



Charoen Pokphand Foods Public Company Limited

# Annual Review 2021



PUT OUR HEART INTO FOOD



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#### Definition:

"The Company" in this Annual Review refers to Charoen Pokphand Foods Public Company Limited ("CPF") and its subsidiaries.



Annual Report 2021  
(56-1 One Report)



Sustainability  
Report 2021

# Message from Executives



Charoen Pokphand Foods Public Company Limited and subsidiary operates fully integrated agro-industrial and food businesses, harnessing its investments and partnerships in 17 countries around the world, and beacons by the vision of being “the Kitchen of the World”. The Company aims to achieve food security through its continual innovations that deliver top quality products and services as well as new product development that elevates sublime satisfaction of consumers. Concurrently, we strive to maintain the balance of business success and the value delivered to all stakeholders in alignment with The '3-Benefit' principles which aims to create prosperity for the country, local communities as well as the company and its people. Our operation firmly supports the United Nations Sustainable Development Goals (UNSDGs); and ensures compliance with good corporate governance.

The Company prioritizes research and development to further advance in the innovation of nutrition and value addition to deliver products that promote health and wellness. Furthermore, the Company ensures that its distribution channels align with consumer behavior while the resources efficiency is augmented by automation. Digitization is also adopted to the operations to minimize business risks while maximizing the effectiveness. Our people are cared for to ensure their safety and quality of life and synchronously, the Company nurtures mutual growth of farmers, suppliers, and the society at large.

The year 2021 witnessed persisting challenges of businesses around the world due to the prolonged impact of the Covid-19 pandemic which dampened the market's buying power, drove further changes of consumer behavior, and demanded businesses to accelerate innovation and adoption of technology.

Amidst the turbulence, food security is one of the key engines for the world to overcome this crisis. With such acknowledgement, the Company deployed advanced measures to maximize safety of production and operating procedure while protecting our employees and family through provision of vaccines. In addition, coordination was made with the public sector of each country to provide overall care for the public as well.

The Company has extended its care to the society through its contribution to strengthen food security in Thailand as well as other countries. From 2020 to the present, the "CPF's Food from the Heart against Covid-19 Project" and "CP Merging Hearts to Fight against Covid-19 Project" initiatives have been ongoing where the Company has provided food and beverage to medical staff and those in need of assistance. Fresh food and condiments have been supplied to hospitals, field hospitals, vulnerable groups, vaccination centers, Covid-19 examination centers, community isolation centers, and more than 500 bureaus nationwide. Similar activities have been carried out in countries where the Company's footprint are located namely Vietnam,





Cambodia, Lao, the Philippines, Turkey, the United States, and Russia. In 2021, the Company recorded total sales revenue of 512,704 million baht, asset value of 842,681 million baht, tax payment of 8,282 million baht. The Company's performance was impacted by Covid-19 pandemic, which resulted in lower consumption and declined prices of main products in several areas when compared with the year 2020. On the other hand, its operating costs increased from various activities to maximize the hygiene standards at workplaces and to ensure the safety of our employees and products at all facilities. The year 2021 also saw the increase of the cost of raw materials and logistics. Due to the abovementioned factors, the Company ended the year 2021 with the net profit of 13,028 million baht, a decrease when compared with the previous year.

The Board of Directors resolved to propose to the 2021 Annual General Meeting of Shareholders for the approval of 2021 dividend payment at the rate of 0.65 baht per share, comprising the interim dividend of 0.40 baht per share paid on 10 September 2021, and the annual dividend to be paid at 0.25 baht per share.

In 2021, the Company made 2 significant investments as follows.

1.) Entire business transfer of C.P. Retail Holding Company Limited, which held investment in retail business of Lotus's, and whose shares of which were held by the Company at 20%, to Siam Makro Public Company Limited ("Makro"), whereby the Company received settlement in the form of Makro's newly issued ordinary shares. As a result, the Company directly held shares of Makro at 10.21%. Subsequently, the Company participated in public offering of Makro's ordinary shares, which resulted in remaining Marko's share held by the Company at 8.85% upon completion of such placement.

2.) Delisting of C.P. Pokphand Co., Ltd. ("CPP"), a subsidiary whose common shares was held by the Company at 49.74%, from the Hong Kong Stock Exchange. Consequently, the Company directly holds common shares of CPP at 75.00% as of 18 January 2022.

On behalf of the Board of Directors, executives, and employees of CPF Group, we would like to extend our gratitude to all stakeholders for the continuous trust and support. The Company shall continue to drive business growth following our vision of being "the Kitchen of the World" in order to strengthen the food security, based on the foundation of good corporate governance and contribution to the society, community, and environment, as well as to achieve sustainable economic growth.

**Mr. Soopakij Chearavanont**  
Chairman

**Mr. Prasit Boondoungprasert**  
Chief Executive Officer



We push forward our innovation  
and creation of top-quality products  
with high safety standards

to achieve food security for global consumers  
along with sustainability for all.



#### Innovation



#### We put love into innovation

We believe that “**love**” can be felt in all senses, which inspires us to “**put our heart**” into innovation throughout value chain to deliver products of top quality and safety for consumers in every corner of the world.



#### People

#### We put a smile on every face

We endeavors to put a “**smile**” on the face of all stakeholders sharing their journey with us, including farmers, employees, business partners, shareholders, and consumers. We put our heart into delighting all stakeholders while rooting firmly on the good governance principle.



#### Planet

#### We put our soul into saving the world

We “**contribute to**” and “**care for**” better environment. Our production process promotes environmental care, optimal use of resources, and zero waste based on the circular economy principles to preserve the balance of nature in a sustainable manner.

# Our Purpose

**Vision**

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**Mission**

## Kitchen of the World

**To deliver top quality products to consumers in every corner of the world.**

The Company operates vertically integrated agro-industrial and food businesses to offer top quality products in terms of nutrition, taste, food safety, and traceability. The Company is determined to build business growth in strategic locations with the focus to maintain world-class, modern production process as well as efficient and ecofriendly consumption of natural resources in order to enhance its competencies and competitive edge on an international level. We take into account the interests of all stakeholders to ensure sustainable growth, while being able to continuously generate appropriate returns to shareholders.



