Practices for Maize).

### Mae Chaem Model Plus Alliance Network

C.P. Group sat on the committee to address deforestation, community and haze issues in Mae Chaem district. Working with public sector offices and academic institutions, we looked to resolve the problem of haze and the encroachment in watershed forests in Mae Chaem, Chiang Mai. We supported the establishment of the Geo-Information Center for Mae Chaem District Management of Natural Resources and the Environment, which is a key factor in the Mae Chaem model. This center helps to consolidate data, monitor results and enables the precise mapping of the forest based on utilization. In addition, we also intend to develop irrigation systems alongside promoting the cultivation of alternative crops to contribute to farmers’ income through the social enterprise program.

Mae Chaem held the highest number of hot spots in Thailand at 394 in 2015. Through integrated collaboration, this number has decreased to just 30 hot spots.





# RESPONSIBLE AND SUSTAINABLE SOURCING OF SOYBEAN MEAL

C.P. Group signed a Memorandum of Understanding with AG Processing Inc., the leading soybean processor in the US, to develop the Sustainable Soybean Sourcing System. Our aim is to promote environment-friendly and traceable agricultural practices as well as respect for labor and human rights. This is part of our commitment to sourcing our key agricultural raw materials in a responsible manner.

## PART OF OUR COMMITMENT FROM THE MOUNTAIN TO THE SEA

### 1 Upstream and the land

2009

The Mun River Conservation Project in Nakhon Ratchasima province encourages communities in the watershed areas to conserve their ecosystem, and to raise awareness among downstream communities about maintaining water quality through the release of fish and the planting of trees and vetiver grass.

2016–2020

The CPF Rak Nives at Phraya Doen Thong Mountain Project, Lopburi province will help conserve and restore watershed forests covering over 5,900 rai in area (equivalent to 2,332.46 acres). The project includes the construction of check dams and water dripping systems.



CPF Rak Nives at Phraya Doen Thong Mountain Project

### 2 Midstream

- Royal Community Forest at Nong Wah Agricultural Village, Chachoengsao province and Kamphaeng Phet Agricultural Village in Kamphaeng Phet province.
- Projects to increase green areas in our areas of operation.



Nong Wah Agricultural Village, Chachoengsao province

# CONSERVATION AND RESTORATION OF ECOSYSTEM AND BIODIVERSITY

Our lands, waters and forests are natural resources that are closely interconnected. If their balance is disrupted, this leads to changes in ecosystems that can have a serious impact on the way we live and on the way we run our economy. This is why we have been working in collaboration with the public sector on conservation and restoration initiatives.

### 3 Downstream and the sea

1993–2013

CPF supports mangrove forestation in central, southern, and eastern parts of the country covering 17 provinces or 5,600 rai (equivalent to 2,213.43 acres).

2014–2018

CPF Grow-Share-Protect Mangrove Forestation will help conserve and restore mangroves covering 2,200 rai (equivalent to 869 acres) at 5 strategic areas: Rayong, Samut Sakhon, Chumphon, Phang Nga, and Songkhla provinces.

2015

The Staghorn Coral Restoration Project saw the planting of over 80,000 coral reefs, with the aim of restoring and preserving the natural balance of the eastern seashore at Chong Sameasarn beach in Chonburi province.

2016

As part of our coastal fishing community restoration project which covered 22 provinces, we engaged in a variety of projects including the construction of artificial reefs, the planting of seagrass and the establishment of community learning centers.



CPF Grow-Share-Protect Mangrove Forestation





# RESPONSIBLE SUPPLY CHAIN MANAGEMENT



Creating the right balance between economic growth, social development and environmental conservation requires a shared commitment between companies and their partners throughout the supply chain based on open collaboration and transparency.

Research shows that the impact of certain industries such as agriculture, food, telecommunications and retail tend to appear upstream<sup>1</sup>, so it is important to ensure that collaboration is taking place at all stages within the supply chain.

Success in this regard is only possible if we ensure that we are working with business partners who share C.P. Group's values and understand their responsibility to manage risk and mitigate their impact.

We recognize that stakeholders throughout our supply chain are an essential component in the growth of our business. We are therefore committed to developing the economic, social and environmental capabilities of everyone with whom we conduct business.’

”



**Mr. Somchai Kungsamutr**  
President and Chief Executive  
Officer (CEO) of Feed Ingredients  
Trading Business Group



<sup>1</sup>Please refer to The Tenth Annual State of Green Business 2017 published by Greenbiz and Trucost; also available for download at <https://www.greenbiz.com/report/state-green-business-2017>



2020

GOAL

Complete audit of all critical suppliers, ensuring the traceability of raw materials sourced from them

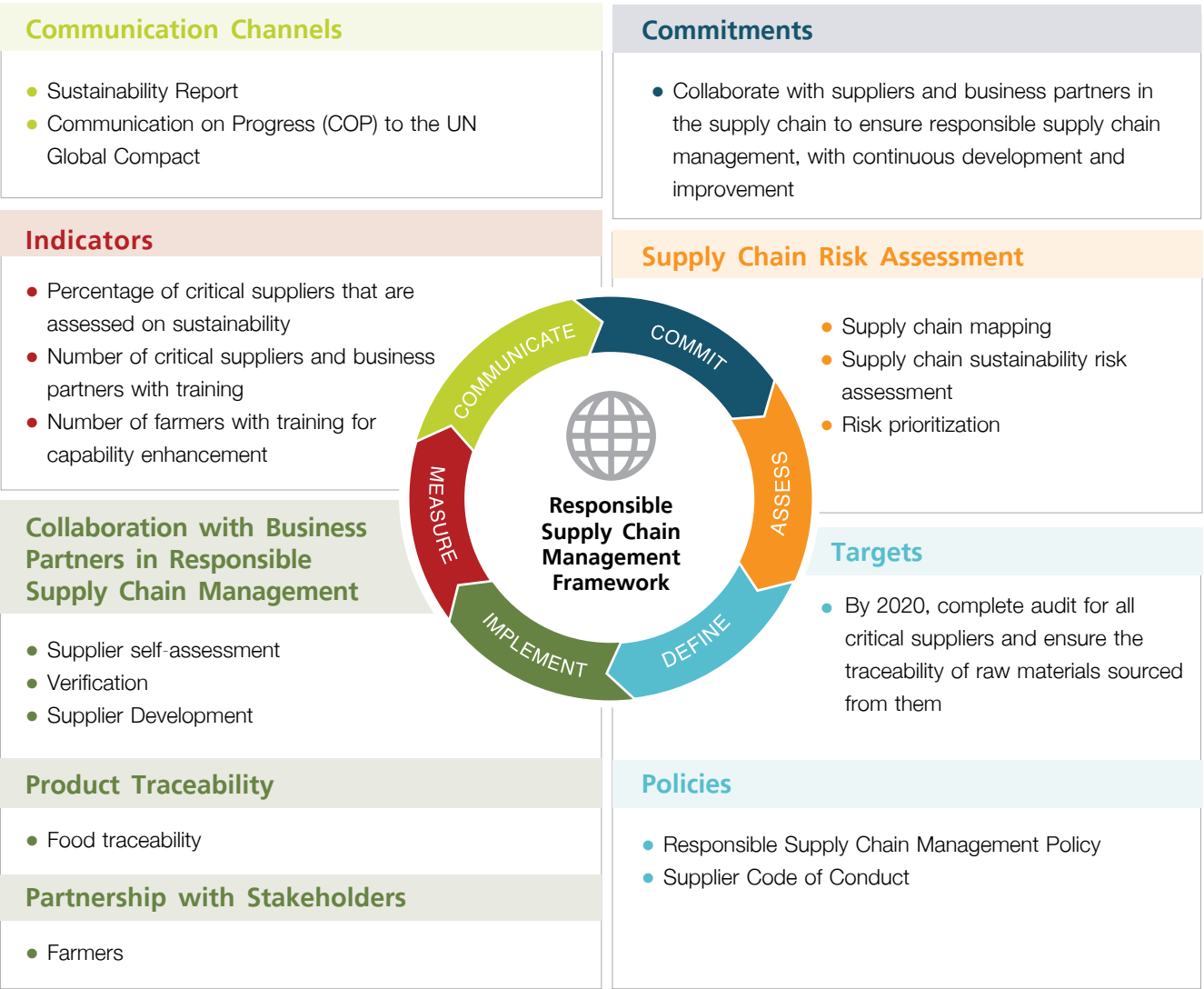
## MANAGEMENT APPROACH

G4-EN33

Despite the length and complexity of our supply chains, C.P. Group is committed to continuous improvement and development. We place an emphasis on engaging our business partners and on enhancing their capabilities. We accomplish this through promoting

good business practices and supporting innovation. We base our approach on the Responsible Supply Chain Management Framework, which is outlined below:

### Responsible Supply Chain Management Framework





# Responsible Sourcing Policy

G4-EN33, G4-LA15, G4-HR11, G4-SO10

C.P. Group is committed to collaborating with business partners to work jointly towards our goal of responsible supply chain management. We developed the policy and relevant procedures to promote responsible business operations in accordance with the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights (UNGP). This policy and procedure forms the basis of our supplier assessment. The assessment addresses 4 aspects, as follows:

PRODUCT	PROCESS
<ul style="list-style-type: none"><li>• Quality and Safety</li><li>• Traceability</li></ul>	<ul style="list-style-type: none"><li>• Environmental management</li><li>• Efficiency enhancement and business innovation</li></ul>
PEOPLE	PERFORMANCE
<ul style="list-style-type: none"><li>• Child labor</li><li>• Forced labor</li><li>• Fair treatment with respect and dignity</li><li>• Remuneration and compensation</li><li>• Working hours</li><li>• Freedom of association and collective bargaining</li><li>• Occupational health and safety</li></ul>	<ul style="list-style-type: none"><li>• Compliance with laws and regulations</li><li>• Risk management</li><li>• Transparency</li><li>• Equal treatment of shareholders</li><li>• Fair business operation</li><li>• Anti-corruption</li><li>• Data privacy</li><li>• Land rights of local community and indigenous people</li><li>• Report on suspicion and non-retaliation</li></ul>

## RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Since 2014, C.P. Group has piloted and supported the implementation of responsible supply chain management in the Agro-Industrial and Food business group by providing training to procurement staff. We then distributed the policy to over 7,300 business partners in 13 product groups during 2015 to 2016. Over 97% of critical suppliers have already signed to acknowledge the policy. Additionally, critical suppliers of raw materials for animal feed, food ingredients, condiments, and food packaging groups have conducted a self-assessment on sustainability, enabling them to systematically review and assess sustainability risks in their own operations.

In 2016, the Agro-Industrial and Food business group developed a supplier sustainability protocol to serve as a guideline for third party audits, which will commence in 2017. We have also created an online supplier sustainability self-assessment in 3 languages - Thai, English, and Vietnamese - to ensure coverage for both domestic and international business partners in different product groups. We expect this to be implemented as part of our new supplier selection tools from 2017.



### Promote Engagement, Build Capacity, and Enhance Capability of Business Partners

C.P. Group recognizes that the challenges we face as we strive to achieve responsible supply chain management cannot be solved merely through supplier assessments. It is also important to drive changes that improve the sustainability of our stakeholders, especially our business partners, primary producers and smallholder farmers. C.P. Group is committed to supporting and collaborating with business partners in developing their capabilities, competitiveness, as well as their understanding of social and environmental responsibilities. Farmers are at the heart of our food businesses and it is of great importance that we work closely together as we have for almost a century.





## PART OF OUR COMMITMENT

### Partnership with Farmers

We want to ensure that the food we produce is safe, so our Seeds, Fertilizers and Plant Protection Products business group made it a priority to share knowledge on food safety with farmers. We communicated with farmers about overusing pesticides, safe harvest periods, and contamination in the packing process. Our planting experts provided farmers and entrepreneurs across the nation with information about good agricultural practices.

### Vegetable and Fresh Fruits Business Partners

C.P. Group's Retail and Distribution business group launched the Makro Quality Pro Project in 2008. We collaborated with public and private organizations to define a strategy to raise the quality of agricultural products to meet international standards. This helps provide safe foods for consumers, enhances the livelihood of farmers, and raises awareness about environmental conservation. We focus on developing an integrated control system to ensure agricultural product quality, which encompasses standardized processes for production, quality control, harvesting, maintenance, transportation and distribution at Makro. Currently, agricultural products permitted to use the Makro Quality Pro label include Kinnaree watermelons, Gros Michel bananas, Dutch papayas and honey mandarins.

### Rice Business Partners

As the price of Thai rice fell and rice farmers struggled with declining incomes, C.P. Group's International Trading business group launched a project to support jasmine rice farming. We introduced repurchasing contracts that enabled rice farmers to have a higher, more stable income. The project depends upon providing education about best practices for jasmine rice farming. The scheme was piloted in Sisaket province and was later extended to Ubon Ratchathani, Amnatcharoen, and Yasothon provinces. In addition, we encourage our farmers to obtain the Good Agricultural Practice (GAP+) certification from the Rice Department, as it helps to promote quality unmilled rice in the market. This enabled farmers to sell their products at a higher price, thereby raising their income and contributing to sustainable development.

