

Charoen Pokphand Foods Public Company Limited



MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

ENRICHING LIFE, CREATING SUSTAINABLE VALUE



Sustainability
Report 2016





—

Following in
His Majesty's Footsteps

—

{ Illustration by Terawat Teankaprasith }



Throughout 70 years in His reign, His Majesty King Bhumibol Adulyadej dedicated himself wholly, as was seen through more than 4,000 of His royal projects, to improving the life of the Thai people and to laying the strong foundation for national development. As a result of His royal wisdom, His Majesty's Philosophy of Sufficiency Economy, originated some 40 years ago, has been the guiding principle for people at all levels. It has helped individuals, communities, organizations, and the government to achieve the balanced and secured prosperity and to be resilient amidst crisis and changes.

With our deep-felt appreciation of the King's devotion, CPF has applied His thought and His Majesty's Philosophy of Sufficiency Economy in organizational management through the core philosophy of Three Benefits to Sustainability (for the Country, the People, and the Company) in coherence with the CSR to Sustainability Direction under the three pillars: Food Security, Self-Sufficient Society and Balance of Nature. Our aims are to contribute to creating food security in the long run, developing strong and self-reliant society, and protecting natural resources and environment for future generations. Our ultimate goal is to see everyone prosper by themselves, while still supporting each other, for sustainable development as a whole.





The Philosophy of Sufficiency Economy



Sufficiency economy is the principle that guides the way of living and appropriate conduct by the people at all levels. It can be applied starting from the level of families to communities and to the nation in terms of development and administration on the middle path, so as to modernize national economy in line with the forces of globalization. Sufficiency means moderation, reasonableness and the need for self-immunity to protect from impacts arising from internal and external change. To achieve sufficiency, an application of knowledge with due consideration and prudence is essential and great care is needed in the utilization of theories and methodologies for planning and implementation in every step. At the same time, it is essential to strengthen the moral foundation at all levels so that everyone adheres to the principles of honesty and integrity and follows a way of life based on patience, perseverance, wisdom and prudence. This is essential for creating balance and for coping appropriately with challenges arising from extensive and rapid socio-economic, environmental, and cultural changes in the world.



Economic Social Environmental Cultural
 { Balanced Development for Sustainable Happiness }

The King's
 Philosophy
 and Sustainable
 Development

1



Moderation : Sufficiency at a level of not doing something too little or too much at the expense of oneself or others, for example, producing and consuming at a moderate level.

2

Reasonableness : The decision concerning the level of sufficiency must be made rationally with consideration of the factors involved and careful anticipation of the outcomes that may be expected from such action.

3

Risk Management: The preparation to cope with the likely impact and changes in various aspects by considering the probability of future situations.

{ Deciding Principle }

1



Knowledge, comprising all-round knowledge in the relevant fields and prudence in bringing this knowledge into consideration to understand the relationship among the field so as to use them to aid in the planning and ensure carefulness in the operation.

2

Virtue to be promoted, comprising the awareness of honesty, patience, perseverance, and intelligence in leading one's life.

{ Basic Quality }



Life-Enriching Foods



Thailand is an agricultural country. National economy should thus focus on agriculture and emphasize food security. In unusual circumstances, such as war or famine, money cannot buy food. Food security could bring about security to the economic system – the system that reduces risks and economic insecurity in the long run.



01

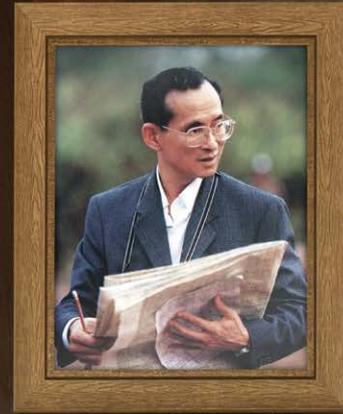
Miss Anurat Pingchai
Food Seller

"I am always reminded of the late King. His Majesty taught us to live our life sufficiently and to do our job based on integrity and honesty. We have applied His teaching in our food selling business. We carefully select high quality and safe raw materials and pay attention to how we cook as if we are cooking for our own family."



02

01



02

Master Akarawin Bualop
Student at Mary Wittaya Sri Mahosot School

"Egg is an ingredient that is easy to find and full of nutrients. It is made into various menus for me and my friends to fill our stomach. We are very lucky that someone saw the importance and help support me and my friends to have access to food with five basic nutrients at school."

03

03

Miss Chawallak Srikasem
Student at Mary Wittaya Sri Mahosot School

"I will be a good kid for the King. I will concentrate on studying, exercise regularly, eat nutritious food, and finish my meals – not wasting food. Because all meals give us benefits, so we have to appreciate its value."





Food Security



Providing Quality Products to Enrich Life at All Stages



CPF Contributes to Food Security



We always place high importance on continuously contributing to food security with the aim to **“Enhancing Food Quality and Safety throughout the Chain”** and to **“Improving Food Access”**. By 2020, we aim to increase the proportion of healthy products from 10 to 30 percent of new products for our consumers and intend to support more than 300,000 children and youth on sustainable food production and consumption to promote health and well-being of consumers and relieve hunger and malnutrition in the wider society.



Some Parts of Our Efforts



Research and Development of Product and Process Innovations

We put every effort in holistic research and development of animal feed, animal farming, and food products to bring about innovation that create added value and address changes.



Management Based on International Standards

We systematically control and monitor quality in compliance with international standards. We assess risk at every step, strictly comply with policies and guidelines, perform laboratory assessment and analysis, along with product traceability.



Creating a Variety of Healthy Products

We offered over 1,000 of fresh, processed, and ready-to-eat food products of varying forms, tastes, sizes, and nutrition. We also continually delicate to develop healthy products in fresh and hygiene food market, children health and nutrition market, and adult well-being market.



Improving Food Access among Children and Youth

We worked with partners to support more than 183,000 children and youth in having access to knowledge and skills on food production and consumption of safe and nutritious food through the "Raising Layer for Student's Lunch Project", "Open the World of Learning Project", and "CPF Growing Happiness, Growing Futures Project."



Self- Reliance



Development, according to the royal remark, at the first step is to solve the problem at hand so that one is strong enough to survive. The next step is to develop the people so that they can live in the society according to the environment and are finally self-reliant. This reflects in one of the royal remarks saying "...Supporting people to have a job and have enough to live is the utmost importance since people with a job who can sufficiently rely on themselves would finally contribute to prosperity at the next step..."





“It could be because of good karma that we have land, job, and income as a result of the royal thought on land reform. Arid and useless land have been revived so that we could grow crops, raise animals, and develop the villages and communities that now have good quality of life, have hope, have faith in continuing with agricultural job on this land down to posterity.”

Mr.Chumlong Sudjitt
Farmer at Nong Wah Agricultural Village
Chachoengsao Province





Self-Sufficient Society



Creating Value towards Mutual Growth

CPF Contributes to Self-Sufficient Society



We effortlessly continue to mitigate negative impacts and create positive social impacts with the goals to “**Developing Win-Win Partnership**” and to “**Supporting Community Livelihood**”. By 2020, we aim to source 100% of our priority agricultural raw materials from responsible sources and to audit 100% of our critical suppliers on sustainability. We also intend to support 50,000 smallholder farmers and small entrepreneurs on employment and income generation.



Some Parts of Our Efforts



Promoting Sustainability in the Supply Chain

We raise awareness of our business partners on their roles in providing quality and safe products based on social and environmental responsibility. We developed the “Sustainable Sourcing Policy and Supplier Guiding Principle” and disseminated it to more than 7,100 business partners.



Sourcing Agricultural Raw Materials from Responsible and Sustainable Sources

We are committed to sourcing priority agricultural raw materials i.e. fishmeal, corn, soybean, and palm oil from responsible sources that are certified on international sustainability standards or are traceable in compliance with our practice guidelines.



Supporting Community Livelihood

We continue to promote social and economic development of the communities surrounding all our operations as we believe that healthy business should be based on the well-being of society. Our employees are the important part in driving this effort.



Improving Employment Prospect and Income Generation for Smallholder Farmers

We have been working closely with the Rural Lives' Development Foundation, under the support from CP Group and our employees as well as other partners, in a variety of projects to support smallholder farmers through transferring of agricultural knowledge and technology since 1977.



Resources for Life



His Majesty King Bhumibol was the Sustainable Development King. His national development approach started with the basic foundation – for the survival of people – then for social security and finally for sustainability of natural resources. With His vision, His Majesty had the idea to conserve forest, soil, and water while focusing on biodiversity and balance of ecosystem so that “People” and “Nature” could co-exist and benefit from each other.





01
Master Kritsada Srinakreu
 Student at Baan Nong Wah School

“If there is water, there is life. His Majesty taught us to appreciate the value of natural resources and environment. I am determined to follow His teaching. I will take care of the environment and will grow trees so that the abundant nature can be with us forever.”



02
Mr. Nopphadon Sirijongdee
 Chairman of CPF Rak Ni-ves Project
 Strategy Working Team
 Charoen Pokphand Foods PCL.

“CPF continues His Majesty King Bhumibol’s legacy in forestry and the environment by supporting governmental policies on forest conservation through continuing CPF’s sustainability missions in the pillar of “Balance of Nature”, which commits to preserve and restore Thailand’s most important forests from watershed to mangrove.”



03
Mr. Apiwut Intarasuk
 Participant of CPF Grow-Share-Protect Mangrove
 Forestation Project at Patew District, Chumphon Province

“Mangrove forest is the important natural resource which helps people in the community secure job, generate income from fishery of marine animals from the local mangrove forest. So we love and highly value mangrove forest. When we have the opportunity, we will help take care of and restore mangrove forest.”



Balance of Nature



Creating Balance and Supporting the Ecosystem



CPF Contributes to the Balance of Nature



We are committed to carrying out our activities by considering environmental impacts while continuously supporting natural resource conservation with the aim to “**Reducing Environmental Footprints**” and to “**Protecting Biodiversity**”. By 2020, we aim to reduce greenhouse gas emission per production unit by 5 percent, water withdrawal per production unit by 10 percent, and waste per production unit by 30 percent compared to the base year 2015. We also intend to protect biodiversity covering the forest areas of 9,000 rai for the survival of natural resources and environment.



Some Parts of Our Efforts



Environmental Management Based on International Standards

We try to reduce environmental impacts of our operations through process improvement and product development with the application of the 4Rs Principle under the CPF Safety Health Environment and Energy Standard and other international standards including ISO 14001 and ISO 50001.



Mitigating Climate Change

We promote energy efficiency, the use of renewable energy, management and value creation of waste throughout the process as well as reduction of resource use in packaging in order to reduce greenhouse gas emission which is the cause of climate change.



Continuing Our Mangrove Forest Restoration Effort

We continue to support the conservation of mangrove forest since 1993 and leverage our effort through the collaboration with Department of Marine and Coastal Resources, Biodiversity-Based Economy Development Office and civil society groups to carry out the “CPF Grow-Share-Protect Mangrove Forestation Project” in strategic areas covering more than 2,200 rai during 2014-2018.



Supporting the Conservation of Watershed Forest and Green Areas

We work with Royal Forest Department, Royal Thai Aide-De-Camp Department, Thailand Greenhouse Gas Management Organization, Biodiversity-Based Economy Development Office in the “CPF Rak Ni-ves Project at Pasak Watershed – Khao Phya Doen Tong” covering more than 5,900 rai during 2016-2020 and also conserve and restore green areas within our operational boundaries.



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G4-1

Message to Stakeholders



Mr. Dhanin Chearavanont
Chairman of the Board
of Directors

Mr. Adirek Sripratak
President and Chief
Executive Officer



His Majesty King Bhumibol was a visionary King who has been praised by the United Nations as the “Development King” due to his majesty’s contributions to the science and technology related to development. He initiated over 4,000 “Royal Development Projects”.



2016 marked the year of deepest sorrow for Thais due to the passing of His Majesty King Bhumibol Adulyadej Rama IX of Chakri dynasty. His Majesty King Bhumibol was a visionary King who has been praised by the United Nations as the “Development King” due to his majesty’s contributions to the science and technology related to development. He initiated over 4,000 “Royal Development Projects” and pioneered “the Philosophy of Sufficiency Economy,” a principle that guides a way of living with balance, stability, and sustainability for Thai people. The philosophy has been internationally recognized as applicable to achieving the defined Sustainable Development Goals. Despite the country’s greatest loss, Thai citizens were delighted of the ascendancy to the throne of the King Maha Vajiralongkorn Bodindradebayavarangkun as the King Rama X of Chakri dynasty. King Maha Vajiralongkorn carries on the “King’s Philosophy” of His father His Majesty King Bhumibol in order to achieve holistic country development of sustainable future in accordance with national strategy.

Charoen Pokphand Foods Public Company Limited, or CPF, greatly appreciates His Majesty King Bhumibol’s invaluable contribution to development and would like to follow His legacies in order to create innovative and sustainable benefits for the country and people. As a leading multinational agro-industrial and food conglomerate, the Company acknowledges the importance of operating responsibly and sustainably, in line with our vision of becoming the “Kitchen of the World”. Moreover, we participate and support the country’s strategy and Sustainable Development Goals amidst changes and challenges. Ultimately, we are committed to dynamic growth by integrating business innovation and efficiency through CPF core philosophy of “3 Benefits to Sustainability: for the Country, the People, and the Company”.



We believe that our sustainability direction for the next five years will concretely “Strengthen Capacities and Opportunities for Growth” and “Create Shared Values with Diverse Stakeholder Groups” in all relevant sectors.



CPF’s Three Pillars of Sustainability “Food Security, Self-Sufficient Society and Balance of Nature” is our starting point in transitioning towards managing relationships and interrelationships between economic, social and environmental operations over the past five years. In 2016, we had the opportunity to review our past performances and envision the future with our “2020 Targets”. We believe that our sustainability direction for the next five years will concretely “Strengthen Capacities and Opportunities for Growth” and “Create Shared Values with Diverse Stakeholder Groups” in all relevant sectors.

The declaration of “2020 Targets” underscores the Company alignment with the United Nations Global Compact (UN Global Compact) and commitment to support Sustainable Development Goals (SDGs). We believe that in order to accomplish the goals of eradicating poverty, ending inequality and injustice, and mitigating climate change, we cannot lack the alignment, commitment, and partnerships between the government, private sector, and civil society organizations.

In 2016, CPF’s sustainability performance was on track and met satisfactions. For instance, all of our corn for animal feed in Thailand derived from legitimate sources that have full traceability and do not encroach upon forests. This achievement was built upon by our successful implementation of a program in 2015 to source all fishmeal products in Thailand from traceable sources and from processing plants certified under the IFFO Responsible Sourcing (IFFO RS) Standard. To support small business entrepreneurs in becoming business owners, the Company has not only launched the “Five Star Business” and the “CP Community Refrigerator” projects, but has also initiated the recent “CP Pork Shop” project. We have been improving employment prospect and promoting the quality of life of more than 25,600 smallholder farmers, as part of our 2020 target in supporting and improving altogether 50,000 lives. In addition, with our continuous commitment to innovation and

improvement of our operational efficiencies, we greatly reduced energy, water withdrawal and waste generation. While creating healthy nutritious foods is still an important priority, the Company must continue to invest in research and development to meet the changing of consumers' lifestyle and needs.

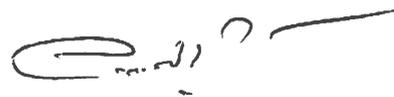
Due to our continuous improvements and developments of our sustainability performance, the Company was selected as a member of Dow Jones Sustainability Indices: DJSI Emerging Markets for two consecutive years and was categorically assessed as "Excellent" by the Thai Institute of Directors Association. In addition to having received awards for outstanding workplace for labor practice, safety and CSR from government agencies and independent organizations, we has also recently received the "Best Innovative Company Award" from the SET Awards 2016 program by the Stock Exchange of Thailand.

In advancing our sustainability journey, we realize that food security remains a challenging issue. Hence, we put our greatest efforts in raising the quality and safety standards of production throughout our value chain, besides our research and development initiatives for better health and the environment. This includes constructive technological application underpinned by good governance, employee development in accordance with labor standards and human rights that will contribute to happiness and sustainability of all stakeholders.

On behalf of the Board of Directors, executives, and all employees, we would like to express our gratitude to all shareholders, customers, communities, business partners, government agencies, civil society organizations and all stakeholders. With their invaluable contributions in inspiring, designing, developing, and supporting our "Food Security, Self-Sufficient Society and Balance of Nature" sustainability path, we have been able to create economic value, contribute to society, and maintain natural and environmental balance and is ready to move into a better future together.



Mr. Dhanin Chearavanont
Chairman of the Board
of Directors



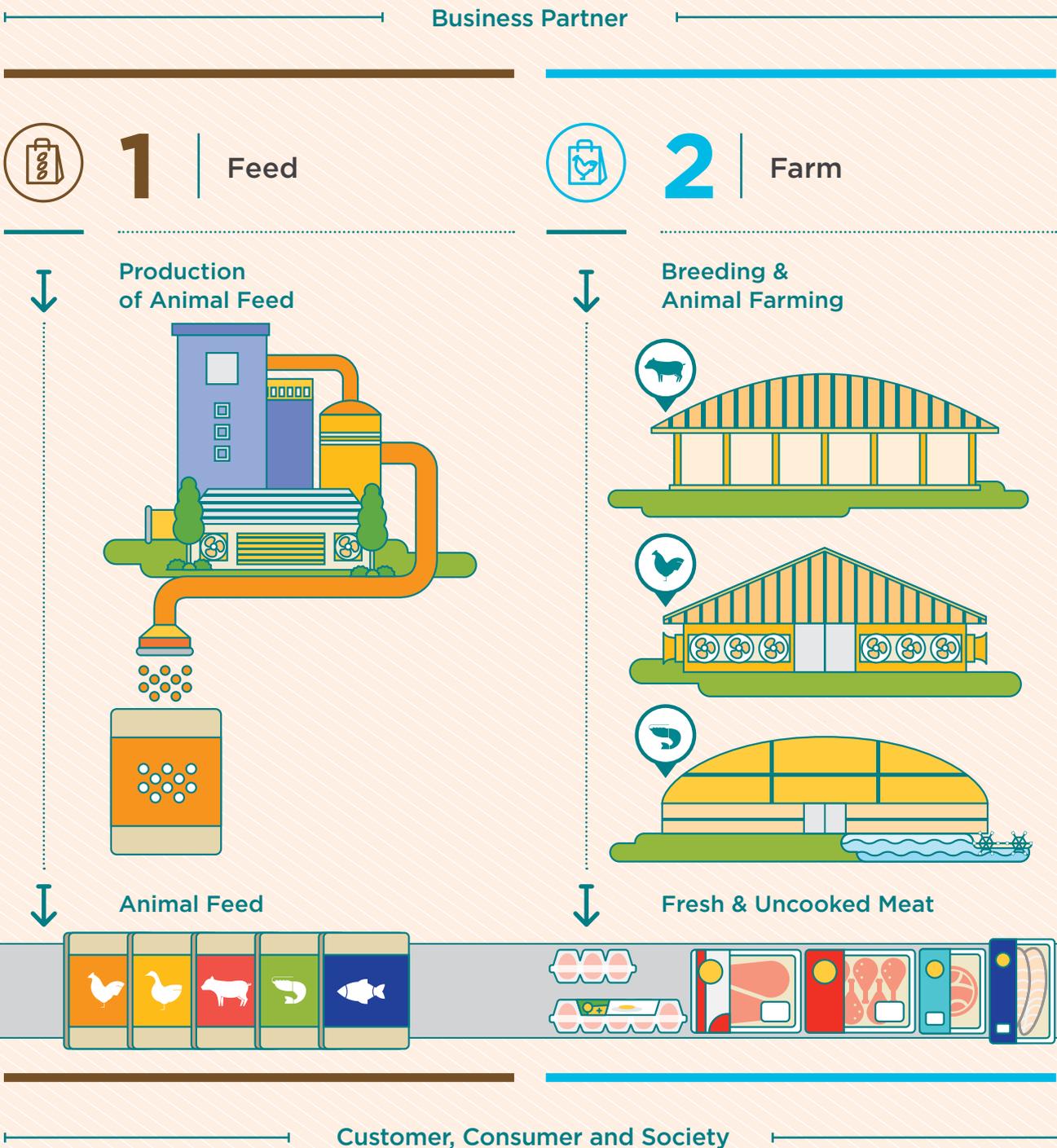
Mr. Adirek Sripratak
President and Chief
Executive Officer



G4-3, G4-4, G4-12

CPF at a Glance

CPF operates integrated agro-industrial and food business, including livestock and aquaculture such as swine, broiler, layer, duck, shrimp and fish. The businesses are categorized into 3 categories, namely Feed, Farm and Food. The Company also operates retail and foods outlets.



Our production process involves business partners, who supply us with raw materials, products, and services, as well as customers, consumers, and the society. It also follows international standards, utilizes modern technology, and is under close monitoring to ensure the delivery of high quality, safe products and services that are friendly to the communities and environment.



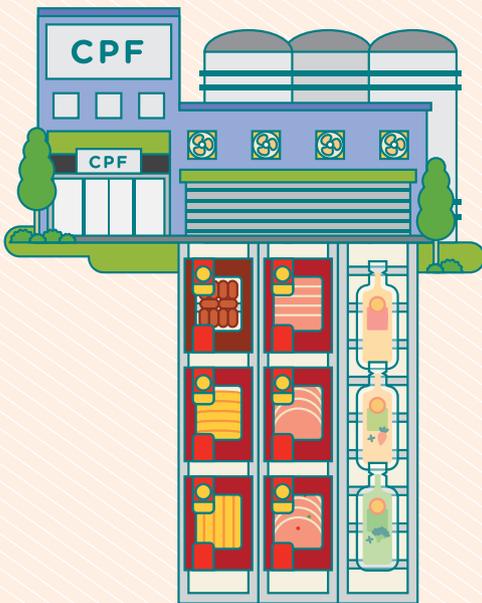
3 | Food



Retail & Food Outlets



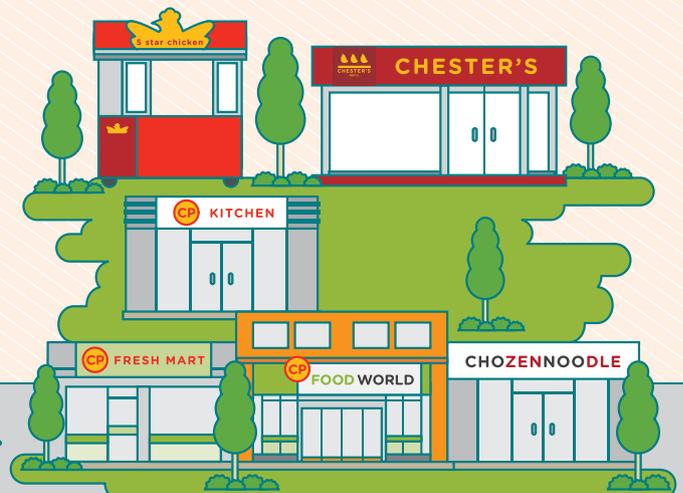
Production of Processed & Ready-to-eat Food



Cooked & Ready-to-eat Meal



Distribution Channels
(Food Retail Outlets,
Restaurant & Food Courts)





G4-6, G4-8, G4-9

CPF... Kitchen of the World

Information as of 31 December 2016

CPF invests in many countries to strengthen food security. CPF's operation covers 16 countries and exports to more than 30 countries in 5 continents worldwide.