### Corporate Strategic Direction

Sustainable Growth	Aiming for Excellent	Building Solid Foundation
 <p>Expand integrated agro-industrial and food business</p>	 <p>Be a leader in quality and food safety</p>	 <p>Focus on people development</p>
 <p>Enhance capability to become a global company</p>	 <p>Promote innovation and efficiency enhancement</p>	 <p>Take responsibility for society and environment</p>

### Corporate Governance



Three Benefits to Sustainability  
(for the Country, People and the Company)



Integrity, Honesty and Reciprocity



Speed and Quality



Simplification

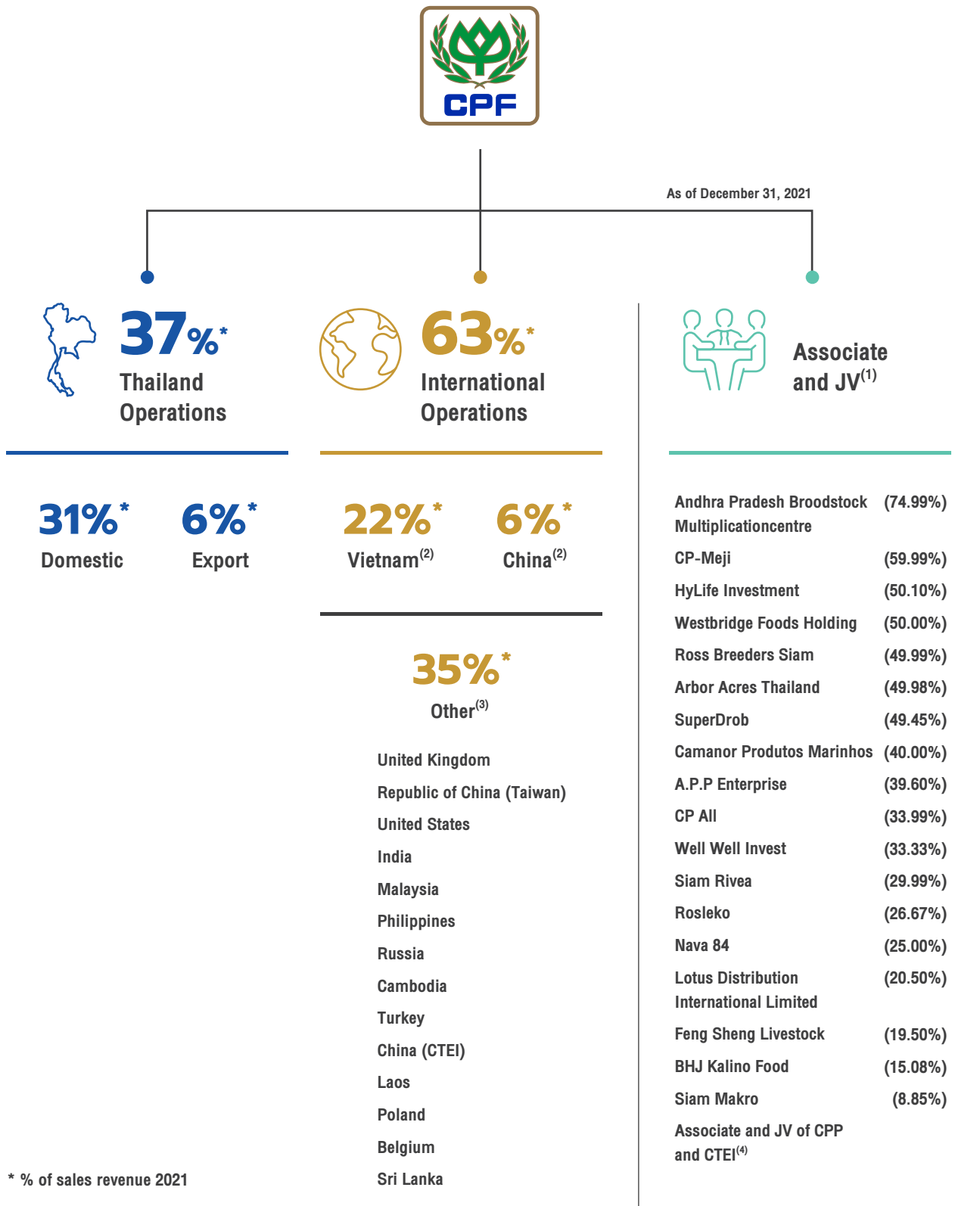


Adapt to Change



Innovativeness

# Business Structure



\* % of sales revenue 2021

Note:

<sup>(1)</sup> % of shareholding represent both direct and indirect holding

<sup>(2)</sup> Operate under C.P. Pokphand Co., Ltd. (CPP)

<sup>(3)</sup> List of operation area

<sup>(4)</sup> Group of associate and joint venture of CPP and CTEI. Details can be found in Note to financial statements for year 2021.