Performance				
	2013/2014	2014/2015	2015/2016	2016/2017
Number of members	134	313	468	856
Areas (Rai) (Acres)	2,455 982	5,405 2,162	8,870 3,548	17,028 6,811



# APPENDIX I

## C.P. GROUP PROJECTS FOR SUSTAINABILITY



### Nongwa Agricultural Village

In 1977, C.P. Group respectfully followed His Majesty King Bhumibol Adulyadej's teaching on agricultural land reform and implemented his initiative into a project in a form of a 4-way collaboration to transfer knowledge and assistance to farmers at Baan Nongwa, Baan Song sub-district, Phanom Sarakham district, Chachoengsao province. This project has created jobs and businesses which enable farmers and their families to earn a sustainable living.

**Outcome:** Farmers own their land and earn an average monthly income of THB 80,000 per family.



### Kamphaeng Phet Farming Village

In 1978, C.P. Group initiated the "Kamphaeng Phet Farming Village" project in Thepnakorn sub-district, Muang district, Kamphaeng Phet province by allocating 25 rai (10 acres) of land to each family and providing technological support for swine farming. The goal is to create a strong and sustainable community to showcase a "United Village with Modern Technology."

**Outcome:** More than 64 participating farming families own their land and earn an average monthly income of THB 50,000 per family. Farmers also earn supplemental income of THB 100,000 per year from raising catfish and growing water mimosa.



### Kaset Santirat Farming Village

A 4-way collaborative operation whereby C.P. Group is responsible for transferring knowledge on agricultural technology, management, and marketing. This project provides support for retired junior police officers.

**Outcome:** 31 families of police officers affiliated with Koh Chan Provincial Police Station in Chonburi province earn additional income from farming.



### Rice, Fish, Palm Learning Center

Established a learning center at Kamphaeng Phet farm to demonstrate modern and environment-friendly agricultural management which can facilitate a symbiotic relationship among rice farming, fish farming and palm oil plantation.

**Outcome:** The Center's model of operation generates a production revenue of THB 22,000 per rai (0.4 acres) per year.



### True Friend of Mom-and-Pop Grocery Stores

Provides training on retail store management with useful tools such as a new store opening booklet, a store renovation booklet, and a computer software to create 3D modeling for store design as well as provides investment and revenue estimates based on store size and location.

**Outcome:** More than 33,000 mom-and-pop grocery stores have improved their business capabilities.



### Creating the 7 Occupations 7 Income Sources from the Royal Initiative

Creating jobs for farmers during the off-season by growing vegetables and fruits, breeding fish, rearing swine and indigenous chickens, and tailoring. Products can be used for home consumption with the remaining sold for additional income.

**Outcome:** More than 1,700 farmers in Lamplaimat district have jobs throughout the year.



### Assistance for Victims of Typhoon Gay

Helps farmers to recover from severe damages spanning 3 phases: a short-term phase of baby corn farming, a medium-term phase of maize farming for animal feed, and a long-term phase of rubber plantation which generate income and create jobs.

**Outcome:** Disaster victims in Chumphon province recovered economically with sustainable jobs and income.



### Oolong Tea Plantation

Supports local farmers at the Phutah Pattana Center, Nan province, in Oolong tea plantation and constructed an instant tea manufacturing plant to promote Oolong tea.

**Outcome:** 35 farmers have stable jobs which reduced deforestation from slash-and-burn agriculture.



### Jasmine Rice Farming, Rasi Salai District, Sisaket Province

Educates farmers on correct jasmine rice farming procedures to comply with the GAP standards, resulting in a higher produce price and higher income for farmers as well as concrete and sustainable development.

**Outcome:** THB 12,000-13,000 per family increase in income for 1,771 farmers.



### Local Product Development at Baan Nong Payom, Nakhon Ratchasima Province

Nakhon Ratchasima chicken meat processing plant provides assistance for coconut processing methods, product label design, distribution channel expansion, and educates community members on food production hygiene.

**Outcome:** People in the community earn more than THB 10,000 of monthly income per family.



### CPF Well-fed and Happy for the Future: Baan Mai Samrong School

The Broiler chicken farming business in Saraburi operates the "Layer Farming for School Lunch" and the "Mushroom Farming for School Lunch" projects for a network of 50 participating schools.

**Outcome:** Malnutrition among school students decreased to 0.5%.



### On-the-job Learning for Sustainable Farming

Established an agricultural learning center in Lat Lum Kao district, Pathumthani province to disseminate knowledge on farming technology and management, along with creating marketing channels for farmers.

**Outcome:** Created jobs and stable income for farmers.





#### Sufficiency Economy: Nano Bio-fertilizer

Marine shrimp hatchery: Collaborated with community leaders of Baan Thammachat Lang to make bio-extract for organic vegetable farming which develops into bio-fertilizer production for self-use as well as for sale to nearby communities.

**Outcome:** People in the community have reduced chemical fertilizer usage by 50% and built a nano organic fertilizer shed for their own use.



#### Well-fed and Happy for the Future: Sufficiency Agriculture for School Lunch, Baan Kojod School

Nakhon Ratchasima chicken meat processing plant: built a layer chicken shed, and prepared vegetable plots for students to manage vegetables for school lunch.

**Outcome:** Students can access a wide variety of nutritious food with 10.2% of students meeting age-appropriate nutritional standards.



#### Dhammachoti School: Teaching Kids to Raise Fish for Lunch

Mahachai aqua animal feed manufacturing plant: Teachers, students, community leaders, and a network of parents jointly built a catfish pond with capacity to raise 2,500-3,000 fish for school lunch.

**Outcome:** 160 students have access to catfish for school lunch.



#### Layer Duck Farming Learning Center in Rattabhum

Hat Yai feed mill: Taught layer duck farming methods that minimizes water usage and thus reduces cost to local farmers for supplemental income beyond rubber plantation.

**Outcome:** A learning center for layer duck farming for local communities.



#### C.P. Group Blood Drive

Organizes blood drives to encourage employees to do good by donating blood to save lives and to ensure adequate blood supply to meet demand.

**Outcome:** Thai Red Cross has sufficient blood reserves for future demand.



#### 100 Schools 10,000 People: Young Volunteers for CPR Resuscitation

Organizes training for youths with volunteer spirit on basic resuscitation (CPR) knowledge and skills to raise Thailand life safety standards to the international level.

**Outcome:** Development of confidence, volunteer spirit, knowledge and skill sets to provide assistance.



#### Blood Donation among Thai Youths

Works with provincial Red Cross Offices to encourage young people to lead blood donation campaigns and to become people of moral character, courage and wisdom, as well as learn the importance of giving.

**Outcome:** 2,572 teachers and students acknowledged the importance of blood donation.



#### Chearavanont Uthit Schools

Founded and renovated schools in underdeveloped areas as well as provided integrated learning with both food for the body and mind with contributions from various internal units of the Group. Moreover, the Group offers scholarships for higher education.

**Outcome:** Higher quality of education provided by these schools, in turn, create stronger communities.



#### Sufficiency Economy Learning Center

Baan Paew farm renovated the learning center building to educate visitors on Nile Tilapia, vegetable, pig, and layer chicken farming.

**Outcome:** Students from Wat Koh Wang Sai School and Nakhon Pathom residents have access to a learning center on sufficiency economy.



#### Additional Income from Performing Drum Dancing with CPF

Saraburi chicken meat processing plant acquired drums and performance costumes for members of Konhom community and arranged for Grandma Nang Sangkawi to teach drumming lessons, preserving Thai tradition and culture.

**Outcome:** Communities preserve local culture and earn additional income.



#### Sustainable Maize Farming

Organizes training for farmers on cost reduction and yield enhancement as well as provides demonstration plots to show correct farming methods for maize.

**Outcome:** Cost has been reduced by 11.3% and yield per rai (0.4 acres) has increased by 18.25%.



#### Khao Koh Agro-Industry Royal Initiative

Improves production and marketing infrastructure to increase product value and marketing channels with a knowledge base that is consistent with modern farming.

**Outcome:** Creates jobs for participating farmers.



#### Foster Family Project

Children in an orphanage often feel unloved or "lovesick" causing a delay in physical, emotional, social, and behavioral development. Therefore, it is necessary to find volunteer families to raise these orphans with care and love to ensure good physical and mental health and age-appropriate development.

**Outcome:** More than 290 children received attentive care. Some children live secure and happy lives with their foster families, resulting in a deep sense of gratitude.



#### Layer Chicken Farming for School Lunch

Encourages schools to raise layer chickens by providing operational support for the first generation in lieu of initial funds for schools. Collected eggs are used for students' consumption with any excess being sold to generate revenues that serve as a revolving fund for the next generation of production.

**Outcome:** More than 120,000 students consistently receive adequate protein intake from food.



#### True Plookpanya Model Schools for Educational Development of Sustainable Communities

Selected schools utilize technology and ICT to transfer knowledge to students in order to develop the local community.

**Outcome:** More than 6,000 participating schools have access to modern educational resources.



#### Novice Monks Dhamma Training Reality TV Show Season 5

Live broadcasts the entire Buddhist ordination process of these novices as they learn Dhamma principles so that viewers can learn along.

**Outcome:** Produced many generations of young novice role models consisting of more than 70 youths with morals as well as promotes Buddhist teachings.



#### CPF Well-fed and Happy for the Future: Model School for Sustainability

Glang aqua animal feed manufacturing plant participated in projects on rice, layer chicken, fish farming, and vegetable growing for school lunch. These projects form the knowledge base for community learning resources.

**Outcome:** Students from Baan Nem Sornboon School have access to nutritious food and are able to improve their nutritional intake.



#### Integrated Farming Learning Center with Sufficiency Economy Approach: Baan Don Wua

Broiler chicken businesses in Korat and the Northeast Region formed a poultry farming and fishing group to increase family income. The group developed a community learning center.

**Outcome:** Members of the Learning Center have approximately 30% higher income per family.



#### Thab Sakae Model

Creates innovations such as coconut purchasing and farm production systems certified by GAP standards. With collaboration from the government, these innovations have been effectively implemented into actual practices.

**Outcome:** Farmers in Thab Sakae district, Prachuab Khiri Khan province are able to earn 20% higher income.



#### One Farm One Community

Khok Udom Farm teaches children and farmers in Bu Soong Village, Prachinburi province, to grow organic vegetables by making fertilizer from swine manure, and provides knowledge on green farming.

**Outcome:** A model of coexistence between swine farms and communities.



#### Education for Sustainability

Collaborated with educational institutions both public and private by offering internships to educate participants on retail businesses and providing scholarships at vocational, bachelor's degree, and master's degree levels.

**Outcome:** More than 26,000 young people with financial need received scholarships and additional job opportunities.



#### Scholarships for Former Students of Border Patrol Police Academy

Children with lack of educational opportunities are adopted into the Agricultural Job Training Center for Youth and enrolled into the Klai Kang Won Palace School at middle school level in Hua Hin District, Prachuab Khiri Khan province. These children are provided with vegetable and animal farming training to create future job opportunities until graduation.

**Outcome:** 134 graduates have stable jobs and income.



#### 3G for Schools and Communities

Provides aircards and data packages to True Plookpanya schools and community hospitals at the sub-district level under the "Districts Create Happiness" project by the Thai Health Promotion Foundation to develop teaching materials and to support long-distance medical services for communities.

**Outcome:** Schools and communities benefit from 3G technology.



#### Learning from Mobile Applications for Children Outside Formal School System

Collaborated with UNESCO, Microsoft, and the Thai Ministry of Education to leverage the ICT system using tablets with more than 1,000 applications to develop teaching materials for Burmese children along Thai borders.

**Outcome:** 1,440 Burmese children in 20 learning centers received Non-Formal Education certificates from Thailand and Myanmar, enabling them to enter the formal school system.



#### Chang Hua Mun Royal Initiative Project

Provides learning support for the entire rubber plantation process from planting, maintenance, to future harvesting for high quality latex.

**Outcome:** Farmers in Tha Yang district, Phetchaburi province, and the public can learn about the entire plantation process which can then be applied to actual practices.



#### Blind Call Center Service

True founded the Blind Call Center to create job opportunities for the blind where staff handled outbound calls to greet customers and provide card benefit information to True Black Card members.

**Outcome:** Creates job and career opportunities for the blind to be financially independent.



#### Sufficiency Farm: Wat Manao Wan School

Collaborated with district agriculture officers to provide knowledge and support for the school to grow vegetables for their own consumption and sell the excess to their local community for additional income.

**Outcome:** Students get actual farming and shop keeping practical experiences.



#### HALAL Products

Improved the system to organize Halal products on display and to have clear labels, along with having separate equipment to warm Halal food specifically.

**Outcome:** Engagement with more than 7 million Muslims in Thailand.



#### Buddhism Club Project

Provides opportunities for employees and surrounding communities to listen to Buddha's teachings, to practice meditation with well-respected monks, and to allow employees to take classes on Buddhism history. The project also offers incentives for employees to pass the third, second, and first level of Buddhism Studies exams.

**Outcome:** Employees and people in nearby communities develop a more emotional, intellectual, and spiritual life.



#### Fire Prevention and Control Plan and Fire Drills for Communities

CPAI Fire Protection and Control Team provides knowledge on fire accidents, organizes fire drills, and prepares fire escape plans for communities.

**Outcome:** More than 100 communities know the correct procedure and practice in case of fire accidents.



#### Kare Application

App designed for children with special-needs which parents can access free of charge, reducing medical expenses for specialist consultations.