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SUSTAINABILITY

UK



- Chilled and Frozen Food
- Food Kiosks
- Food Services

USA



- Ready to Eat Foods

Belgium



- Ready to Eat Foods

Poland*



- Hatchery
- Chicken Processing Plant

Turkey



- Chicken Integrated Businesses

India

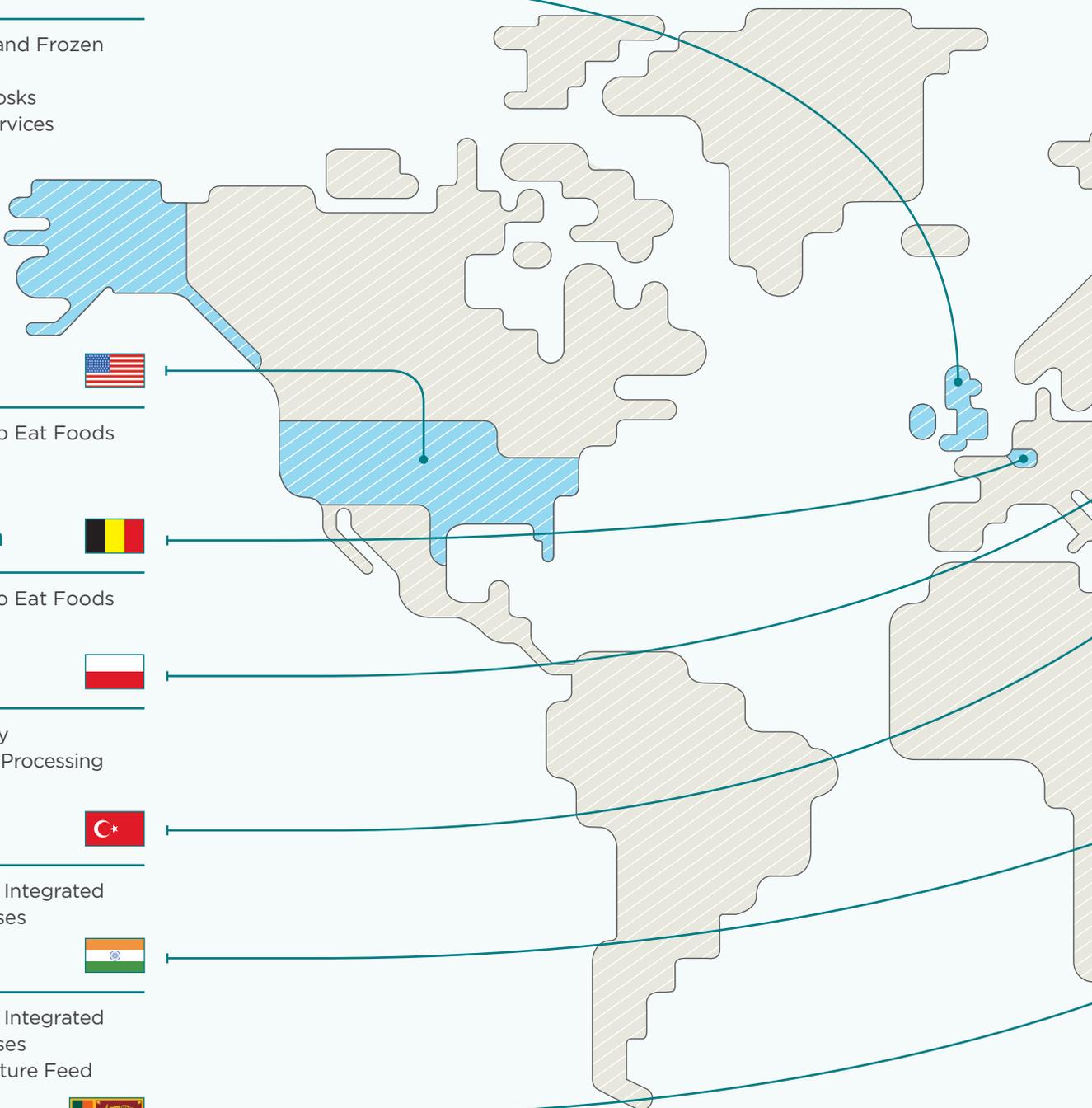


- Chicken Integrated Businesses
- Aquaculture Feed

Sri Lanka

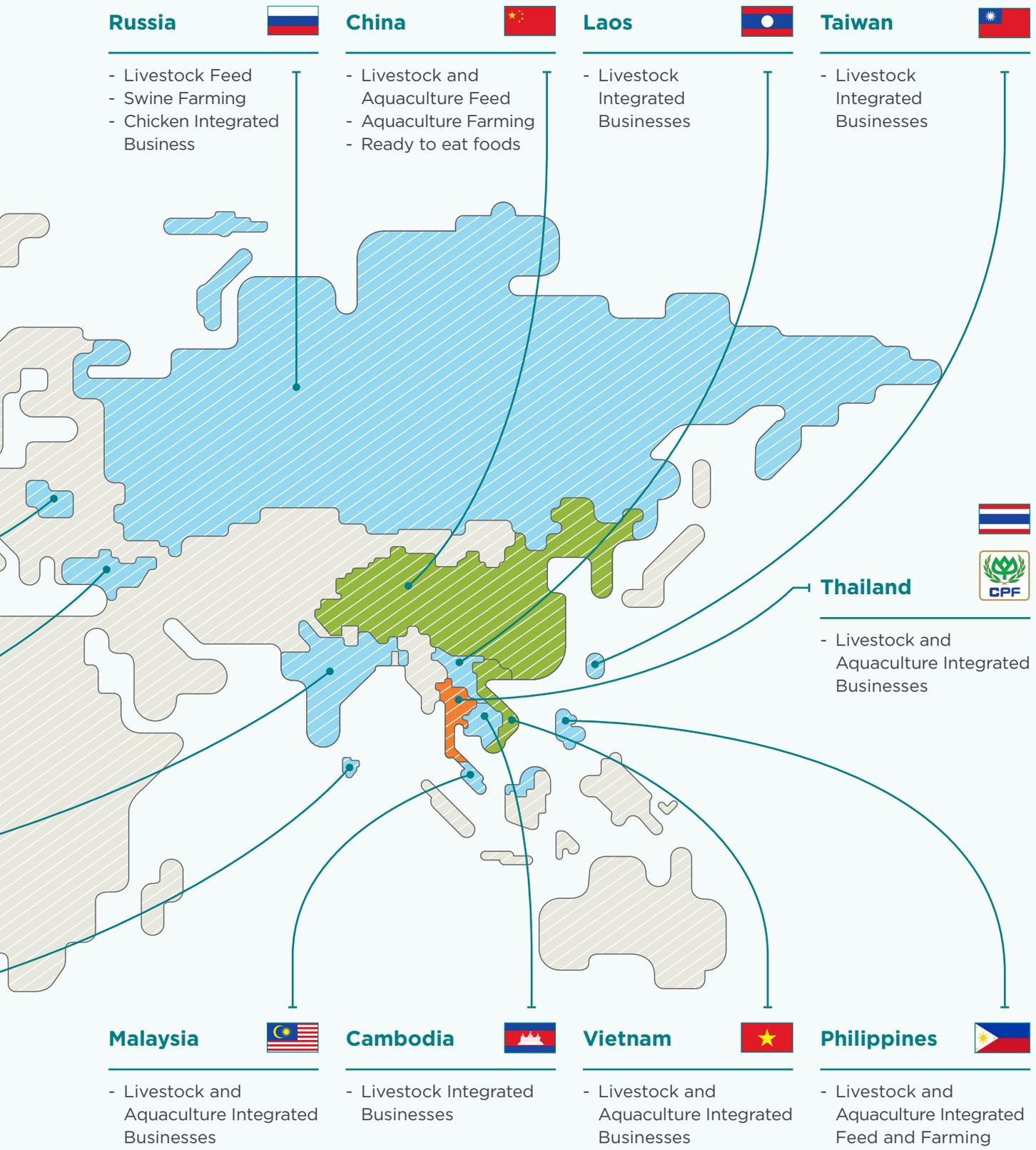


- Ready to Eat Foods



● Thailand Operation ● International Operations

*The transaction will be completed in the first quarter of 2017





G4-9, G4-EC1

2016 Highlights

Strong Operational Results, Distribution of Economic Value to Stakeholders for Sustainable Growth



Economic Dimension

Sales Revenue

464,465

Million Baht

EBITDA

42,659

Million Baht

Net Profit

14,703

Million Baht

Earnings per Share

1.99

Baht

Dividend per Share ⁽¹⁾

0.95

Baht

Return on Equity (ROE)

8%

Return on Assets (ROA)

2.73%

Investment on Human Capital

46,668

Million Baht

Community and Social Investment

355

Million Baht

Finance Costs

10,601

Million Baht

Tax to Government ⁽²⁾

2,542

Million Baht



Food Security

6.25%

of new products are healthy products.

More than

180,000

children and youth benefited from our food access programs



Self-Sufficient Society

Disseminated the “Sustainable Sourcing Policy and Supplier Guiding Principle” to more than

7,100

business partners in

More than

25,600

smallholder farmers and small entrepreneurs benefited from our income generation and employment programs

13

product groups

100%

of fishmeal and corn for animal feed are responsibly sourced.



Balance of Nature

Reduced Energy Consumption by*

11.26%

Reduced Water Withdrawal by*

6.88%

Reduced GHG Emissions by*

1.05%

Reduced Waste Generation by*

16.83%

More than

2,260

Rai of mangrove forest and watershed forest were protected

Note:

Data is from consolidated financial statement of Charoen Pokphand Foods PCL. (CPF) and subsidiaries as of 31 December 2016, except:

- (1) Board of Directors Meeting on February 24, 2017 arrived at a consensus to propose a dividend payout for the Company's 2016 performance at 0.95 Baht per share or a total value of 7,356 million Baht to the shareholders at the 1/2017 Annual General Meeting.
- (2) Data from financial statement of CPF and subsidiaries in Thailand.

*The environmental performance data shown in unit of production compared to the base year 2015.



Awards, Recognition and Participation



Member of Dow Jones Sustainability Indices 2016

1

Member of Dow Jones Sustainability Indices for the 2016 DJSI Emerging Markets Index for the FOA Food Products Industry for two consecutive years



MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



UN Global Compact

2

Member of the UN Global Compact and one of the fifteen founding members of the Global Compact Network Thailand



United Nations Global Compact



Global Compact Network Thailand



One of the 55 listed companies in "Thailand Sustainability Investment" 2016 list in the group with market capitalization of over 100 billion Baht

3

by the Stock Exchange of Thailand





**Sustainability Report
“Excellence” Award**

4

from Thai Listed Companies Association, the Office of the Securities and Exchange Commission and ThaiPAT Institute



CSR-DIW Continuous Award for seven consecutive years

5

from Department of Industrial Works, Ministry of Industry



Outstanding Workplace for Safety, Occupational Health, and Environment Award

Outstanding Security Workforce Award

ASEAN-OSHNET Excellence Award 2016 in total 36 awards

6

from Department of Labor Protection and Welfare, Ministry of Labor



G-22, G4-28, G4-29, G4-30, G4-33

About this Report

This is the sixth Sustainability Report the Company has published with the aim to communicate our continuous commitment on economic, social, environmental, and corporate governance responsibilities. It demonstrates the continuation of CPF's Sustainability Report 2015 which was issued in April 2016. Unless otherwise stated, this report covers our performance on our sustainability goals from 1 January to 31 December 2015 of the operations of all CPF and its subsidiaries in Thailand, referred as "the Company", as indicated in the table below, adhering to the Global Reporting Initiative (GRI)

Sustainability Reporting Guidelines Version 4 and Food Processing Sector Supplement (FPSS).

This report is based on our sustainability performance against the Company's CSR to Sustainability Roadmap and others topics of interest to our stakeholders. The report conforms to GRI Guidelines at Core level and is also subject to independent third party assurance by Lloyd Register's Quality Assurance (LRQA) for data on selected indicators.

G 4-17, G4-23

Companies within the Scope of This Report

Company Name	Environmental Performance				Social Performance	
	Energy	Water	Waste	Emission	Safety & Health	Human Resource
1. Charoen Pokphand Foods PCL	•	•	•	•	•	•
2. CPF Thailand PCL	•	•	•	•	•	•
3. Bangkok Produce Merchandising PCL	-	-	-	-	-	•
4. Chester's Food Co., Ltd.	•	•	•	•	•	•
5. CPF Trading Co., Ltd.	•	•	•	•	•	•
6. CP Merchandising Co., Ltd.	-	-	-	-	-	•
7. CPF Training Center Co., Ltd.	-	-	-	-	-	•
8. CPF IT Center Co., Ltd.	-	-	-	-	-	•
9. CPF Research & Development Center Co., Ltd.	-	-	-	-	-	-
10. CPF Premium Foods Co., Ltd.	In the process of liquidation					
11. Seafood Enterprise Co., Ltd.	In the process of liquidation					

Note:

- Economic performance and its reporting boundary can be found in our Annual report and snapshot can be found on page 20 of this report.
- Environment and safety performance cover all manufacturing plants and some of retail and food outlets business including Five Star, Chester's, CP Fresh Mart and excluding headquarters, offices, CP Kitchen and CP Food World.
- CPF Research & Development Center is under construction, expected to be completed in 2017.

Process for Defining Report Content

We assessed both internal and external inputs in selecting material sustainability aspects to be presented in this report. Further, we abided by the four principles: Sustainability Context, Materiality, Completeness and

Stakeholder Inclusiveness, in conducting the analysis of internal and external environments, as well as the materiality test. The detail of our process is as follows:

1 Identification

We engaged with executives through workshop and interviewed stakeholders while also reviewed and analyzed internal and external factors to identify the sustainability aspects and limit the boundary of each aspects.

External Factors

- Sustainability Context
- Sustainability Indices
- Benchmarking Against Industry Peers
- Relevant News

Internal Factors

- CPF Strategic Direction
- CPF Sustainability Direction
- CPF Risks and Opportunities

3 Validation

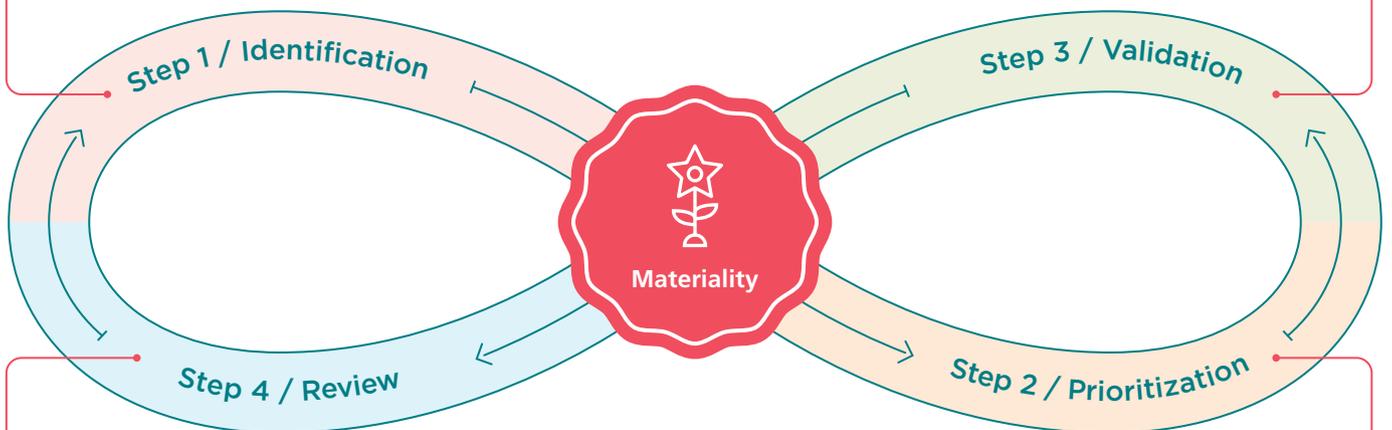
The Company's CSR&SD Department primarily validated the identified material aspects before submitting to the CSR&SD Sub-Committee and CSR&SD Committee for confirmation and approval of the material aspects. An external party was also employed to verify and validate our reporting process based on GRI framework and to evaluate the accuracy and reliability of data and information for the selected indicators as detailed in the Assurance Statement at the back of this report.

4 Review

We provide a variety of channels to gain feedback to be used for improving and shaping our report contents for the next report, adhering to the Principles of Stakeholder Inclusiveness and Sustainability Context.

2 Prioritization

We prioritized these aspects identified in Step 1 by considering the significance of their impacts on our business operation and influence on the assessments and decisions of stakeholders. We also conducted external stakeholder interviews with customer, business partner, government agencies, and non-governmental organization (NGO) to obtain the external views on aspects that are material to sustainability of agro-industrial and food conglomerate as well as their views on the management approach of those aspects. The contents in this report, however, cover only aspects with medium and high materiality.



Chapter	Material Aspects	GRI Aspects	Impact Boundary								
			Within the Company					Outside the Company			
			Feed Business	Farm Business	Food Business	Retail Business	Others i.e. Services/ Investment & Trading	Business Partner	Customer/ Consumer	Society	
People Development 	• Human Capital Development	• Training and Education	•	•	•	•	•				
	• Labor Practices	• Employment	•	•	•	•	•	•			
	• Innovation Management	• Innovative Culture Promotion and Innovation Creation*	•	•	•	•	•	•	•	•	
	• Occupational Health and Safety	• Occupational Health and Safety	•	•	•	•	•	•			
Food Security 	• Food Quality and Safety	• Customer Health and Safety	•	•	•	•	•	•	•	•	
	• Animal Welfare	• Animal Welfare	•	•	•			•	•		
	• Product Labeling	• Product and Service Labelling			•	•		•	•	•	
	• Health and Nutrition	• Healthy and Affordable Food	•	•	•	•	•	•	•	•	
Self-Sufficient Society 	• Supply Chain Management	• Supplier Assessment for Labor Practices • Supplier Human Rights Assessment • Supplier Environmental Assessment	•	•	•	•	•	•			
	• Social Impact on Community	• Local Communities	•	•	•	•	•	•		•	
Balance of Nature 	• Energy Management	• Energy • Water • Emissions • Effluent and Waste	•	•	•	•		•		•	
	• Climate Change		•	•	•	•	•	•		•	
	• Packaging		•	•	•	•		•		•	
	• Water Management		•	•	•	•		•		•	
	• Waste Management	•	•	•	•		•	•	•		
	• Biodiversity	• Biodiversity	•	•	•	•	•			•	

Note: * Company Key Performance Indicator

Stakeholder Engagement

The Company believes that stakeholder engagement is a critical foundation to becoming a sustainable organization. We define stakeholders as all persons or organizations that are affected by our business activities. We continuously conduct an analysis to identify stakeholders and emphasize on engagement through a variety of activities and communication channels. The frequency of communication with each stakeholder group is different depending on the Company's work plan and our understanding of stakeholders' needs, opinions, concerns, and suggestions. This will be valuable inputs for improvement of business approach in line with fair and appropriate sustainability practices.

As a process for 2016 sustainability reporting, the Company combined stakeholders' feedbacks covering economic, social, and environmental aspects and hence prescreened priorities. This year we also conducted one-on-one interviews with representative from stakeholder groups including government, customer, business partner, sustainability expert, and non-governmental organization to gather their views on the Company's sustainability. The feedbacks from these external stakeholders are also used to shape the report content.

Stakeholder Group	Type of Engagement	Example of Issues Raised
 Shareholder and Investor	<ul style="list-style-type: none"> Quarterly Meetings Annual General Meeting Office of Corporate Secretary Office of Investor Relations 	<ul style="list-style-type: none"> Good Corporate Governance Transparent, Accurate and Timely Disclosures
<p>Approaches to how we address these issues can be found in the “CPF and Sustainability” chapter.</p>		
 Employee and Family	<ul style="list-style-type: none"> Intranet and Internal Magazine Employee Surveys Open Dialogues Volunteer Programs 	<ul style="list-style-type: none"> Employee Engagement Occupational Health and Safety
<p>Approaches to how we address these issues can be found in the “People Development” chapter.</p>		
 Customer and Consumer	<ul style="list-style-type: none"> Customers Visits Customer Surveys Customer Service Centers CPF Call Center 	<ul style="list-style-type: none"> Food Quality and Safety Traceability Product Labeling Business Ethics
<p>Approaches to how we address these issues can be found in the “Food Security” chapter.</p>		
 Business Partner	<ul style="list-style-type: none"> Meetings Joint Initiatives Audits Advisory Services Capacity-Building Program 	<ul style="list-style-type: none"> Human Rights and Environmental Impact in the Supply Chain Capacity-Building for Farmers and Business Partners Business Ethics
<p>Approaches to how we address these issues can be found in the “People Development” chapter.</p>		

Stakeholder Group	Type of Engagement	Example of Issues Raised
Community and Society 	<ul style="list-style-type: none"> • Community Feedback • Complaint Channels • Initiatives to Promote Quality of Life • Ongoing Dialogues and Visits 	<ul style="list-style-type: none"> • Continuous Support for Local Employment • Environmental Management • Promoting of Quality of Life and Environmental Conservation • Access to Safe Food in the Community
<p>Approaches to how we address these issues can be found in the “Self-Sufficient Society” chapter.</p>		
Government 	<ul style="list-style-type: none"> • Joint Initiatives and Activities that Create Value for Society • Public Policy Support 	<ul style="list-style-type: none"> • Compliance with Relevant Laws and Regulations • Setting Example for Agri-Business and Food Industry in Social Responsibility • Knowledge Sharing on Sustainability Innovation
<p>Approaches to how we address these issues can be found in the “CPF and Sustainability” chapter and the “Self-sufficient Society” chapter.</p>		
Civil Society Organization 	<ul style="list-style-type: none"> • Ongoing Dialogues • Networking 	<ul style="list-style-type: none"> • Human Rights in the Supply Chain • Social and Environmental Impact Assessment • Participation in Social Projects
<p>Approaches to how we address these issues can be found in the “Self-Sufficient Society” chapter and the “Balance of Nature” chapter.</p>		
Media 	<ul style="list-style-type: none"> • Public-Relations Activities • Media Visits to the Company’s Activities • Participation in Media Events 	<ul style="list-style-type: none"> • Accuracy of Information that is Disseminated in a Timely Manner

G4-5, G4-31

Contact Point

For additional information or inquiries on this report, please contact us at Office of Corporate Social Responsibility and Sustainable Development Charoen Pokphand Foods Public Company Limited (Headquarter) 313 CP Tower Building, Silom Road, Bangrak, Bangkok 10500, Thailand Email: i-sd@cpmail.in.th

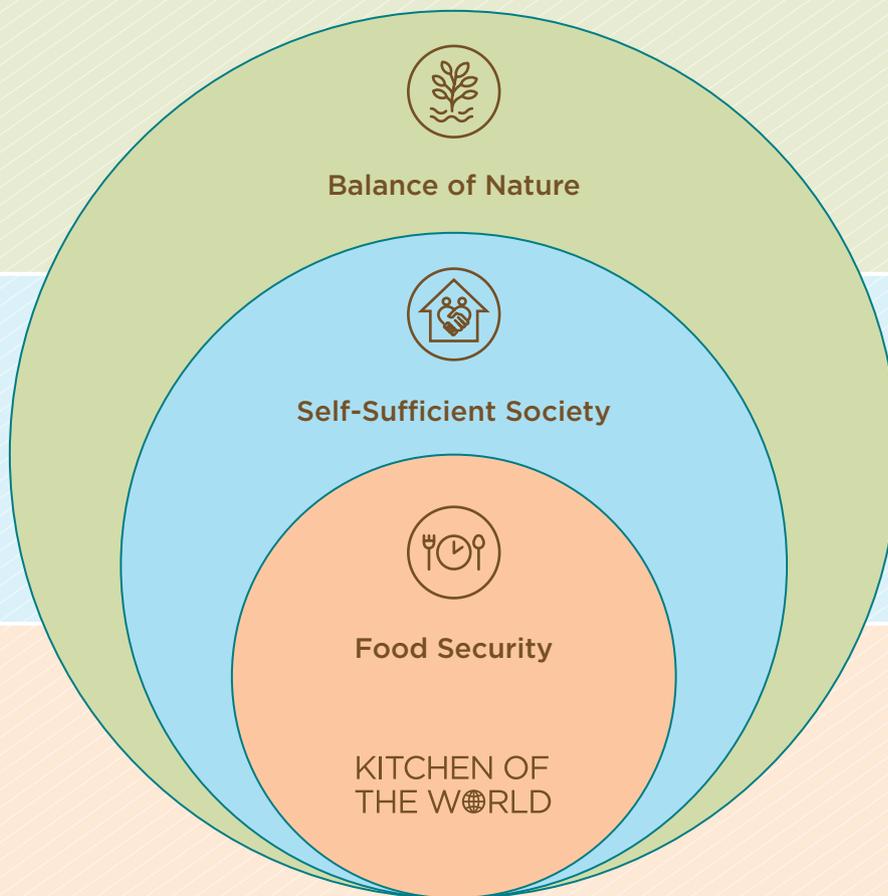


CPF and Sustainability

As a leading agro-industrial and food conglomerate with the vision of “the Kitchen of the World”, we recognize that it is our role, responsibility, and obligation not only to provide high quality and safe products and services, but to also operate in a socially and environmentally responsible and sustainable manner. Over the course of our operations, we utilize our full potential to foster changes so that sustainable development in economic, social, and environmental dimensions could be achieved. Our endeavor is on the foundation of good corporate governance and people development with the core philosophy of “Three Benefits to Sustainability (for the Country, the People, and the Company)”.

3 Pillars to Sustainability

Issue



Resource and Environmental Conservation



Society Development



Food Safety and Consumer Health

CPF's CSR to Sustainability Direction

The Company drives the CSR to Sustainability Direction under the three pillars: “Food Security, Self-Sufficient Society and Balance of Nature”. The three pillars are based on the principle of good corporate governance and people development. Our objective is to ensure that the Company delivers appropriate benefits to shareholders, health and safety to consumers, as well as security and livelihood to our people, business partners, and communities. At the same time, we also consider the environmental impacts of our operation and take appropriate steps to conserve natural resources that are the sources of the current and future socio-economic prospects.

Goal			
 <p>Reducing Environmental Footprints</p>	 <p>Protecting Biodiversity</p>	 <p>People Development</p>	<p>31</p> <p>ENRICHING LIFE,</p>
		 <p>Governance, Risk Management and Compliance (GRC)</p>	
 <p>Developing Win-Win Partnership</p>	 <p>Supporting Community Livelihood</p>		
 <p>Three Benefits to Sustainability</p>		 <p>Speed & Quality</p>	 <p>Simplification</p>
 <p>Adapt to change</p>	 <p>Innovativeness</p>	 <p>Integrity, Honesty and Reciprocity</p>	
 <p>Enhancing Quality & Food Safety throughout the Chain</p>	 <p>Improving Food Access</p>		



CSR to Sustainability Targets 2020



Food Security



Enhancing Quality & Food Safety throughout the Chain



Improving Food Access



Self-Sufficient Society



Developing Win-Win Partnership



Supporting Community Livelihood



Balance of Nature



Reducing Environmental Footprints



Protecting Biodiversity

In 2016, the Company has set the five-year strategic targets for 2016-2020 in order to drive all Business Units towards the creation of innovation which would help balance **“Creating Growth,”** **“Driving Excellence,”** and **“Laying Strong Foundation”** for the Company in the long run and also support the Sustainable Development Goals (SDGs).



No Product Recall Incident that would affect Public Health



30% of New Product Development are Healthy Products



>300,000 of Children and Youth have the Opportunity to Access Knowledge and Skills on Food Production and / or on Consumption of Safe and Nutritious Food



100% of Critical Suppliers in Animal Feed Raw Material, Food Ingredient, and Packaging Groups are Audited on Sustainability



100% of Key Agricultural Raw Materials are Responsibly Sourced and Traceability



Improve Employment Prospect and Quality of Life of 50,000 Smallholder Farmers, Small Entrepreneurs, and Vulnerable Groups



Reduce Energy Consumption per Production Unit by 5% Compared to the Base Year 2015

Reduce GHG Emissions per Production Unit by 5% Compared to the Base Year 2015



Reduce Water Withdrawal per Production Unit by 10% Compared to the Base Year 2015

Reduce Waste Disposed by Landfill and Burning per Production Unit by 30% Compared to the Base Year 2015



Protect Biodiversity in Mangrove Forest and Watershed Forest in Strategic Areas and within the Boundary of Operations Covering the Areas of 9,000 Rai

Supporting the Sustainable Development Goals

The Sustainable Development Goals is the 15-year international development agenda for the period between 2015-2030, adopted by the 193 Member States of the United Nations at the General Assembly on September 2015. It is a set of seventeen aspirational “Global Goals” with 169 targets between them to end poverty, inequality and climate change.