# CPF Worldwide

Operates and invested in 17 countries

cater to

**>4,000**  
million people

Export to more than

**40** countries  
**5** continents

## North America



### United States

- Swine farming and processing
- Shrimp farming
- Ready-to-eat food business



### Canada

- Integrated swine business

## South America



### Brazil

- Shrimp farming and processing business

## Asia



### Thailand

- Integrated livestock and aquaculture business



### Vietnam

- Integrated livestock and aquaculture business



### China

- Integrated livestock and aquaculture business

### Republic of China (Taiwan)

- Integrated livestock business



### India

- Integrated broiler business
- Aquaculture feed and farming business



### Sri Lanka

- Ready-to-eat food business



### Cambodia

- Integrated livestock business



### Philippines

- Integrated livestock business
- Aquaculture feed and farming business



### Malaysia

- Integrated livestock and aquaculture business



### Laos

- Integrated livestock business

## Europe



### United Kingdom

- Food business



### Russia

- Livestock feed
- Integrated broiler business
- Swine farming



### Turkey

- Integrated broiler business



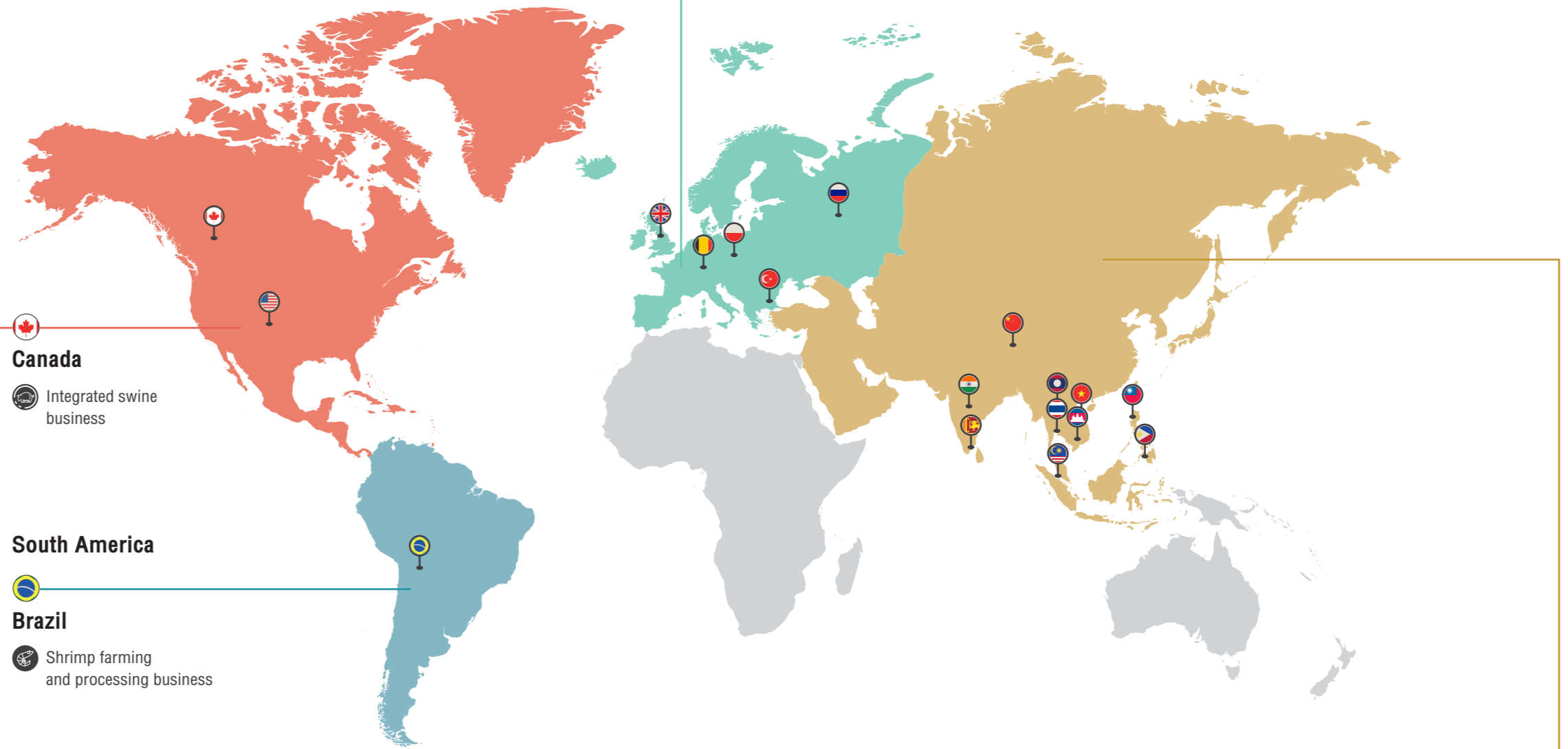
### Belgium

- Ready-to-eat food business



### Poland

- Broiler farming
- Food business



Note:  
Locations with CPF subsidiaries, associates  
and joint venture companies' production operations.

# Milestones and Development

## 1977-1986

### 1978

Established a company in the name of "Charoen Pokphand Animal Feed Company Limited" to produce and sell animal feed in Thailand.

## 1987-1996

### 1987

Listed on the Stock Exchange of Thailand under ticker "CPF".

### 1992

Invested in India to manufacture and distribute animal feed and engage in animal farming.

### 1994

Converted to a public limited company on March 27, 1994.

## 1997-2006

### 1998

Invested in Vietnam to manufacture and distribute animal feed, engage in animal farming and food processing.

### 1999

Changed the name to "Charoen Pokphand Foods Public Company Limited" and announced the vision "Kitchen of the World".

### 2002

- Invested in England to produce chilled foods for further distribution in the European Union.
- Invested in China to produce and distribute aquaculture feed and engage in aquaculture, farming and breeding.
- Invested in Belgium to import and distribute processed meat and ready-to-eat foods within the European Union.

### 2004

Invested in Turkey to produce and distribute livestock feed and engage in integrated broiler business.

### 2005

Invested in Malaysia to produce and distribute aquaculture feed and engage in integrated shrimp farming and shrimp processing.

### 2006

- Invested in Russia to manufacture and distribute livestock feed and engage in livestock farming.
- Invested in Laos to manufacture and distribute livestock feed and engage in livestock farming.

## 2007-2020

### 2007

Invested in the Philippines to manufacture and distribute livestock feed and engage in livestock farming.

### 2009

Acquired ordinary shares of Charoen Pokphand Enterprise (Taiwan) Company Limited ("CPE"). CPE is a listed company on the Taiwan Stock Exchange under ticker TWSE: 1215. It operates the businesses of animal feed production and distribution, animal farming and meat processing in the Republic of China (Taiwan).

### 2011

Invested in Cambodia to operate animal feed production and distribution, animal farming, and meat processing.

### 2012

Acquired shares in C.P. Pokphand Company Limited ("CPP"), which was listed on the Hong Kong Stock Exchange under ticker HKSE: 00043. It was a leading animal feed manufacturer in China and is a leader in the integrated agriculture, livestock industry, and aquaculture business in Vietnam.

### 2016

- Invested in the United States to engage in frozen food manufacturing and distribution.
- Invested in Sri Lanka to engage in ready-to-eat food manufacturing and distribution.

### 2017

Invested in Poland to operate broiler farms and food business.

### 2018

Invested in Brazil to operate shrimp farms and primary processing business.

### 2019

Invested in Canada to operate an integrated swine business, ranging from feed production, swine farming and primary pork processing plant.

### 2020

- Invested of the remaining ordinary shares to complete 100% in Charoen Pokphand Holding (Malaysia) Sdn. Bhd. ("CPHM") to operate an integrated broiler business in Malaysia
- Invested a swine business in China operated by Chia Tai Investment Co., Ltd. ("CTI"), an indirect subsidiary in China, to expand the business into a fully integrated swine business in China.
- Invested 20% in Tesco Asia Group through its subsidiary CP Merchandising Company Limited ("CPM") to operate a retail business.

Over  
**4**  
decades

of quality product development and become the kitchen of the world for everyone.



## 2021

### April

Acquired 99.9% ordinary shares of Suan Somboon Company Limited, which engages in an agricultural business to study and research on the cultivation of agricultural crops that are part of the Company's business supply chain.

### June

Acquired shares in C.P. Aquaculture (India) Private Limited ("CPA") to increase the shareholding by 43.40% to 75%. CPA is a manufacturer and distributor of shrimp feed while also engaging in shrimp breeding farms and primary processed shrimp in India.

### August

- Acquired all ordinary shares of Consumer Package Commerce Company Limited, which engages in importing and distributing food products in South Korea to expand its product distribution channels to South Korea.

- Invested 19% in All Now Management Company Limited, a company that operates warehouse and logistics business.

- Acquired swine businesses in Russia, namely LLC Agro-Sojuz TS and LLC Mjaso-Sojuz T, which hold 100% shares of the companies under the umbrella of the APK-Don Group. The companies engage in plantation, animal feed production, swine breeding, and swine farming in the Belgorod and Voronezh regions of Russia.

### September

Acquired a seafood business in Poland Fish Food sp. z o.o. and MaxFish sp. z o.o., to engage in the production of seafood products, as well as trading and distributing the same.

### October

- Acquired 50% of capital increased shares of Well Well Invest S.A. to operate the business of plant-based food in Poland.

- The Board of Directors resolved to delist all ordinary shares of C.P. Pokphand Company Limited from the Hong Kong Stock Exchange.