**Outcome:** Provided knowledge to more than 90 families for children with Autism. A free mobile application designed to help children with Autism develop their capabilities with the engagement of parents.



#### Pong Sai Community Bank

Established a community bank to solve long-term indebtedness in the community, encourage savings, and create a source of capital. The village fund is managed by villagers for villagers.

**Outcome:** A community bank for 3 villages with THB 1,000,000 of capital in 3 years.





**Development of Community Health Service System, Saraphi District, Chiang Mai Province**

Provides 3G technology to assist youth volunteers in collecting data on community health conditions in 12 sub-districts, Saraphi district, which can then be transmitted quickly to Saraphi Hospital's server.

**Outcome:** Hospitals in Saraphi district have a health information database for communities in 12 sub-districts.



**Summer Computer Course**

Employees from CPF Ranode Factory spend 3 hours per day teaching computer skills to community children at company training room based on Office of Basic Education Commission curriculum.

**Outcome:** Enhanced computer skills for 60 school children.



**Good Health from C.P. to kids**

A 3-way collaboration project of employees from Minburi factory, schools in the community, and the Engineer Battalion, Srisothon Camp, to provide youth with drug education to avoid substance abuse.

**Outcome:** Youths in 10 communities have mental immunity against drugs.



**Exercise for Community Health**

Employees from marine shrimp hatchery, in collaboration with "TO BE NUMBER ONE" club, organize mobile aerobic dance platforms for people to workout.

**Outcome:** People in 12 communities get to exercise regularly.



**Anti-corruption Project**

Broadcasts content that instills anti-corruption values through various media channels and collaborates with the National Anti-Corruption Commission to organize a media contest to promote morality, ethics, and anti-corruption.

**Outcome:** Instilled anti-corruption values in people.



**FameLab**

Holds an annual science project contest to select candidates to compete in the Cheltenham Science Festival with live broadcast on True Plookpanya channel.

**Outcome:** More children had become interested in science.



**Crop Watch**

A system to analyze data from satellite images to track and evaluate rice growing conditions in many areas nationwide, including providing a break-even price estimate based on yield forecasts.

**Outcome:** Farmers have data for agricultural planning to help mitigate risk.



**MEM (My Eye Memory) : Braille Note Taker**

True Group designed a note taking device for the blind and carries out usability testing in collaboration with Ratchasuda College, Mahidol University.

**Outcome:** The blind benefit from a note taking and communication device.



**CPRAM Walk-Run for Health**

Organizes an annual walk-run charity to raise funds for medical equipment and necessary supplies for the 3 Southern border provinces.

**Outcome:** Alleviated medical supply shortage for residents in the 3 Southern border provinces.



**7 Innovation Awards**

The "7 Innovation Award" contest was held to publicize knowledge and products of Thai SMEs and create opportunities to test out new products in actual markets.

**Outcome:** Created jobs and commercialization opportunities of more than 20 innovations per year.



**C.P. Land Bringing Dhamma on Happy Friday to Share Happiness with Kids at Samakkee Bamrung Wittaya School**

Organized activities to promote Buddhist teachings as well as encouraged students to save for further education.

**Outcome:** Better emotional well-being and quality of life for 253 students.



**CPPC Creating Opportunities for Schools and Communities**

Renovated libraries which serve as community learning resources and improved basic public utilities in 2 schools near the factories in the Sikhio district area.

**Outcome:** Instilled the love of reading in students and improved the quality of life in schools.



**True Innovation Awards: The New Era on TV**

Produced a game-show television program to serve as a platform for showcasing innovation products and providing knowledge on innovation to the public.

**Outcome:** Made innovation easy to understand.



**Environmental Conservation Awareness Campaign**

Organizes an annual national photography contest to create awareness of conserving forests in wildlife sanctuaries and national parks throughout the country.

**Outcome:** People become more environmentally conscious.



**Permanent Reforestation in Honor of King Rama IX**

The Group initiated a reforestation project to honor His Majesty King Rama IX with a 5-year restoration effort on 64,800 rai (26,000 acres) of permanent reforestation area in Phu Hin Rong Kla National Park, Phitsanulok province. After reforestation, the restored land was handed over to the Royal Forest Department for further maintenance.

**Outcome:** 64,800 rai of reforestation and complete eco-system recovery.



**Conserving Nature at Mae Jam District**

Developed a highland irrigation system to provide communities with water supply for agriculture causing a shift from single crop to multi-crop farming which generates income and reduces forest dependency as well as forest burning.

**Outcome:** Restored degraded forests and created jobs and income for communities.



**Admissions School Tour by True Plookpanya**

Admissions School Tour by True Plookpanya provided admission advice to high school students nationwide along with knowledge base and exam materials through websites, apps, and tutoring programs on True Plookpanya TV channels.

**Outcome:** A roadshow of knowledge to more than 50 schools per year.



**True Clicklife Robotics Genius Program**

True created the True Clicklife Robotics Genius Program by preparing teachers and students with guide books on robot building.

**Outcome:** Youths from every region have basic knowledge of robotic technology.



**True Future Journalist Awards**

Administered an examination for mass communication students to participate in a "News Process" workshop and selected 2 outstanding future journalists.

**Outcome:** Developed students proficient in the field of journalism with a strong sense of morals and ethics.



**Smart Exam System @ True Plookpanya**

Consolidated exam materials on the True Plookpanya website to reduce the educational inequality gap in Thailand and help parents save on tutoring expenses.

**Outcome:** Sustainably reduced educational inequality.



**Youth Forest Camp**

To educate Thai youths on the benefits of natural resources and the environment, starting with training teachers in all 6 regions to lead the campaign, spread knowledge, and organize youth forest camps.

**Outcome:** Youths become more environmentally conscious.



**Highland Renewable Energy**

Formed Baan Pong Sai renewable energy group to develop a knowledge base on renewable energy and to extend the knowledge to produce renewable energy for their own communities.

**Outcome:** Reduced electricity cost and derive income from installing renewable energy equipment for communities.



**We Grow Together**

Developed a mobile app to encourage building personal and community green spaces, starting with planting and caring for trees and connecting social networks of plant growers.

**Outcome:** Created green spaces consisting of more than 4.3 million trees worldwide.



**Build, Share, Protect Mangrove Forests in Samut Sakhon Province**

Employees from Samut Sakhon aqua animal feed manufacturing plant collaborated with the government and the community to organize activities in the mangrove forest area in Bang Ya Praek sub-district, such as planting trees, collecting trash, and building a rare tree nursery.

**Outcome:** Expanded more than 100 rai (40 acres) of a mangrove forest which became an eco-tourism site.



**True Young Producer Awards**

A platform to demonstrate ability and creativity, to test interests of a career as a producer, as well as to productively use free time.

**Outcome:** Encouraged a new generation of producers to create meaningful advertisements for society.



**Read for the Blind Application**

Organized audio book reading for the blind training for volunteers. Audio books are accessible via the Read for the Blind application.

**Outcome:** The blind can access a wider variety of knowledge and information.



**Creating a Better Life for the Disabled**

True in collaboration with the Thai Autistic Foundation founded the True Autistic Thai Center to provide vocational training for persons with Autism, enabling them to earn an income as well as develop general life skills.

**Outcome:** More than 140 people with Autism received occupational skill training.



**Thai Missing Application**

Developed Thai Missing App to build a database of missing people which serves as a tool to provide information for the public and for notification if any missing person have been seen.

**Outcome:** The public can help trace missing persons and alert authorities by the database.



**Model Learning Center to Reduce Forest Fires**

Raise awareness of problems caused by air pollution that originated from open-air burning of agricultural materials. Encourage people to form a collaborative network based on addressing the issue of forest fires in accordance with the "Mae Jam Civil State" approach.

**Outcome:** Established a model learning center to reduce forest fires and haze.



**CPF Returning Clean Water to Baan Somong**

Minburi broiler chicken business renovated the water pipe system at Baan Somong, Prachinburi province, and encouraged the community to set up a committee to manage their own piping system.

**Outcome:** Increased water supply production at Baan Somong by more than 3 cubic meter per hour.



**Safe Schools**

Promoted awareness for students' safety among participating schools by setting up a safety club in schools to provide knowledge and training as well as encourage students to identify areas of risk in school along with creating a safety awareness among students.

**Outcome:** 85% of 4,000 participating students from 15 schools have safety awareness.



**Play Area for Children**

Nong Chok instant food manufacturing plant in collaboration with school staff and students, renovated and fixed broken playground equipment.

**Outcome:** 206 students at Wat Utapao School have safe playground equipment.





### Reduce Plastic Bag Usage Campaign

Encourage student groups and youth leaders to form "Think Bag" clubs at schools to put serious and consistent efforts in reducing and eliminating plastic bag usage.  
**Outcome:** Created awareness for Thai youths to reduce plastic bag usage.



### Reduce Plastic Bag Usage in Educational Institutions

Collaborated with universities and hospitals where 7-11 stores are located to campaign for reducing plastic bag usage and encourage cloth or reusable bags.  
**Outcome:** Reduced the volume of plastic bag usage in store branches within universities.



### Worm Farming for Waste Elimination

Provide hands-on knowledge to community members on worm farming to eliminate organic waste in the community.  
**Outcome:** Communities use worm farming knowledge to eliminate organic waste.



### Blue Crab Bank

Launched a campaign to stop over fishing of blue crabs during spawning season to enable sustainable crabbing.  
**Outcome:** This project has returned 48,384,000 crabs per year back to nature.



### Community Public Forum

Organized a community public forum to identify problems and gather local community talent to form an integrated system to address the problems in a way that is consistent with the community's way of life.  
**Outcome:** Developed 45 potential community leaders.



### Chia Tai Teaching Kids to Grow Vegetables

Created integrated learning in collaboration with teachers at Wat Samphanthawong School and Wat Patum Khongkha School leading to a program of "Educational Content with Recreational Quality." This program offers suggestions, encourages teamwork, and teaches children basic farming knowledge.  
**Outcome:** Students see the benefit of agriculture, as well as the relationship and value of vegetable seeds throughout the farming process.



### TNN for Society and Sustainable Environment

Focuses on assisting people impacted by natural disasters.  
**Outcome:** Provided relief to more than 80% of schools and communities in 20 provinces.



### Building Homes for Fish and Bivalve Mollusks

For sustainable communities, the Pathio Shrimp Genetic Improvement Center, Chumphon province, in collaboration with Marine and Coastal Resources Research and Development Center, the Central Gulf of Thailand, and Bang Son Gulf local fishing group, implement marine resource conservation project targeted at baby mussels with partial income returning to community.  
**Outcome:** Fishermen craft used equipment to make mussel nurseries for sale.



### Build Forests, Earn Income Based on Her Royal Highness Princess Maha Chakri Sirindhorn's Initiative

Transformed land usage behavior for highlands by switching from single crop to multi-crop farming to restore the ecosystem and forests.  
**Outcome:** Villagers at Bo Kluea district, Nan province, earn higher income from multi-crop farming.



### Bird Watch Application for Bird Conservation

Developed Bird Watch Application to serve as a database for more than 1,000 species of birds in Thailand with a capability to notify birds that have been spotted.  
**Outcome:** Raised public awareness for bird conservation.



### 1 to Tree Application

Created an app comprising a guessing game for names of trees which can accommodate both Android and IOS systems to instill the love of nature in youth through learning about trees.  
**Outcome:** Youths become more environmentally conscious.



### My Elephant Friend

Installed motion-detection devices on wild elephants which transmit data to the system to inform surveillance officers to ensure a prompt rescue of wild elephants in need.  
**Outcome:** Communities in the area coexist harmoniously with wild elephants.



### Dog Lover Community

Initiated a project to sterilize dogs, to administer rabies vaccination, and to spray tick and flea treatment in the community to reduce the risk of being bitten by stray dogs.  
**Outcome:** Provided a long-term solution to the stray dog problem in communities surrounding 7-11 stores.



### Food Safety Knowledge for Communities

Shared our Group's knowledge of food safety to factory visitors and academic institutions.  
**Outcome:** Societies and communities become more knowledgeable about food safety.

# APPENDIX II



ABOUT THIS REPORT

G4-17, G4-28, G4-30, G4-33

Charoen Pokphand Group Co., Ltd. published this first Sustainability Report with the objective to communicate the commitments to drive the businesses towards economic, social, and environmental sustainability. We aim to publish the Sustainability Report annually.

Unless otherwise stated, this report covers the performance of 10 business groups operating in Thailand from 1 January to 31 December 2016. The report conforms to the Global Reporting Initiative Sustainability Reporting Guidelines Version 4 (GRI G4) at Core Level and is subject to independent third party assurance by Lloyd Register’s Quality Assurance (LRQA) for data on selected indicators.<sup>1</sup> The report further served as the Group’s communication on progress in implementing the Ten Principles of the UN Global Compact at the active level. In addition, we also present our performance in alignment with the United Nations’ Sustainable Development Goals (SDGs).

