



# LRQA Independent Assurance Statement

## Relating to Charoen Pokphand Foods Public Company Limited's Sustainability Report for the calendar year 2021

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

LRQA was commissioned by Charoen Pokphand Foods Public Company Limited (CPF) to provide independent assurance on its Sustainability Report 2021 ("the report") against the assurance criteria below to a limited level of assurance and at materiality of the professional judgement of the verifier using LRQA's verification procedure. LRQA's verification procedure is based on current best practice, is in accordance with ISAE 3000 and uses the following principles of - inclusivity, materiality, responsiveness and reliability of performance data.

Our assurance engagement covered Charoen Pokphand Foods Public Company Limited's and their subsidiaries' operations and activities in Thailand and specifically the following requirements:

- Confirming that the report is in accordance with:
  - GRI Standard and Core option
  - GRI Food Processing Sector Disclosure
- Evaluating the reliability of data and information for only the selected indicators listed below:<sup>1,2</sup>
  - GRI 203-2 Significant indirect economic impacts (2016)
  - GRI 302-1 Energy consumption within the organization (2016)
  - GRI 302-3 Energy intensity (2016)
  - GRI 303-3 Water withdrawal (2018)
  - GRI 303-4 Water discharge (2018)
  - GRI 303-5 Water consumption (2018)
  - GRI 305-1 Direct (Scope 1) GHG emissions<sup>(3)</sup> (2016)
  - GRI 305-2 Energy indirect (Scope 2) GHG emissions (2016)
  - GRI 306- 3 Waste generated (2020)
  - GRI 306-4 Waste diverted from disposal (2020)
  - GRI 306-5 Waste directed to disposal (2020)
  - GRI 405-2 Ratio of basic salary and remuneration of women to men (2016)<sup>(4)</sup>
  - GRI 403-9 Work-related injuries (2018)
  - GRI 403-10 Work-related ill health (2018)and non-GRI indicators listed below
  - Lost Time Injury Frequency Rate (LTIFR)
  - Food Loss<sup>(5)</sup>
  - Production capacity of cage free eggs<sup>(6)</sup>
  - Total GHG emissions reduction from low-carbon products<sup>(6)</sup>
  - Renewable Energy in Operation (unit: % compare with all type of energy)<sup>(7)</sup>

#### Notes:

- <sup>(3)</sup> Reporting scope of Direct GHG emission includes emission from sources of fuel combustion only but exclude direct GHG emission from flaring of biogas and other sources of direct GHG emissions.
- <sup>(4)</sup> Reporting scope of Ratio of basic salary and remuneration of women to men includes non-management level employees only.
- <sup>(5)</sup> Reporting scope of Food Loss is limited to food loss in CPF's business units whose operations are related to egg products and chicken meat products only.
- <sup>(6)</sup> Reporting scope of Production capacity of cage free eggs, and Total GHG emissions reduction from low-carbon is limited to performance of CPF (Thailand) Public Company Limited only.

<sup>1</sup> <https://www.globalreporting.org>

<sup>2</sup> GHG quantification is subject to inherent uncertainty.



- <sup>(7)</sup> Reporting scope of Renewable Energy in Operation (unit: % compare with all type of energy) is cover CPF and their subsidiaries' operations in Thailand. In addition, this performance specifically for CPF (Thailand) Public Company Limited is also covered by the reporting scope and our assurance engagement.

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 office, offices and other business units apart from feed, farm, food processing, wholesale and retail food products and restaurant in Thailand. Exclusion of SHE performance data and information are also made to some CPF's business units i.e. swine and raw milk transferring stations; and the operation which is in pilot scale i.e. research and development facilities (dairy farms, milk goat farm, cheese processing plant, and cattle feed). Our engagement of SHE indicators for restaurant in Thailand also excluded CP Kitchen, CP Food World, CP-Hilai Harbour and Dak Galbi restaurants.

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, in all material respects:

- Met the requirements above
- Disclosed reliable performance data and information as no errors or omissions were detected
- Covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

**Note:** The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### 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 interviewing representatives of some CPF's business units that have engaged with stakeholders and 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 misstatements 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.
- Verifying data and information remotely via video conference for a selection of CPF's sites i.e.
  - Saraburi Food Processing Plant in Saraburi Province
  - Bangna Km 21 Agro Feed Mill in Bangkok
  - Ranot Shrimp Farm in Songkhla Province
  - Chana Layer Hen Complex Farm in Songkhla Province
  - Phetchabun Breeding Pigs Farm in Phetchabun Province
  - Raphiphat Fish Farm in Pathum Thani Province

### 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. CPF has open dialogue with all of its stakeholders, applying various methods at each business unit and then consolidating these results at corporate level. CPF's sustainability strategy, and the content of this report, have been informed by the views and expectation 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 established extensive criteria for determining which sustainability issues are material. These criteria are not biased to CPF's management but consider stakeholders' views and expectation, material issues identified by CPF's peers and current global trends. The resultant material issues are then prioritised and influence CPF's sustainable strategy, management approaches and performance disclosures.
- Responsiveness: CPF has established and implemented 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, CPF should extend its reporting scope of:
  - Food loss to cover all relevant business units within its operation, as current reporting scope is limited only to food loss in egg and chicken meat product business units. Broadening this reporting scope to cover food loss in operation of all products will better demonstrate CPF's responsiveness for addressing this global material issue.
  - direct GHG emissions to cover all direct GHG emission sources, as the reporting scope is limited to combustion sources only. Complete reporting of direct GHG emissions will enhance the responsiveness of CPF's contribution for addressing this global material issue.
- Reliability: Data management systems are established and centralised for the collection and calculation of data associated with the selected specific standard disclosures listed above. However, it was noted that the:
  - working hours reported for employees at some facilities did not consider absentee days, causing an over reporting of total man-hours. Although this is not a material misstatement, we believe that resolving this accounting error will further enhance the reliability of future reports.
  - The reported total amount of wastes generated was considered from total amount of waste diverted from disposal plus total amount of waste directed to disposal. However, it was noted for some facilities that hazardous wastes generated had not yet been diverted or disposed of. Although this is not a material misstatement, we believe that collecting quantity of waste generated directly will enhance the reliability of the future reports.

We also believe that more vigorous and systematic internal verification by each business unit will improve the reliability of reported data and information as it will prevent errors, such as those identified above, being disclosed at the corporate level.

#### **LRQA's standards, 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 provided service to review CPF's SHE & EN Standard to ensure that it was developed based on the risk management principles in accordance with ISO 14001:2015, ISO 45001:2018 and ISO 5001:2015. The verification and certification assessments are the only work undertaken by LR for CPF and as such does not compromise our independence or impartiality.

A handwritten signature in black ink, appearing to read 'Paveena Hengsriratwat'.

Paveena Hengsriratwat  
LRQA Lead Verifier

Dated: 22 February 2022

On behalf of Lloyd's Register Quality Assurance Ltd.  
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