- Entire business transfer of CP Retail Holding Company Limited, 20% shares of which were held by the Company, to Siam Makro Public Company Limited ("MAKRO") and received a settlement of 1,002 million ordinary shares of MAKRO.

- The Board of Directors resolved to allow the Company to repurchase shares (Treasury Stock) for the financial management purpose in the amount of not exceeding 10,000 million baht. The period for the purchase of shares will be from October 15, 2021 to April 14, 2022.

### December

Jointly offered 66 million shares of MAKRO to the general public.

# Business at a Glance

The Company operates integrated agro-industrial and food businesses as follows:



## Feed Business

Production and distribution of animal feed



## Farm and Processing Business

Animal breeding, farming and primary meat processing



## Food Business

Production of semi-cooked and cooked products as well as ready-to-eat meals, and food distribution channels, including restaurants.



### Animal Feed Production

Developed the feed production innovation along with the environmental care while minimizing any impact on the community. The Company provides support to local agricultural production and puts in place the traceability system for raw materials to enhance transparency and to build trust among stakeholders.

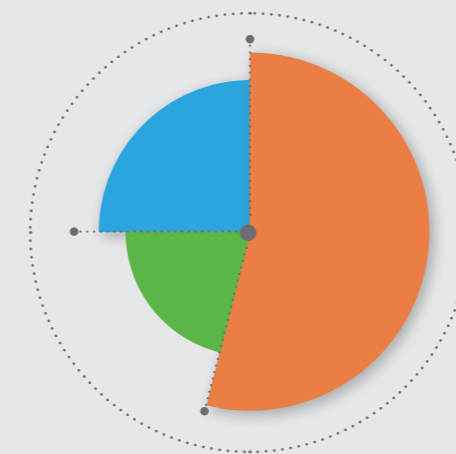
### Farming and Processing

Advanced and eco-friendly technology are adopted throughout the farming process while the animal welfare is maintained in accordance with the global standards to deliver safe and quality products in line with the internationally recognized requirements and regulations.

### Food Production

Valued addition is constantly enhanced for processed food products and ready-to-eat food with top quality and good nutrition for healthiness at affordable price. Modern innovation is applied to ensure eco-friendliness as well as full traceability throughout the production process.

Sales Revenue Breakdown by Products

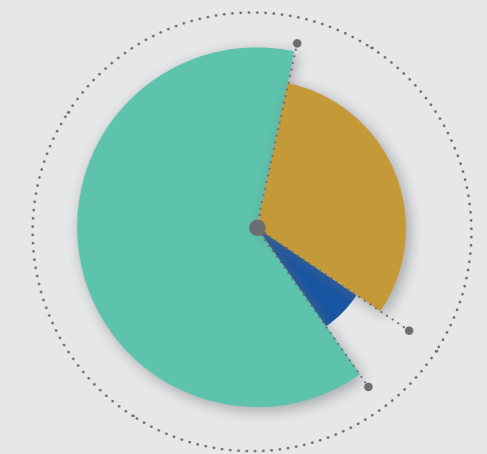


25%  
Feed business

54%  
Farm and processing business

21%  
Food business

Sales Revenue Breakdown by Operations



63%  
International

31%  
Thailand (Domestic)

6%  
Thailand (Export)

## Business Operations

### Thailand Operations

Operates an integrated agro-industrial and food businesses for domestic distribution and export to more than 40 countries around the world.

### International Operations

Operates an agro-industrial and food businesses in 16 countries outside Thailand, namely Vietnam, China including Republic of China (Taiwan), United Kingdom, United States, India, Malaysia, Philippines, Russia, Cambodia, Turkey, Laos, Poland, Belgium, Sri Lanka, and investment in Canada and Brazil.

# Nature of Business



## Feed Business

Animal feed is a starting point in the production chain for producing quality meat and food because it is an important factor affecting animal health and animal wellness. The Company has therefore placed emphasis on creating feed production innovation and continually developed animal nutrition technology, enabling the Company to produce quality feeds according to international standards while staying cost competitive and distributing the products at appropriate prices for farmer. The Company's main products are swine feed, chicken feed and shrimp feed, in various formats, including feed concentrate, powdered feed, and tablet. Animal feed are mainly produced and distributed locally.

The Company engages in the feed business in 11 countries around the world i.e., Thailand, Vietnam, India, Republic of China (Taiwan), Turkey, Malaysia, Philippines, Cambodia, Laos, Russia and a joint venture in China and Canada. Total sales of the feed business in the year 2021 is 127,072 million baht or 25% of total sales of the Company.



## 6 Key Success Factors of feed business



1

Quality raw materials



2

Right feed formulation for right animal types and right nutrition for animals at each age



3

Clean facilities equipped with advanced production technology certified by international standards



4

Top quality products with traceability



5

Competitive cost



6

Sharing of advanced know-how and knowledge base with farmers

- The Company emphasizes the importance **of location and design of its facilities**. The right location is carefully selected to ensure complete utilities, adequate water resource, and not effect to biodiversity and contamination prevention measure based on the health and safety principles. The factory is thus designed based on the green factory concept, taking into account the environment and surrounding communities, and equipped with dust and odor management in case of emission from the feed production process.
- **Feed formula** is essential part of animal feed production to ensure suitable nutrition for animals of different ages and stages so as to promote healthy growth.
- **Raw materials**, main raw materials comprise of corn, soybean meals, fish meal, rice bran, as well as vitamins and minerals. Our top quality products begin with procurement of raw materials of high quality and certification of product standards; and our procurement policy prioritizes purchasing from local sources in order to support local farmers. in 2021, the Company purchased rice and rice products for further use in animal feed production to support farmers affected by the rice price crisis.
- **Production and quality control**, the Company constantly integrates automation into its operations; and the automated manufacturing process is with international standards and certified by independent third-party organizations.
- **Sales and after-sales services**, the Company understands that the success of animal farmers leads to mutual sustainable growth of our partners and our business. Thus, the Company stresses on knowledge sharing in animal farming and proper feed usage. The Company engages in direct distribution of feed products to farmers through the Company's point of sales and dealers, as well as develops online feed sales to ensure greater access to farmers in remote areas. The feed market has seen continued growth in line with the rising demand of meat consumption and the expanding modern industrial farming.

## Farm and Processing Business

The Company engages in animal farm and processing business which comprises animal breeds, animal farming, and primary processed meat production. The Company select and develops animal breeds in response to the market demand. At the same time, we incorporate advanced and eco-friendly technology throughout the farming procedures and focus on animal wellbeing in compliance with the international animal welfare principles in order to deliver products of high quality and food safety. Our core product categories are animal breeds, live animals, primary processed meat and eggs; and our main animals comprise swine, broiler, layer, duck, and shrimp.

The Company operates the farm and processing business in 15 countries i.e., Thailand, China, Vietnam, Russia, Cambodia, Philippines, Malaysia, India, Republic of China (Taiwan), United States, Laos, Turkey, Sri Lanka, Poland, and a joint venture in Canada and Brazil. Each entity adopts different business approaches based on the market opportunity and suitability. Total sales of the farm and processing business in the year 2021 was 277,446 million baht or 54% of total sales of the Company.