COMPANIES WITHIN THE SCOPE OF THIS REPORT<sup>2</sup>

COMPANY/ NAME	ENVIRONMENTAL PERFORMANCE				SOCIAL PERFORMANCE	
	ENERGY	WATER	WASTE	EMISSION	SAFETY&HEALTH	HUMAN RESOURCE
Agro-Industry & Food Business Group						
1. Charoen Pokphand Foods PCL.	✓	✓	✓	✓	✓	✓
2. CPF (Thailand) Plc.	✓	✓	✓	✓	✓	✓
3. Bangkok Produce Merchandising Plc.	-	-	-	-	-	✓
4. Chester's Food Co., Ltd.	✓	✓	✓	✓	✓	✓
5. CPF Trading Co., Ltd.	✓	✓	✓	✓	✓	✓
6. C.P. Merchandising Co., Ltd.	-	-	-	-	-	✓
7. CPF Training Center Co., Ltd.	-	-	-	-	-	✓
8. CPF IT Center Co., Ltd.	-	-	-	-	-	✓
9. CPF Premium Foods Co., Ltd.	In the liquidation process					
10. Seafood Enterprise Co., Ltd.	In the liquidation process					
Retail and Distribution Business Group						
11. CP All Plc.	✓	✓	✓	✓	✓	✓
12. Siam Makro Public Company Limited	✓	✓	✓	✓	✓	✓
13. OPRAM Co., Ltd.	✓	✓	✓	✓	✓	✓
Telecommunications Business Group						
14. True Corporation Public Company Limited	✓	✓	✓	✓	✓	✓
15. True Public Communication Co.,Ltd.	✓	✓	✓	✓	✓	✓
16. True Touch Co., Ltd.	✓	✓	✓	✓	✓	✓
17. Asia Wireless Communication Co., Ltd.	✓	✓	✓	✓	✓	✓
18. True Multimedia Co., Ltd.	✓	✓	✓	✓	✓	✓
19. True Internet Corporation Co., Ltd. (formerly True Universal Convergence Co., Ltd.)	✓	✓	✓	✓	✓	✓
20. True Internet Co., Ltd.	✓	✓	✓	✓	✓	✓
21. True Life Plus Co., Ltd.	✓	✓	✓	✓	✓	✓
22. Internet Knowledge Service Center Co., Ltd.	✓	✓	✓	✓	✓	✓
23. KSC Commercial Internet Co., Ltd.	✓	✓	✓	✓	✓	✓
24. True International Gateway Co., Ltd.	✓	✓	✓	✓	✓	✓
25. True Information Technology Co., Ltd.	✓	✓	✓	✓	✓	✓
26. Telecom Holding Co., Ltd.	✓	✓	✓	✓	✓	✓
27. True Move H Universal Communication Co., Ltd	✓	✓	✓	✓	✓	✓
28. True Move Co., Ltd.	✓	✓	✓	✓	✓	✓
29. True Distribution and Sales Co., Ltd.	✓	✓	✓	✓	✓	✓

1 LRQA evaluated the reliability of data and information for G4-EN8 and G4-EN16. Please see more details on page 186  
2 CPF Food Research and Development Center Co., Ltd. is not included in the scope of this report due to its ongoing construction which is expected to be finished in 2017.

COMPANIES WITHIN THE SCOPE OF THIS REPORT<sup>2</sup>

COMPANY/ NAME	ENVIRONMENTAL PERFORMANCE				SOCIAL PERFORMANCE	
	ENERGY	WATER	WASTE	EMISSION	SAFETY&HEALTH	HUMAN RESOURCE
30. True Music Co., Ltd.	✓	✓	✓	✓	✓	✓
31. Telecom Asset Management Co., Ltd.	✓	✓	✓	✓	✓	✓
32. Real Move Co., Ltd.	✓	✓	✓	✓	✓	✓
33. True International Communication Co., Ltd.	✓	✓	✓	✓	✓	✓
34. BFKT (Thailand) Limited.	✓	✓	✓	✓	✓	✓
35. True Visions Group Co., Ltd.	✓	✓	✓	✓	✓	✓
36. True Visions Public Company Limited	✓	✓	✓	✓	✓	✓
37. Cineplex Co., Ltd.	✓	✓	✓	✓	✓	✓
38. True Visions Cable Public Company Limited	✓	✓	✓	✓	✓	✓
39. Satellite Service Co., Ltd.	✓	✓	✓	✓	✓	✓
40. Panther Entertainment Co., Ltd.	✓	✓	✓	✓	✓	✓
41. AP&J Productions Co., Ltd.	✓	✓	✓	✓	✓	✓
42. True Media Solutions Co., Ltd. (formerly True Digital Media Co., Ltd.)	✓	✓	✓	✓	✓	✓
43. True United Football Club Co., Ltd.	✓	✓	✓	✓	✓	✓
44. SM True Co., Ltd.	✓	✓	✓	✓	✓	✓
45. Thai News Network (TNN) Co., Ltd.	✓	✓	✓	✓	✓	✓
46. True4U Station Co., Ltd.	✓	✓	✓	✓	✓	✓
47. Tele Engineering and Services Co., Ltd.	✓	✓	✓	✓	✓	✓
Seeds, Fertilizers, and Plant Protection Product Business Grop						
48. Chia Tai Company Limited	✓	✓	✓	✓	✓	✓
International Trading						
49. C.P. Intertrade Co., Ltd.	✓	✓	✓	✓	✓	✓
50. Khao C.P. Co., Ltd	✓	✓	✓	✓	✓	✓
51. Ayutthaya Port & ICD Co., Ltd.	✓	✓	✓	✓	✓	✓
Integrated Crops Business Group						
52. Charoen Pokphand Produce Co. Ltd.	✓	✓	✓	✓	✓	✓
53. Charoen Pokphand Agriculture Co., Ltd.	✓	✓	✓	✓	✓	✓
54. Charoen Pokphand Engineering co. ltd	✓	✓	✓	✓	✓	✓
Property Development Business Group						
55. C.P. LAND Co., Ltd. (PCL)	✓	✓	✓	✓	✓	✓
Pet Business Group						
56. Perfect Companion Group Co., Ltd.	✓	✓	✓	✓	✓	✓
Plastic Business Group						
57. CPPC Public Company Limited	✓	✓	✓	✓	✓	✓

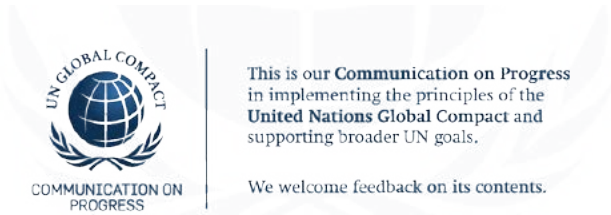
Contact Point<sup>G4-31</sup>

For additional information or inquiries on this report, please contact us at Office of Corporate Communications Affairs, Charoen Pokphand Group

12<sup>th</sup> Floor, C.P. Tower 313 Silom Road, Bangrak, Bangkok 10500

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# SUSTAINABILITY PERFORMANCE DURING 2014-2016

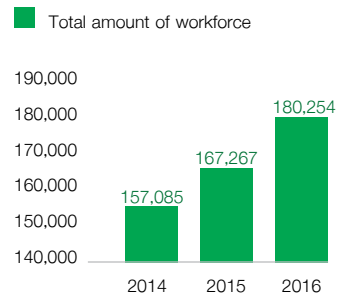
## CHAROEN POKPHAND GROUP

### (COVERING 10 BUSINESS GROUPS IN THAILAND)

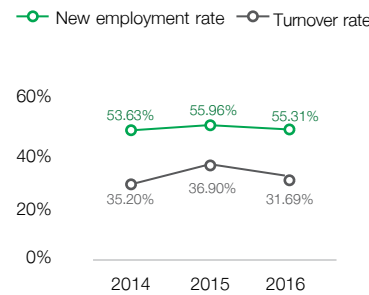
## SOCIAL PERFORMANCE DATA

### Overview Workforce Data for Occupational Health and Safety

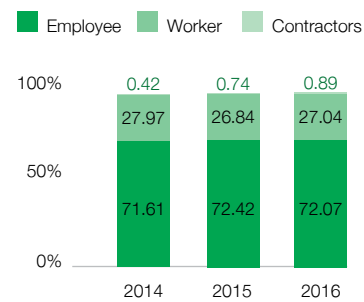
#### Total Workforce Data (persons)



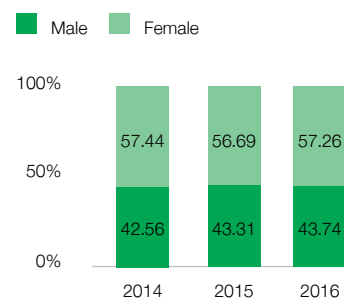
#### New Employee Hires and Employee Turnover Rates (%)



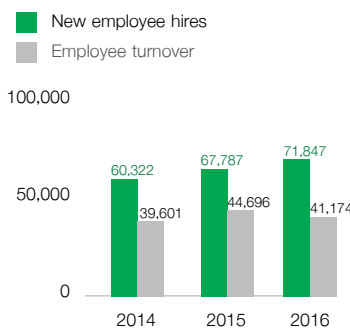
#### Workforce by Employment Type (%)



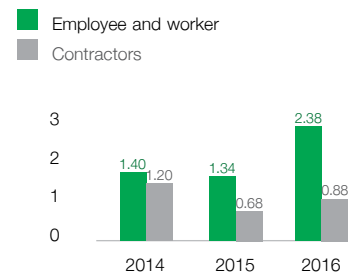
#### Workforce by Gender (%)



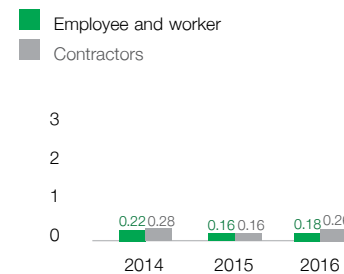
#### Numbers of New Employee Hires and its Turnover (persons)



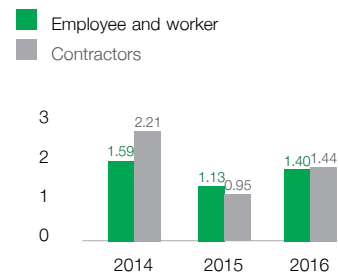
#### Injury Rate (cases per 200,000 hours worked)



#### Lost Time Injury Rate (cases per 200,000 hours worked)



#### Lost Day Injury Rate (lost days per 200,000 hours worked)



#### Remark:

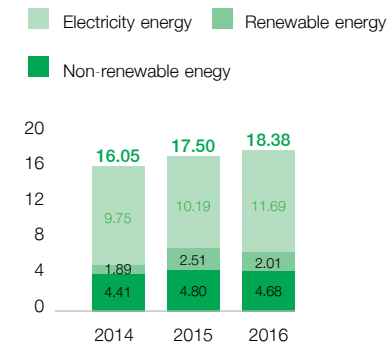
- Record of all training hours which not include in case of employees leverage on their education both for Master and Doctor Degree in local and oversea, excluding any training courses, continually, during 2013-2014 and 2014-2015 (G4-LA9)
- Injury means that any accident happened during working time covering through First Aid and Absent more than 1 day up.
- Lost time injury is any injuries that ultimately lead to loss of working day (1 or more) (Starting to count the day after date of accident).
- Severe level (or violence) of Injury counting from the number of actual absent working days
- Injury Rate (IR) = Total number of injuries at all levels (cases) over the reporting period x 200,000 hours worked / Total hours worked (over the reporting period)
- Lost Time Injury Rate (LTIR) = Total number of lost time Injuries (cases) over the reporting period x 200,000 hours worked/ Total hours worked (over the reporting period)
- Lost Day Injury Rate (LDIR) = Total number of lost days (days) over the reporting period x 200,000 hours worked / Total hours worked (over the reporting period)

## OVERVIEW ENVIRONMENTAL PERFORMANCE

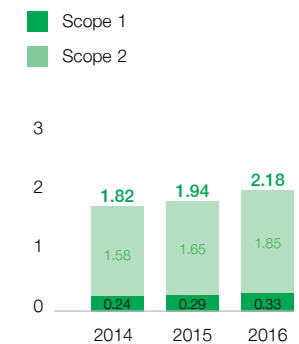
### OPERATIONAL ECO-EFFICIENCY

	2014	2015	2016	Differentiate 2015/2016	Target 2020
GHG intensity (tons CO <sub>2</sub> e per THB million of revenue)	2.49	2.53	2.64	4.35%	2.27
Water withdrawal intensity (m <sup>3</sup> per THB million of revenue)	476	272	244	(10.29%)	245
Energy intensity (GJ per THB million of revenue)	21.96	22.93	22.22	(3.10%)	-
Waste intensity (tons per THB million of revenue)	0.63	0.77	0.70	(9.09%)	-

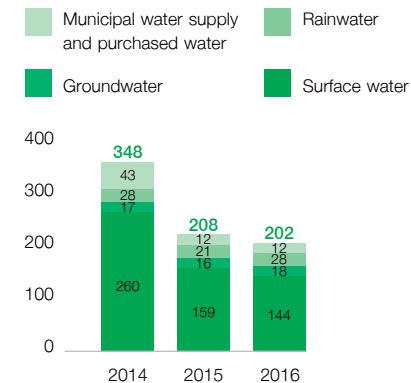
#### Total energy consumption (million GJ)



