

CP FOODS SUSTAINABILITY NEWSLETTER



Road towards
NET-ZERO

Issue No. 1 March 2024

Greeting Message from Management

Dear Team members,

This sustainability newsletter is to share and update our sustainability journey and actions. The Sustainability is the core competitive advantage to be one of the World's most Successful Company, especially on the Net-Zero Journey.

This newsletter will highlight the decisive actions CP Foods, the Kitchen of the World, has taken to protect our Climate, improve the quality of life of People, and Create Prosperity Food. This is to ensure that our clients receive top-quality food products that promote health and well-being for people around the World from sustainable sources and operations.



Prasit Boondoungprasert
CEO of Charoen Pokphand Foods



Code Red for Humanity

The average global temperature is projected to increase by 1.5°C above pre-industrial levels by the early 2030s, surpassing expert predictions by a decade. Failing to take immediate action will result in significant impacts on our planet.

CP Foods is embarking on a journey to achieve net-zero emissions by 2050. This ambitious goal is our commitment to combat the adverse effects of climate change and secure a sustainable food supply for future generations.

We are proud to announce that we are **the first food processing company in the world to have received validation for both near- and long-term forests, land, and agriculture (FLAG) under the Science Based Targets initiative.**

Additionally, we are among the pioneering companies to establish specific targets related to forests, land, and agriculture (FLAG).

With 2020 as the base year, CP Foods commits to a 42% reduction and 90% reduction of all three scopes of greenhouse gas non-FLAG emissions by 2030 and 2050, respectively. We further commit to a 30.3% reduction and 72% reduction of Scope 1 and Scope 3 greenhouse gas FLAG emissions by 2030 and 2050, respectively. We also commit to zero deforestation across our primary deforestation-linked commodities by the fiscal year 2025.



Section 1

C for Climate (Action)

CP Foods' Journey to Net-Zero:

CP Foods is making significant strides toward achieving net-zero carbon emissions, an ambitious goal that spans across our entire operation and supply chain. This commitment to environmental sustainability is manifested through a comprehensive strategy divided into three main pillars:



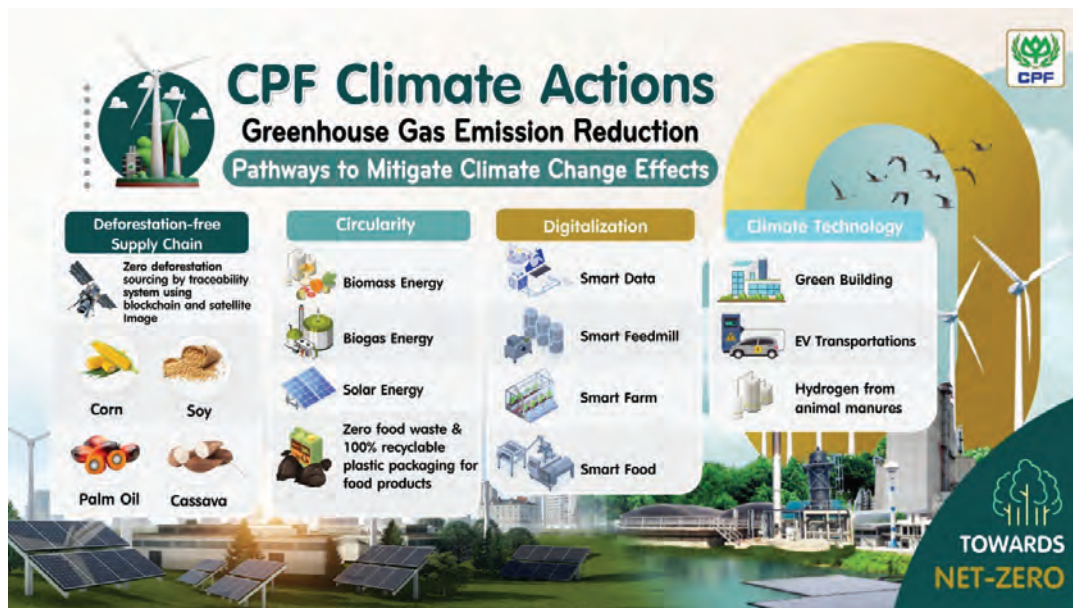
Smart Sourcing



Smart Production



Smart Consumption.



Smart Sourcing

This initiative ensures that, starting from 2020, 100 percent of the corn used in the feed business, which accounts for approximately 2.17 million tons, is traceable back to its source. This traceability guarantees that all raw ingredients are sourced from plantations committed to zero deforestation, covering an area of over 2 million rai (320,000 hectares). With a target to have a positive effect on biodiversity by 2030, CP Foods is on track to achieve zero deforestation in the sourcing of corn, soy, palm oil, and cassava by 2025.