### 7 Key Success Factors of the farm and processing business



1

Strong breeds



2

High quality feeds



3

Proper facilities  
and equipments

4

Good farm  
management

5

Safe production  
procedures certified  
by international standards

6

Efficient logistic  
system

7

Biosecurity system  
throughout supply chain



- **The right farm location** is meticulously selected to match farming requirements, taking to account the adequacy of basic infrastructure and the impact on the environment and community based on biosecurity system management to prevent disease transmission and assure animal welfare.
- The Company also **select and develops animal breeds** which adapt well to different environment and in demand in each market which the Company has presence. The breeding improvement is based on animal genetics principle to produce stronger breeds with high disease resistance characteristics.
- The Company continually develops its farming systems and technology to be on par with the related standards. The Company operates in alignment with the Five Freedoms principle while maintaining the farming efficiency ratio; and animals are raised in a hormone-free environment to ensure that they live without distress and are free to express natural behaviours.

## The 5 Freedoms Principle



**1**  
**Freedom from  
hunger and thirst**



**2**  
**Freedom from  
discomfort**



**3**  
**Freedom from  
pain, injury or disease**



**4**  
**Freedom from  
fear and distress**



**5**  
**Freedom to  
express normal behavior**

- **Primary meat processing**, the Company compile with the animal welfare principle and standards during animal transportation and meat processing.
- **Packaging**, the Company opts for eco-friendly containers to minimize the environmental impact; such as bioplastic trays made from renewable resources known as polylactic acid (PLA), which was produced from plants and biodegradable without affecting the quality of food storage.
- **Sales and distribution channels** for breeds and live animals are mainly at the farms while that of meat parts, meat products, eggs, and by-products are distributed by traditional market dealers and modern trade channels.

The farming business has enjoyed high growth in line with consumer demands due to rising numbers of population and enhanced access to affordable meat.

## Food Business

The Company sees significance in research and development that pave way to production of top quality food which offers abundant nutrition and flavor. Products are manufactured with assured safety throughout the manufacturing supply chain, which promotes good health of consumers at affordable price as well as varieties in alignment with the demands of global consumers of all ages and localities. The Company aims to enhance convenience for customers through its extensive distribution channels. Food business consists of processed food, ready-to-eat food, including restaurant and distribution businesses.

The Company operates food business in 15 countries i.e., Thailand, United States, China, Vietnam, Republic of China (Taiwan), United Kingdom, Russia, Malaysia, Cambodia, Philippines, India, Turkey, Laos, Sri Lanka, Belgium, and Poland. Total sales of the food business in the year 2021 was 108,186 million baht or 21% of total sales of the Company.



- The Company firmly believes that good food comes from quality raw materials; therefore we have placed emphasis on the qualities and the sources of raw materials. Apart from top quality meat products of the Company, which are the main ingredient of its food production, the Company also **procures other raw materials** from standard supplier and partners with local farmers to co-create value through various initiatives to support their agricultural produce for use in its food production. The Company also shares knowledge and know-how of sustainable farming with the farmers.
- **Production** is carried out on par with the quality and safety standards throughout production process, which always has been the priority. Bearing this in mind, the Company devotes to research and innovate to elevate the operating efficiency, and to advance in the food quality and food safety forefront. **Robotics and automation** have also been in focus, which inspired the Company to establish the **CPF Food Research and Development Center** in Thailand to push forth innovation and new product development of the food business that better respond to the market demands and food industry.
- **Packaging** approved by the Company are those which can completely maintain the product quality and prolong the shelf life of such goods to minimize food waste and food loss. Furthermore, the Company promotes healthy living by stating nutrition value and Guideline Daily Amounts (GDA) in its product labeling.
- **Distribution** is made through various channels, including 1. traditional trade namely wet markets 2. modern trade namely convenient store, supermarket, and wholesaler 3. food service namely hotel, restaurant, food court, and catering service which are distributed through both the Company's channels and channel of partners.





The food business is changing rapidly and highly competitive due to urbanization expansion and changing lifestyles. These have caused higher consumer demand for ready meals which help increase convenience. However, consumers have been looking continuously for quality food and a wide variety of products, particularly healthy foods from trusted sources. Food manufacturers therefore have to innovate and develop products to meet consumers changing requirements and to suit consumer culture of each area.

## Standards

### “Quality and Safety”

#### throughout the production process is the key to good health

The fully integrated business allows the Company to exercise absolute quality control and assurance throughout the production process. The Company obtained various international standards as well as those required for different customers from third-party accreditation organization, all of which are applied in production of feeds, farming, and food businesses in conjunction with compliance with laws, rules, and regulations of each country in which the Company has business operations.

	Feed Business		Farm and Processing Business		Food Business	
<b>Production Standards</b>	GMP HACCP ISO 9001 ISO 22000 ISO/IEC 17025 GMP+ B1 B2 B3 FAMI-QS AI Compartment	RWA ALO Global GAP BAP IFFO RS CoC MSC Marin Trust	GAP GMP GHPs HACCP ISO 9001 Halal Standard Global GAP CoC Dept. of Fisheries Genesis GAP/ Lloyd's Register Poultry Schem	BAP FMD Free AI Compartment BRC QS RWA ALO	GMP GHPs HACCP ISO 9001 Halal Standard BRC	QS ALO RSPO BAP ASC
<b>Environmental Standards</b>	ISO 14001 ISO 14067	ISO 14040 ISO 50001	ISO 14044 AEMAS	ISO 14046 ISO 45001		
<b>Occupational Safety Standards</b>	Good Labour Practice (GLP)		TLS 8001-2010	OHSAS18001	CPF SHE&En Standard	

Note:

Policies and guidelines of the Company are in compliance with the above standards. In this regard, the operation in each country will decide on application of standard certification as deemed appropriate based on the country's laws as well as requirements of the Company and customers.

# Our Recipe for Happiness

with innovation for food safety

to deliver great food and good security to the World

1. Chicken Products
2. Pork Products
3. Duck Products
4. Shrimp Products
5. Fish Products
6. Egg Products
7. Sausage
8. Ham & Bologna
9. Ready-to-Eat
10. Plant-Based meat



1



2





3



4



5



6



7



8



9



10



# Innovation from the Heart to the Table



## Feed innovation

### AI-automated Feed Pallet Machine

The Company produces several feed formulae, the production of which is managed carefully with circumstantial factors especially the quality of raw materials which have direct impact on the quality of the feed products and could cause complication in the production process as well as production loss. Hence, employees with high level of expertise are essential for the operation of machines and setting of suitable parameters. For better efficiency, the Company has developed new solutions, the AI-automated feed pallet machine. The relevant data is retrieved from the online database and analyzed for AI to deliver optimal decisions in terms of production and other procedures, ensuring top quality products, minimizing any error, enhancing cost effectiveness, and reducing operating expenses and energy consumption. The overall production efficiency increased in alignment with the policy on the sustainable growth policy.