#### GHG emissions (in scope 1 & 2) (million tons CO<sub>2</sub>e)



#### Total water withdrawal (million m<sup>3</sup>)



#### Total waste generation (thousand tons)



#### (Environmental Appendix)

- The calculation method under this SD report is in accordance with GRI G4 (G4-EN23)
  - Total fuel consumption = The summation of all types of fuel resources consumption multiple by its heating value (in each) - Unit in GJ per month - (Note that all conversion factors refers to Annual Thailand Energy Report, Department of Alternative Energy Development and Efficiency)
  - Electricity consumption = The summation of electricity used (in kilowatt-hour) multiple by 3.6 (unit in GJ per month)
  - Total Energy Consumption = any fuel consumption + any alternative energy consumption + any electricity consumption (unit in GJ per month)
- Reporting scope of Energy Intensity per revenue covering through the utilization of any deleting energy resources for example: coal, diesel, gasoline, bunker oil, LPG and natural gas including with renewable energy such as biogas, biomass (i.e. rice husk, charcoal, cashew nutshells, scrap wood, corn cob, palm kernel shells and sawdust etc.), Biodiesel and electricity consumed within organization (G4-EN5)
- Reporting scope of GHG emission covering through CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O which calculating and showing in form of CO<sub>2</sub> equivalent that generates GWP (Global Warming Potential) which referring to IPCC specification (Intergovernmental Panel on Climate Change 2006). Meanwhile the figure of emission factors also refers to IPCC and Thailand Greenhouse Gas Management Organization (Public Organization). (G4-EN15, G4-EN16)
- GHG intensity per revenue covering through GHG scope 1 and scope 2. However, GHG scope 1 only includes GHG emission from fuel combustion sources, except biogas combustion by flaring. (G4-EN18)
- Total water consumption is collected by using data from water meter, water bill, calculating from flow rate of water pump and average volume of rainwater from Meteorological Department (G4-EN8)
- Total volume of Reuse and Recycle water is calculated by using data from water meter and flow rate of water pump. (G4-EN10)
- The quantity of Hazardous and Non-Hazardous Wastes that stored within organization is an accumulated figure in previous year. (G4-EN23)
- The total quantity of waste generation is a figure of Non-Hazardous Waste and Hazardous waste generation in each year. And, for quantity of waste storing within organization, it coming from the figure of waste accumulation in present year minus with quantity of waste accumulation in previous year. (G4-EN23)
- All information about waste disposal methods already approval from Waste Disposers which also refer to waste manifest from its transportation (G4-EN23)





## SUSTAINABILITY PERFORMANCE DURING 2014-2016

# CHAROEN POKPHAND GROUP

(COVERING 10 BUSINESS GROUPS IN THAILAND)

GRI 2014 2015 2016

### SOCIAL PERFORMANCE

#### Workforce Data

G4-10	Total workforce (persons)	157,085	167,267	180,254
G4-10	Workforce by employment type (%)			
	• Employees	71.61	72.42	72.07
	• Workers	27.97	26.84	27.04
	• Contractors	0.42	0.74	0.89
G4-LA1	Workforce by Gender (%)			
	• Male	42.56	43.31	43.74
	• Female	57.44	56.69	57.26
G4-LA1	Employment			
	• Number of new employee hires (persons)	60,322	67,787	71,847
	• New employee hires rate (%)	53.63	55.96	55.31
G4-LA1	Employee Turnover			
	• Number of employee turnover (person)	39,601	44,696	41,174
	• Employee turnover rate (%)	35.21	36.90	31.69
G4-LA9	Average training hours (hours per person per year)	16	25	30

#### Occupational Health and Safety Data

G4-LA6	Injury rate (case per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	1.40	1.34	2.38
	• Contractors	1.20	0.68	0.88
	Lost Time Injury Rate (cases per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	0.22	0.16	0.18
	• Contractors	0.28	0.16	0.26
	Lost Day Rate (days per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	1.59	1.13	1.40
	• Contractors	2.21	0.95	1.44

### ENVIRONMENTAL PERFORMANCE

G4-EN3	Total energy consumption (million GJ)	16.05	17.50	18.37
	• Non-renewable energy (million GJ)	4.41	4.80	4.68
	• Renewable energy (million GJ)	1.89	2.51	2.01
	• Electricity (million GJ)	9.75	10.19	11.69
G4-EN5	Energy intensity (GJ per THB million of revenue)	21.96	22.93	22.22
	Total GHG emissions (tons CO <sub>2</sub> e)	1,817,257	1,933,222	2,187,048
G4-EN15	GHG emissions (scope 1) (tons CO <sub>2</sub> e)	241,694	285,210	332,795
G4-EN16	GHG emissions (scope 2) (tons CO <sub>2</sub> e)	1,575,563	1,648,012	1,854,254
G4-EN18	GHG emission intensity (tons CO <sub>2</sub> e per THB million of revenue)	2.49	2.53	2.64
G4-EN8	Water withdrawal (million m <sup>3</sup> )	347.59	207.88	202.03
	• Surface water (million m <sup>3</sup> )	259.73	159.11	144.45
	• Groundwater (million m <sup>3</sup> )	16.95	15.84	17.59
	• Rainwater (million m <sup>3</sup> )	27.71	20.96	27.50
	• Municipal water supply and purchased water (million m <sup>3</sup> )	43.20	11.96	12.49
	Water withdrawal intensity (m <sup>3</sup> per THB million of revenue)	475.69	272.36	244.29
G4-EN10	Reused and recycled water (million m <sup>3</sup> )	82.95	34.93	24.61
G4-EN22	Water discharge (million m <sup>3</sup> )	118.34	85.10	97.95
G4-EN23	Total waste generation (tons)	460,380	587,649	578,202
	• Non-hazardous waste (tons)	458,974	585,555	574,939
	• Hazardous waste (tons)	1,406	2,094	3,263
	Waste intensity (tons per THB million of revenue)	0.63	0.77	0.70



## SUSTAINABILITY PERFORMANCE DURING 2014-2016

# AGRO-INDUSTRY & FOOD BUSINESS GROUP

GRI 2014 2015 2016

### SOCIAL PERFORMANCE

#### Workforce Data

G4-10	Total workforce (persons)	62,209	62,820	66,087
G4-10	Workforce by employment type (%)			
	• Employees	32.37	31.44	29.34
	• Workers	67.63	68.06	70.05
	• Contractors	-	0.50	0.61
G4-LA1	Workforce by Gender (%)			
	• Male	46.54	49.67	49.15
	• Female	53.46	50.33	50.85
G4-LA1	Employment			
	• Number of new employee hires (persons)	1,468	1,281	922
	• New employee hires rate (%)	7.29	6.49	4.76
G4-LA1	Employee Turnover			
	• Number of employee turnover (person)	1,893	2,007	1,941
	• Employee turnover rate (%)	9.40	10.16	10.01
G4-LA9	Average training hours (hours per person per year)	12	18	15

#### Occupational Health and Safety Data

G4-LA6	Injury rate (case per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	4.16	3.51	7.52
	• Contractors	0.71	0.02	0.03
	Lost Time Injury Rate (cases per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	0.40	0.25	0.35
	• Contractors	0.08	-	0.01
	Lost Day Rate (days per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	3.01	2.07	2.93
	• Contractors	0.93	0.04	0.15

### ENVIRONMENTAL PERFORMANCE

G4-EN3	Total energy consumption (million GJ)	9.67	10.38	9.58
	• Non-renewable energy (million GJ)	3.56	3.86	3.25
	• Renewable energy (million GJ)	1.78	2.44	1.97
	• Electricity (million GJ)	4.33	4.08	4.36
G4-EN5	Energy intensity (GJ per THB million of revenue)	55.18	62.15	53.67
	Total GHG emissions (tons CO <sub>2</sub> e)	890,000	880,000	910,000
G4-EN15	GHG emissions (scope 1) (tons CO <sub>2</sub> e)	190,000	220,000	240,000
G4-EN16	GHG emissions (scope 2) (tons CO <sub>2</sub> e)	700,000	660,000	670,000
G4-EN18	GHG emission intensity (tons CO <sub>2</sub> e per THB million of revenue)	5.08	5.27	5.10
G4-EN8	Water withdrawal (million m <sup>3</sup> )	341.93	201.35	195.14
	• Surface water (million m <sup>3</sup> )	258.64	157.71	143.18
	• Groundwater (million m <sup>3</sup> )	16.60	15.08	16.51
	• Rainwater (million m <sup>3</sup> )	27.29	20.62	27.11
	• Municipal water supply and purchased water (million m <sup>3</sup> )	39.40	7.94	8.34
	Water withdrawal intensity (m <sup>3</sup> per THB million of revenue)	1,950.83	1,205.35	1,092.70
G4-EN10	Reused and recycled water (million m <sup>3</sup> )	82.69	34.59	24.16
G4-EN22	Water discharge (million m <sup>3</sup> )	115.33	81.88	94.41
G4-EN23	Total waste generation (tons)	440,700	440,670	440,104
	• Non-hazardous waste (tons)	440,000	440,000	438,946
	• Hazardous waste (tons)	700	670	1,158
	Waste intensity (tons per THB million of revenue)	2.51	2.64	2.46





## SUSTAINABILITY PERFORMANCE DURING 2014-2016

### RETAIL AND DISTRIBUTION BUSINESS GROUP

GRI	2014	2015	2016
SOCIAL PERFORMANCE			

#### Workforce Data

G4-10	Total workforce (persons)	66,351	73,462	80,781
G4-10	Workforce by employment type (%)			
	• Employees	99.89	99.87	99.29
	• Workers	-	-	0.17
	• Contractors	0.11	0.13	0.54
G4-LA1	Workforce by Gender (%)			
	• Male	35.61	35.68	34.92
	• Female	64.39	64.32	65.08
G4-LA1	Employment			
	• Number of new employee hires (persons)	50,143	58,333	60,874
	• New employee hires rate (%)	75.66	79.51	75.90
G4-LA1	Employee Turnover			
	• Number of employee turnover (person)	35,619	40,444	37,118
	• Employee turnover rate (%)	53.74	55.13	46.28
G4-LA9	Average training hours (hours per person per year)	23	30	40

#### Occupational Health and Safety Data

G4-LA6	Injury rate (case per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	0.43	0.30	0.27
	• Contractors	1.17	1.53	1.41
	Lost Time Injury Rate (cases per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	0.14	0.10	0.10
	• Contractors	0.33	0.39	0.44
	Lost Day Rate (days per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	0.80	0.54	0.46
	• Contractors	2.44	2.50	2.32

### ENVIRONMENTAL PERFORMANCE

G4-EN3	Total energy consumption (million GJ)	3.35	3.76	4.25
	• Non-renewable energy (million GJ)	0.20	0.26	0.35
	• Renewable energy (million GJ)	-	-	-
	• Electricity (million GJ)	3.15	3.50	3.90
G4-EN5	Energy intensity (GJ per THB million of revenue)	9.02	9.26	9.40
	Total GHG emissions (tons CO <sub>2</sub> e)	523,452	584,700	654,789
G4-EN15	GHG emissions (scope 1) (tons CO <sub>2</sub> e)	14,663	18,519	24,920
G4-EN16	GHG emissions (scope 2) (tons CO <sub>2</sub> e)	508,789	566,181	629,869
G4-EN18	GHG emission intensity (tons CO <sub>2</sub> e per THB million of revenue)	1.41	1.44	1.45
G4-EN8	Water withdrawal (million m <sup>3</sup> )	3.14	3.56	3.96
	• Surface water (million m <sup>3</sup> )	-	-	-
	• Groundwater (million m <sup>3</sup> )	0.25	0.59	0.94
	• Rainwater (million m <sup>3</sup> )	-	-	-
	• Municipal water supply and purchased water (million m <sup>3</sup> )	2.89	2.97	3.02
	Water withdrawal intensity (m <sup>3</sup> per THB million of revenue)	8.45	8.78	8.75
G4-EN10	Reused and recycled water (million m <sup>3</sup> )	0.26	0.23	0.20
G4-EN22	Water discharge (million m <sup>3</sup> )	1.92	2.06	2.31
G4-EN23	Total waste generation (tons)	7,214	131,111	118,635
	• Non-hazardous waste (tons)	7,206	130,556	117,364
	• Hazardous waste (tons)	8	555	1,271
	Waste intensity (tons per THB million of revenue)	0.02	0.32	0.26



## SUSTAINABILITY PERFORMANCE DURING 2014-2016

### TELECOMMUNICATIONS BUSINESS GROUP

GRI	2014	2015	2016
SOCIAL PERFORMANCE			

#### Workforce Data

G4-10	Total workforce (persons)	21,180	22,278	23,923
G4-10	Workforce by employment type (%)			
	• Employees	100	100	100
	• Workers	-	-	-
	• Contractors	-	-	-
G4-LA1	Workforce by Gender (%)			
	• Male	46.78	46.14	45.12
	• Female	53.22	53.86	54.88
G4-LA1	Employment			
	• Number of new employee hires (persons)	8,048	7,096	8,644
	• New employee hires rate (%)	38.00	31.85	36.13
G4-LA1	Employee Turnover			
	• Number of employee turnover (person)	1,444	1,369	1,194
	• Employee turnover rate (%)	6.82	6.15	4.99
G4-LA9	Average training hours (hours per person per year)	-	15	14

#### Occupational Health and Safety Data

G4-LA6	Injury rate (case per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	0.06	0.03	0.04
	• Contractors	-	-	-
	Lost Time Injury Rate (cases per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	0.05	0.02	0.02
	• Contractors	-	-	-
	Lost Day Rate (days per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	0.25	0.53	0.34
	• Contractors	-	-	-