Recognizing the role the private sector can play in supporting the sustainable development agenda, in 2016 the Company has integrated the SDGs into the CSR to Sustainability Direction. **We are committed to utilizing our knowledge, capability, and expertise as the leading**

agro-industrial and food conglomerate to support the nine SDGs which align with the Company’s capability and potential to support sustainable and inclusive development.

Additionally, **the Company supports the ten principles of the UN Global Compact** covering human rights, labor, environment and anti-corruption. It is also **One of the fifteen founding members of the Global Compact Network Thailand** with the aim to drive the incorporation of international standards into business practices within the Thai business sector.



Sustainability Governance

The Company is committed to good governance based on transparent, credible, and accountable governance structures¹ with the responsibility to oversee that our business are operated in accordance with the business objectives, strategies and operational plan. We believe that good governance is the foundation for building trust, increasing competitiveness, and improving efficiency and effectiveness in our operations, all of which, in return, create long term value for the business, shareholders, and other stakeholders.

To drive the commitment to operate under the CSR to Sustainability Direction, the Board of Directors appointed the Corporate Social Responsibility and Sustainability Development Committee (CSR&SD Committee), comprising two independent directors and one executive director, to take a leading role in managing and overseeing sustainability across the Company. In addition, the Company also formed the CSR&SD Sub-committee, comprising members from the management level from all businesses, to drive the progress towards the policy and CSR to Sustainability Direction under the three pillars: “Food Security, Self-Sufficient Society and Balance of Nature”.

At the same time, we promote the participatory culture at work based on honesty, integrity, ethics, and the creation of shared value in accordance with our corporate values (CPF Way) and the Code of Conduct (CoC). The CoC is the guidance principle for the consistency of our duties and responsibilities consistent with the Company’s vision and mission, rules and regulations, communications and relationship with stakeholders. The CoC covers fellow employees, customers, shareholders, business partners, competitors, society, environment, as well as rules on how to safeguard the Company’s properties. The code stipulates penalties for violations of the laws and Code of Ethics.

Additionally, we are committed to preventing all forms of corruption as stated in the Anti-corruption Policy². We also made our pledge to Thailand’s Private Sector Collective Action Coalition against Corruption in 2014 and continuously communicated the policy to employees through our e-newsletter. In 2016, we organized training for our people in the procurement, accounting, and human resource department and announced the three rules and regulations on disbursement of supporting expense, political contribution, and receiving of gifts. We also developed the anti-corruption e-learning curriculum which we planned to reach out to all employees in the future.

G4-HR9

Human Rights and Risk Management

Amidst the rapid socio-economic and environmental changes, the Company realizes the importance of efficient and effective risk management which is an important management tool to prepare the organization for new challenges. We have risk management processes both at the corporate and business unit levels. The Risk Management Sub-committee, comprising management from feed, farm, food, retail and food outlets business as well as support functions, is tasked with assessing risks to the Company and mitigation actions in collaboration with risk owners who are responsible for managing risks relevant to them³.

Additionally, we recognize the importance of human rights and acknowledge the positive and negative human rights impacts of our operations that may arise. We therefore began to develop the human rights due diligence process in 2016. This demonstrated our commitment as in our Human Rights Policy⁴ and was in compliance with the UN Guiding Principles on Business and Human Rights. The process comprised assessment

1 For full detail about Board of Directors and Committees, please refer to our Annual Report 2016

2 For full detail of our Anti-corruption Policy, please visit http://www.cpfworldwide.com/download/en/investor/Anti-Corruption%20Policy_for_Website.pdf

3 For full detail of the Company’s risk factors, please refer to our Annual Report 2016 (3), page 1-13

4 For full detail of our Human Rights Policy, please visit <http://www.cpfworldwide.com/en/sustainability/policy>

on human rights risks and impacts, planning for risk mitigation, and monitoring of risks. As a result of the assessment on human rights risks and impacts covering all business groups in Thailand, we identified three salient human rights issues⁵ as followed:

1. Forced labor in the supply chain
2. Migrant labor in the supply chain
3. Health, safety, and well-being of employees and contractors within the operations

The Company continually promotes the respect for human rights in the supply chain by implementing the Sustainable Sourcing Policy and Supplier Guiding Principle and conducting trainings and workshops for

business partners on good practices and international standards. We encouraged our business partners to participate in supplier sustainability self-assessment and supplier sustainability audit programs to help eradicate forced labor in the supply chain. We also encouraged our business partners to adopt fair labor practices in compliance with laws and regulations⁶. Simultaneously, we treated our own people equally and fairly in compliance with our human resource related policies. We promoted safety culture throughout the organization based on CPF SHE&En Standard with the aim to reduce injury and sickness among our employees and contractors. We were also committed to promoting process safety so that our employees and contractors can come to work and go home safety⁷.



5 Salient human rights issues are issues are those human rights that stand out because they are at risk of the most severe negative impact through the company's activities or business relationships.

6 For full detail on supply chain sustainability, please refer to page 58-62

7 For full detail on labor practice and health and safety management, please refer to page 38-47



G4-15

Compliance with Laws and International Standards

We conduct our business in compliance with applicable laws in all countries that we operate. We also strive to comply with international voluntary standards which are

beyond national requirements. This is evidently demonstrated by the list of international standards to which we adhere below:

Labor	Animal Welfare	Sustainability
<ul style="list-style-type: none"> • Thai Labor Standard 8001-2010 • Good Labor Practice (GLP) 	<ul style="list-style-type: none"> • Animal Welfare Standard, the European Union • Genesis Assured Duck Production (ADP), the United Kingdom • Agricultural Labeling Ordinance (ALO), Switzerland 	<ul style="list-style-type: none"> • International Fishmeal and Fish Oil Organization’s Responsible Supply Chain of Custody (IFFO RS CoC) • Best Aquaculture Practice (BAP)
Quality		Safety, Health, and Environment
<ul style="list-style-type: none"> • ISO 9001: Quality Management • Good Manufacturing Practice (GMP) • Hazard Analysis and Critical Control Point (HACCP) • Good Agricultural Practices (GAP) • Global Good Agricultural Practice (Global G.A.P.) • British Retail Consortium (BRC) • International Food Standard (IFS) • QS Quality Scheme for Safe Food (QS) • CEN/TS 16555: Innovation Management Standards 		<ul style="list-style-type: none"> • CPF Safety Health Environment and Energy Standard (CPF SHE&En Standard) • OHSAS 18001: Occupational Health and Safety Management • ISO 14001: Environmental Management • ISO 50001: Energy Management • ASEAN Energy Manager Accreditation Scheme (AEMAS) • Code of Conduct (CoC) for Responsible Shrimp Aquaculture • ISO 14040 and ISO 14044: Life Cycle Assessment • ISO 14067: Greenhouse Gases – Carbon Footprint of Products



People Development



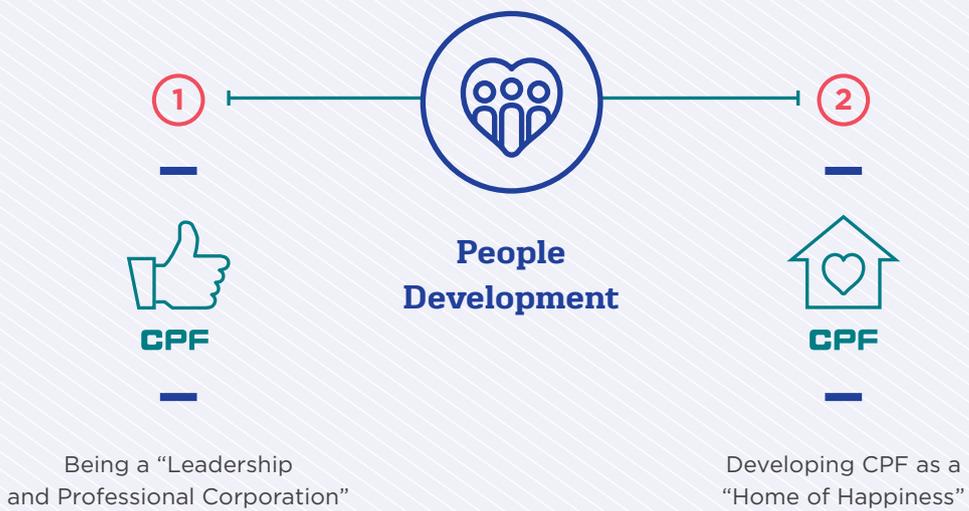
WE SUPPORT



THE GLOBAL GOALS

For Sustainable Development

People development is the integral part of our competitive advantage and our sustainability agenda. As the leading agro-industrial and food conglomerate, the Company is committed to developing and retaining talents by enhancing their capability, supporting career growth, and fostering of diversity and inclusion, all of which would help enhance their professionalism, help them become an international leader, and create happiness for all of our people under the vision “People Excel-Business Exceeds”.





Being a “Leadership and Professional Corporation”

☆ The Challenge

Amidst the highly competitive and rapidly changing business environment, organizations need to continually adapt to enhance their competitive advantages. One of the important success factors is to enhance knowledge, potential, skills, and creativity among employees in alignment with business growth direction as well as to help them adapt to and manage change so that they could drive the business towards sustainable growth.

for all people throughout the organization to exhibit their innovative initiatives, share experiences and collaborate between business units.

☆ Management Approach

The Company places great emphasis on developing professional skills using competency-based learning model which focuses on building leadership capability, enhancing management skills, increasing professionalism, and emphasizing on our corporate values (CPF Way). To achieve our development objectives, CPF Training Center was established to provide training and development programs to our people of all levels so that they are good at work, good at people, and good at business. **CPFTC was the first company in Thailand to be certified with ISO 9001: 2015** by United Registrar of Systems Ltd. (URS), which was accredited by the world-renowned United Kingdom Accreditation Service (UKAS), the United Kingdom, for its quality advisory services on the design and development of learning courses, for learning services management, and for the provision of electronic learning materials. CPFTC began to formally use the new system since 5 October 2016. The Center was previously certified with ISO 29990: 2010. In addition, CPF continuously promoted culture that fosters innovation through the annual CPF CEO Award which provided the opportunity



2016 Performance

Establishing Learning Centers to Support the New Business Model and International Expansions

As a result of the organizational restructuring on 1 February 2016 based on eight strategic business units where each unit has sub-units that cover the whole production chain with the aim to increase agility and efficiency, the Company thus established learning center within each business unit to help develop people towards increasing professionalism and readiness for the new business model. One of the major objectives is to enhance their expertise and transfer specialized knowledge of each business unit. The Center also developed develops training programs designed for each business unit by considering the replicability in our business overseas. These includes program on production process control for livestock animal feed business unit, program on development of professionals in pork butchery for swine business unit, program on efficient processing of chicken parts for poultry business unit, program on automatic sausage inventory for ready-to-eat business units, etc.



2016 Performance

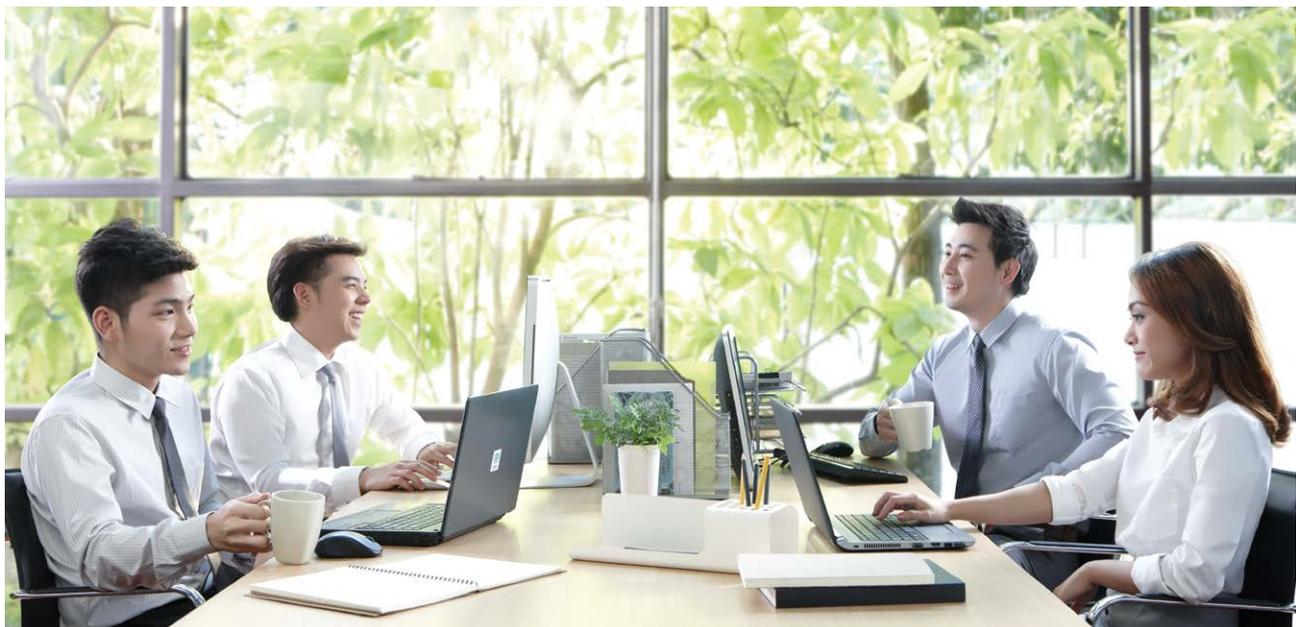
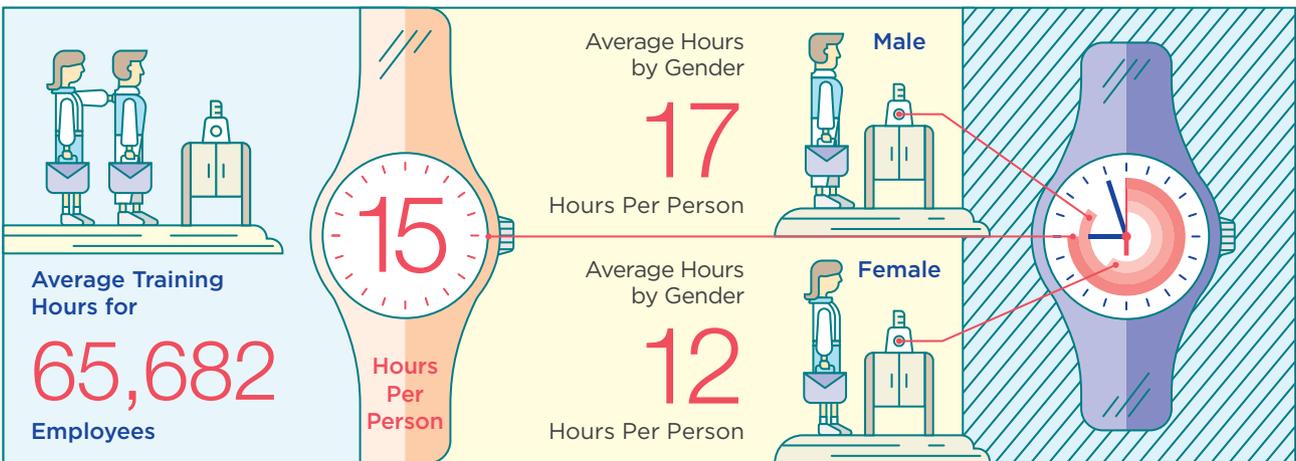
Trainings and Implementation

The Company has prioritized people development through learning from real experiences and relationship outside the classroom based on “10-20-70 Development Impact” model. We have continually designed the learning process and new training programs based on the model. In 2016,

the Company had more than 4,500 life-long learning and development programs. The average hours of training for our 65,682 people were 15 hours per person per annum. The ratio of training hours for male and female workforce was 17:12 hours per person per annum.

G4-LA9

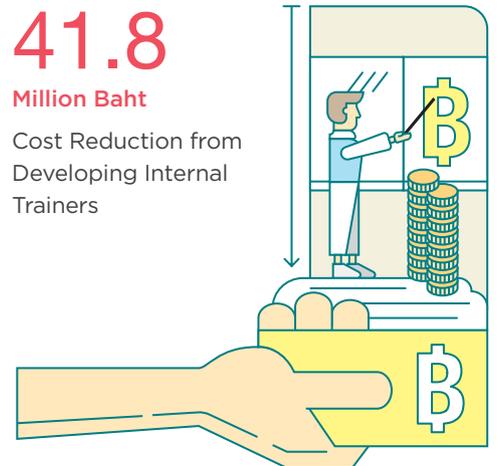
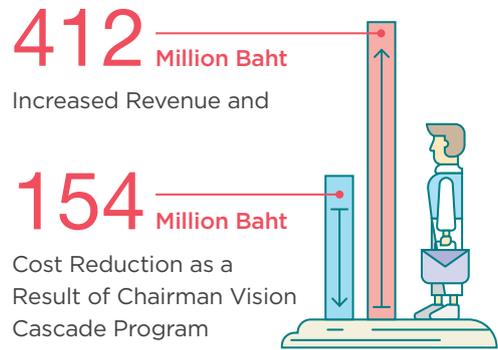
Average Training Hours



Chairman Vision Cascade Program - The Company developed senior executives by encouraging them to materialize the vision and business strategy provided by Chairman of the Board of Directors and President and Chief Executive Officer. The program was an effective effort to enhance their leadership capability and their ability to manage business. In 2016, 26 new practical business initiatives were developed and carried out as a result of this program.

Lean Six Sigma Program - The Lean Six Sigma program was continually organized since 2009 to increase efficiency, accelerate production, enhance quality, and increase customer satisfaction through employee engagement in organizational development. The program resulted in the development of 43 initiatives in 2016.

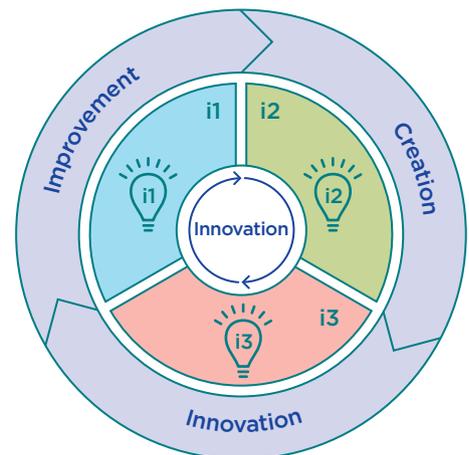
Train the Trainer Program - With the focus on Leader Developing Leader model, we developed the Train the Trainer program to equip internal trainers with the skills to train others. In 2016, the program covered a variety of general training courses namely, 7 Habits of Highly Effective People course and Coping with Feedback course, and Safety Training courses namely, courses on Safety Personnel at the Supervisory, Management, and Technical Level and course for Occupational Health, Safety, and Environment Committee. The Company was also certified for its training unit on safety personnel at the supervisory, management, and technical level by Department of Labor Protection and Welfare, Ministry of Labor. A total of 1,946 employees in 97 batches were already trained by our internal trainers.



2016 Performance

Nurturing Innovation throughout the Organization

Our people created a total of 3,561 product, service, and process innovations. At present, the Company has 94 innovations registered patents and petty patents while 80 are in the process of registration. Additionally, the Company also created 497 innovators according to TRIZ guideline. The Company aims to have 500 registered patents and petty patents and to create 1,000 innovators according to TRIZ guideline by 2020.



Number of Innovation Year 2013 - 2016



66

The first company in Thailand that was certified CEN/TS 16555: Innovation Management Standard
The standard that helped the Company to innovate systematically with limited resourced



Best Innovative Company Awards

Awarded by the Stock Exchange of Thailand and Money & Banking Journal for its **Tender Chicken Breast** product. The integration of the food science and technology and modern automated production process resulted in the consistent quality product. The product can also be kept chilled in 0-10°C for 30 days compared to the traditional processed meats which could only be kept chilled for 12 days.

99



National Innovation Awards

Honorable Mention, Economic Dimension For its **“Portable Baby Shrimp Counting Machine”**. The machine utilized the automatic digital camera to record real-time VDO for counting the number of baby shrimp. It takes only two seconds to process, 300 times faster than manual counting with 97 percent accuracy. The machine also automatically records the result that is traceable and send/transmit data to LINE application, emails or USB. This enabled the process to be much faster and reduced the need to import counting machine accounting for 11,760,000 Baht cost saving.



Developing CPF as a “Home of Happiness”

☆ The Challenge

One of the critical challenges in organizational management is about how to manage employees so that they are engaged and happy at work which would encourage employees to talk positively about the organization (Say), concentrate on working and stay longer with the organization (Stay), and strive to continually improve performance of the organization (Strive). To achieve these objectives, organizations need to treat their employees equally and fairly, provide conducive, safe, and healthy working environment, and provide the working culture that enables diverse employees can work together.

Employment and Labor Management Policy, Diversity and Inclusion Policy, Labor Practice and Anti-harassment Policy, Employment of Foreign Employee Policy and complies with the Thai Labor Standard (TLS 8001- 2010). Moreover, we provide the opportunity for our people to express their concerns and file grievance through a variety of channels including CEO Corner, website (Wearecp.com), welfare committee, safety committee, etc. We also perform internal audits on human resource management annually.

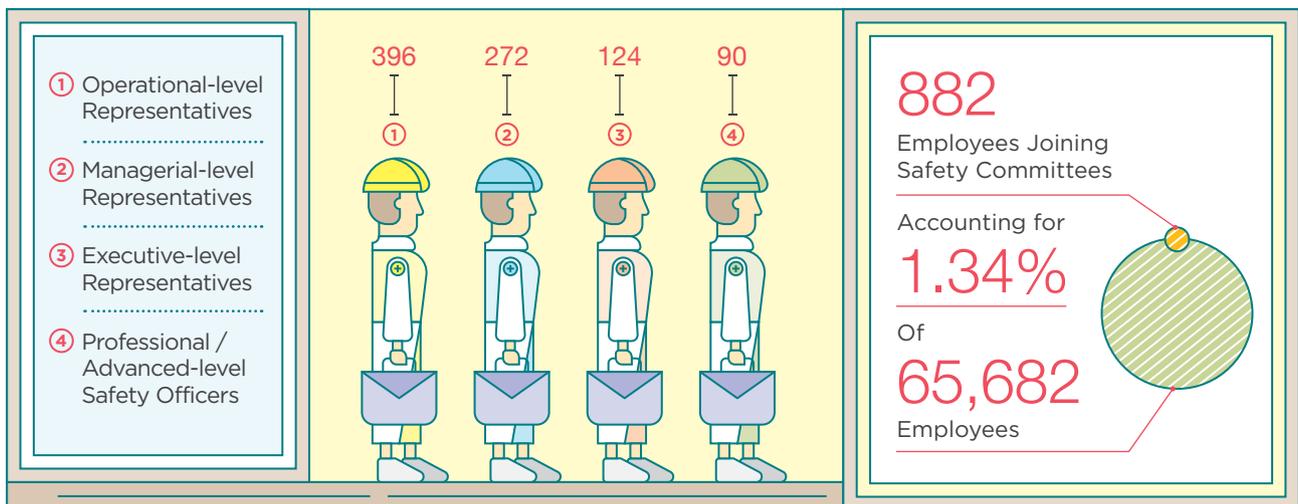
☆ Management Approach

CPF strictly treats all of our people equally based on the respect for their rights aligning our Human Rights Policy,

In addition, the Company places great emphasis on the provision of safe working environment by ensuring that CPF SHE&En Standard is implemented throughout the organization. The standard covers risk assessment, procedures and processes, training, and indicators to systematically monitor work-related safety incidents.

G4-LA5

Joint Management-Worker Occupational Health and Safety Committee





2016 Performance

Thai Labor Standard: Additional 16 plants and farms were certified against the highest level of Thai Labor Standard (TLS 8001-2010), totaling 22 operations being certified. The Company had the target for all operations to be certified against TLS 8001-2010 by 2020.

Grievances: No employees' labor grievance found in 2016.

SHE&En Trainings: We held 227 basic and specialized health and safety training programs where 29,623 of our people or 45.1% of total employees attended.



2016 Performance

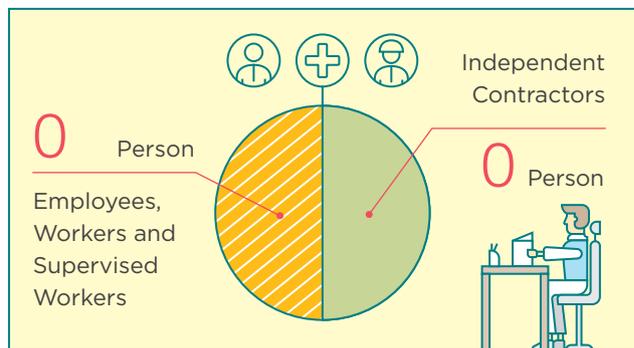
Injury Rate and Occupational Disease Rate: Our Injury Rate of Employees, Workers and Supervised Workers were at 7.52% while Injury Rate of Independent Contractors was at 0.03% which increased from 2015. The Company was not negligent in the incidents. We thoroughly investigated the incidents and worked hard to current and prevent repetition by reviewing the practices against our CPF SHE&En Standard and providing regular training for our employees, workers, contractors and all related persons. There was no record of employees, workers, and contractors that were exposed to critical diseases in all operating sites.