### AI for Feed Pellet Mill

In the process of feed production, the feed pelletizer turns powder feed into feed pellets. Operators are required to test the hardness and cohesiveness in order to ensure that feed pellets shall remain intact with acceptable pulverization ratio during product distribution. The Pallet Durability Index (PDI) consists of several procedures and requires operators with expertise. The Company invented an innovation called AI for Feed Pellet Mill to enhance the efficiency and minimize any human errors. Currently, the test is being conducted by the computer system, leading to the faster and more accurate testing and results, less human errors, and higher quality of feed products.

## Power Starch : Balanced Nutrition for Ruminants

Power starch is the energy pallet made of various raw materials carefully selected to ensure the right quality. The power starch is gelatinize to modify the starch molecule that provides the balanced digestion of protein in the rumen fermentation process of ruminants, resulting in the improved meat and milk of ruminants.

## Farming Innovation

### CPF AI Farmlab

Farming is at risk of infection and disease outbreak, and therefore, requires effective prevention and management systems. The biosecurity system is thus the prime factor of livestock farming that can prevent or minimize loss from business operation. The Company introduced the farming and biosecurity systems whereby the AI and computer vision are integrated to the farming operation, especially for the 24-hour monitoring system where visual feeds are analyzed and alerts will be sent to relevant parties in case of any abnormality. In addition, all data is recorded as historical performance shown on the dashboard for further root cause analysis of any issues as well as improvement for maximum safety.

## Food for Well-being Innovation

### MEAT ZERO : the PLANT-TEC Innovation

Plant-based meat has become the global trend. The Company as the leading agro-industrial and food company, dedicated its research and development on alternative protein. The Company has been working closely with experts from around the world such as United States, Japan, and Taiwan, along with food scientists from Chulalongkorn University and Mae Fah Luang University. The effort paid off as the PLANT-TEC was invented and became the foundation to produce “MEAT ZERO”, that offers an alternative protein with the attractive profile attributes, including appearance, taste, aroma, flavor, and texture. MEAT ZERO contains good nutrition, high fiber, and zero cholesterol. Various ready-to-eat MEAT ZERO products were introduced to the market in Thailand, Singapore, and Hong Kong in 2021 such as bologna, chicken nugget, fried meat with basil on rice, fried pork belly, and spaghetti with minced meat sauce.



## BiFiO Probiotic Plus

CPF RD Center has developed supplementary products i.e. probiotics for improved digestive system as well as balanced immunity under the brand “BiFiO Probiotic Plus”, consisting of top quality probiotics, guaranteed by the “FOSHU” standards of Japan. Five species of microbes were carefully selected to suit asian consumers, namely Bifidobacterium, which is outstanding on improving the immunity and preventing cold and allergy, coupled with the lactobacillus which helps improving the excretory system. The special attribute is the “prebiotics”, added to provide excellent nutrition for probiotics, boosting its effectiveness. BiFiO Probiotic Plus therefore is a healthy choice for the well-being of consumers.

The BiFiO Probiotic Plus won the Innovation Reader’s Vote award and Guru’s Pick awards in the “2021 Cheevajit Awards” as recognition for products harnessing innovation and advanced technology to answer the demand of health lovers and eco-friendly consumers. Recently, it won the bronze award from the National Research Council of Thailand, the Ministry of Higher Education, Science, Research and Innovation in the Thailand Research Expo 2021.



## Value Added Innovation



## CP Chicken Rib

Chicken is one of the most popular proteins among consumers of all ages. However, most consumers prefer “chicken wing” because it is easy to eat and convenient for cooking. With such insight, the Company came up with its innovative product, introduced to the Thai market for the first time called “CP Chicken Rib”. The product added value to chicken by-products i.e. the back rib, which underwent special cut-and-trim technique to deliver a meaty and juicy part similar to chicken thigh, but can be enjoyed easier as it has only one bone like the trimmed middle wing. Moreover, they are available in various formats, including fresh food, ready-to-cook, and ready-to-eat products. Not only launched in the Thai market, but CP Chicken Rib was also introduced to consumers in Japan and China as well.

## Efficient Resources and Energy Innovation

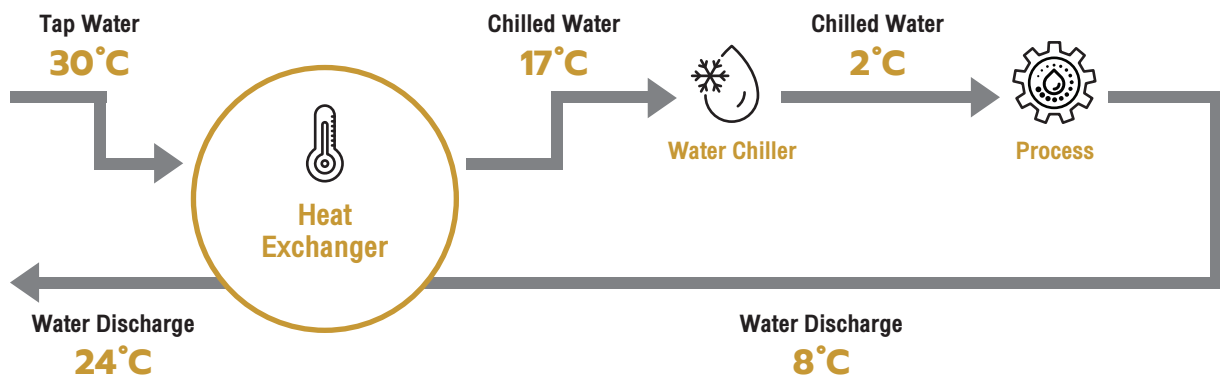


### Efficient Water Management

The Company realized the importance of energy and environmental conservation. Its processing facilities are equipped with advanced technology to improve production capacity and water usage in all processes. To name a few, the water chiller was replaced with the air chiller to reduce the temperature of livestock houses. Shrimp farms opted for the water recycling system to ensure zero liquid discharge, enabled by the ultrafiltration technique to purify water from external sources.

### Rotating Heat Exchanger Technology

Chicken processing leaves cool water discharge from the carcass chilling process. Originally, the 8-10°C water would directly undergo the treatment process, which was a waste of resource and a negative element against microbes in the treatment pond. After due consideration, the Company utilized the innovation from the existing technology, the rotating heat exchanger which was originally used in the textile industry, and modified as innovation of the Company to deliver an efficient heat exchanging process, where the cool water discharge can be utilized in the tap water chilling process, leading to a higher energy saving in the process.