Recent Activities



BKP Partnerships Forge Path for Cleaner and Transparent Supply Chains

Bangkok Produce Merchandising Public Company Limited (BKP), the company's raw material procurement arm, has entered partnerships with Louis Dreyfus Company (LDC) and Bunge to promote deforestation-free supply chains and enhance soy product traceability.



Leveraging on satellite mapping and blockchain technology, these collaborations aim to ensure sustainable and transparent agricultural practices. The LDC partnership targets to achieve a deforestation-free supply chain for soy products from Brazil to Asia by 2025, aligning with consumer demand for responsibly sourced goods.



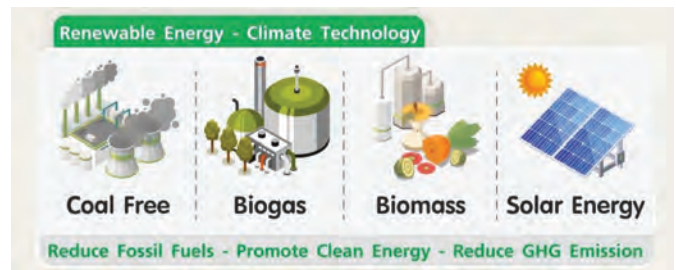
Similarly, **the collaboration with Bunge aims to develop a blockchain solution for soy traceability**, addressing deforestation challenges. These agreements highlight BKP's commitment to environmental sustainability, utilizing technology to improve supply chain transparency and reduce agricultural impact, ultimately setting new standards for responsible sourcing in the food industry.

Smart Production

In its journey towards digitalization, CP Foods leverages innovation and advanced technology to enhance its production processes, a testament to its smart production initiative. This includes:

- The use of AI to optimize various operating parameters.
- The integration of IoT and automation technologies, enabling machines to operate autonomously.
- The implementation of dashboard controls for systems and machines, improving energy efficiency.

These advancements not only enhance efficiency but also contribute to a more sustainable production system. A pivotal shift towards renewable energy further exemplifies CP Foods' dedication to sustainability, with 30% of its energy consumption in Thailand in 2022 coming from renewable sources. Moreover, the company has achieved a milestone by operating completely coal-free in Thailand since 2022, reinforcing its pledge to clean energy.



Smart Consumption

CP Foods is at the forefront of smart consumption, prioritizing the reduction of packaging waste and advocating for the use of sustainable materials. This approach is captured in the company's Sustainable Packaging Policy and Principle, aimed at addressing packaging waste challenges and cutting down greenhouse gas (GHG) emissions.

Impressively, CP Foods has conducted carbon footprint assessments for its products, identifying several items with a lower carbon footprint compared to its peers. Furthermore, CP Foods has taken a significant leap by introducing eco-friendly livestock feeds. These innovative feeds enhance nutrient absorption and digestion, thereby fostering the health and robust growth of livestock.

Section 2

P for People



Five Star Business joins Eco Initiative "Fried and Fly"

Marking its **40th anniversary**, **Five Star Business**, a prominent segment of CP Foods, is celebrating not merely its influential role in fostering entrepreneurship for the society. With over 8,500 franchisees globally and an ambition to grow to 11,500 in 10 countries by 2024.

Five Star has partnered with SGF Company Limited, a subsidiary of the Bangchak Group in Thailand, to launch the innovative **"Fried and Fly" (Tod Mai Ting) initiative**. This forward-thinking project aims to repurpose waste into value. Overseen by SGF, the program focuses on creating Sustainable Aviation Fuel (SAF) from recycled cooking oil.

The collaboration encompasses not only Five Star but also CP Foods' chicken processing operations and 200 Chester stores, illustrating a collective commitment to a sustainable future.

The "Fried and Fly" campaign, driven by the Bangchak Group through SGF, targets the reduction of environmental and health risks linked to the reuse of cooking oil by converting it into jet fuel. It aligns with the broader Bio-Circular-Green (BCG) economy model, which advocates for sustainable growth and environmental preservation.

Green Products

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Increase Eco-friendly choices



Section 3 F for (Sustainable) Foods

CP Foods is advancing towards a sustainable future by focusing on developing **low-carbon and carbon-neutral products**. The company has developed carbon footprint of 880 products along the CPF value chain in Thailand, including a variety of products such as livestock and aquaculture feeds, live animals (e.g., broiler, duck, swine), eggs, meat, and processed foods (e.g., shrimp wonton, roasted duck, salad chicken).

It boasts 56 products with the Carbon Footprint Reduction Label and recently added about 50 new items, including plant-based alternatives. CP Foods' green products have significantly contributed to reducing at least 1.83 million tons of carbon dioxide in 2023. The 50 new products with the carbon footprint label include plant-based chicken nuggets and meat substitutes.



CPF Embraces Sustainability:
Unveils Low-Carbon Products for a
Greener Business Future



880 Products with a Carbon Footprint Label



2 Products with a Carbon Neutral Label



56 Products with a Carbon Footprint Reduction Label



SEE YOU
NEXT ISSUE



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