Workshop on "Safety in Working with Electrical Equipment"

Apart from designing and installing electrical system in compliance with regulations and international standards as well as conducting regular inspection, the Company also emphasized on personnel whose work directly involved electricity. In 2016, The Company emphasized on raising awareness on danger from working with electrical equipment and fostering knowledge on appropriate selection of electrical equipment following the standards and regulations through workshop on "Safety in Working with Electrical Equipment" for our technicians in all of our Business Units over 12 batches. A total of 424 employees participated in the workshop. This was aimed to enhance safety and reduce injury severity in case of electrical accidents.

G4-LA6

Occupational Disease Rate (ODR), 2015-2016 (Case/200,000 Hours Worked)



G4-LA6

Occupational Health and Safety Data 2016

	Employees, Workers and Supervised Workers		Independent Contractors	
	2016		2016	
	Male	Female	Male	Female
Lost Time Injury Rate: LTIR (cases/200,000 hours worked)	0.35		0.01	
	0.39	0.33	0.01	0.00
Lost Day Injury Rate: LDIR (lost days/200,000 hours worked)	2.93		0.15	
	3.39	2.50	0.18	0.00
Injury Rate: IR (cases/200,000 hours worked)	7.52		0.03	
	6.45	8.51	6.45	8.51

	Employees, Workers and Supervised Workers		Independent Contractors	
	2016		2016	
	Male	Female	Male	Female
Absentee Rate	1.3		n/a	
(percent)	1.1	1.7	n/a	n/a

Note:

- n/a = Not Available
- In 2016, there were two fatalities, one employee and one contractor, from short circuit and fall from height.
- Number of occupational disease is referred to the report by Workmen's Compensation Fund or according to medical certificate from occupational physician.
- Days means scheduled work day.
- Injury means work-related injury from first-aid level to lost-day level (from 1 day).
- Lost Time Injury means injury that causes lost-day from one day on (calculating from the day after the incident).
- Lost Day is calculated from the day after the incident.

Workforce Data during 2013-2016

GRI	Performance	Unit	2013		2014		2015		2016		
			Male	Female	Male	Female	Male	Female	Male	Female	
G4-10	Total workforce	person	62,713		62,209		62,820		66,087		
			29,170	33,543	28,952	33,257	31,202	31,618	32,480	33,607	
	By Employment Contract										
	- Employee	person	12,293	7,669	12,706	7,429	12,085	7,664	11,787	7,602	
	- Worker	person	16,877	25,874	16,246	25,828	18,821	23,933	20,361	25,932	
- Supervised worker (Full Time Equivalent)	person	-	-	-	-	296	21	332	73		
G4-LA12	By Level										
	- Top management	person	347	60	348	62	372	73	370	77	
	- Middle management	person	1,278	575	1,315	535	1,314	566	1,311	549	
	- Management	person	1,762	1,124	1,927	987	1,987	1,090	2,107	1,121	
	- Staff	person	8,906	5,910	9,116	5,845	8,412	5,935	7,999	5,855	
	- Worker	person	16,877	25,874	16,246	25,828	18,821	23,933	20,361	25,932	
	By Age										
	- 18-35 years old	person	17,030	15,897	15,345	14,841	18,093	16,266	18,532	17,477	
	- 36-50 years old	person	10,631	14,987	11,372	15,081	11,095	13,365	11,808	13,841	
	- More than 50 years old	person	1,509	2,659	2,235	3,335	1,718	1,966	1,808	2,216	
G4-LA1	New Hire										
	Number of new hires (Employee)	person	1,521		1,468		1,281		922		
			913	608	839	629	706	575	521	401	
	Rate of new hires (Employee)	percent	7.72		7.32		6.42		4.71		
			4.63	3.09	4.18	3.14	3.54	2.88	2.66	2.05	
	By Age (Employee)										
	- 18-35 years old	person	1,455		1,367		1,205		854		
		percent	7.38		6.82		6.04		4.36		
	- 36-50 years old	person	58		94		72		59		
		percent	0.29		0.47		0.36		0.30		
	- More than 50 years old	person	8		7		4		9		
percent		0.04		0.03		0.02		0.05			

GRI	Performance	Unit	2013		2014		2015		2016		
			Male	Female	Male	Female	Male	Female	Male	Female	
G4-LA1	Number of new hires (Worker)	person	27,226		25,557		10,505		15,425		
			11,498	15,728	11,815	13,742	5,277	5,228	7,341	8,084	
	Rate of new hires (Worker)	percent	63.11		60.26		24.77		34.64		
			26.65	36.46	27.86	32.40	12.44	12.33	16.49	18.16	
	By age (Worker)										
	- 18-35 years old	person	22,727		21,325		8,597		12,534		
			52.68		50.28		20.27		28.15		
	- 36-50 years old	person	4,413		4,145		1,825		2,731		
			10.23		9.77		4.30		6.13		
	- More than 50 years old	person	86		87		82		160		
			0.20		0.21		0.19		0.36		
	Turnover										
	Number of turnover (Employee)	person	1,637		1,893		2,007		1,941		
			1,024	613	1,141	752	1,185	822	1,148	793	
	Rate of turnover (Employee)	percent	8.31		9.44		10.06		9.92		
			5.20	3.11	5.69	3.75	5.94	4.12	5.87	4.05	
	By Age (Employee)										
	- 18-35 years old	person	1,301		1,350		1,417		1,253		
			6.60		6.73		7.11		6.40		
	- 36-50 years old	person	174		271		266		292		
			0.88		1.35		1.33		1.49		
	- More than 50 years old	person	162		272		324		396		
			0.82		1.36		1.62		2.02		
	Number of turnover (Worker)	person	12,338		11,732		12,248		11,983		
			5,235	7,103	5,213	6,519	5,493	6,755	5,298	6,685	
	Rate of turnover (Worker)	percent	28.61		27.66		28.88		26.91		
12.14			16.47	12.29	15.37	12.95	15.93	11.90	15.01		
By Age (Worker)											
- 18-35 years old	person	10,123		9,297		9,481		9,295			
		23.47		21.92		22.35		20.88			
- 36-50 years old	person	1,883		2,012		2,033		1,954			
		4.37		4.74		4.80		4.39			
- More than 50 years old	person	332		423		734		734			
		0.77		1.00		1.73		1.65			
G4-LA9	Employee Training and Development										
	Average hours of training per year for all employees	Hour/person/year	47		11		18		15		
			46	50	13	9	19	16	17	12	
	By Employee Category										
	- Top management	Hour/person/year	41		34		36		54		
	- Middle management		40		32		42		41		
	- Entry-level management		49		34		43		46		
	- Officer		48		21		30		27		
	- Worker		-		5		10		7		

Note:

- In 2015, the Company adjusted the calculation of supervised workers (Full Time Equivalent). (G4-10)
- In 2013-2015, the Company adjusted the calculation of rate of new hires, reflecting real employment conditions. In addition, the Company reviewed types of turnover for calculating in accordance with GRI guideline. There are four types of turnover namely, resignation, dismissal, retirement and occupational fatality. (G4-LA1)
- Average hours of training neither include the Master's and Doctoral Education supported by the Company, nor the training courses that continue during 2013-2014 and 2014-2015. (G4-LA9)



Food Security



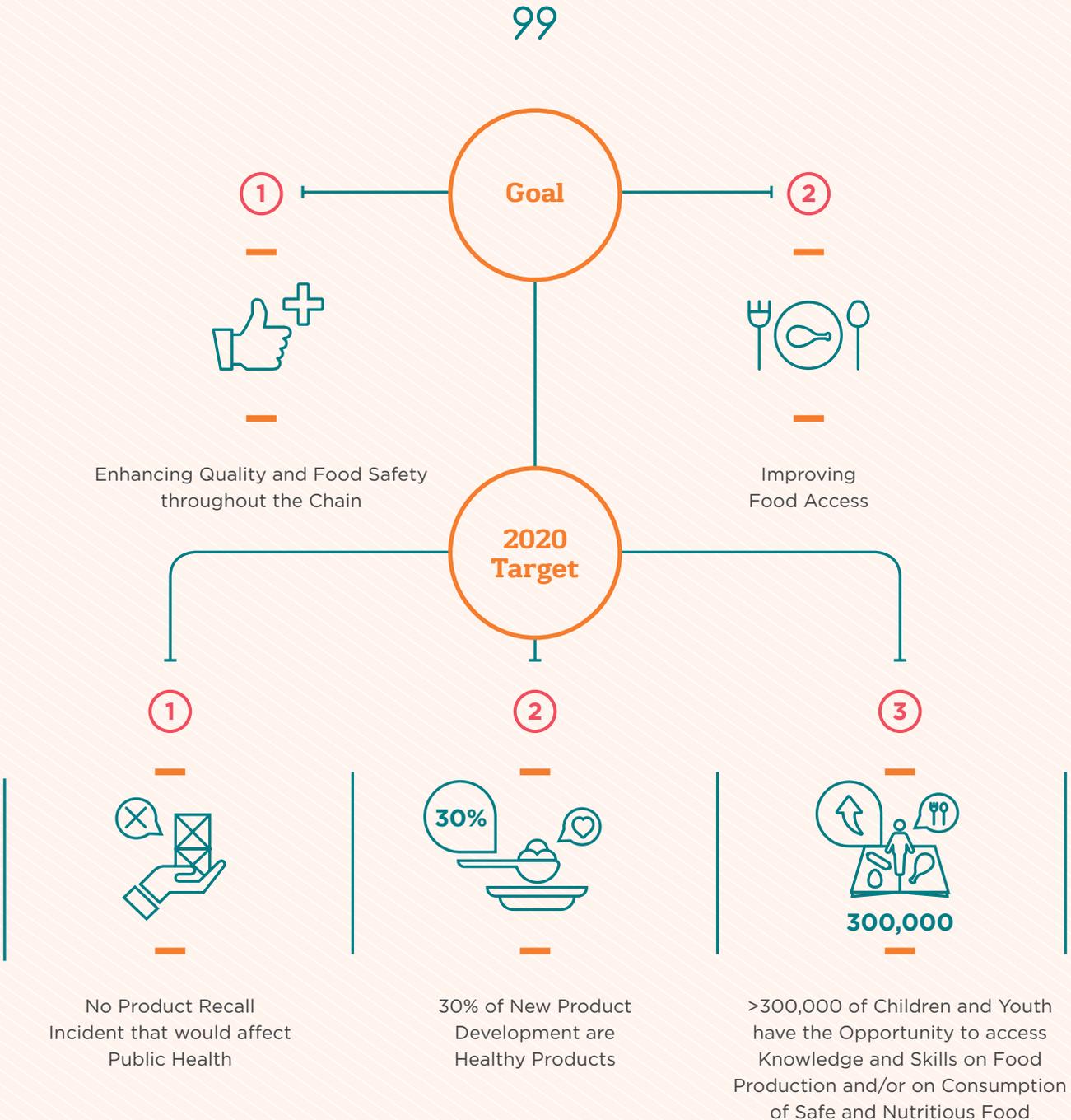
WE SUPPORT



THE GLOBAL GOALS

For Sustainable Development

Food security is still the global challenge and at the top of the development agenda under the regional and global public attention with the aim to ensure access by all people to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life⁸. As the leading agro-industrial and food conglomerate, the Company recognizes the role we could play in achieving food security. Our objectives are to “Enhance Quality and Food Safety throughout the Chain” and to “Improve Food Access” for health and well-being of consumers and the wider society.



8 Definition of food security from the World Food Summit in Rome, Italy, 1996.



Enhancing Quality and Food Safety throughout the Chain



The Challenge

At present, consumers are concerned about food safety including the chemical, biological, and physical aspects of their foods and pay more attention around the products that could help them enhance their health and beauty. Apart from taste, variety, and convenience, consumers also prefer consuming fresh food with the least non-organic condiments. At the same time, there is a continuously growing demand for fusion food and functional food products for elderly and patients.

The abovementioned trends are both the opportunity and challenge for the Company to control and monitor food quality and safety throughout the food chain as well as to provide products that meet the changing consumer needs and behavior.



Management Approach

The Company is dedicated to creating values from innovation through continuous efforts in research and development of animal feed, farming, and food products. We incessantly innovate animal feed products that meet the need of each animal type, breed, and age. We are also committed to developing animal breeds that are conducive to the environment, have high growth and survival rate, and are disease-resistant. At the same time, we develop a variety of new food products that are appropriate for diverse consumers at each age group and at different state of health following our Health and Nutrition Policy⁹ developed by our team of nutrition researchers. We collaborate with hospitals and academic institutes domestically and internationally

on the research and development of functional food for patient and those with special nutritional needs.

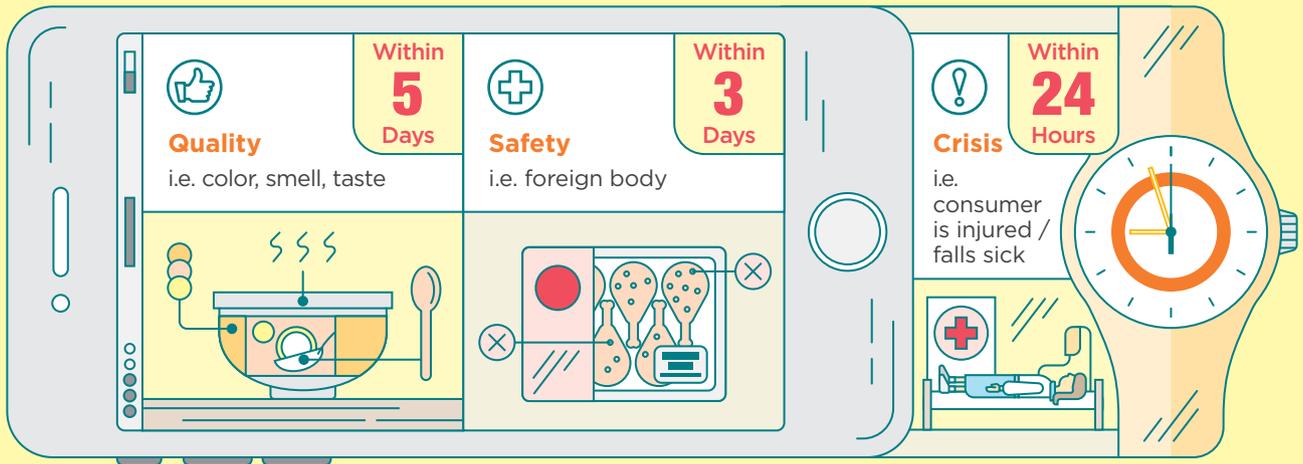
In addition, the Company places the highest importance on **Quality Control and Food Safety throughout the Chain**. Beginning from high quality raw material selection, we have quality control and system analysis in the laboratory that was ISO/IEC 17025 accredited. Our production processes are monitored by experts, utilized automation technology and robots, and have been certified against international standards by third party certification body since 1996. We also conduct trainings for our employees on food standards annually. At the same time, we carry out **Quality Assurance** covering the production process, storage, transportation, distribution, and retailing for consistent quality, highest safety for animals and consumers, and increased efficiency.

We realize the importance of **Product and Service Labeling** that help consumers understand the nutritional values and avoid nutrient that may cause allergies, including proper keeping or maintaining the product nutritional values. We deliver information on ingredients, instruction, food preservation and nutritional value required by regulations on all our labels  of CP Brand products.

Moreover, **Listening to Our Customers and Consumers through the CPF Consumer Center** is one of our priorities for continuous improvement. The CPF Consumer Center is the main function responsible for providing product and service information as well as for handling complaints, receiving orders, and delivering our products.

9 For full detail of our Health and Nutrition Policy, please visit <http://www.cpfworldwide.com/en/sustainability/policy>

Complaint Management



GRI-FP5

International Food Quality Standards



1 Feedmill	2 Poultry & Shrimp Farms	3 Food Manufacturers
<p>Livestock Feedmill are certified with 100%</p> <ul style="list-style-type: none"> ✓ GMP ✓ HACCP ✓ ISO 9001 : 2008 <p>Aquatic Feedmill (Shrimp) are certified with 100%</p> <ul style="list-style-type: none"> ✓ GMP ✓ HACCP ✓ BAP 	<p>Poultry Farms are certified with 100%</p> <ul style="list-style-type: none"> ✓ GAP ✓ HACCP ✓ GENESIS GAP ✓ PTR (Poultry Training Record) <p>Shrimp Farms are certified with 100%</p> <ul style="list-style-type: none"> ✓ GAP ✓ COC ✓ BAP (for Exporting Farms) 	<p>Food Manufacturers are certified with Numerous International Food Quality and Safety Standards 100%</p> <ul style="list-style-type: none"> ✓ GMP ✓ HACCP ✓ ISO 9001 : 2008 ✓ BRC (for Exporting Factories) ✓ Genesis GAP (for Poultry Processing Factories)

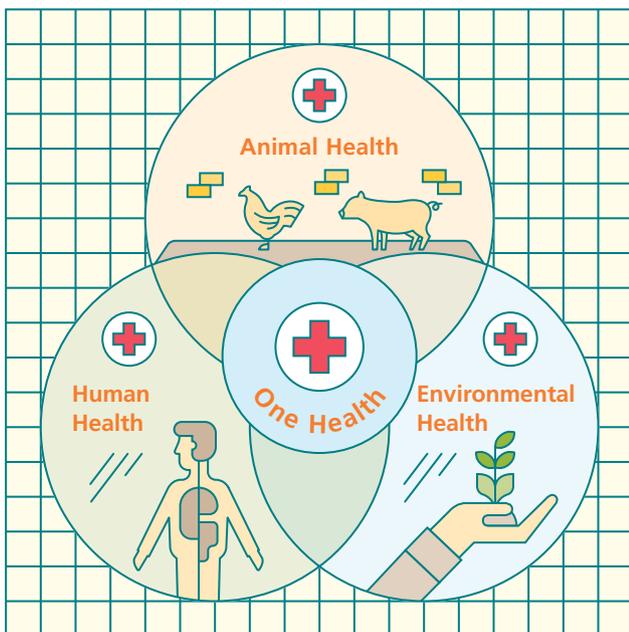
The Support for One Health

We recognize that improper drug use in animals have tremendous impacts on animal, its caretakers, consumers, and the environment. It could especially create antimicrobial resistance potential and antibiotic residues in animal products, all of which have been global challenges. The Company thus signed the commitment to support the **United Nations efforts to combat antimicrobial resistance at the One Health Summit on 21-22 September 2016 in Washington, DC, the United States of America** as part of our effort to produce a safe animal protein food chain and develop strong health system under “One Health¹⁰” approach with the following five priorities:

1. Develop global standards of responsible antibiotic use in livestock.
2. Support global elimination of the use of antibiotics for growth promotion purposes.
3. Identify new and better ways to care for animals, in order to enhance animal welfare and reduce the need for antibiotics.
4. Support the increase of veterinary training and capacities to ensure proper use of antibiotics and other tools.

5. Improve the monitoring and reporting of antimicrobial resistance, so we can accurately identify issues and track progress against resistance.

Our farm business has adopted the internationally accepted framework of “The Five Freedoms” while also adhering to Thai legislation, EU Directives, and other international standards on animal welfare. We adhere to Thai legislation, EU Directive and international standards on animal welfare. The comprehensive practice requirements encompassed siting, animal husbandry system, feeding and nutrition, health care and disease prevention, farm hygiene, animal handling and transportation, documenting and employee training. With all these best practices undertaken, **We are able to provide good quality fresh food products including chicken meat, eggs, duck meat, pork, shrimp and fish, as well as processed food products. We ensure highest food safety to consumers as hormone growth promoters, human antibiotics, and other prohibited drugs are not used in our farms. The Company has strict rules to only administer antibiotics to treat sick or injured animals which would only be authorized and prescribed by farm’s veterinarians.**



10 One Health is the multidisciplinary and cross-sectoral approach to address health issues, integrating practices on human health, animal health and the health of the environment.



2016 Performance

In 2016, there was no product recall incident that would affect the public health. At the same time, our complaint rate decreased by 22% compared to 2014.

Examining Chicken Bone by Using X-Ray Machine

Realizing that foreign body could have impacts on safety of consumers and could result in product recall. Even though foreign bodies like chicken bone, fish bone, or shrimp shell are not considered dangerous as they are all organic substances that the production process could not eliminate entirely, the Company is still dedicated to developing the process to control the quality and safety of products. Recently, the Company utilizes the x-ray technology which enables the examination of chicken bones that are not visible to the naked eye. The Company projected the investment on this to ensure consumers of CPF food quality and safety will rise to 100 million Baht between 2017-2018.

CPF Food Standard

After the CPF Food Standard initiative was launched and the working group was set up in 2015 to develop standard system for food safety and quality throughout the Company's value chain to help raise the standards and enhance food quality and safety, in 2016 the Company also announced "CPF Quality Policy" which would be the main guiding principle directing our practices. We will begin piloting CPF Food Standard in our poultry business in 2017. It is, however, worth noting that we have always been complying with the laws

and regulations of the countries in which we operate and of the countries to which we trade and have been adhering to our international customers' standards and expectation. We have continuously been certified by third party.

CPF Value Chain Traceability

In 2016, the Company has proceeded with "CPF Value Chain Traceability" project which began in 2013 to develop online traceability system within two minutes. It would help us trace back to the source of food raw materials including farm, hatchery, breedstock farm, animal feed, and animal feed raw materials though the technology that was designed and developed by CPF IT which was suitable for the Company's production processes. We aim to cover all product groups within 2017.



2016 Performance

In 2016, about 6.25% of the Company's new product development were healthy products.



CP BALANCE



Whole Wheat Ramen with Spicy Chicken Breast Stir-fried with Basil



Rice with Chicken Breast Chili Dip



Rice with Stir-fried Tender Chicken Breast with Basil



Smoked Steak Ham

CP Balance... Lo in What is Not, High in What is Yes The First Healthy Frozen Food Innovation in Thailand

In 2016, the Company launched three more CP Balance products namely, Whole Wheat Ramen with Spicy Chicken Breast Stir-fried with Basil, Rice with Chicken Breast Chili Dip, and Rice with Stir-fried Tender Chicken Breast with Basil. We now have seven CP Balance products in total. CP Balance was designed based on the Low/High concept to balance the nutrition by lowering unhealthy nutrients, i.e. cholesterol and saturated fat, and increasing healthy nutrients, i.e. fiber, for the health and nutrition of consumers who would like to stay in shape.

Low Calories and High Protein Food for Health-Conscious Consumers

Apart from our last year's launch of CP Black Pepper Tender Chicken Breast which contains only 80 calories, in 2016 we have launched "Smoked Steak Ham" under CP Brand. The product contains only 90 calories and is aimed to serve the need of health-conscious consumers who value convenience.





G4-DMA Healthy and Affordable Food

Improving Food Access



The Challenge

Regardless of how advanced the food production technology is at present, around two billion out of seven billion people worldwide still suffer from micronutrient malnutrition¹¹ while around 795 million or one in nine of the world population still go to bed on an empty stomach each night. Asia has the highest number of population in hunger, accounting for two-third of the world's population. Additionally, one in six or 100 million children in developing countries are also underweight¹². In Thailand, children also suffer from malnutrition. A November 2016 report on nutrition status of schools under the Officer of the Basic Education Commission, Ministry of Education found that students in kindergarten and primary schools suffered from malnutrition; 13 percent of were underweight, 12 percent were shorter than standard, and 14 percent suffered from over nutrition leading to them being in obesity.

As children and youths are the main driving force for the Country's sustainable future, they face with malnutrition, effecting on intellectual and physical development of children. Our challenge as a food company is to help improve nutrition among children and youths.

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Our Challenge as a food company is to help improve nutrition among children and youths

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Management Approach

The Company helps children and youth improve their access to food by providing them with knowledge and skills on food production and/or on consumption of safe and nutritious food with the aim to mitigate malnutrition. Since 1989, the Company have been working in partnership with the Rural Lives' Development Foundation under the support from CP Group and our employees together with other partners on the **"Raising Layer for Student's Lunch Project"** to help improve access to protein sources among the youth in remote areas. In 2006, we began **"Open the World of Learning Project"** to enhance knowledge and understanding of children and youth nationwide on the production of quality, safe and nutritious food through experience in the Company's food processing facilities. In 2015, we leveraged our commitment in nutritional food production and consumption by collaborating with the Officer of the Basic Education Commission, Ministry of Education to launched the **"CPF Growing Happiness, Growing Futures Project"** which helped improve nutrition of students around our factories and farms.



2016 Performance

Up until the present, the Company supported more than 183,000 children and youth in having access to knowledge and skills on food production and/or on consumption of safe and nutritious food through the "Raising Layer for Student's Lunch Project," "Open the World of Learning Project," and "CPF Growing Happiness, Growing Futures Project". In 2016, we supported around 36,000 children and youth.