## Eco-friendly Packaging Innovation

### Paper Packaging for IQF Processed Chicken Products

To become more eco-friendly, SuperDrob S.A., a joint venture of the Company, developed the paper packaging for individual quick freezing or IQF processed chicken products to replace plastic packaging. It became the first company selling the IQF chicken products in paper packages in Europe, which was firstly introduced in Iceland in late 2021.



# Driving Business towards Sustainability

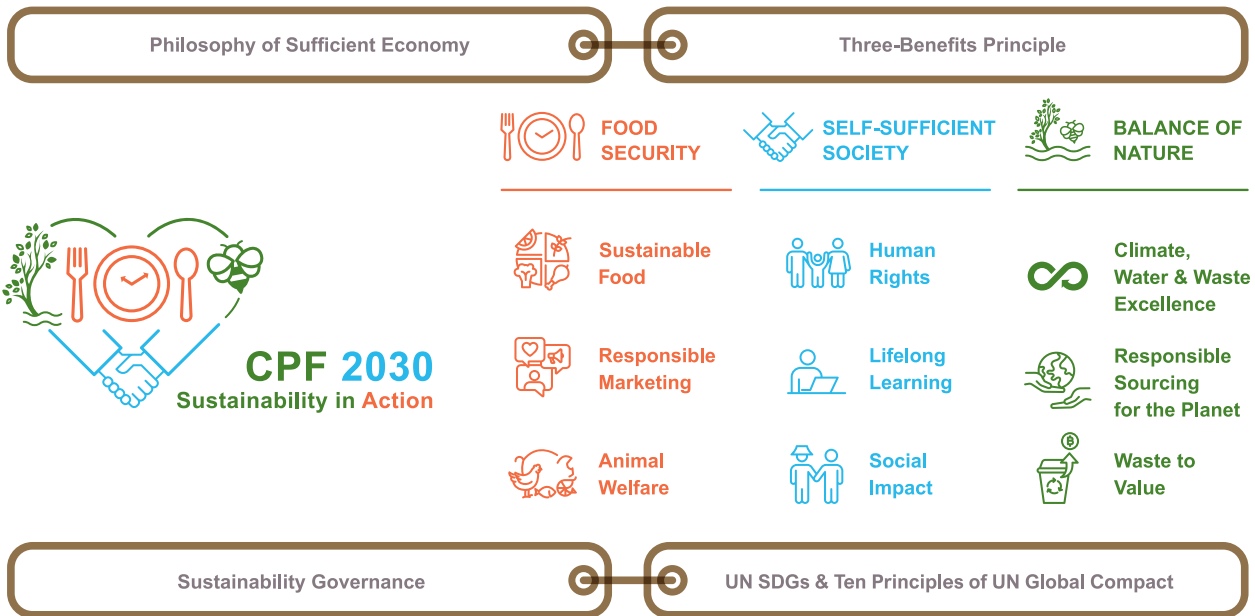


The Company is determined to operate its business in accordance with the guidelines for sustainable growth development, along with taking care of and creating value with stakeholders under the Sufficiency Economy Philosophy. It shall also generate benefits for the nation, people, and the Company based on the 3 Benefit Principles of the Charoen Pokphand Group on the basis of good corporate governance and respect for human rights of all stakeholders. The Company has operated its business in line with 17 Sustainable Development Goals and 10 principles which correspond to the UN Global Compact.

## Sustainability Management Policies and Goals

In 2020, the Company has achieved its 5 year sustainability goals set in 2016. In 2021, it thus formulated the CPF 2030 Sustainability in Action based on three pillars of sustainability: "Food Security, Self-sufficient Society, Balance of Nature," with determination to drive sustainability through the concept of science, technology, and innovation to create value for society and restore balance to natural resources, soil, water, forests, which are the main starting points of food production under the framework of good corporate governance.

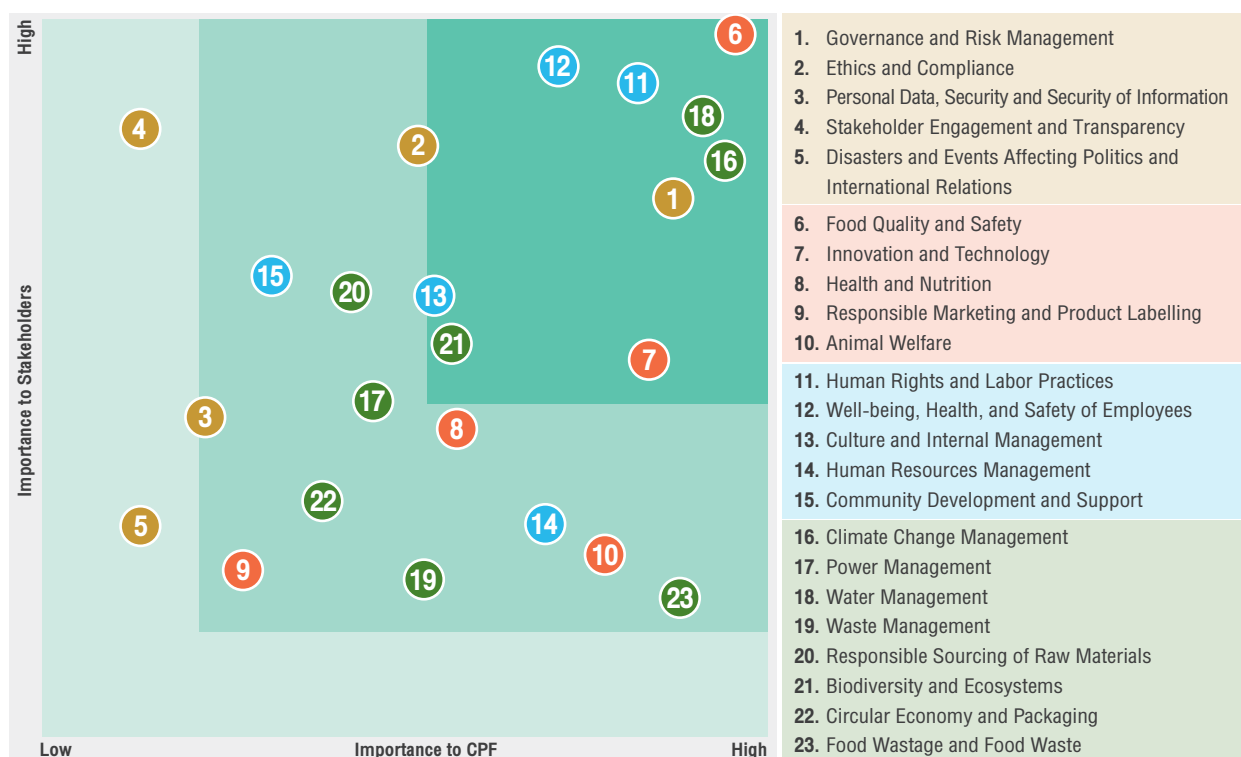




## Sustainability Materiality

For the management of sustainability to be efficient and effective, the Company has annually reviewed and assessed sustainability issues covering significant opportunities and risks in economic, social, and environmental dimensions. In 2021, the Company's sustainability issues are as follows:

### Materiality Metrix 2021



## CPF 2030 Sustainability Goals Driving Structure

The Chief Executive Officer is the leader in driving sustainability actions. The executives and working groups are clearly defined for each commitment to make the drive more efficient and effective under the supervision of the Board of Directors through the Corporate Governance and Sustainable Development Committee.