### ENVIRONMENTAL PERFORMANCE

G4-EN3	Total energy consumption (million GJ)	1.74	2.10	2.92
	• Non-renewable energy (million GJ)	0.21	0.26	0.28
	• Renewable energy (million GJ)	-	-	-
	• Electricity (million GJ)	1.53	1.84	2.64
G4-EN5	Energy intensity (GJ per THB million of revenue)	15.90	17.70	23.42
	Total GHG emissions (tons CO <sub>2</sub> e)	262,601	315,552	446,776
G4-EN15	GHG emissions (scope 1) (tons CO <sub>2</sub> e)	15,486	18,235	20,465
G4-EN16	GHG emissions (scope 2) (tons CO <sub>2</sub> e)	247,115	297,317	426,311
G4-EN18	GHG emission intensity (tons CO <sub>2</sub> e per THB million of revenue)	2.40	2.66	3.58
G4-EN8	Water withdrawal (million m <sup>3</sup> )	0.14	0.19	0.23
	• Surface water (million m <sup>3</sup> )	-	-	-
	• Groundwater (million m <sup>3</sup> )	-	-	-
	• Rainwater (million m <sup>3</sup> )	-	-	-
	• Municipal water supply and purchased water (million m <sup>3</sup> )	0.14	0.19	0.23
	Water withdrawal intensity (m <sup>3</sup> per THB million of revenue)	1.32	1.57	1.82
G4-EN10	Reused and recycled water (million m <sup>3</sup> )	-	-	-
G4-EN22	Water discharge (million m <sup>3</sup> )	0.12	0.15	0.18
G4-EN23	Total waste generation (tons)	2,824	3,136	3,312
	• Non-hazardous waste (tons)	2,753	2,896	3,110
	• Hazardous waste (tons)	71	240	202
	Waste intensity (tons per THB million of revenue)	0.03	0.03	0.03





## SUSTAINABILITY PERFORMANCE DURING 2014-2016

### SEEDS, FERTILIZERS AND PLANT PROTECTION PRODUCTS BUSINESS GROUP

GRI	2014	2015	2016
SOCIAL PERFORMANCE			

#### Workforce Data

G4-10	Total workforce (persons)	1,069	965	997
G4-10	Workforce by employment type (%)			
	• Employees	99.53	99.48	99.00
	• Workers	0.47	0.52	1.00
	• Contractors	-	-	-
G4-LA1	Workforce by Gender (%)			
	• Male	50.89	51.71	53.46
	• Female	49.11	48.29	46.54
G4-LA1	Employment			
	• Number of new employee hires (persons)	69	63	93
	• New employee hires rate (%)	6.49	6.56	9.42
G4-LA1	Employee Turnover			
	• Number of employee turnover (person)	66	32	49
	• Employee turnover rate (%)	6.20	3.33	4.96
G4-LA9	Average training hours (hours per person per year)	13	13	12

#### Occupational Health and Safety Data

G4-LA6	Injury rate (case per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	0.77	0.38	2.11
	• Contractors	-	-	2.21
	Lost Time Injury Rate (cases per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	0.26	0.13	0.65
	• Contractors	-	-	1.10
	Lost Day Rate (days per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	0.26	0.38	6.82
	• Contractors	-	-	3.86

### ENVIRONMENTAL PERFORMANCE

G4-EN3	Total energy consumption (million GJ)	0.03	0.04	0.05
	• Non-renewable energy (million GJ)	0.01	0.02	0.02
	• Renewable energy (million GJ)	-	-	-
	• Electricity (million GJ)	0.02	0.02	0.03
G4-EN5	Energy intensity (GJ per THB million of revenue)	1.63	2.23	2.76
	Total GHG emissions (tons CO <sub>2</sub> e)	4,342	4,975	6,041
G4-EN15	GHG emissions (scope 1) (tons CO <sub>2</sub> e)	1,085	1,543	1,633
G4-EN16	GHG emissions (scope 2) (tons CO <sub>2</sub> e)	3,257	3,432	4,408
G4-EN18	GHG emission intensity (tons CO <sub>2</sub> e per THB million of revenue)	0.21	0.27	0.34
G4-EN8	Water withdrawal (million m <sup>3</sup> )	0.03	0.10	0.07
	• Surface water (million m <sup>3</sup> )	-	-	-
	• Groundwater (million m <sup>3</sup> )	-	0.08	0.04
	• Rainwater (million m <sup>3</sup> )	0.01	0.01	0.01
	• Municipal water supply and purchased water (million m <sup>3</sup> )	0.02	0.01	0.02
	Water withdrawal intensity (m <sup>3</sup> per THB million of revenue)	1.27	5.66	3.79
G4-EN10	Reused and recycled water (million m <sup>3</sup> )	-	-	-
G4-EN22	Water discharge (million m <sup>3</sup> )	<0.01	<0.01	0.02
G4-EN23	Total waste generation (tons)	447	627	513
	• Non-hazardous waste (tons)	195	301	279
	• Hazardous waste (tons)	252	326	234
	Waste intensity (tons per THB million of revenue)	0.02	0.03	0.03



## SUSTAINABILITY PERFORMANCE DURING 2014-2016

### INTERNATIONAL TRADING BUSINESS GROUP

GRI	2014	2015	2016
SOCIAL PERFORMANCE			

#### Workforce Data

G4-10	Total workforce (persons)	1,161	1,301	1,331
G4-10	Workforce by employment type (%)			
	• Employees	56.76	47.96	53.27
	• Workers	27.39	20.68	17.20
	• Contractors	15.85	31.36	29.53
G4-LA1	Workforce by Gender (%)			
	• Male	52.02	50.81	49.81
	• Female	47.98	49.19	50.19
G4-LA1	Employment			
	• Number of new employee hires (persons)	32	35	75
	• New employee hires rate (%)	4.86	5.61	10.58
G4-LA1	Employee Turnover			
	• Number of employee turnover (person)	63	65	51
	• Employee turnover rate (%)	9.56	10.42	7.19
G4-LA9	Average training hours (hours per person per year)	24	24	16

#### Occupational Health and Safety Data

G4-LA6	Injury rate (case per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	1.66	1.32	0.32
	• Contractors	2.11	0.57	1.98
	Lost Time Injury Rate (cases per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	1.11	1.32	0.32
	• Contractors	1.69	-	1.58
	Lost Day Rate (days per 200,0000 hours worked)			
	• Employees, workers, and supervised workers	10.64	4.12	1.77
	• Contractors	12.80	-	5.93

### ENVIRONMENTAL PERFORMANCE

G4-EN3	Total energy consumption (million GJ)	0.33	0.24	0.20
	• Non-renewable energy (million GJ)	0.08	0.05	0.03
	• Renewable energy (million GJ)	0.11	0.07	0.04
	• Electricity (million GJ)	0.14	0.12	0.13
G4-EN5	Energy intensity (GJ per THB million of revenue)	9.45	7.92	7.30
	Total GHG emissions (tons CO <sub>2</sub> e)	24,595	21,755	23,076
G4-EN15	GHG emissions (scope 1) (tons CO <sub>2</sub> e)	2,535	2,545	2,278
G4-EN16	GHG emissions (scope 2) (tons CO <sub>2</sub> e)	22,060	19,210	20,798
G4-EN18	GHG emission intensity (tons CO <sub>2</sub> e per THB million of revenue)	0.71	0.72	0.85
G4-EN8	Water withdrawal (million m <sup>3</sup> )	0.17	0.15	0.18
	• Surface water (million m <sup>3</sup> )	0.11	0.11	0.14
	• Groundwater (million m <sup>3</sup> )	0.03	0.03	0.03
	• Rainwater (million m <sup>3</sup> )	-	-	-
	• Municipal water supply and purchased water (million m <sup>3</sup> )	0.03	0.01	0.01
	Water withdrawal intensity (m <sup>3</sup> per THB million of revenue)	4.96	5.17	6.58
G4-EN10	Reused and recycled water (million m <sup>3</sup> )	-	-	-
G4-EN22	Water discharge (million m <sup>3</sup> )	0.14	0.12	0.14
G4-EN23	Total waste generation (tons)	1,619	740	1,291
	• Non-hazardous waste (tons)	1,616	736	1,287
	• Hazardous waste (tons)	3	4	4
	Waste intensity (tons per THB million of revenue)	0.05	0.02	0.05





## SUSTAINABILITY PERFORMANCE DURING 2014-2016 INTEGRATED CROPS BUSINESS GROUP

GRI 2014 2015 2016

### SOCIAL PERFORMANCE

#### Workforce Data

G4-10	Total workforce (persons)	1,484	1,593	1,603
G4-10	Workforce by employment type (%)			
	• Employees	60.38	54.05	54.40
	• Workers	34.70	39.11	38.62
	• Contractors	4.92	6.84	6.98
G4-LA1	Workforce by Gender (%)			
	• Male	66.11	65.91	65.94
	• Female	33.89	34.09	34.06
G4-LA1	Employment			
	• Number of new employee hires (persons)	72	46	98
	• New employee hires rate (%)	8.04	5.34	11.24
G4-LA1	Employee Turnover			
	• Number of employee turnover (person)	101	53	73
	• Employee turnover rate (%)	11.27	6.16	8.37
G4-LA9	Average training hours (hours per person per year)	17	12	4

#### Occupational Health and Safety Data

G4-LA6	Injury rate (case per 200,000 hours worked)			
	• Employees, workers, and supervised workers	0.67	0.62	0.92
	• Contractors	-	-	8.05
	Lost Time Injury Rate (cases per 200,000 hours worked)			
	• Employees, workers, and supervised workers	0.22	-	0.53
	• Contractors	-	-	2.68
	Lost Day Rate (days per 200,000 hours worked)			
	• Employees, workers, and supervised workers	0.45	-	18.89
	• Contractors	-	-	21.46

### ENVIRONMENTAL PERFORMANCE

G4-EN3	Total energy consumption (million GJ)	0.11	0.12	0.12
	• Non-renewable energy (million GJ)	0.07	0.08	0.07
	• Renewable energy (million GJ)	-	-	-
	• Electricity (million GJ)	0.04	0.04	0.05
G4-EN5	Energy intensity (GJ per THB million of revenue)	21.56	17.22	15.58
	Total GHG emissions (tons CO <sub>2</sub> e)	7,813	10,456	12,208
G4-EN15	GHG emissions (scope 1) (tons CO <sub>2</sub> e)	2,021	4,494	4,773
G4-EN16	GHG emissions (scope 2) (tons CO <sub>2</sub> e)	5,792	5,962	7,435
G4-EN18	GHG emission intensity (tons CO <sub>2</sub> e per THB million of revenue)	1.55	1.61	1.59
G4-EN8	Water withdrawal (million m <sup>3</sup> )	1.07	1.32	1.24
	• Surface water (million m <sup>3</sup> )	0.61	0.95	0.80
	• Groundwater (million m <sup>3</sup> )	0.06	0.06	0.07
	• Rainwater (million m <sup>3</sup> )	0.40	0.31	0.37
	• Municipal water supply and purchased water (million m <sup>3</sup> )	-	-	-
	Water withdrawal intensity (m <sup>3</sup> per THB million of revenue)	212.91	203.32	161.67
G4-EN10	Reused and recycled water (million m <sup>3</sup> )	-	0.11	0.25
G4-EN22	Water discharge (million m <sup>3</sup> )	0.03	0.03	0.03
G4-EN23	Total waste generation (tons)	222	884	1,978
	• Non-hazardous waste (tons)	222	883	1,973
	• Hazardous waste (tons)	-	1	5
	Waste intensity (tons per THB million of revenue)	0.04	0.14	0.26



## SUSTAINABILITY PERFORMANCE DURING 2014-2016 PROPERTY DEVELOPMENT BUSINESS GROUP

GRI 2557 2558 2559

### SOCIAL PERFORMANCE

#### Workforce Data

G4-10	Total workforce (persons)	-	756	759
G4-10	Workforce by employment type (%)			
	• Employees	-	91.14	90.65
	• Workers	-	8.86	9.35
	• Contractors	-	-	-
G4-LA1	Workforce by Gender (%)			
	• Male	-	55.69	53.49
	• Female	-	44.31	46.51
G4-LA1	Employment			
	• Number of new employee hires (persons)	-	186	233
	• New employee hires rate (%)	-	27.00	33.87
G4-LA1	Employee Turnover			
	• Number of employee turnover (person)	-	164	170
	• Employee turnover rate (%)	-	23.80	24.71
G4-LA9	Average training hours (hours per person per year)	-	10	10

#### Occupational Health and Safety Data

G4-LA6	Injury rate (case per 200,000 hours worked)			
	• Employees, workers, and supervised workers	1.38	0.61	0.56
	• Contractors	-	-	-
	Lost Time Injury Rate (cases per 200,000 hours worked)			
	• Employees, workers, and supervised workers	1.38	0.61	0.56
	• Contractors	-	-	-
	Lost Day Rate (days per 200,000 hours worked)			
	• Employees, workers, and supervised workers	5.32	1.68	1.26
	• Contractors	-	-	-