¹¹ The Global Nutrition Report 2016

¹² <https://www.wfp.org/hunger/stats>

CPF Growing Happiness, Growing Futures Project at Baan Mai Samrong School



Competency
of CPF for
Delivering Value
to Stakeholders



Creation
of Pathways
to Sustainable
Innovations



Collaboration
between
CPF and its
Stakeholders



Connection
and Networking
for Sustainable
Development



1 Four-Party Collaboration Government-Community- NGOs-Company

Nakhonratchasima College of Agriculture and Technology : Provide knowledge on how to make and grow mushroom spawn

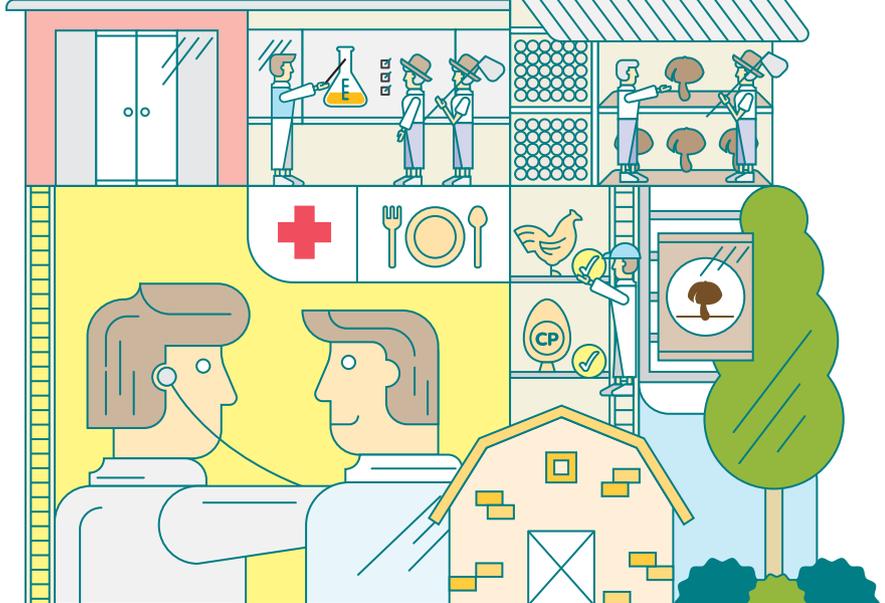
Baan Mai Samrong Health Promotion Hospital : Provide health checkup and nutrition check for students

Lad Bua Khao Sub-district Agricultural Product Processing Group : Provide training on how to process mushroom into products

Rural Lives' Development Foundation : Support on raising layer chicken

The Company : Provide knowledge on

- Hygienic food production (GMP)
- Basic accounting to calculate Income - Cost - Capital
- The security system in the mushroom spawn growing shed, installation of automatic humidity system, and fuel distribution system to steam the mushroom in the growing shed
- Water quality check
- Chicken health check



3 2016 : Expansion

Built spawn growing shed to increase production for internal consumption and selling to the community

Processed mushroom into products to add value

Grew hydroponic vegetable from foam sheet

Managed accounting to calculate income - cost - capital

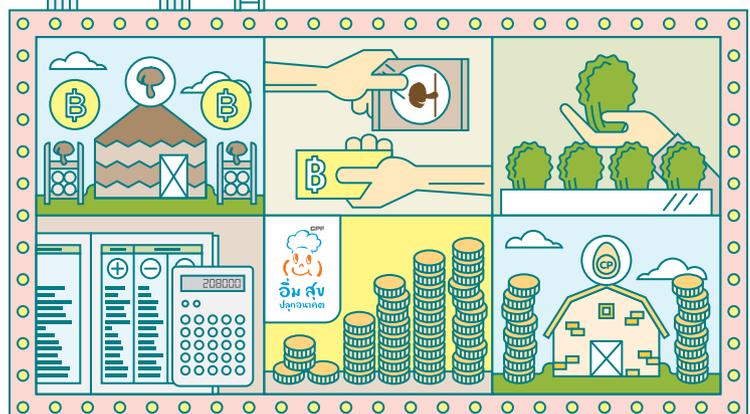
Set up CPF Growing Happiness, Growing Futures Fund

Set up Layer for Student's Lunch Fund



2 2015 : The Beginning

Built mushroom growing shed and layer chicken shed for consumption in the school



Number of Students with Undernutrition (thin and short)

2014

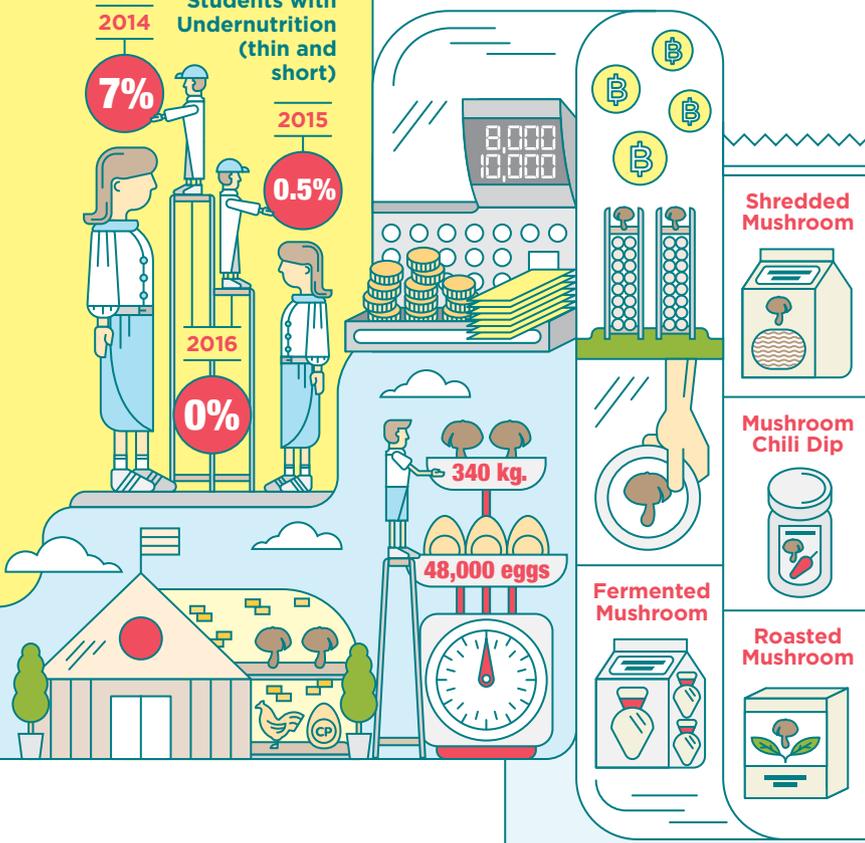
7%

2015

0.5%

2016

0%



4

Benefits to The School

Reduced the number of students with undernutrition from 7% in 2014 to 0.5% in 2015 and 0% in 2016

Students had enough mushroom and egg for lunch; more than 340 kg of mushroom and more than 48,000 eggs

Income around 8,000-10,000 Baht annually from selling mushroom spawn, fresh mushroom, and mushroom products including fermented mushroom, shredded mushroom, mushroom chili dip, and roasted mushroom



5

Benefits to The Community

Became the learning center for other schools and communities. In 2016, 50 schools already paid a visit.



Master Chaiwat Khonsoungnoen, Secondary School, Grade 8

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Basing on a school lesson on growing oyster mushroom, I created a made-shift spawn growing shed near my house using wood pieces. I found an old canvas to be used as a roof, and bought mushroom spawn from school to grow. The mushrooms would be grown exactly as the school taught me. After school ends, I would rush home to sell my harvested mushroom at the market. The generated profits would be used to fund my education, while the rest is set for additional farming investment.

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6

From School to Home, Generating Income

Students used the knowledge on mushroom growing learned from school to make additional income



Self-Sufficient Society



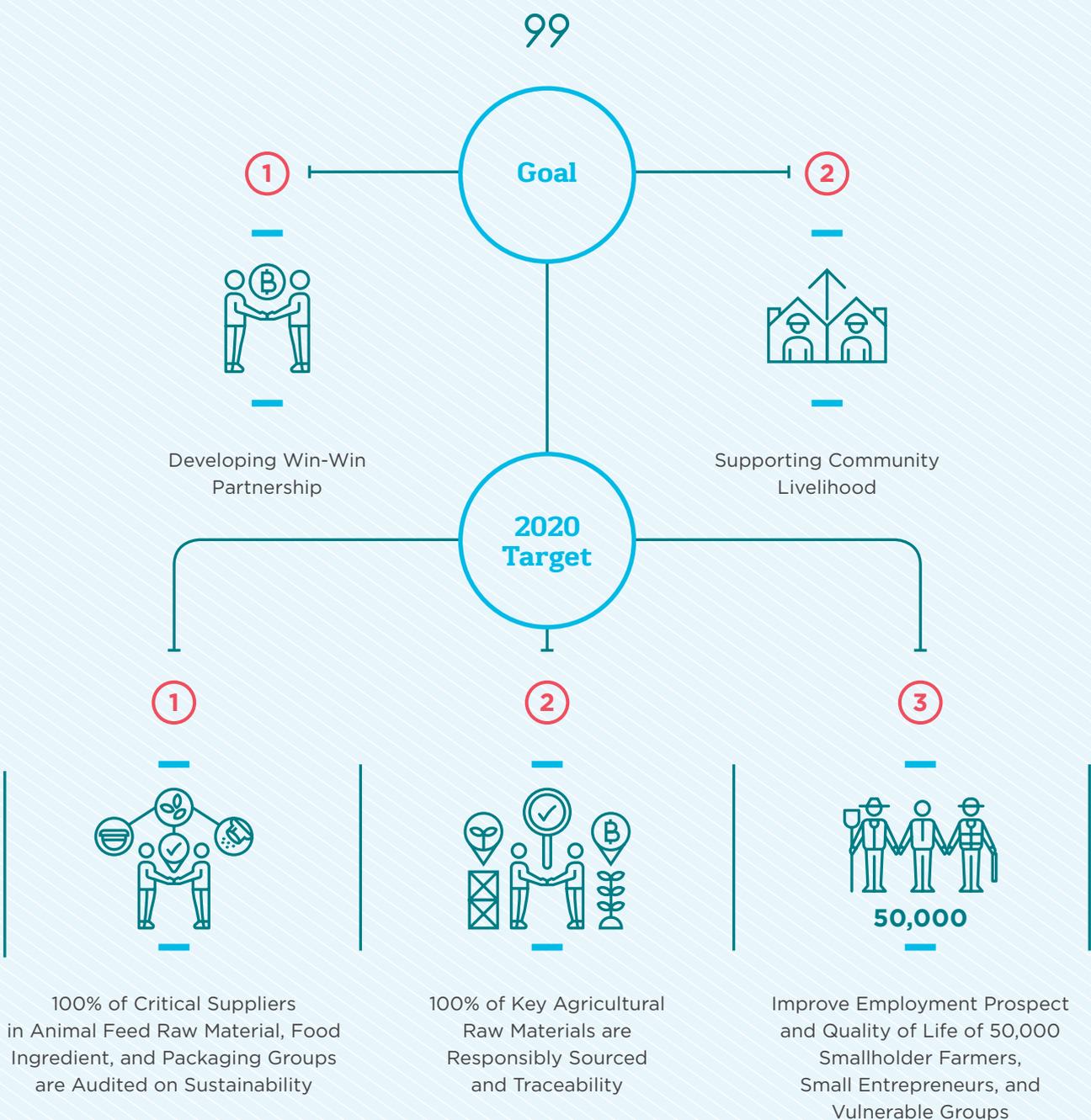
WE SUPPORT



THE GLOBAL GOALS

For Sustainable Development

One of the key success factors for businesses is to recognize their role in tackling social and environmental issues. As the leading agro-industrial and food conglomerate, we are dedicated to continually mitigating negative impacts while fostering positive influence on the communities. We aim to “Develop Win-Win Partnership” with our business partners and “Support Community Livelihood” through the leverage of our expertise, engagement of stakeholder groups and the collaboration with other partners. Our work will help prepare our business partners and communities for today’s and tomorrow’s challenges.





Developing Win-Win Partnership



The Challenge

It has been estimated that investment in agricultural and food sector would continually grow to address the rising demands from increased population. Therefore, attention has been paid nationally, regionally and globally on responsible production standards throughout the agricultural and food supply chain. Consumers and civil society organizations expect companies to be responsible for addressing human rights issues namely, child labor, forced labor, foreign labor, as well as managing environmental issues namely, soil degradation, water scarcity, and forest encroachment, in the company's agricultural and food supply chain.

However, to support the responsible production standards throughout the far-reaching and complex agricultural and food supply chain, we need a shared commitment and collaborative networks to lead the supply chain towards concrete long term positive changes. The Company recognizes the role it could play to drive economic growth and disseminate knowledge, expertise, and technology to business partners and related parties in our agricultural and food supply chain. Our objectives are to build capacity on responsible consumption and to enhance sustainability in the agricultural and food supply chain which would eventually lead to food security.

governance (ESG) into its organizational strategy, but it is also necessary to support and push business partners to do so. We have been **driving sustainability in the supply chain** through the dissemination of the "Sustainable Sourcing Policy and Supplier Guiding Principle"¹³ and the provision of trainings and workshops on our company practices and international standards to our business partners. We also encouraged our critical suppliers to conduct sustainability self-assessment, leading to critical supplier audit.

Simultaneously, the Company has put every effort in **responsible/sustainable sourcing of key agriculture raw materials** that are certified against international standards or passed the Company's traceability system.



2016 Performance

The Company extended the application of "the Sustainable Sourcing Policy and Supplier Guiding Principle" to more than 7,100 business partners in 13 material groups. About 97% of critical suppliers have already acknowledged the policy. We will begin the audit of critical suppliers in animal feed raw material, food ingredient, and packaging group. We expect to complete the audit of all high risk critical suppliers identified by supplier self-assessment by 2017.



G4-EN32

Management Approach

The Company believes that in order to achieve its strategic directions in creating growth, driving excellence, and laying the strong foundation, not only it needs to integrate the management of environmental, social, and

13 For full detail of our Sustainable Sourcing Policy and Supplier Guiding Principle, please visit <http://www.cpfworldwide.com/en/sustainability/policy>

Developing Supplier Sustainability Audit System

In 2016, the Company developed CPF Supplier Sustainability Audit Protocol which would be used as the guideline for third party audit and created online supplier sustainability self-assessment in three languages namely, Thai, English, and Vietnamese. Apart from our business partners in animal feed raw material, food ingredient, and packaging group who already completed their self-assessment in 2015, we aim to expand our effort to our domestic and international business partners in other groups. We will also begin to use online supplier sustainability self-assessment as one of our new supplier selection tools from 2017.

2016 Performance

100% of corn for animal feed and fishmeal that were sourced and used in Thailand were from responsible sources. The Company also collaborated with AG Processing Inc. or AGP, the leading soybean business in the US, to develop Sustainable Soybean Sourcing System. In addition, 88% of palm oil used in our food business were Roundtable For Sustainable Palm Oil (RSPO) certified, which was an increase from 39% in 2015.

Responsible Sourcing of Corn for Animal Feed

In 2016, CPF became the first company in Thailand which sourced all of its corn for animal feed from legal sources. Since we began to implement the corn traceability system in 1 January 2016 with the use of the mass balance model, we could ensure that **all corn was grown on land with legal title deed, on land authorized by government agencies, or on land under the collaboration between the government and NGOs.** This helped to address

natural resource and environmental challenges including forest encroachment, haze and management of agricultural waste in the highlands. The traceability system underwent the participation from various stakeholder groups including business partners, farmers, academia, the government and civil society. The Company also organized workshops for all corn business partners in order to raise awareness on the importance of responsible corn sourcing and to make an understanding on the traceability system.

Responsible Sourcing of Fishmeal

It is important to note that the Company is a producer of farmed shrimp and shrimp feed; we have never been an operator nor owner of any fishing vessel, and we do not produce fishmeal. We buy fishmeal to use as an ingredient in the production of our shrimp feed, which we feed to shrimps in our farms. We have not used any resources from sea just only fishmeal which we used as abovementioned. Generally there are two main sources of fishmeal; 1) Fishmeal made from fish by-product i.e. surimi production facility, canned tuna production facility, and fish ball production facility, and 2) Fishmeal made from by-catch fish. Nowadays, there is an internationally accepted standard on sustainability and traceability of fishmeal namely, International Fishmeal and Fish Oil Organization's Responsible Supply Chain of Custody (IFFO RS CoC).

With our strict policy on fishmeal purchasing, since 2015, **the Company has purchased in Thailand only fishmeal made from fish by-product that is traceable and sourced from processing plants certified under the IFFO Responsible Sourcing (IFFO RS) standard,** which is consistent with the Code of Conduct for Responsible Fisheries of the Food and Agriculture Organization of the United Nations (FAO), and does not include species at risk from extinction as defined by the World Conservation Union: IUCN Red List of Threatened Species. The Company also owns and operates the first IFFO RS Chain of Custody certified shrimp feed mill in the world – the new sustainability benchmark for the global shrimp industry.

The Company is Committed to Continually Promoting Changes towards the Sustainable Thai Fishery

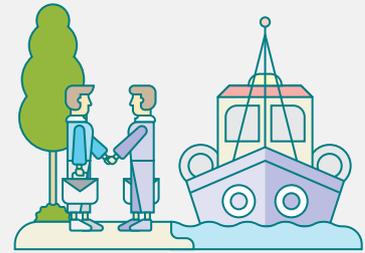
From 2013



From 2014



From 2016



Supporting the Work of Thai Sustainable Fisheries Roundtable (TSFR)

Driving the Establishment of the Sustainable Seafood Supply Chain Task Force

Supporting the Business Partners who provided Fishmeal from By-Catch

To develop the Fishery Improvement Plan (FIP) - In 2016, TSFR announced the collaboration to expand FIP into the Gulf of Thailand through consultation with Sustainable Fishery Partnership (SFP) after the success from the collaboration with World Wildlife Fund Thailand (WWF) in the Andaman Sea.

To develop and promote the implementation of traceability system and fair labor practices according to international standards throughout the Seafood Supply Chain. It also aimed to develop transparent audit protocols for third party audit and support the development of FIP in the two Thai seas.¹⁴

To get the GMP+ certification throughout the chain and further to the IFFO certification as we recognize the importance of sustainable supply chain of fishmeal from by-catch and are committed to driving changes in the sustainable Thai fishery, even though we do not use any by-catch fishmeal in Thailand.

14 For full detail progress report of SSSC Task Force, please visit <http://www.cpfworldwide.com/en/sustainability/commitment/socialdevelopment>



Supporting Community Livelihood

☆ The Challenge

Poverty or economic insecurity which is caused by unemployment, increasing population, slow economic growth, and social inequality is still the challenge that impact the quality of life of people in the society and has an impact on the economy and the country in general. Moreover, aged society in Thailand and around the world have increased, which places a greater burden on the working population in taking care of their elders.

Supports for basic needs namely, health, education, income generation, housing, and morale are thus one of the missions that all segments of the society, including the Company itself would like to take to support business growth together with the strength of society, by utilizing their own potentials and capabilities.

☆ Management Approach

Recognizing that employment and income security contribute to the livelihood of the community, economic security of the country, and food security, the Company thus places great emphasis on promoting employment that generates regular income for smallholder farmers and small entrepreneurs. At the same time, we continually carry out projects to enhance quality of life of community and vulnerable groups. Our work follows the **“4Cs to Sustainability: Competency + Creation + Collaboration + (Connection)”** framework which highlighted that we use our competency to create positive impacts and mitigate negative impacts, share and collaborate with different parties in creating innovative solution based on the collaboration with employees and other suitable parties and leading to efficient and effective long term solutions.





2016 Performance

The Company improved employment prospect and promoted quality of life of more than 25,600 smallholder farmers and small entrepreneurs as well as people from vulnerable groups through its “Contract Farming” scheme, “Five Star Business”, “CP Community Refrigerator” “CP Pork Shop Business”, programs to support smallholder farmers, and programs to improve the quality of life of communities surrounding the operations.



More than

14,300

Smallholder Farmers



More than

10,800

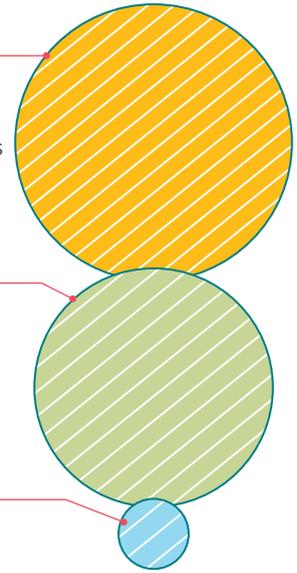
Small Entrepreneurs



More than

500

People from Vulnerable Groups



CP Pork Shop Business

The Company provides the opportunity for small entrepreneurs to own a business with very low investment through the “Five Star Business” since 2000 and expanded into “CP Community Refrigerator” in 2012. In 2016, we leveraged our model to “CP Pork Shop Business” with the aim to provide choice for income generation for small entrepreneurs and to enhance the safety standard for pork to the community. We ensured this through using certified slaughterhouse, controlling temperature during transportation to the selling point,

and implementing traceability system throughout the pork chain. For the success of small entrepreneurs, the Company supported them with site selection, fridge lending and installation, production of marketing materials, and training on pork retailing and processing to add value. The Company expected that small entrepreneurs would generate income at least 15,000 Baht per household per month. In 2016, more than 1,500 entrepreneurs joined our program.

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Promotion of Access to Hygienic Fresh Pork among 12.4 Million Consumers in Communities

99

Ms. Lamom Ngudsuntia



“My son is the new generation. He saw that the fridge will enhance the quality of pork we sell, enabling the community to consume fresh pork. He is my inspiration. He supported me as he thought it would definitely work. I have been able to sell one pig per day. Customers are confident and feel comfortable to buy from us.”

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“Small Entrepreneur” Career Choice for the New Generation

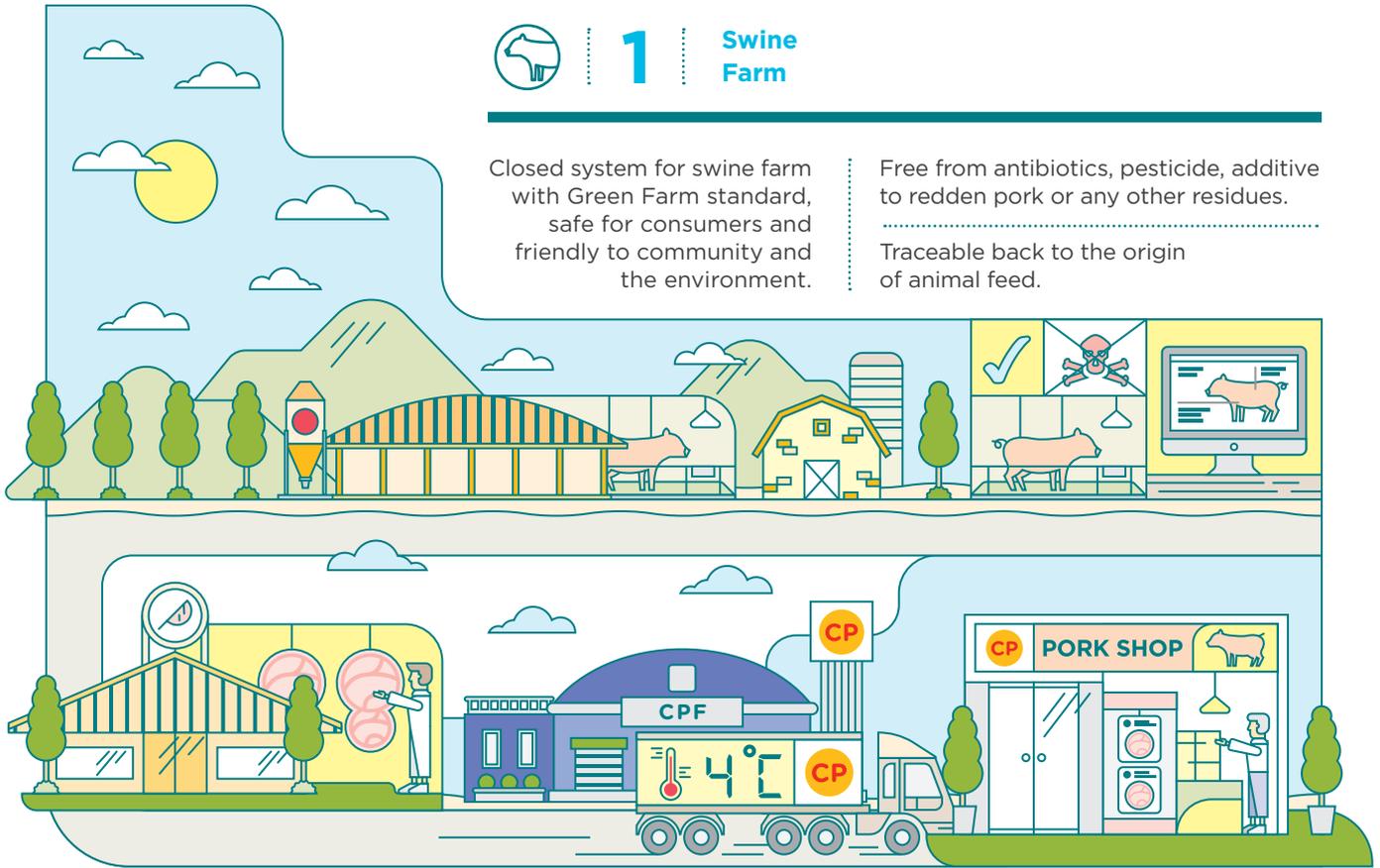
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Mr. Arom Chaira-ngab



“The past ten years have proved that I chose the right career. The Five Star Business helped improve and secure my family income, enabling me to break free from loan shark within three years and to have money to support my three kids until they graduate.”

"CP Pork Shop" ... Enhancing the Safety Standard for Pork to the Community



1

Swine Farm

Closed system for swine farm with Green Farm standard, safe for consumers and friendly to community and the environment.

Free from antibiotics, pesticide, additive to redden pork or any other residues.

Traceable back to the origin of animal feed.



2

Slaughterhouse

Hygienic, passes the livestock farm standard, and have temperature-control cold storage.



3

Transportation System

Transportation system up to the standard, clean and temperature-controlled at 4°.



4

The Fridge

Temperature-controlled at 4°, helping to preserve the quality of pork for freshness and safety to consumers certified by Livestock OK program.

Support for Livestock Contract Farming

The Company has been working closely with about 5,000 farmers in "Contract Farming" scheme since 1975 with the aim to promote employment and support income generation among Thai farmers. We provided assistance on technology, offered guaranteed market, transferred knowledge by the Company's experts, and help them get access to finance with our partnering financial institution.

Mr. Pakorn Kaewtong



"I wanted to have additional income for security in the future, enabling me to have enough money for my family. After I studied information on CPF contract farming scheme, I decided to participate. I have been in the swine contract farming program for 1.5 years and have revenue around 300,000-350,000 Baht per course per household."

In 2016, our contract farming scheme attracted the attention of Food and Agriculture Organization of the United Nations (FAO). The Organization conducted a study visit and used the Company’s contractual agreement as the exercise of participants in its regional training workshop on “Planning and Implementing Contract Farming Operations” after the Company improved its contracts to benefit farmers, the Company, and consumers in 2015 using the guideline from UNIDROIT who is the most well-known independent intergovernmental organization on private law. We were the first company in Thailand that adopted such international guideline in the scheme. The contract was also available for the public to comment. Two organizations commented, namely FAO and the Faculty of Law, Chulalongkorn University.

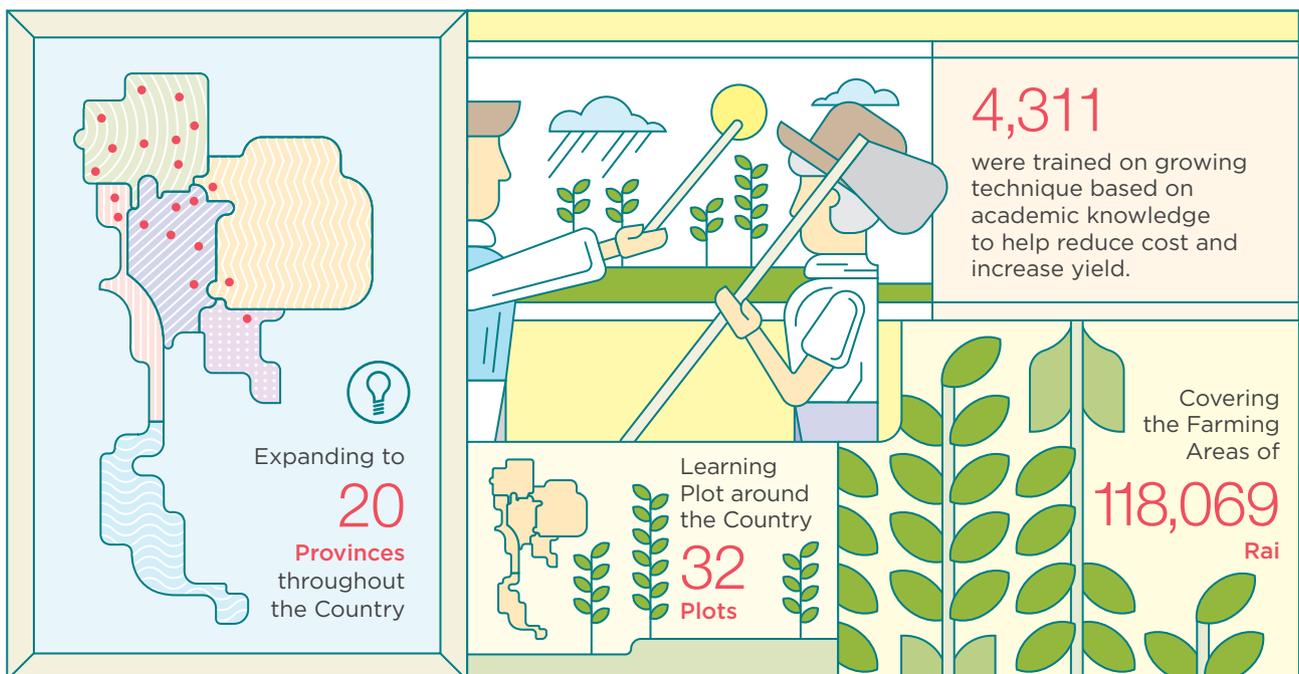
Self-Sufficient Farmers, Sustainable Corn Project

The Company launched the “Self-Sufficient Farmers, Sustainable Corn” project in 2014. We are committed to build capacity of corn farmers based on academic knowledge which would lead to higher productivity per rai, lower production cost per unit, better quality of

product, and being more environmental friendliness on the foundation of traceability back to the origin.

In 2016, the Company expanded the project to benefit 850 more farmers, covering an areas of 34,500 rai. We also initiated the “**Banlang Model**”, by collaborating with Banlang Sub-district Municipality in Non Thai District, Nakhonratchasima Province, Agricultural Office of Non Thai District, and Agricultural Marketing Co-operative Limited (AMC) in Nakhonratchasima province. The model, a leveraged from our Self-Sufficient Farmers, Sustainable Corn project, helped provide knowledge to farmers on growing technique based on academic knowledge from soil nutrient analysis, production of tailored fertilizer, corn plot management, and data collection of GPS of the plot to support the traceability system. We also encouraged the farmers to assemble and plan for the harvest systematically. These were all for increasing quality of products that matches the condition and purchasing power of feed producing facilities. In addition, the Company also accommodated farmers who want to trade directly with its feed production facilities by providing fast lane for farmers without having to wait in queues. This not only helps increase income security of farmers, but also helps secure the Company’s corn supply in the long term.

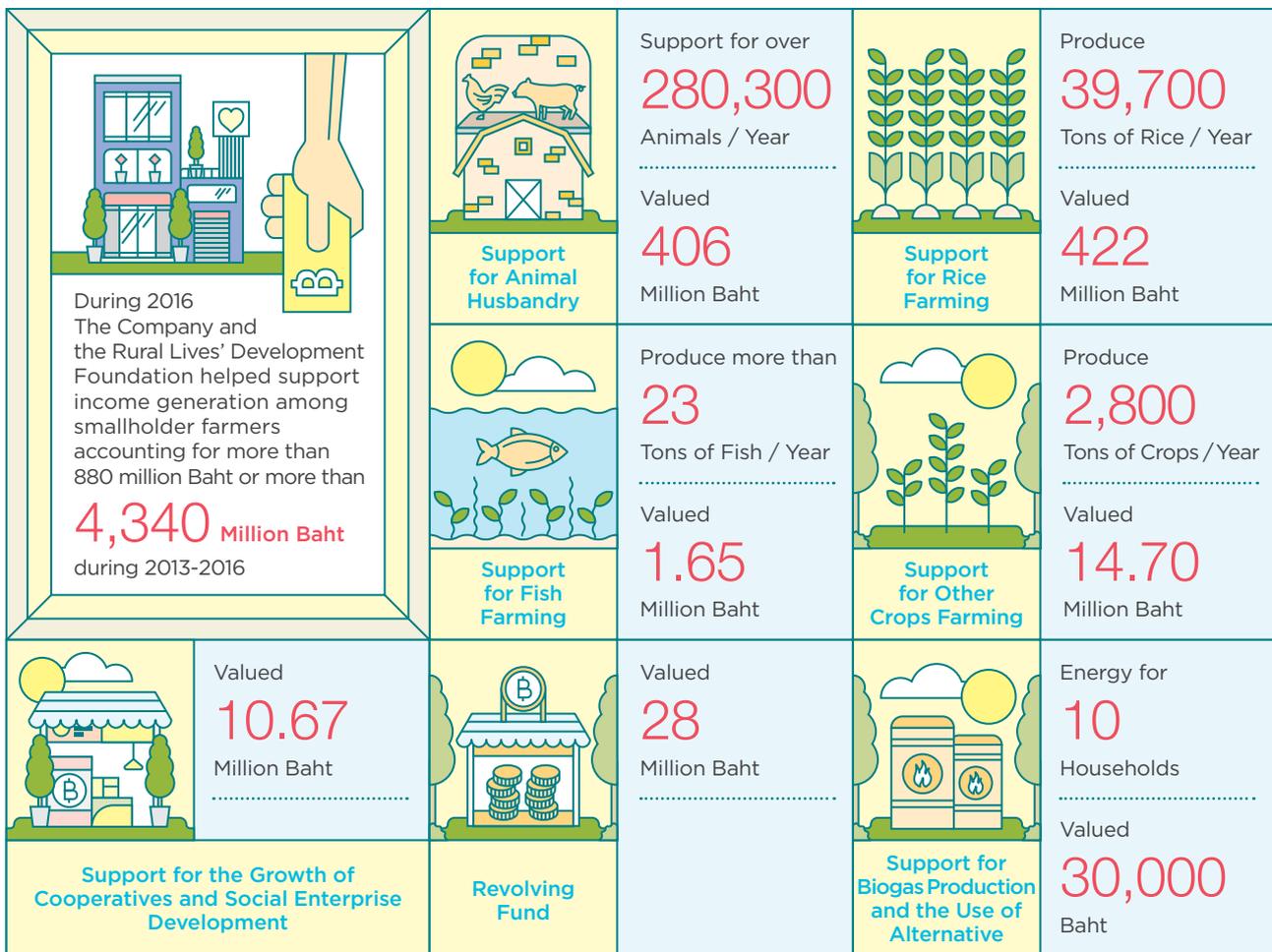
2014-2016 Performance



Supporting Local Employment and Income Generation for Smallholder Farmers

For almost three decades, we have been working closely with the Rural Lives' Development Foundation, under the support from CP Group and our employees as well as other partners, to promote the "3 Good Practices" concept to develop people to become "Good Person,

Good Citizen, and Good Occupation". This is in line with the late King Bhumibol Adulyadej's thought on developing people and supporting local employment and income generation. In 2016, the Company and the Foundation have continued to support more than 5,000 smallholder farmers so that they could have secure job and sufficient income, generating economic value of more than 880 million Baht in total.



G4-S01

Promoting Quality of Life of the Communities Surrounding the Operations

The Company has collaborated with communities by visiting and studying the needs of communities surrounding the operations, and identifying community impacts prior to initiating projects/activities. Our purpose is to align our activities in promoting quality of life with

the lifestyle and specific needs of the community. In 2016, we supported more than 570 projects/activities to improve quality of life of communities and helped more than 540 elderly through CPF Funds for the Elderly.



Balance of Nature



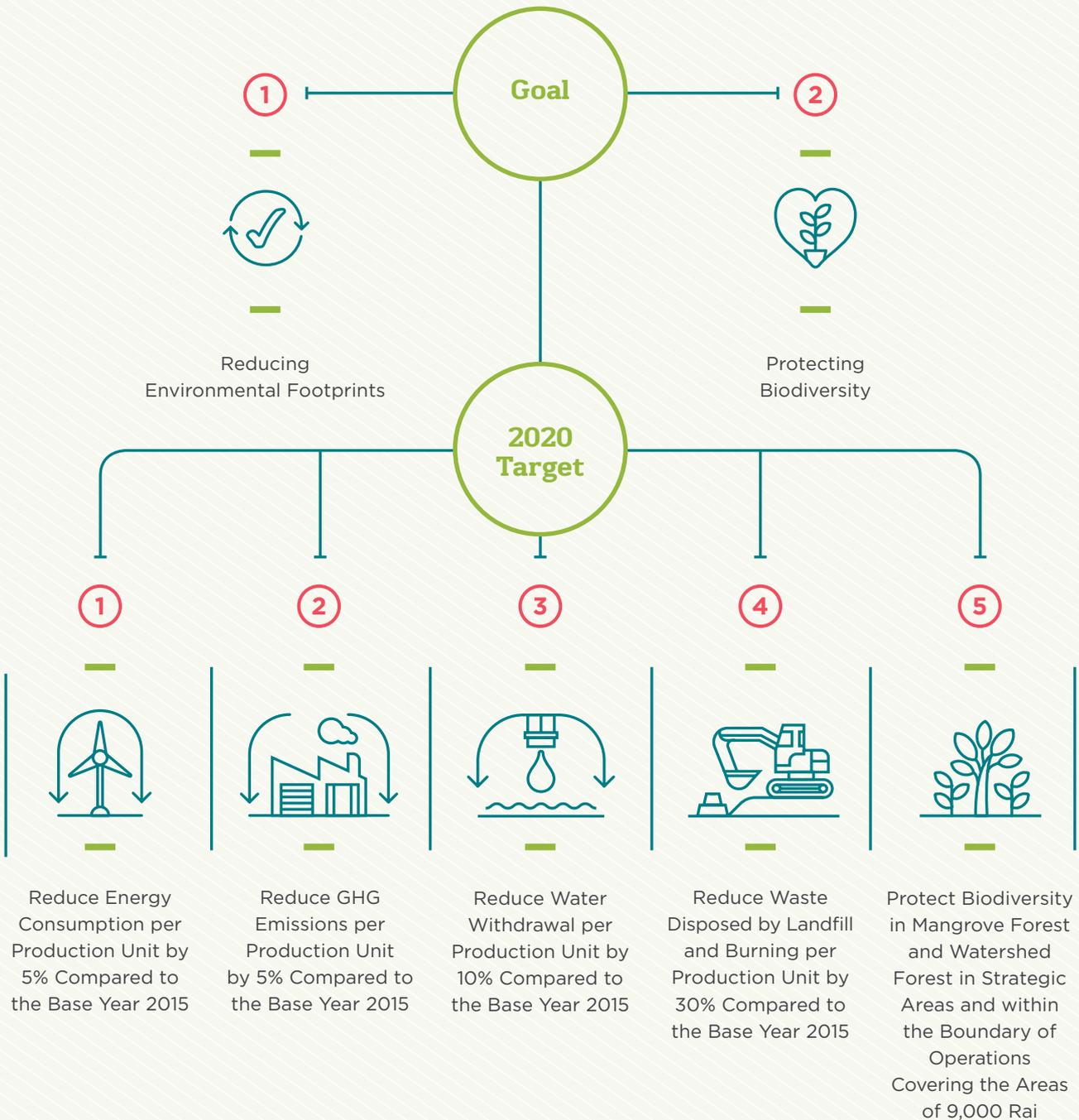
WE SUPPORT



THE GLOBAL GOALS

For Sustainable Development

Protecting environmental quality and preserving ecological balance are the responsibilities of all parties in the society, in response their tremendous importance in maintaining food security and promoting the wellbeing of people. The Company continues to embed environmental sustainability in our business activities through the consideration of environmental impacts and the support on conservation activities. Our aims are to “Reduce Environmental Footprints” and to “Protect Biodiversity.”





Reducing Environmental Footprints



The Challenge

As the natural resources that are primary input for agricultural and food production are limited and decreasing and agricultural production is highly dependent on the climate, the world population, on the contrary, rapidly increases. Climate change as a result of greenhouse gas emissions continually exacerbates, impacting the growth and volume of agricultural production. An Oxfam report also indicated that the agricultural and food sector contributes to 25 percent of greenhouse gas emitted worldwide.

These environmental challenges have placed agriculture and food industry in an inevitably difficult situation. The Company, as the leading agro-industrial and food conglomerate, realizes that depleting in resources and the environment will eventually impact business continuity. It is therefore necessary to create innovation and change the way we operate to mitigate the environmental impact and adapt to these changes.

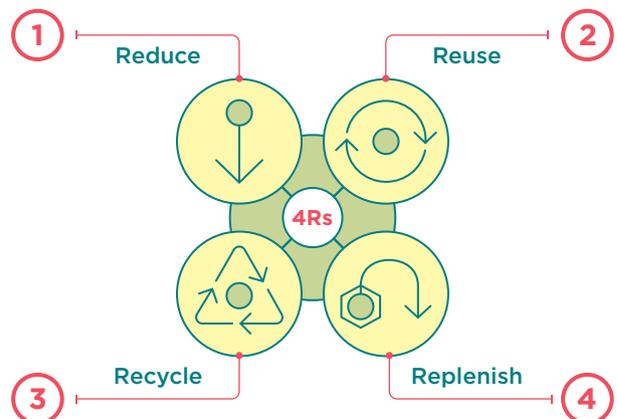
and GHG Reporting. We established the SHE&En Management Committee which is chaired by Corporate Operating Officer and our top executives from each business units are the committee member. The Committee is responsible for overseeing and managing the operations in accordance with CPF SHE&En Standard.

In 2016, the Company developed twelve environmental-related training programs i.e. Program for Leadership in Creating SHE&En Culture, Program on SHE&En-related Stakeholder Analysis and Engagement, Advanced SHE&En Risk Assessment Program, and Water Risk Assessment and Management Program, etc. The training programs were aimed to develop employees and all practitioners so that they understand and are able to implement SHE&En as a tool to set strategy, plan, and manage the business towards the same direction. The Company has planned to have CPF SHE&En Standard certified by third-party and second-party audits in 2017.



Management Approach

To ensure that the Company operates its business efficiently in an environmentally friendly manner, we continue to improve, adapt, and develop our management approach in process and product so as to reduce environmental impacts from business activities. We apply the 4Rs Principle into our management under the **CPF Safety Health Environment and Energy Standard: (CPF SHE&En Standard)** covering the guidelines and requirements on the management of energy, greenhouse gas, water and waste complied with laws, regulations and international standards of ISO 14001, OHSAS 18001, and ISO 50001. It also integrated international guidelines including the Global Water Tool, Local Water Tool,





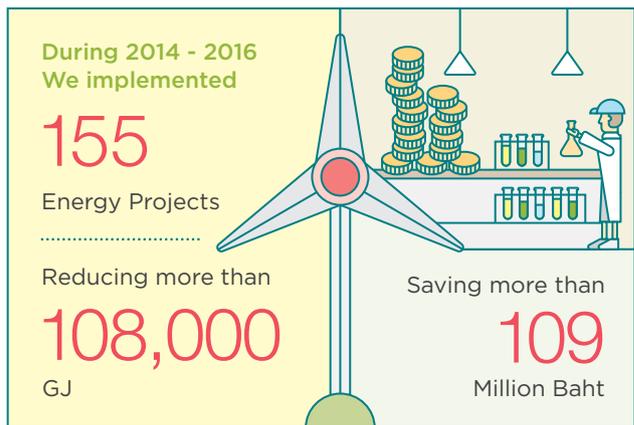
In addition to our commitment for proactive environmental sustainability, we also established the Environmental Sustainability Sub-Committee with the responsibility to set strategies, long term environmental targets, including implementation concretely drive, monitor, and report progress to the SHE&En Management Committee.



2016 Performance

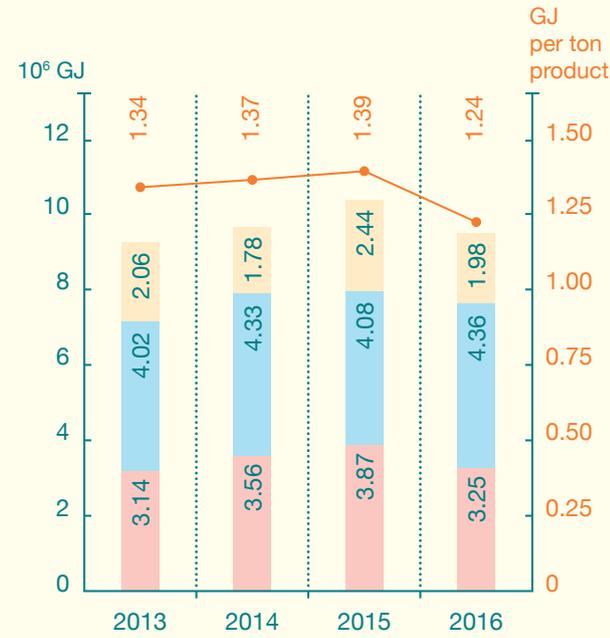
In 2016, the Company reduced energy consumption per production unit by 11.26% and reduced greenhouse gas emissions per production unit by 1.05% compared to the base year 2015.

Our energy performance exceeded our target and greenhouse gas emission performance was on track due to our continuous efforts in initiating and implementing “Energy Reduction and Energy Efficiency Projects”. In 2016, there were 104 new projects which helped reduce energy and greenhouse gas emission for more than 80,000 gigajoules and 7,200 tons of carbon dioxide equivalents respectively. They also helped us save cost for more than 50.6 million Baht.

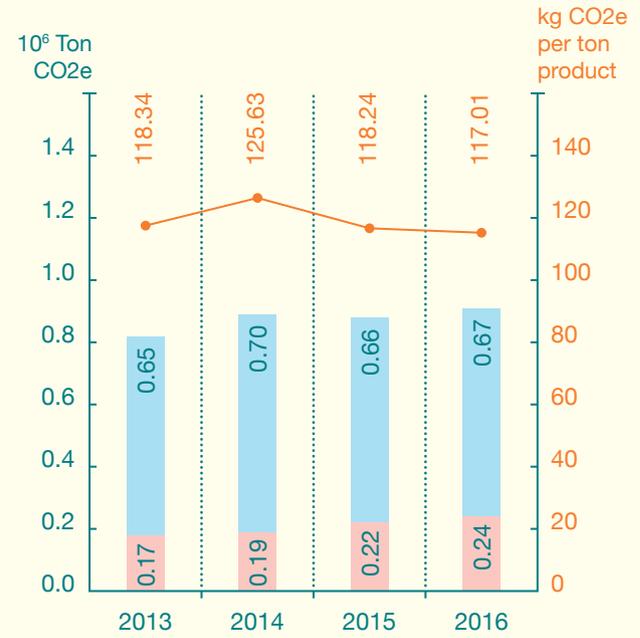


At the same time, 118 of our factories and farms also received “Low Emission Support Scheme (LESS)” certification from Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) from their ability to reduce greenhouse gas emissions of 292,686 tons of carbon dioxide equivalents as a result of energy reduction and energy efficiency projects and to absorb 12,130 tons of carbon dioxide equivalents from tree planting. Up until now, a total of 169 factories and farms that were registered in the LESS project already helped reduce greenhouse gas emissions by 739,734 tons of carbon dioxide equivalents and absorb 30,147 tons of carbon dioxide equivalents.

Energy Consumption



GHG Emissions



Remark:

- The calculation is in accordance with CPF SHE&En Key Performance Index (CPF SHE&En KPI) (G4-EN3)
 - Total fuel consumption = the sum of (the consumption of each fuel type x heating value)
Unit: Gigajoule per month (the conversion factor is based on Department of Alternative Energy Development and Efficiency's annual report)
 - Electricity consumption = the sum of electricity consumption (in kilowatt-hour) X 3.6
Unit: Gigajoule per month
 - Total energy consumption = total fuel consumption + total electricity consumption
Unit: Gigajoule per month
- Energy types included in the calculation of intensity per production ton are non-renewables including coal, diesel oil, gasoline, fuel oil, LPG, natural gas as well as renewables including biogas and biomass (such as rice husk, charcoal, cashew nutshells, scrap wood, corn cob, palm kernel shells and sawdust) and biodiesel, and electricity consumed within the organization. (G4-EN5)

Remark:

- The chosen consolidation approach for greenhouse gas emissions is operational control.
- Gases included in the calculation are CO₂, CH₄, and N₂O. The Global Warming Potential (GWP) used in the calculation is referred to IPCC, while the emission factor referred to information from Greenhouse Gas Management Organization (Public Organization), and Energy Policy and Planning Office, Ministry of Energy. (G4-EN15, G4-EN16 and G4-EN18)
- Reporting scope of GHG intensity includes GHG scope 1 and scope 2. However, GHG scope1 includes GHG emission from fuel combustion sources only, but excludes biogas combustion from flaring. (G4-EN18)

Well Prepared for Climate Change

Besides our efforts in mitigating climate change, the Company also put an importance on adaptation to encounter the impacts, especially the risks concerning security of agricultural raw material sourcing for production process. Therefore, we formulate short, medium and long term strategies to respond to climate change as followed:

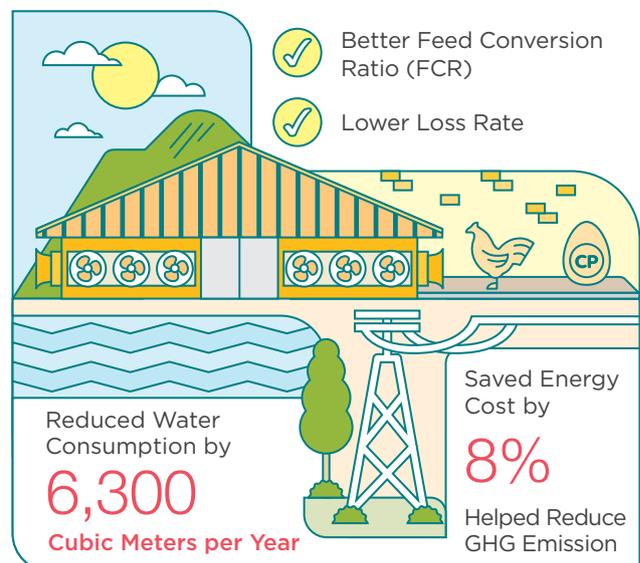
- **Short Term Strategy** - Monitoring the balance between demand and supply, exploring potential sources for key raw materials, and using satellite data to support the analysis of past climate trends to project future conditions that may impact current raw material sourcing practices.
- **Medium Term Strategy** - Researching and developing substitutes of key raw materials that are highly vulnerable to climate change.
- **Long Term Strategy** - Building capacity of our agricultural raw material business partners through knowledge and technology transfer, aiming to increase farmers' adaptive capacity and self-reliance ability amidst climate change.

Project to Improve Walls at Chicken Farm Houses Adapting to Climate Change, Replacing PVC Wall with ISOWALL

With the impact of climate change or global warming, the Company adapted by utilizing advanced technology in farming to replace PVC curtain wall with ISOWALL, the thick heat resistant wall, to increase efficiency of the ventilation system, control appropriate temperature, use energy efficiently, and enhance food safety that could create positive values, benefiting both the farming process and the environment.



We participated in disclosing information on greenhouse gas management and performance. In 2016, we were measured on climate change management and achieved the Management (B) level, demonstrating our climate change management process was integrated throughout the organization - higher than the Food & Beverage Processing industry average which was at the Awareness (C) level. Our performance in CDP assessment also improved for three consecutive years.



Green Products

We do not only pay attention to quality, safety, and nutrition of our products, but we also aim to protecting the environment by making our production processes and resource use more environmentally friendly. We were the first company in Asia to begin our “Carbon Footprint Project” back in 2008. At present, our chicken, shrimp pork, milk and animal feed products have been registered and certified Carbon Footprint Label by TGO. We also planned to expand the project to cover all product groups by 2018.