### ENVIRONMENTAL PERFORMANCE

G4-EN3	Total energy consumption (million GJ)	0.12	0.12	0.12
	• Non-renewable energy (million GJ)	0.02	0.02	0.02
	• Renewable energy (million GJ)	-	-	-
	• Electricity (million GJ)	0.10	0.10	0.10
G4-EN5	Energy intensity (GJ per THB million of revenue)	114.29	79.37	51.74
	Total GHG emissions (tons CO <sub>2</sub> e)	18,030	17,930	17,317
G4-EN15	GHG emissions (scope 1) (tons CO <sub>2</sub> e)	1,146	1,301	1,365
G4-EN16	GHG emissions (scope 2) (tons CO <sub>2</sub> e)	16,884	16,629	15,952
G4-EN18	GHG emission intensity (tons CO <sub>2</sub> e per THB million of revenue)	17.20	11.83	7.67
G4-EN8	Water withdrawal (million m <sup>3</sup> )	0.51	0.57	0.58
	• Surface water (million m <sup>3</sup> )	<0.01	<0.01	<0.01
	• Groundwater (million m <sup>3</sup> )	-	-	-
	• Rainwater (million m <sup>3</sup> )	-	-	-
	• Municipal water supply and purchased water (million m <sup>3</sup> )	0.51	0.57	0.58
	Water withdrawal intensity (m <sup>3</sup> per THB million of revenue)	489.81	378.25	257.89
G4-EN10	Reused and recycled water (million m <sup>3</sup> )	-	-	-
G4-EN22	Water discharge (million m <sup>3</sup> )	0.41	0.45	0.46
G4-EN23	Total waste generation (tons)	1,263	1,269	1,451
	• Non-hazardous waste (tons)	1,263	1,269	1,451
	• Hazardous waste (tons)	-	-	-
	Waste intensity (tons per THB million of revenue)	1.20	0.84	0.64





## SUSTAINABILITY PERFORMANCE DURING 2014-2016

### PLASTICS BUSINESS GROUP

GRI 2014 2015 2016

#### SOCIAL PERFORMANCE

##### Workforce Data

G4-10	Total workforce (persons)	2,177	2,515	2,666
G4-10	Workforce by employment type (%)			
	• Employees	64.91	67.79	66.54
	• Workers	28.16	26.88	28.21
	• Contractors	6.93	5.33	5.25
G4-LA1	Workforce by Gender (%)			
	• Male	53.74	41.39	55.29
	• Female	46.26	58.61	44.71
G4-LA1	Employment			
	• Number of new employee hires (persons)	320	615	545
	• New employee hires rate (%)	22.65	36.07	30.72
G4-LA1	Employee Turnover			
	• Number of employee turnover (person)	292	461	369
	• Employee turnover rate (%)	20.66	27.04	20.80
G4-LA9	Average training hours (hours per person per year)	23	20	18

##### Occupational Health and Safety Data

G4-LA6	Injury rate (case per 200,000 hours worked)			
	• Employees, workers, and supervised workers	3.72	2.46	3.62
	• Contractors	3.39	3.37	0.89
	Lost Time Injury Rate (cases per 200,000 hours worked)			
	• Employees, workers, and supervised workers	1.24	1.06	1.19
	• Contractors	0.00	1.69	-
	Lost Day Rate (days per 200,000 hours worked)			
	• Employees, workers, and supervised workers	21.34	9.86	16.76
	• Contractors	-	50.57	-

#### ENVIRONMENTAL PERFORMANCE

G4-EN3	Total energy consumption (million GJ)	0.39	0.45	0.54
	• Non-renewable energy (million GJ)	0.06	0.06	0.07
	• Renewable energy (million GJ)	-	-	-
	• Electricity (million GJ)	0.33	0.39	0.47
G4-EN5	Energy intensity (GJ per THB million of revenue)	59.66	64.70	64.79
	Total GHG emissions (tons CO <sub>2</sub> e)	57,002	66,724	79,947
G4-EN15	GHG emissions (scope 1) (tons CO <sub>2</sub> e)	3,667	3,661	4,067
G4-EN16	GHG emissions (scope 2) (tons CO <sub>2</sub> e)	53,335	63,063	75,880
G4-EN18	GHG emission intensity (tons CO <sub>2</sub> e per THB million of revenue)	8.73	9.63	9.68
G4-EN8	Water withdrawal (million m <sup>3</sup> )	0.46	0.47	0.47
	• Surface water (million m <sup>3</sup> )	0.37	0.33	0.33
	• Groundwater (million m <sup>3</sup> )	-	-	-
	• Rainwater (million m <sup>3</sup> )	0.02	0.02	0.02
	• Municipal water supply and purchased water (million m <sup>3</sup> )	0.07	0.12	0.12
	Water withdrawal intensity (m <sup>3</sup> per THB million of revenue)	70.49	68.13	57.12
G4-EN10	Reused and recycled water (million m <sup>3</sup> )	-	-	-
G4-EN22	Water discharge (million m <sup>3</sup> )	0.37	0.38	0.38
G4-EN23	Total waste generation (tons)	4,863	6,326	7,727
	• Non-hazardous waste (tons)	4,493	6,029	7,338
	• Hazardous waste (tons)	370	297	389
	Waste intensity (tons per THB million of revenue)	0.75	0.91	0.94



## SUSTAINABILITY PERFORMANCE DURING 2014-2016

### PET FOOD BUSINESS GROUP

GRI 2557 2558 2559

#### SOCIAL PERFORMANCE

##### Workforce Data

G4-10	Total workforce (persons)	1,454	1,577	2,107
G4-10	Workforce by employment type (%)			
	• Employees	59.08	57.51	64.55
	• Workers	28.27	31.90	30.37
	• Contractors	12.65	10.59	5.08
G4-LA1	Workforce by Gender (%)			
	• Male	73.80	68.42	67.11
	• Female	26.20	31.58	32.89
G4-LA1	Employment			
	• Number of new employee hires (persons)	170	132	363
	• New employee hires rate (%)	19.79	14.56	26.69
G4-LA1	Employee Turnover			
	• Number of employee turnover (person)	123	101	209
	• Employee turnover rate (%)	14.32	11.14	15.37
G4-LA9	Average training hours (hours per person per year)	6	11	6

##### Occupational Health and Safety Data

G4-LA6	Injury rate (case per 200,000 hours worked)			
	• Employees, workers, and supervised workers	0.24	1.52	1.69
	• Contractors	5.52	8.37	4.70
	Lost Time Injury Rate (cases per 200,000 hours worked)			
	• Employees, workers, and supervised workers	0.12	0.23	0.07
	• Contractors	0.45	1.20	0.40
	Lost Day Rate (days per 200,000 hours worked)			
	• Employees, workers, and supervised workers	1.68	1.17	0.15
	• Contractors	3.61	3.80	4.60
	-			

#### ENVIRONMENTAL PERFORMANCE

G4-EN3	Total energy consumption (million GJ)	0.31	0.30	0.60
	• Non-renewable energy (million GJ)	0.20	0.20	0.58
	• Renewable energy (million GJ)	-	-	-
	• Electricity (million GJ)	0.11	0.10	0.02
G4-EN5	Energy intensity (GJ per THB million of revenue)	45.21	37.10	67.89
	Total GHG emissions (tons CO <sub>2</sub> e)	29,421	31,130	36,895
G4-EN15	GHG emissions (scope 1) (tons CO <sub>2</sub> e)	11,091	14,912	33,294
G4-EN16	GHG emissions (scope 2) (tons CO <sub>2</sub> e)	18,330	16,218	3,601
G4-EN18	GHG emission intensity (tons CO <sub>2</sub> e per THB million of revenue)	4.28	3.86	4.16
G4-EN8	Water withdrawal (million m <sup>3</sup> )	0.13	0.15	0.17
	• Surface water (million m <sup>3</sup> )	-	-	-
	• Groundwater (million m <sup>3</sup> )	-	-	-
	• Rainwater (million m <sup>3</sup> )	-	-	-
	• Municipal water supply and purchased water (million m <sup>3</sup> )	0.13	0.15	0.17
	Water withdrawal intensity (m <sup>3</sup> per THB million of revenue)	19.14	18.22	19.35
G4-EN10	Reused and recycled water (million m <sup>3</sup> )	-	-	-
G4-EN22	Water discharge (million m <sup>3</sup> )	0.04	0.03	0.04
G4-EN23	Total waste generation (tons)	1,228	2,887	3,190
	• Non-hazardous waste (tons)	1,226	2,885	3,190
	• Hazardous waste (tons)	2	2	-
	Waste intensity (tons per THB million of revenue)	0.18	0.36	0.36



GENERAL STANDARD DISCLOSURES

GENERAL STANDARD DISCLOSURES	PAGE/ WEBSITE	EXTERNAL ASSURANCE
<b>STRATEGY AND ANALYSIS</b> G4-1 CEO Statement	4-9	-
<b>ORGANIZATIONAL PROFILE</b> G4-3 Name of the organization	12	-
G4-4 Primary brands, products, and services	12, 16-19	-
G4-5 Location of the organization’s headquarters	14-15	-
G4-6 Countries of operation	14-15	-
G4-7 Nature of ownership and legal form	12	-
G4-8 Markets served	14-19	-
G4-9 Scale of the organization	10-11	-
G4-10 Total number of employees by categories	170	-
G4-11 Percentage of total employees covered by collective bargaining agreements	C.P. Group does not have trade union	-
G4-12 Describe the organization’s supply chain	12-13	-
G4-13 Significant changes during the reporting period regarding the organization’s size, structure, ownership, or its supply chain	There was no material change in the size, structure, ownership or supply chain during the reporting period	-
G4-14 Report whether and how the precautionary approach or principle is addressed by the organization	126-127	-
G4-15 List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	40	-
G4-16 List memberships of associations and national or international advocacy organizations	89	-
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b> G4-17 List all entities included in the organization’s consolidated financial statements or equivalent documents and report whether any entity is not covered by the report	166-167	-
G4-18 Explain the process for defining the report content and the Aspect Boundaries and how the organization has implemented the Reporting Principles for Defining Report Content	36	-
G4-19 List all the material Aspects identified in the process for defining report content	37	-
G4-20 Report the Aspect Boundary within the organization for each material Aspect	38	-
G4-21 Report the Aspect Boundary outside the organization for each material Aspect	38	-
G4-22 Report the effect of any restatements of information provided in previous reports and the reasons for such restatements	This is the first Sustainability Report of Charoen Pokphand Group	-
G4-23 Report significant change from previous reporting periods in the Scope and Aspect Boundaries	This is the first Sustainability Report of Charoen Pokphand Group	-
<b>STAKEHOLDER ENGAGEMENTS</b> G4-24 List of stakeholder groups engaged by the organization	80-83	-
G4-25 Basis for identification and selection of stakeholders	78	-
G4-26 Organization’s approach to stakeholder engagement	80-83	-
G4-27 Key topics and concerns raised through stakeholder engagement, and how the organization has responded	80-87	-
<b>REPORT PROFILE</b> G4-28 Reporting period	166	-
G4-29 Date of the most recent previous report	This is the first Sustainability Report of Charoen Pokphand Group	-
G4-30 Reporting cycle	166	-
G4-31 Contact point for the report	167	-
G4-32 GRI Content Index for in accordance option the organization has chosen	166,180	-
G4-33 Report the organization’s policy and current practice regarding external assurance for the report	166	-
<b>GOVERNANCE</b> G4-34 Governance structure of the organization	52	-
G4-36 Report whether the organization has appointed excutive-level positions with responsibility for economics, environmental and social topics, and whether post holders report directy to the highest governance body	46	-
<b>ETHICS AND INTEGRITY</b> G4-56 Organization’s values, principles, standards and norms of behaviour	20-21	

SPECIFIC STANDARD DISCLOSURES

SPECIFIC STANDARD DISCLOSURES	PAGE/ WEBSITE	OMISSION/ NOTE	EXTERNAL ASSURANCE
<b>ENERGY</b> G4-DMA Disclosure on Management Approach	126	-	-
G4-EN3 Energy consumption within the organization	127-128, 170	-	-
G4-EN5 Energy intensity	127-128, 170	-	-
G4-EN6 Reduction of energy consumption	130	-	-
<b>WATER</b> G4-DMA Disclosure on Management Approach	136-137	-	-
G4-EN8 Total water withdrawal by source	137, 170	-	✓
G4-EN10 Percentage and total volume of water recycled and reused	170	-	-
<b>BIODIVERSITY</b> G4-DMA Disclosure on Management Approach	142	-	-
G4-EN13 Habitats protected or restored	144-145	-	-
<b>EMISSIONS</b> G4-DMA Disclosure on Management Approach	126	-	-
G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1)	127-128, 170	-	-
G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)	127-128, 170	-	✓
G4-EN18 Greenhouse gas (GHG) emissions intensity	127, 170	-	-
G4-EN19 Reduction of greenhouse gas (GHG) emissions	129	-	-
<b>EFFLUENTS AND WASTES</b> G4-DMA Disclosure on Management Approach	93	-	-
G4-EN22 Total water discharge by quality and destination	170	As this is the first group-wide report, we are still in the early stages of data collection. To avoid data discrepancies, we were only able to provide total amount of water discharge. We will report water discharge by quality and destination in the next reporting period.	-
G4-EN23 Total weight of waste by type and disposal method	170	As this is the first group-wide report, we are still in the early stages of data collection. To avoid data discrepancies, we were only able to provide total amount of waste disposed. We will report weight of waste by type and disposal method in the next reporting period.	-
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b> G4-DMA Disclosure on Management Approach	152-153	-	-
G4-EN32 Percentage of new suppliers that were screened using environmental criteria	143 CPF Sustainability Report 2016, pages 61, 88 ( <a href="http://www.cpfworldwide.com/download/sustreport/CPF_Sustainability_Report_2016_ENG.pdf">http://www.cpfworldwide.com/download/sustreport/CPF_Sustainability_Report_2016_ENG.pdf</a> )	100% of maize and fishmeal and 20% of soybean that were sourced and used in Thailand were screened using the traceability criteria which helped prevent environmental degradation. We will expand to cover other key raw materials from 2017 onwards.	-
G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken	152-153	The supplier audit program was only piloted in the agriculture and food business. The audit is set to be completed by 2020. In the meantime, we have been working in partnership with our business partners to mitigate potential negative environmental impacts in the supply chain.	-