In 2012, the Company began the “CPF Product Sustainability” project which applied the concept of Product Life Cycle Assessment following the ISO 14040 and ISO 14044 as well as the Eco-Efficiency Analysis – the assessment of cost efficiency and the environmental and social impacts of products. Since 2013, over 700 of our chicken products have been awarded ProSustain® certification by the DNV-GL, one of the world’s leading certification bodies for product sustainability. We were the first company with sustainable chicken products. We have planned to expand our Product Sustainability to cover more chicken products in 2017.

In 2016, apart from CP Shrimp Wonton, three more products namely, CP fresh chicken, live chicken and baby chick received “Carbon Footprint Reduction Label” from TGO. On average, the fresh chicken product has 50 percent less carbon emissions than other Thai chicken manufacturers. Shrimp wonton, which was the first Thai shrimp product that received this label, also has 23 percent less carbon emissions, compared to database of 145 grams CP Shrimp Wonton registered Carbon footprint label in 2012.



In 2016, the Company generated **More than 34,100 Million Baht** in revenue or **19% of Revenue from Thailand Operations** from green products namely, carbon footprint labelled products, carbon footprint reduction labelled products, and products under Product Sustainability which the revenue increasing from 2015

More than 780 Million Baht

↓ 50%

The Production Process of “CP Fresh Chicken”

Emitted carbon dioxide less than other Thai chicken manufacturers

↓ 23%

The Production Process of “CP Shrimp Wonton”

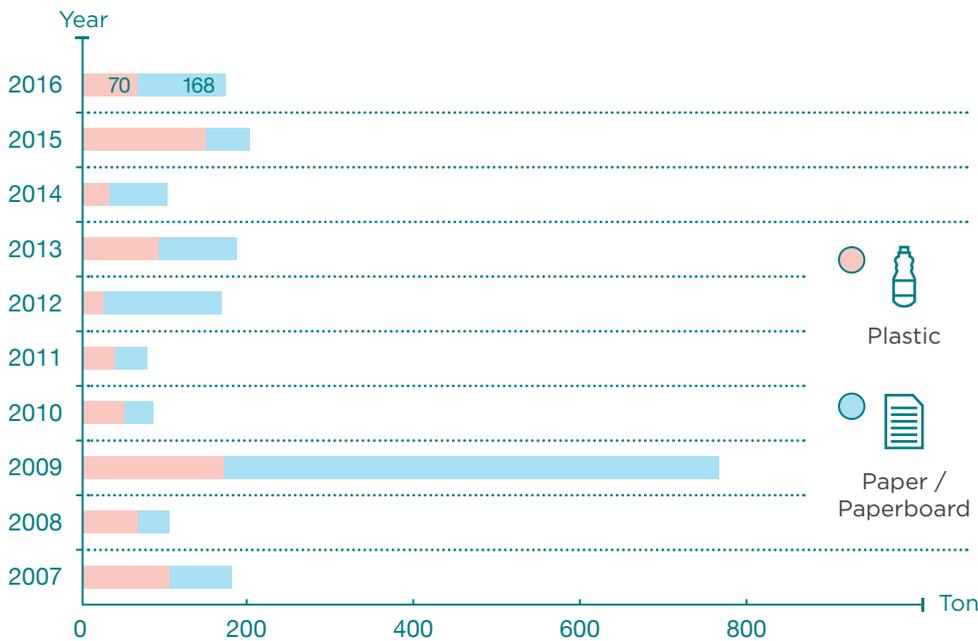
Reduced carbon emissions less than

Green Packaging for Product Sustainability

The Company has emphasized **packaging design with consideration of environmental impacts** from resource uses to post-consumption. This year, we were able to

reduce over 238 tons of plastic and paper consumption in packaging production. Accumulatively, during 2007-2016, we have saved over 2,130 tons of plastic.

Reduction of Plastic and Paper in our Packaging (Ton/Year) 2007-2016



Continuous Improvement

From 2007 - 2016

Decrease plastic and paper from packaging production by

2,130 Tons

The Company was the first food producer in Thailand to pilot the use “Polylactic Acid” (PLA) packaging for chilled fresh products, namely chicken meat and pork. We aimed to promote PLA, which is derived from plants and is biodegradable, as a choice for new generation consumers who are conscious about the environment. From June 2015 to December 2016, the Company used more than 8.47 pieces of PLA packaging. When comparing to polyethylene terephthalate (PET) packaging made from petroleum, the new packaging could help reduce carbon footprint about 270 tons of carbon dioxide equivalents or reduce greenhouse gas emission by 83 percent, equal to turning off 12 million light bulbs for one hour.

The first food producer in Thailand to use **Poly Lactic Acid (PLA)** in packaging, helped reduce green house gas emission by

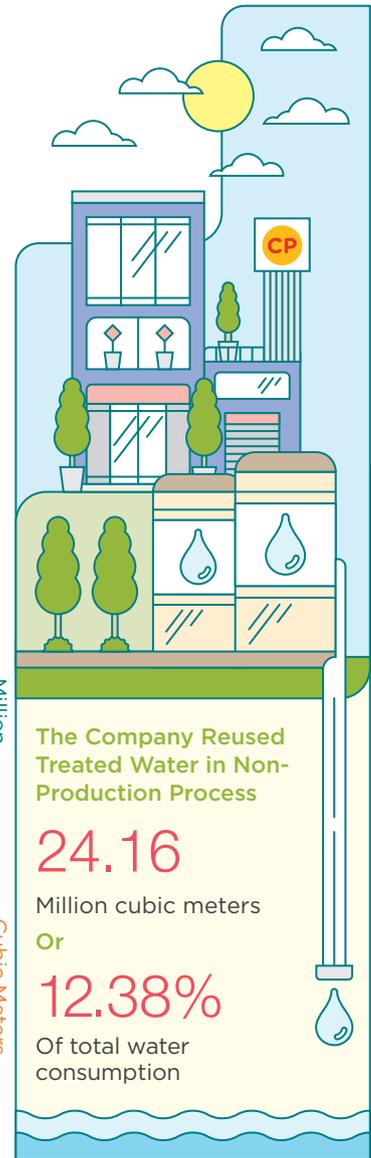
83%

Equal to turning off

12 Million Light Bulbs for one hour

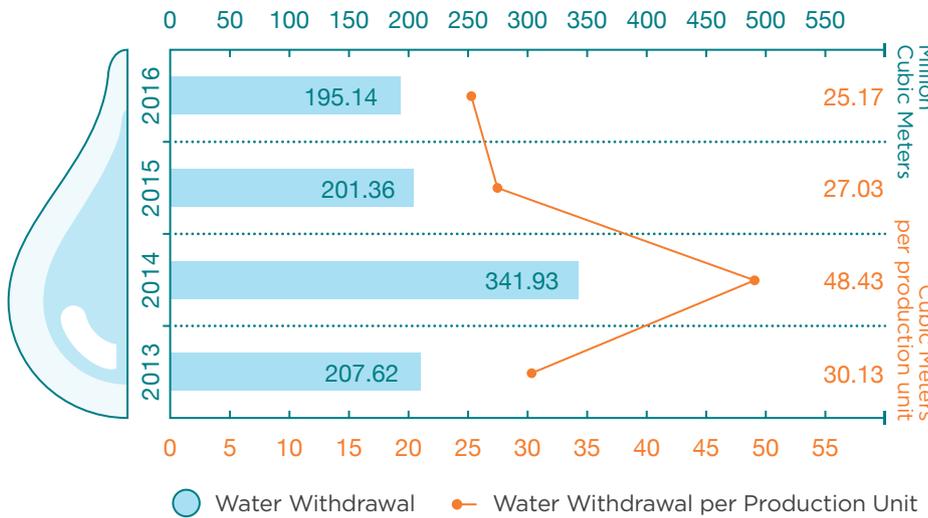


In 2016, the Company reduced water withdrawal per production unit by 6.88% compared to the base year 2015. The total water withdrawn was 195.14 million cubic meters in total or 25.17 cubic meters per production unit. This was due to our strict procedure to reduce wastewater in our shrimp farming process together with the change in shrimp farming method. We added nursery pond to raise larvae until the larvae reached appropriate size and were strong enough before transferring them to hatchery pond. This helped us reduce water use from tidal exchange of nursery and hatchery pond water and reduced nursing period in nursery pond.



G4-EN8

Water Withdrawal



Remark:

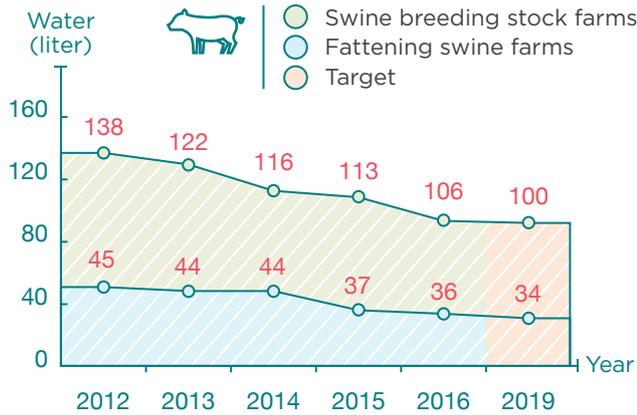
- In 2015-2016, the Company adjusted rainwater data calculating in order to align with the definition of CPF SHE&En KPI. (G4-EN8)

Water Scarcity Risk Assessment

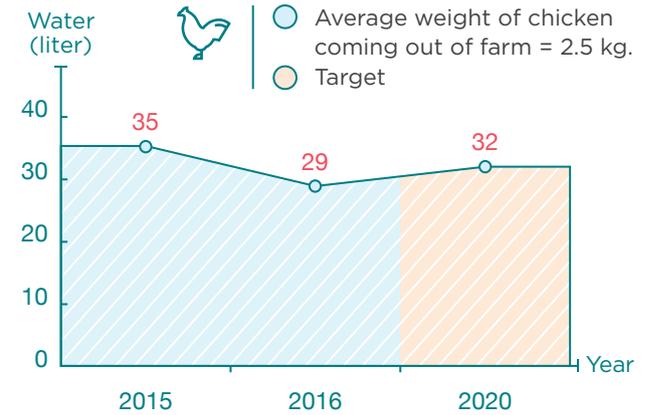
The Company recognizes the impacts from water-related risks and frequent water scarcity situation that tends to worsen continually. We carefully selected operational sites and managed possible risks to basic public utilities. We assess water scarcity risk annually by employing Global Water Tool and Local Water Tool. The result of risk management for operations in Thailand demonstrated that there were only 0.91 percent of our operations situated in areas with extreme water scarcity. We had already developed water risk management plan for these operations. In the meantime, we engaged with communities to learn about their

concerns regarding water use which would help us develop water management planning with communities more effectively. We have also placed great emphasis on appropriate water use in every process. We have data collection system that allows us to analyze and plan for appropriate water use. We simultaneously put every effort in research and development and the utilization of advanced technology to support our entire system as we have goals to reduce water consumption and increase highest water efficiency, especially in our farm business which used more water than other businesses.

Water Consumption per Swine per Day



Water Consumption per Chicken per Day

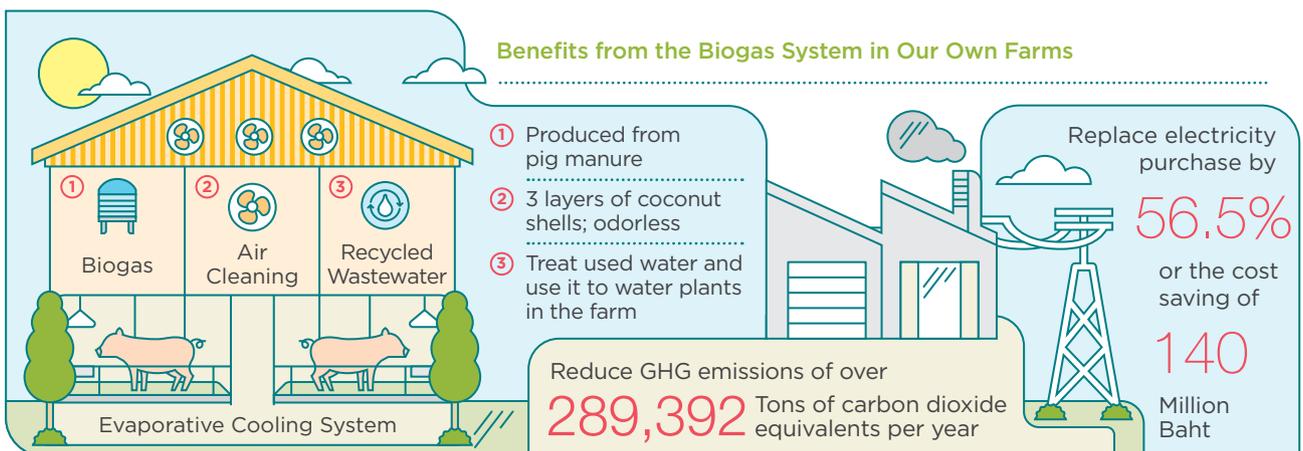


In 2016, the Company reduced disposed waste by landfill and burning per production unit by 16.83% compared to the base year 2015. We generated 26,032 tons of waste in total or 3.36 tons per production unit. This was the result of our effort to add value to waste, for example, building of chicken breeding stock and duck carcass digester, transforming sewage sludge into fertilizer and soil enhancer and transferring chicken carcass to be the raw material for other facilities.

Sharing Green Farm Innovation with Contract Farmers The Target to Cover 100% of Swine Contract Farmers by 2017

Along with all of our swine farms, we have supported contract farmers in installing biogas system under the Green Farm concept for comprehensive waste and pollution management since 2012 with the aim to prevent unpleasant odor from disturbing the communities and add value to waste. The Company has transferred knowledge and technology and helped contract farmers get access to low interest loan from financial institutions. We also pay a premium for participating farmers. In 2016, more than 82 percent of our swine contract farmers already joined the program. The Company set the target to encourage all swine contract farmers to participate in the program by 2017 to raise the standard of Thai swine industry towards sustainability.

Green Farm



From Mountain to Mangrove

Protecting Biodiversity



Conserving and restoring Pasak watershed forest at Phya Doen Tong mountain covering the area of

5,900 Rai

From Commitment to Collaboration



Defining Areas and Sharing Plantation Technique Knowledge



Climate Change Advisory



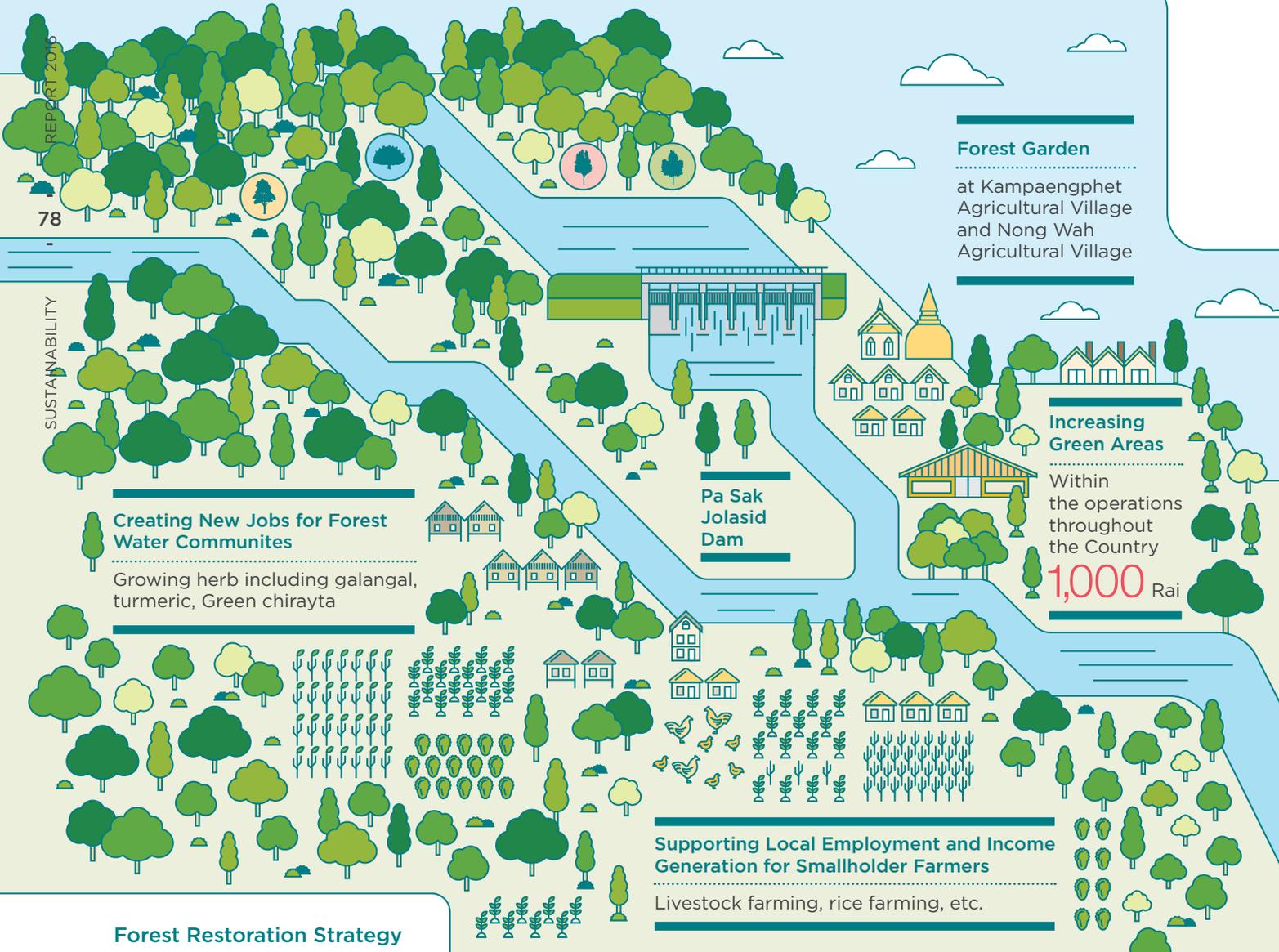
Biodiversity Advisory



Monitoring of Forest Areas by Communities to Attain Sustainability



Driving Collaboration towards Network Creation



Meticulous Reforestation



Reforestation Support for Natural Reproduction



Planting Additional Forest Areas



Natural Forest



Protecting Biodiversity

☆ The Challenge

Thailand is one of the most biodiversity-rich countries in the world with a wide range of plants and animals, making it the land of milk and honey with strong economy. However, biodiversity situation in Thailand is currently of special concern. Over consumption of limited natural resources in response to rapidly growing consumption, illegal logging, expansion of settlements, and human activities have led to resource depletion, which in turn is the cause of biodiversity loss.

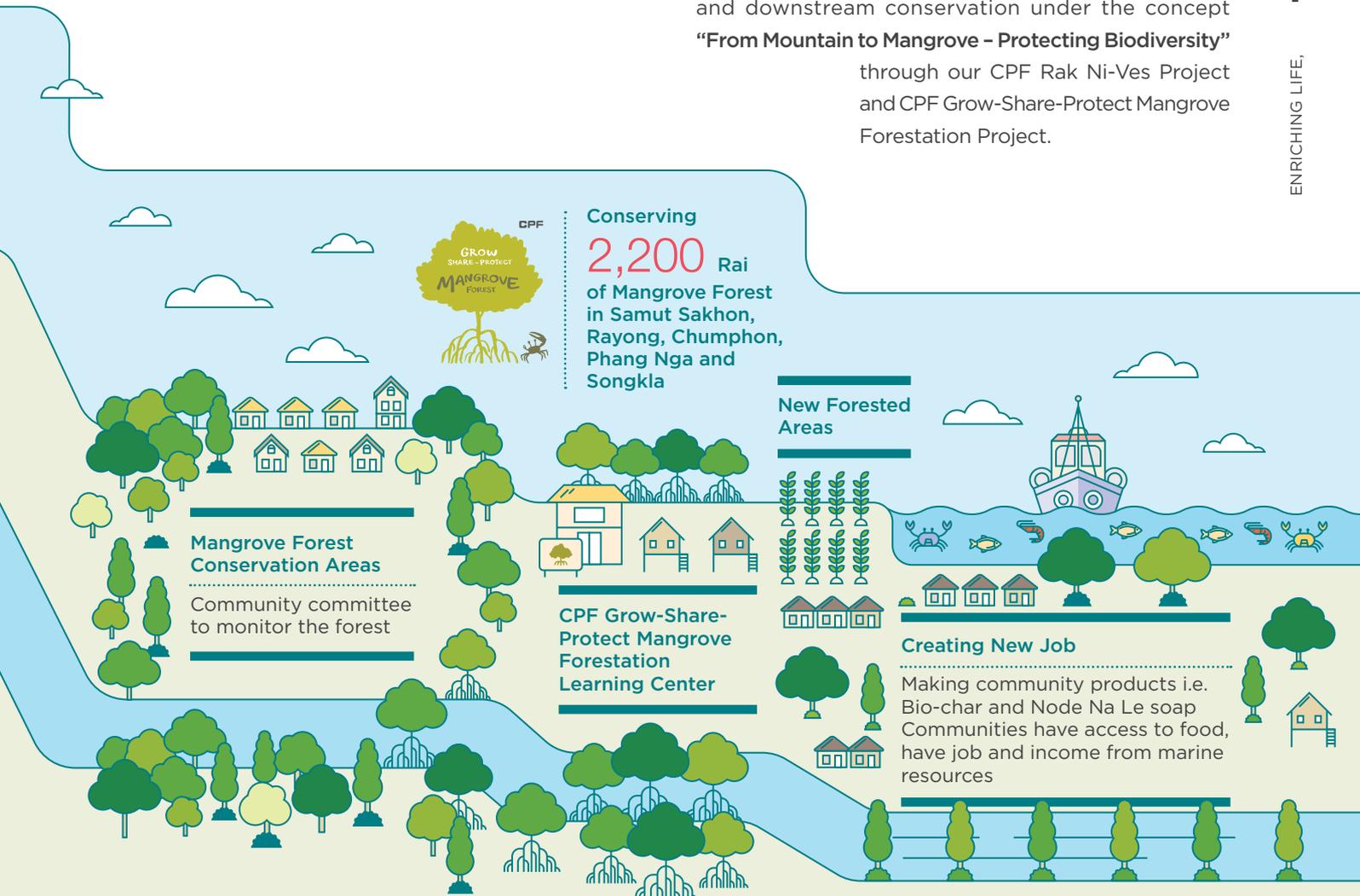
Protecting biodiversity is not a choice but a necessity for agricultural and food industry. We all need to join forces in restoring and conserving our natural habitats so that we could have a sustainable food resource.

☆ Management Approach

Conserving biodiversity is the necessity for sustainable agricultural and food production. Therefore, the Company has carefully chosen sites that are not located within conservation areas according to laws and regulations, standards, and ministerial regulations, and assesses the impacts from business activities on a regular basis.

As we recognize the importance of tree and forest and its relations to soil and water which are the main components of the ecosystem, we have been collaborating with our own people, the government, and the civil society to conserve and restore green areas both within and outside of the operations. We also support the Country's strategy in upstream, midstream, and downstream conservation under the concept **"From Mountain to Mangrove - Protecting Biodiversity"**

through our CPF Rak Ni-Ves Project and CPF Grow-Share-Protect Mangrove Forestation Project.





2016 Performance

The Company helped protect biodiversity in mangrove forest and watershed forest in strategic areas and within the boundary of plants and farms covering the areas of 2,260 rai through “CPF Rak Ni-Ves Project” and “CPF Grow-Share-Protect Mangrove Forestation Project”.



CPF Rak Ni-Ves Project

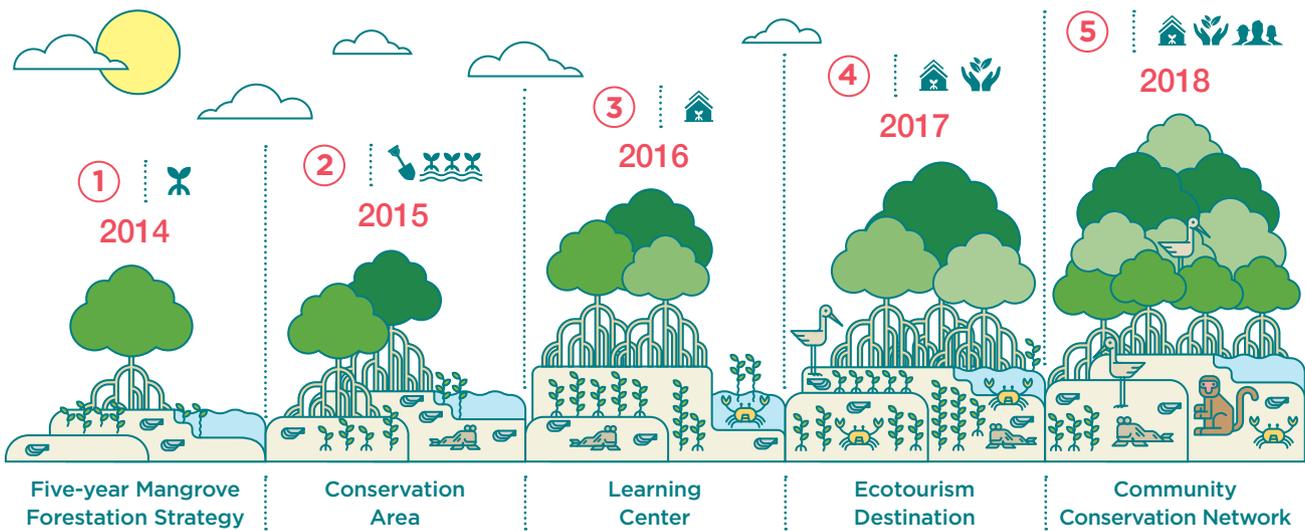
In 2016, the Company, in collaboration with Royal Forest Department, Thailand Greenhouse Gas Management Organization (Public Organization), Biodiversity-Based Economy Development Office (Public Organization) and civil society groups, initiated “the Rak Ni-Ves Project at Pasak Watershed – Khao Phya Doen Tong” with a five-year strategic plan (2016-2020). The project aims to conserve and restore Pasak watershed forest at Phraya Doen Thong Mountain covering the area of 5,900 rai with the plan to monitor and assess increasing biodiversity as well as to calculate carbon absorption

and ecosystem services. In 2016, the Company already proceeded with the area of 50 rai. In addition to this, the Company has also continued Rak Ni-Ves Project within the boundary of plants and farms, covering the area of 1,000 rai.