SPECIFIC STANDARD DISCLOSURES

SPECIFIC STANDARD DISCLOSURES	PAGE/ WEBSITE	OMISSION/ NOTE	EXTERNAL ASSURANCE
<b>EMPLOYMENT</b> G4-DMA Disclosure on Management Approach G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender, and region	60-61 170	-  As this is the first group-wide report, we are still in the early stages of data collection. To avoid data discrepancies, we were only able to provide total number and rates on new hires and turnover. We will report total number and rates on new hires and turnover by age group, gender, and region in the next reporting period.	-  -
<b>OCCUPATIONAL HEALTH AND SAFETY</b> G4-DMA Disclosure on Management Approach G4-LA6 Type of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	64-66 67-170	-  As this is the first group-wide report, we are still in the early stages of data collection. We aim to report the complete set of safety data by region and by gender in the next reporting period.	-  -
<b>TRAINING AND EDUCATION</b> G4-DMA Disclosure on Management Approach G4-LA9 Average hours of training per year per employee by gender, and by employee category	70-75 170	-  As this is the first group-wide report, we are still in the early stages of data collection. We will start breaking down the average hours by gender and employee category from the next reporting period.	-  -
<b>SUPPLIER ASSESSMENT FOR LABOR PRACTICES</b> G4-DMA Disclosure on Management Approach	CPF Sustainability Report 2016, pages 61, 88 ( <a href="http://www.cpfworldwide.com/download/sustreport/CPF_Sustainability_Report_2016_ENG.pdf">http://www.cpfworldwide.com/download/sustreport/CPF_Sustainability_Report_2016_ENG.pdf</a> )	-	-
G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	154 CPF Sustainability Report 2016, pages 61, 88 ( <a href="http://www.cpfworldwide.com/download/sustreport/CPF_Sustainability_Report_2016_ENG.pdf">http://www.cpfworldwide.com/download/sustreport/CPF_Sustainability_Report_2016_ENG.pdf</a> )	The supplier audit program was only piloted in the agriculture and food business. The audit is set to be complete by 2020. In the meantime, we have been working in partnership with our business partners to improve labor practices in the supply chain.	-
<b>ASSESSMENT</b> G4-DMA Disclosure on Management Approach G4-HR9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments	60-62 60	-  Assessment on human rights impact was conducted using risk profiles at the country level. The assessment covered four business groups.	-  -
<b>SUPPLIER HUMAN RIGHTS ASSESSMENT</b> G4-DMA Disclosure on Management Approach G4-HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken	60-62 60	-  The supplier audit program was only piloted in the agriculture and food business. The audit is set to be completed by 2020. In the meantime, we have been working in partnership with our business partners to prevent potential human rights violation in the supply chain.	-  -

SPECIFIC STANDARD DISCLOSURES

SPECIFIC STANDARD DISCLOSURES	PAGE/ WEBSITE	OMISSION/ NOTE	EXTERNAL ASSURANCE
<b>HUMAN RIGHTS GRIEVANCE MECHANISMS</b> G4-DMA Disclosure on Management Approach G4-HR12 Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	60 61	-  We are in the process of developing human rights due diligence process for the whole group and will start tracking human rights grievance in 2017.	-  -
<b>LOCAL COMMUNITIES</b> G4-DMA Disclosure on Management Approach G4-SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs	94 92-99	-  All (100%) business groups implemented local community engagement and development programs. All operations are also subject to impact assessment if required by law.	-  -
<b>ANTI-CORRUPTION</b> G4-DMA Disclosure on Management Approach	CPF Sustainability Report 2016, pages 27-28 ( <a href="http://www.cpfworldwide.com/download/sustreport/CPF_Sustainability_Report_2016_ENG.pdf">http://www.cpfworldwide.com/download/sustreport/CPF_Sustainability_Report_2016_ENG.pdf</a> ) CPF Sustainability Report 2016, page 35 ( <a href="http://www.cpfworldwide.com/download/sustainability/report/CPF_Sustainability_Report_2016_ENG.pdf">http://www.cpfworldwide.com/download/sustainability/report/CPF_Sustainability_Report_2016_ENG.pdf</a> ) True Sustainability Report 2016, page 24 ( <a href="http://www3.truecorp.co.th/new/public/assets/truecorp/pdf/en/2016-report_en.pdf">http://www3.truecorp.co.th/new/public/assets/truecorp/pdf/en/2016-report_en.pdf</a> )	-	-
G4-SO4 Communication and training on anti-corruption policies and procedures	CPF Sustainability Report 2016, pages 27-28 ( <a href="http://www.cpfworldwide.com/download/sustreport/CPF_Sustainability_Report_2016_ENG.pdf">http://www.cpfworldwide.com/download/sustreport/CPF_Sustainability_Report_2016_ENG.pdf</a> ) CPF Sustainability Report 2016, page 35 ( <a href="http://www.cpfworldwide.com/download/sustainability/report/CPF_Sustainability_Report_2016_ENG.pdf">http://www.cpfworldwide.com/download/sustainability/report/CPF_Sustainability_Report_2016_ENG.pdf</a> ) True Sustainability Report 2016, page 24 ( <a href="http://www3.truecorp.co.th/new/public/assets/truecorp/pdf/en/2016-report_en.pdf">http://www3.truecorp.co.th/new/public/assets/truecorp/pdf/en/2016-report_en.pdf</a> )	-	-
<b>SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY</b> G4-DMA Disclosure on Management Approach G4-SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken	152-153 154-155	-  The supplier audit program was only piloted in the agriculture and food business. The audit is set to be completed by 2020. In the meantime, we have been working in partnership with our business partners to prevent potential negative impacts on society in the supply chain.	-  -
<b>PRODUCT AND SERVICE LABELLING</b> G4-DMA Disclosure on Management Approach G4-PR3 Type of product and service information required by the organization's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	102-105 104-105	-  -	-  -
G4-DMA Healthy and Affordable Food Disclosure and Management Approach	106		



UN GLOBAL COMPACT  
COMMUNICATION ON PROGRESS – ACTIVE LEVEL

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS – ACTIVE LEVEL		
ELEMENT	DESCRIPTION	PAGE
1	A statement by the chief executive expressing continued support for the UN Global Compact and its ten principles	8-9
2	A description of practical actions that the company has taken to implement the global compact principles	
3	● A description of actions or relevant policies related to Human Rights	60-63
	● A description of actions or relevant policies related to Labor	64-67
	● A description of actions or relevant policies related to Environment	124-149
	● A description of actions or relevant policies related to Anti-Corruption	52-56
	A measurement of outcomes	62-63, 168-179
		CPF Sustainability Report 2016, pages 27-28 ( <a href="http://www.cpfworldwide.com/download/sustreport/CPF_Sustainability_Report_2016_ENG.pdf">http://www.cpfworldwide.com/download/sustreport/CPF_Sustainability_Report_2016_ENG.pdf</a> ) CPF Sustainability Report 2016, page 35 ( <a href="http://www.cpfworldwide.com/download/sustainability/report/CPF_Sustainability_Report_2016_ENG.pdf">http://www.cpfworldwide.com/download/sustainability/report/CPF_Sustainability_Report_2016_ENG.pdf</a> ) True Sustainability Report 2016, page 24 ( <a href="http://www3.truecorp.co.th/new/public/assets/truecorp/pdf/en/2016-report_en.pdf">http://www3.truecorp.co.th/new/public/assets/truecorp/pdf/en/2016-report_en.pdf</a> )

UNITED NATIONS SUSTAINABLE  
DEVELOPMENT GOALS (UN SGD<sub>s</sub>)

GOAL	DESCRIPTION	PAGE
1	End poverty in all its forms everywhere	92 124
2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	100, 124
3	Ensure healthy lives and promote well-being for all at all ages	58, 100
4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	58, 68, 108
5	Achieve gender equality and empower all women and girls	58
6	Ensure availability and sustainable management of water and sanitation for all	134, 140
7	Ensure access to affordable, reliable, sustainable and modern energy for all	124

GOAL	DESCRIPTION	PAGE
8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	58, 92, 108, 116, 134
9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	116
10	Reduce inequality within and among countries	58, 92
11	Make cities and human settlements inclusive, safe, resilient and sustainable	124
12	Ensure sustainable consumption and production patterns	50, 58, 124, 140, 150
13	Take urgent action to combat climate change and its impacts	124
14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	140
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	140
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	50, 58, 76, 150
17	Strengthen the means of implementation and revitalize the global partnership for sustainable development	124, 134, 140



## LRQA Assurance Statement

### Relating to Charoen Pokphand Group Co., Ltd.'s Sustainability Report for the calendar year 2016

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

#### Terms of Engagement

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Charoen Pokphand Group Co., Ltd. (CPG) to provide independent assurance on its Sustainability Report for the calendar year 2016 ("the Report") against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using LRQA's verification approach. LRQA's verification approach is based on current best practice and uses the principles of AA1000AS (2008) - Inclusivity, Materiality, Responsiveness and Reliability of performance data and processes defined in ISAE3000.

Our assurance engagement covered CPG's operations and activities in Thailand, including its subsidiary companies and specifically the following requirements:

- Confirming that the Report is in accordance with GRI G4's Reporting Guidelines and Core option, and
- Evaluating the reliability of data and information for selected specific standard disclosures: total water withdrawal by source (G4-EN8) and energy indirect greenhouse gas emission (G4-EN16) only.

Our assurance engagement excluded the data and information of CPG's operations and activities outside of Thailand.

LRQA's responsibility is only to CPG. LRQA disclaims any liability or responsibility to others as explained in the end footnote. CPG's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of CPG.

#### LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that CPG has not:

- Met the requirements above
- Disclosed reliable performance data and information for the selected specific standard disclosures
- Covered all the issues that are important to the stakeholders and readers of this Report.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the Verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites.

#### LRQA's Approach

LRQA's assurance engagements are carried out in accordance with LRQA's Report Verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing CPG's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this by reviewing documents and associated records.
- Reviewing CPG's process for identifying and determining material issues to confirm that the right issues were included in their Report and updated overtime. We did this by benchmarking reports written by CPG and its peers to ensure that sector specific issues were included for comparability. We also tested the filters used in determining material issues to evaluate whether CPG makes informed business decisions that may create opportunities which contribute towards sustainable development.
- 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 process, and systems, including those for internal verification. We also spoke with key people in various facilities responsible for compiling the data and drafting the Report.
- Sampling of evidences presented at the Kampangpetch Farm, CPRAM Ladlumkaew, and CPPC Rayong, to confirm the reliability of the selected specific standard disclosures.

Note: LRQA did not verify the data back to its original sources, nor did it assess the accuracy and completeness of the data reported by individual locations.

#### Observations

Further observations and findings, made during the assurance engagement, are:

- Stakeholder Inclusivity:  
We are not aware of any key stakeholder groups that have been excluded from CPG's stakeholder engagement process. However, we believe that CPG should improve their practices for directly engaging with the local communities and supply chain stakeholders.
- Materiality:  
We are not aware of any material aspects concerning CPG's sustainability performance that have been excluded from the Report. CPG has processes for identifying and determining their material aspects; the evaluation process considers factors such as stakeholder concerns, business risks, and legal compliance. However, we believe that CPG should enhance its peer review to address specific issues from agricultural related sectors, e.g. utilization of chemical fertilizers as well as soil protection.
- Responsiveness:  
CPG and its subsidiaries have processes for responding to various stakeholder groups. We believe that future reports should further explain the actions being taken by CPG to address the concerns raised during its engagement with the supply chain stakeholders, communities and NGO – typically relevant the agricultural aspects, e.g. farmer training on environment impact of fertilizers and pesticides, biodiversity and GMO labelling.
- Reliability:  
CPG use spreadsheets and manual system to collect and calculate the data and information associated with the selected specific standard disclosures listed above. CPG should consider establishing a centralized data management system to improve the quality of its reported data and information.

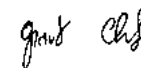
#### LRQA's competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification, together with verification for two CPG subsidiaries are the only work undertaken by LRQA for CPG and as such does not compromise our independence or impartiality.

Signed

Dated: 23 June 2017



Opart Charuratana  
LRQA Lead Verifier

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**Our lifelong journey always  
bases its importance on our  
"security" and our "dreams".**

We tend to forget that the most  
important thing in our life that brings  
about true security and power to realize  
great dreams is love (compassion).  
One that allows us to see through  
all the differences, connects to the truth  
and the rest including our true self  
and truly enjoys this amazing life together.

”

**SUPHACHAI CHEARAVANONT**

Chief Executive Officer  
Charoen Pokphand group Co., Ltd.





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SUSTAINABILITY

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