CPF Grow-Share-Protect Mangrove Forestation Project

The Company has continued its “**Grow-Share-Protect Mangrove Forestation Project**” for three consecutive years. In collaboration with Department of Marine and Coastal Resources, Biodiversity-Based Economy Development Office (Public Organization) and civil society groups, the project focuses on conserving and restoring mangrove forests as well as increasing biodiversity in five strategic areas, namely Chumphon, Rayong, Samut Sakhon, Songkla, and Phang Nga province, covering the areas of 2,245 rai under the five-year strategic plan (2014-2018). In 2016, we expanded an additional 113 rai of mangrove forest, totaling 267 rai or 68 percent of the target of 390 rai while also helped conserve 2,218 rai of mangrove forest or 99 percent of the target. We opened “**CPF Grow-Share-Protect Mangrove Forestration Learning Center at Prasae estuary, Rayong province**”. The Company also succeeded in establishing Mangrove Community Committee at every area of the project.



- 1. From Commitment to Collaboration** between the government, the private sector, and the civil society to develop a five-year mangrove forestation strategy (2014-2018)
- 2. From Initiation to the Connection of Community and Forest** through landscape development in preparation for the establishment of learning center
- 3. From Collaboration to Opening of Mangrove Forest Learning Center** in Rayong, Samut Sakhon, Songkla, and Phang Nga province for collecting knowledge, exchanging and learning information on mangrove forest on site
- 4. From Seedling to Abundant Forest** with the support for sustainable management towards the development of ecotourism
- 5. From Learning to Sharing** - with the good model and strong network for conserving and restoring mangrove forest together with the reporting of CO2 absorption and biodiversity level.

1 Samut Sakhon Province

On Track Towards Achieving the Target

83 Rai Out of Target

110 Rai

610 Rai

60%

2 Rayong Province

Achieved Target

40 Rai

560 Rai

90%

Opened CPF Grow-Share-Protect Mangrove Forestation Learning Center at Prasae Estuary

3 Chumphon Province

Achieved Target

134 Rai

890 Rai

80%



New Forested Areas



Conservation Areas



Survival Rate

Remark : Survival rate of the trees was assessed by establishing one percent sample plot in each area at the 95 percent confidence interval in accordance with the plot measurement methodology suggested by Thailand Greenhouse Gas Management Organization (Public Organization) (TGO).

4 Phang Nga Province

Achieved Target



10 Rai



85 Rai



80%

Collaborated with the Faculty of Forestry, Kasetsart University to study on Mangrove Lobster which is an endangered species due to the changing environment

5 Songkla Province

To Begin in 2017

In 2016, we surveyed and identified the targeted areas and supported self-sufficient community.



100 Rai



100 Rai

Environmental Performance during 2013-2016

GRI	Performance	Unit	2013	2014	2015	2016
Energy						
G4-EN3	Total energy consumption	million gigajoules	9.23	9.67	10.38	9.59
	Non-renewable energy	million gigajoules	3.14	3.56	3.87	3.25
	- Coal	million gigajoules	0.76	0.78	0.90	0.82
	- Fuel oil	million gigajoules	0.49	0.56	0.49	0.55
	- Diesel	million gigajoules	0.20	0.36	0.34	0.32
	- Gasoline	million gigajoules	0.04	0.02	0.02	0.02
	- LPG	million gigajoules	0.30	0.33	0.28	0.27
	- Natural gas	million gigajoules	1.36	1.51	1.83	1.27
	Renewable energy	million gigajoules	2.06	1.78	2.44	1.98
	- Biodiesel	million gigajoules	0.02	0.00	0.00	0.00
	- Rice husk	million gigajoules	0.08	0.00	0.00	0.00
	- Corn cob	million gigajoules	0.27	0.24	0.21	0.18
	- Pal kernel shells	million gigajoules	0.26	0.08	0.03	0.02
	- Fire wood/scrap wood/ woodchips	million gigajoules	1.00	0.97	1.03	0.99
	- Sawdust	million gigajoules	0.08	0.07	0.06	0.09
	- Charcoal	million gigajoules	0.00	0.00	0.03	0.01
	- Cashew nutshell	million gigajoules	0.02	0.03	0.03	0.02
	- Biogas	million gigajoules	0.34	0.36	0.49	0.61
	- Others	million gigajoules	0.00	0.03	0.56	0.05
		Electricity purchased	million kilowatt-hours	1,117	1,203	1,134
		million gigajoules	4.02	4.33	4.08	4.36
G4-EN5	Energy intensity	gigajoule per production ton	1.34	1.37	1.39	1.24
Greenhouse Gas Emission						
	Total direct greenhouse gas emissions (scope 1+2)	million tons of CO2 equivalents	0.81	0.88	0.88	0.91
G4-EN15	Total direct greenhouse gas emissions (scope 1)	million tons of CO2 equivalents	0.17	0.19	0.22	0.24
G4-EN16	Total direct greenhouse gas emissions (scope 2)	million tons of CO2 equivalents	0.65	0.70	0.66	0.67

GRI	Performance	Unit	2013	2014	2015	2016
G4-EN18	Greenhouse gas intensity	kilogram of CO2 equivalents	118.34	125.63	118.24	117.01
-	Biogenic greenhouse gas emissions	million tons of CO2 equivalents	n/a	n/a	n/a	0.18

Water

G4-EN8	Total water withdrawal	million cubic meters	207.62	341.93	201.36	195.14
	- Municipal water supply	million cubic meters	n/a	16.74	6.38	6.57
	- Seawater	million cubic meters	n/a	70.62	42.22	44.38
	- River	million cubic meters	n/a	13.24	16.96	17.50
	- Canal	million cubic meters	n/a	166.54	85.37	76.54
	- Groundwater	million cubic meters	n/a	16.60	15.08	16.51
	- Rainwater	million cubic meters	n/a	27.29	20.62	27.11
	- Other surface water sources	million cubic meters	n/a	8.24	13.16	4.76
	- Purchased water (excluding drinking water)	million cubic meters	n/a	22.66	1.56	1.77
	- Wastewater from outside	million cubic meters	n/a	0	0	0
G4-EN10	Recycled and reused water	million cubic meters	n/a	82.69	34.59	24.16
		percentage of total water consumption	n/a	24.18	17.18	12.38

Wastewater

G4-EN22	Water discharge					
	Total water discharge	million cubic meters	n/a	115.35	81.88	94.41
	- Sea	million cubic meters	n/a	34.07	25.75	29.60
	- River	million cubic meters	n/a	6.67	5.76	7.16
	- Canal	million cubic meters	n/a	68.38	45.56	51.32
	- Public waterway	million cubic meters	n/a	3.59	3.69	4.34
	- Others	million cubic meters	n/a	2.62	1.12	1.99
	Quality of Discharged Water					
	- BOD Value	milligram per liter	n/a	19.81	19.68	16.04
	- Nitrogen value	milligram per liter	n/a	41.31	43.12	35.42
	- BOD quantity	thousand tons	n/a	2.28	0.61	0.58
	- Nitrogen quantity	thousand tons	n/a	4.76	0.58	0.49

GRI	Performance	Unit	2013	2014	2015	2016
Waste						
G4-EN23	Total waste generated	million tons	0.39	0.44	0.44	0.44
	Total non-hazardous waste generated	million tons	0.39	0.44	0.44	0.44
	Disposed non-hazardous waste	thousand tons	n/a	417.55	399.39	428.23
	- Landfill	thousand tons	n/a	n/a	26.66	23.22
	- Composting	thousand tons	n/a	n/a	282.23	333.22
	- Burning	thousand tons	n/a	n/a	3.30	2.62
	- Reused	thousand tons	n/a	n/a	0.24	1.14
	- Recycled	thousand tons	n/a	n/a	31.04	13.73
	- Others	thousand tons	n/a	n/a	55.92	54.32
	Non-hazardous waste stored within the organization	thousand tons	n/a	32.23	72.98	83.56
	Total hazardous waste generated	thousand tons	0.66	0.70	0.67	1.16
	Hazardous waste sent to authorized organization for disposal	thousand tons	n/a	0.44	0.54	1.11
	- Landfill	thousand tons	n/a	n/a	0.11	0.13
	- Burning	thousand tons	n/a	n/a	0.02	0.07
	- Reused	thousand tons	n/a	n/a	0.02	0.27
	- Recycled	thousand tons	n/a	n/a	0.39	0.64
	- Hazardous waste stored within the organization	thousand tons	n/a	0.25	0.38	0.43

Remark:

- n/a = Not Available
- Total water consumption is calculated using data from water meters, water bills, flow rates of water pumps, and average volume of rainwater from Meteorological Department. (G4-EN8)
- Total reused / recycled water volume is calculated using the data from water meters and flow rates of water pumps. (G4-EN10)
- Biochemical Oxygen Demand (BOD) value measures the amount of oxygen required or consumed for the microbiological decomposition of organic material in water, used for measuring water quality. (G4-EN22)
- BOD and nitrogen values are the average BOD and nitrogen values from all business units. The data were verified by external party. (G4-EN 22)
- BOD quantity = volume of discharged water x average BOD intensity. (G4-EN22)
- Nitrogen quantity = volume of discharged water x average nitrogen intensity. (G4-EN22)
- Non-hazardous and hazardous waste stored within the organization was cumulative sum from previous years. (G4-EN23)
- Total waste generated was the sum of total non-hazardous and hazardous waste generated during the year. Amount of waste stored within the organization during the year = cumulative waste stored during the current year – cumulative waste stored during the previous year. (G4-EN23)
- Waste disposal information was obtained from disposal method or waste manifest provided by waste disposer. (G4-EN23)

GRI Content Index

General Standard Disclosures

General Standard Disclosures		Page/Website	External Assurance
Strategy and Analysis			
G4-1	CEO Statement	Page 12-15	-
Organizational Profile			
G4-3	Name of the organization	Page 16	-
G4-4	Primary brands, products, and services	Page 16-17	-
G4-5	Location of the organization's headquarters	Page 29	-
G4-6	Countries of operation	Page 18-19	-
G4-7	Nature of ownership and legal form	Annual Report (1), Page 6-20, (5), Page 1-2	-
G4-8	Markets served	Page 18-19 Annual Report (1), Page 1-8	-
G4-9	Scale of the organization	Page 18-21 www.cpfworldwide.com/en/product and www.cbbrandsite.com/product	-
G4-10	Total number of employees by categories	Page 46 - The Company does not have temporary contract employee. - All employees are full-time employees. - All work is performed mainly by employees, supervised worker and workers. - There was no significant variation in employment numbers during the reporting period.	-
G4-11	Percentage of total employees covered by collective bargaining agreements	CPF does not have trade union.	-
G4-12	Describe the organization's supply chain	Page 16-17	-
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	Annual Report (1), Page 1-3 - There was no material change in the location of suppliers and structure of supply chain.	-
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	Page 73	-
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Page 34, 37	-

General Standard Disclosures		Page/Website	External Assurance
G4-16	List memberships of associations and national or international advocacy organizations	Page 34	-
Identified Material Aspects and Boundaries			
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	Page 24 Annual Report (1), Page 6-22	Page 93-95
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	Page 25	Page 93-95
G4-19	List all the material Aspects identified in the process for defining report content	Page 26-27	Page 93-95
G4-20	Report the Aspect Boundary within the organization for each material Aspect	Page 26-27	Page 93-95
G4-21	Report the Aspect Boundary outside the organization for each material Aspect	Page 26-27	Page 93-95
G4-22	Report the effect of any restatements of information provided in previous reports and the reasons for such restatements	Page 47, 76	Page 93-95
G4-23	Report significant change from previous reporting periods in the Scope and Aspect Boundaries	There was no significant change in the Scope and Aspect Boundaries.	Page 93-95
Stakeholder Engagement			
G4-24	List of stakeholder groups engaged by the organization	Page 28-29	Page 93-95
G4-25	Basis for identification and selection of stakeholders	Page 28	Page 93-95
G4-26	Organization's approach to stakeholder engagement	Page 28-29	Page 93-95
G4-27	Key topics and concerns raised through stakeholder engagement, and how the organization has responded	Page 28-29	Page 93-95
Report Profile			
G4-28	Reporting period	Page 24	-
G4-29	Date of the most recent previous report	Page 24	-
G4-30	Reporting cycle	Page 24	-

General Standard Disclosures		Page/Website	External Assurance
G4-31	Contact point for the report	Page 29	-
G4-32	GRI Content Index for inaccordance option the organization has chosen	Page 85-91	-
G4-33	Report the organization's policy and current practice regarding external assurance for the report	Page 24, 93-96	-
Governance			
G4-34	Governance structure of the organization	Annual Report (6), Page 1-2 www.cpfworldwide.com/en/about/leadership/sub-committee/corporate-governance	-
Ethics and Integrity			
G4-56	Organization's values, principles, standards and norms of behaviour	www.cpfworldwide.com/en/about/commitment	-

Specific Standard Disclosures

Specific Standard Disclosures	Page/Website	Omission/ Note	External Assurance
Economic Performance			
G4-DMA	Disclosure on Management Approach	Annual Report (1), Page 1	-
G4-EC1	Direct economic value generated and distributed	Page 20	-
Energy			
G4-DMA	Disclosure on Management Approach	Page 70-71	-
G4-EN3	Energy consumption within the organization	Page 72, 82	Page 93-95
G4-EN5	Energy intensity	Page 72, 82	Page 93-95
Water			
G4-DMA	Disclosure on Management Approach	Page 70-71, 76	-
G4-EN8	Total water withdrawal by source	Page 76, 83	Page 93-95
G4-EN10	Percentage and total volume of water recycled and reused	Page 76, 83	-

Specific Standard Disclosures		Page/Website	Omission/ Note	External Assurance
Biodiversity				
G4-DMA	Disclosure on Management Approach	Page 78-81	-	-
G4-EN13	Habitats protected or restored	Page 81	-	-
Emissions				
G4-DMA	Disclosure on Management Approach	Page 70-71, 73	-	-
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Page 72, 82	Reporting scope of GHG scope1 includes GHG emission from fuel combustion sources only, but excludes biogas combustion from flaring.	Page 93-95
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Page 72, 82	-	Page 93-95
G4-EN18	Greenhouse gas (GHG) emissions intensity	Page 72, 83	Reporting scope of GHG intensity includes GHG scope 1 and scope 2. However, GHG scope1 includes GHG emission from fuel combustion sources only, but excludes biogas combustion from flaring.	-
Effluents and Wastes				
G4-DMA	Disclosure on Management Approach	Page 70-71, 77	-	-
G4-EN22	Total water discharge by quality and destination	Page 83	-	Page 93-95
G4-EN23	Total weight of waste by type and disposal method	Page 84	-	Page 93-95
Supplier Environmental Assessment				
G4-DMA	Disclosure on Management Approach	Page 60-62	-	-
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Page 61	100% of corn for animal feed and fishmeal that were sourced and used in Thailand were screened using the traceability criteria which helped prevent environmental degradation. Other suppliers will be screened using environmental criteria in 2017.	-
Employment				
G4-DMA	Disclosure on Management Approach	Page 40, 44	-	-

Specific Standard Disclosures		Page/Website	Omission/ Note	External Assurance
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Page 46-47	Reporting number of employees by region is not applicable since this report only covers operations in Thailand.	-
Occupational Health and Safety				
G4-DMA	Disclosure on Management Approach	Page 44-45	-	-
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Page 44	-	-
G4-LA6	Type of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Page 45-46	Reporting the data by region is not applicable since this report only covers operations in Thailand.	Page 93-95 The External Assurance of this indicator does not include Occupational Disease Rate of Independent Contractors.
Training and Education				
G4-DMA	Disclosure on Management Approach	Page 40-42	-	-
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Page 41-47	-	Page 93-95
Supplier Assessment for Labor Practices				
G4-DMA	Disclosure on Management Approach	Page 60-61	-	-
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Page 60-61	The Company only started its supplier audit program in critical high risk suppliers. The audit is set to be complete by 2020.	-
Labor Practices Grievance Mechanisms				
G4-DMA	Disclosure on Management Approach	Page 44	-	-
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Page 45	-	-

Specific Standard Disclosures		Page/Website	Omission/ Note	External Assurance
Assessment				
G4-DMA	Disclosure on Management Approach	Page 35-36	-	-
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	Page 36	Assessment on human rights impact was conducted using risk profiles at the country level. The assessment covered CPF business of all nature in Thailand.	
Supplier Human Rights Assessment				
G4-DMA	Disclosure on Management Approach	Page 60-61	-	-
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Page 60-61	The Company only started its supplier audit program in critical high risk suppliers. The audit is set to be complete by 2020.	-
Local Communities				
G4-DMA	Disclosure on Management Approach	Page 63-67	-	-
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Page 67	All operations are subject to impact assessment if required by law.	-
Product and Service Labeling				
G4-DMA	Disclosure on Management Approach	Page 50 www.cpfworldwide.com/en/sustainability/commitment	-	-
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	www.cpfworldwide.com/en/sustainability/commitment	-	-
Healthy and Affordable Food				
G4-DMA	Disclosure on Management Approach	Page 54-55	-	-
Customer Health and Safety				
G4-DMA	Disclosure on Management Approach	Page 50-54	-	-

Specific Standard Disclosures		Page/Website	Omission/ Note	External Assurance
G4-FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	Page 51	-	-
Animal Welfare				
G4-DMA	Disclosure on Management Approach	Page 50, 52	-	-
Innovation				
G4-DMA	Disclosure on Management Approach	Page 40, 42-43	-	-
CPF Own Indicator	Number of innovations and innovators	Page 43	-	-

United Nations Global Compact (UN Global Compact)

Communication on Progress – Advanced Level

UN Global Compact Communication on Progress – Advanced Level

Criterion	Description	Page
1	The COP describes mainstreaming into corporate functions and business units.	Sustainability Governance, Page 30-35
2	The COP describes value chain implementation.	Develop Win-Win Partnership, Page 60-62
3	The COP describes robust commitments, strategies or policies in the area of human rights.	Human Rights and Risk Management, Page 35-36 Developing CPF as a “Home of Happiness”, Page 44-45
4	The COP describes effective management systems to integrate the human rights principles.	Human Rights and Risk Management, Page 35-36 Developing CPF as a “Home of Happiness”, Page 44-45
5	The COP describes effective monitoring and evaluation mechanisms of human rights integration.	Human Rights and Risk Management, Page 35-36 Developing CPF as a “Home of Happiness”, Page 44-45
6	The COP describes robust commitments, strategies or policies in the area of labor.	Human Rights and Risk Management, Page 35-36 Developing CPF as a “Home of Happiness”, Page 44-45 Responsible Sourcing of Fishmeal, Page 61-62
7	The COP describes effective management systems to integrate the labor principles.	Human Rights and Risk Management, Page 35-36 Developing CPF as a “Home of Happiness”, Page 44-45 Responsible Sourcing of Fishmeal, Page 61-62

UN Global Compact Communication on Progress – Advanced Level

Criterion	Description	Page
8	The COP describes effective monitoring and evaluation mechanisms of labor principles integration.	Human Rights and Risk Management, Page 35-36 Developing CPF as a “Home of Happiness”, Page 44-45
9	The COP describes robust commitments, strategies or policies in the area of environmental stewardship.	Balance of Nature, Page 70-81
10	The COP describes effective management systems to integrate the environmental principles.	Balance of Nature, Page 70-77
11	The COP describes effective monitoring and evaluation mechanisms for environmental stewardship.	Balance of Nature, Page 70-81
12	The COP describes robust commitments, strategies or policies in the area of anti-corruption.	Sustainability Governance, Page 35
13	The COP describes effective management systems to integrate the anti-corruption principle.	Sustainability Governance, Page 35
14	The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption.	Sustainability Governance, Page 35
15	The COP describes core business contributions to UN goals and issues.	Supporting the Sustainable Development Goals, Page 34
16	The COP describes strategic social investments and philanthropy.	Self-Sufficiency Society, Page 55-57
17	The COP describes advocacy and public policy engagement.	Supporting the Sustainable Development Goals, Page 34
18	The COP describes partnerships and collective action.	Supporting the Sustainable Development Goals, Page 34 Develop Win-Win Partnership, Page 62
19	The COP describes CEO commitment and leadership.	Message to Stakeholders, Page 12-15
20	The COP describes Board adoption and oversight.	Sustainability Governance, Page 35
21	The COP describes stakeholder engagement.	Stakeholder Engagement, Page 28-29

LRQA Assurance Statement

Relating to Charoen Pokphand Foods Public Company Limited's Sustainability Report for the calendar year 2016

This Assurance Statement has been prepared for Charoen Pokphand Foods Public Company Limited 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 Foods Public Company Limited (CPF) to provide independent assurance on its 'Sustainability Report 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 practise and uses the principles of AA1000AS (2008) - inclusivity, materiality, responsiveness and reliability of performance data and processes defined in ISAE3000.

Our assurance engagement covered CPF's and their subsidiaries' operations and activities in Thailand and specifically the following requirements:

- Confirming that the Report is in accordance with:
 - GRI G4's Reporting Guidelines and core option
 - GRI G4's Food Processing Sector Disclosure
- Evaluating the reliability of data and information for only the selected specific standard disclosures listed below:
 - Energy consumption within organization (G4-EN3)
 - Energy intensity (G4-EN5)
 - Total water withdrawal by source (G4-EN8)
 - Direct greenhouse gas (GHG) emissions (Scope1) (G4-EN15) ⁽¹⁾
 - Energy indirect greenhouse gas (GHG) emissions (Scope 2) (G4-EN16)
 - Total water discharge by quality and destination (G4-EN22)
 - Total weight of waste by type and disposal method (G4-EN23)
 - Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender (G4-LA6) ⁽²⁾
 - Average hours of training per year per employee by gender, and by employee category (G4-LA9)

Notes:

- (1) Reporting scope of Direct GHG emission includes emission from sources of fuel combustion only but excludes direct GHG emission from flaring of biogas and other sources of direct GHG emission
- (2) Our verification engagement of LA6 excludes verification of data related to occupational disease of independent contractors

Our assurance engagement excluded the data and information of CPF's operations and activities outside of Thailand and its associated and jointly-controlled entities both in Thailand and overseas. Our assurance engagement also excluded the safety, occupational health and environmental (SHE) indicators of its head offices, other offices and other business units apart from feed, farm, food processing, whole sale and retail food products and restaurant in Thailand. Our engagement of SHE indicators for restaurant in Thailand also excluded CP Kitchen and CP Food World.

LRQA's responsibility is only to CPF. LRQA disclaims any liability or responsibility to others as explained in the end footnote. CPF'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 CPF.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that CPF has not:

- Met the requirements above
- Disclosed accurate and reliable performance data and information as no errors or omissions were detected within 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 our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing CPF's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through reviewing documents and associated records.
- Reviewing CPF's process for identifying and determining material issues to confirm that the right issues were included in their Report. We did this by benchmarking reports written by CPF 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 CPF makes informed business decisions that may create opportunities that contribute towards sustainable development.
- Auditing CPF'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 procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the Report.
- Visited sites of Nongchok Food Processing Factory in Bangkok, Mahachai Aqua Feed Mill in Samutsakorn Province, Roi Phet Shrimp Farm in Trad Province, Nakornchaisri Duck Farm in Nakhonpratom Province, Pa Mai Daeng Broilers Farm in Saraburi Province, Korat Poultry Further Processing Factory in Nakornrachasima Province, Five Star Chicken Food Processing Factory in Chiangmai Province and Jomthong Swine Farm in Chiangmai Province to sample evidence for the selected specific standard disclosures to confirm their reliability.

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 CPF's stakeholder engagement process. The Report content, as well as CPF's visions for addressing sustainability development, has then been informed by the views and expectations of these stakeholders.
- **Materiality:**
We are not aware of any material issues concerning CPF's sustainability performance that have been excluded from the Report. It should be noted that CPF has processes for identifying and determining their material aspects; the evaluation process considers factors such as stakeholder concerns, potential impact on economic, social and environment performance by consideration of global trends, media analysis, business risk and issues addressed by peers. These aspects have then been prioritised and influenced CPF's performance disclosures and that these criteria are not biased to CPF's management.
- **Responsiveness:**
CPF and its subsidiaries in Thailand have processes for responding to concerns from various stakeholder groups. We believe that these communication processes are effective in explaining CPF's aim in contributing towards sustainable development.
However, even though CPF did not prioritise animal welfare as a high rank materiality issue, but a medium one, they have disclosed their management approach on this issue. It is our opinion that for CPF to be a leader in the food processing sector, they should completely disclose all information required under G4-FP12 i.e. the types of antibiotic, anti-inflammatory treatment used by species and breed type, or other GRI indicator related to animal welfare.
- **Reliability:**
Data management systems are considered to be properly defined and centralized for the data and information collection and calculation associated with the selected specific standard disclosures listed above. CPF also has process for internal data verification to ensure the quality of its reported data and information. We believe that more systematic and periodic implementation of internal verification within CPF's subsidiaries will further improved the reliability of its data and information and would prevent those errors identified at corporate level.

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.

LRQA has not provided any kind of services except this sustainability report verification to CPF. The verification assessments, is the only work undertaken by LRQA for CPF and as such does not compromise our independence or impartiality.



Signed
Paveena Hengritawat
LRQA Lead Verifier

Dated: 28 February 2017

On behalf of Lloyd's Register Quality Assurance Ltd.
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