## Sustainability Management

The Company has formulated a 10-year strategic plan to drive sustainability from 2021 to 2030 (details are shown in the 2021 Sustainability Report), with a yearly review of sustainability issues and strategic plans to keep up with global trends that change quickly.



### Food Security

The Company, as one of the leaders in the integrated agro-industrial and food business, has a primary mission to contribute to the security of food that is of quality, safe, and traceable. The Company therefore sets a goal to build food security under the commitment in 3 areas: sustainable food, responsible marketing and animal welfare.



### Sustainable Food

Sustainable food systems are a key mechanism in helping the food industry produce enough food to meet growing consumer demand. The Company places importance on creating innovations in work processes and continuing business operations, starting from research and development of animal breeds, coupled with feed formulas for different ages that help reduce the excretion of waste that makes pollution into the environment, adoption of technology in raising animals with a modern animal farming system (Smart Farm), the use of digital systems and automation in the production process. This ensures that production processes meet international quality and safety standards and are traceable to the source of food throughout the value chain with the goal of no product recalls, including increasing efficiency and reducing production losses, along with continuous research and development of food products by researchers, nutritionists and food engineer to create good nutrition for consumers of all ages.

 **Responsible Marketing**



With changing consumer behavior, the Company is committed to developing better health products according to the needs of each target group of consumers, as well as to promote knowledge and create awareness about nutrition and healthy food for consumers. It conducts ethical marketing activities, marketing promotions, and product labels showing complete nutrition information and how to handle the packaging after consumption. In addition, it has developed health products that come from animal farming using probiotics and plant-based meat substitutes. There are also channels for feedback and customer complaints to communicate with consumers, reflecting our commitment to responsible marketing.

 **Animal Welfare**

The Company is committed to developing business practices that give importance to animal welfare in accordance with the international practice “Five Freedoms” to promote the same along with good hygiene while also encouraging personnel to



understand the animal welfare system in the Company's own farms and those of the farmers under the animal farming promotion program. The Company announced an animal welfare policy and resisted the use of antimicrobial drugs in animals, establishing a committee for animal welfare operations to drive long-term animal welfare policies and goals. There is a waste management system that uses animal manure to produce energy. It also builds on the database (Big Data) for future development which leads to more efficient production. In addition, The Company has also collaborated with business partners, government agencies, civil society organizations, and related stakeholders to raise awareness and contribute to the development of guidelines to promote good animal welfare.

More details regarding ‘Sustainable Food, Responsible Marketing, and Animal Welfare,’ are available in [the Sustainability Report 2021 under the section of Food Security.](#)

 **Self-Sufficient Society**



The Company emphasizes creating positive social impacts and managing social issues, both internally and externally. It has thus set goals for social actions under the commitments in 3 areas: human rights, lifelong learning, and social impact. There are actions in various fields to enable the society to grow together. For instance, 1) Respecting and upholding fundamental rights (Human rights) of people in all areas related to the Company, including employees, personnel in the supply chain and consumers; 2) Upgrading work culture; 3) Developing personnel management; 4) Building employee organizational engagement; 5) Actions that support smallholder farmers; 6) Participating in community education support; 7) Strengthening social food and nutrition security; and 8) Participating in local economic development.



## Human Rights

### Valuing and Respecting Human Rights

The Company manages the stewardship and respect for human rights on the basis of principles and standards in accordance with the UN Guiding Principles on Business and Human Rights (UNGPR). Since 2016, The Company has developed the Human Rights Due Diligence framework (HRDD) to identify, mitigate, and effectively address human rights impacts and promote good labor practices.

In addition to internal management, the Company has also expanded the scope of human rights and good labor practices to cover the business operations of its business partners by disseminating and cascading human rights policies and good labor practices for business partners to know, apply, and implement them accordingly and appropriately.

The Company has instilled these values and principles through its policies ,e.g., corporate governance and sustainable development policy, employment and labor management policy, non-discrimination and anti-harassment policy, diversity and inclusion policy, and safety, health, environment and energy policy, sustainable sourcing policy and supplier guiding principle.



## Lifelong Learning

### Endless Learning Development of Personnel

The Company is committed to developing employees in all facets, ranging from the basic knowledge to the necessary skills in various fields, to ensure that all employees of the company are ready to perform both current and future operations at prompt and with quality. The Company provides employee learning and development programs divided into 5 areas as follows:

**1. Fundamental Program:** This program offers a range of courses that enable all employees to know their responsibilities and comply with laws, rules, regulations, corporate governance, business ethics and disciplinary penalties in a correct and adequate manner.

**2. Future Skills Program:** This program offers courses to equip personnel with knowledge and future skills while also upgrading specific expertise by cultivating new skills required for work and enhancing existing skills to promote the Company's future growth.

**3. Digital Skills Program:** In 2021, the Company aims at heightening digital literacy by fundamentally educating its employees about the technologies employed by the Company, to prepare the Company's workforce, unlocking business strategies and meeting the Company's current targets and those of the future where everything is driven by technology and data.

**4. Leadership Development Program:** The Company aims at developing leadership skills for supervisors or managers of all levels and providing a set of leadership development programs for each target group.



**5. Functional Development Program:** The Company promotes the development of functional skills and knowledge management for each business department to adhere to the same system and standards, thereby supporting the establishment of a technical academy. Employees in each department will be engaged in development of their knowledge and skills, in line with their actual responsibilities and duties while their ability will be “upgraded”. Through this means, they shall be ready for the growth of the changing business.

## Human Resources Management

“People” are key to drive the organization towards success and sustainable growth. The Company therefore attaches great importance to enhancing employees to create valuable personnel under the principle “People Excel - Business Exceeds” by realizing the importance of every process of personnel management and integrating digital human resources management systems to achieve more efficient operations. The operations starts with attracting good and talented people to work with the organization (Talent Attraction), keeping good and talented people with the organization for a long time (Retention), and creating work motivation to encourage employees to contribute to good results and achieve organizational goals (Reskill-Upskill). The Company has continually developed the capabilities and skills of its employees, providing them with expertise in the profession, ability to work effectively, and preparing employees to cope with the shifting trends of the digital era where technology plays a vital role in the change of the world (Digital Transformation). Moreover, it caters opportunities to employees at all levels to ensure advancement in their career paths in order to enhance the values of them all and benefit the organization in the long run. It also manages compensation and rewards that are appropriate and respond to the needs of employees so as to motivate and promote morale (Rewards), along with safety and occupational health of employees in the operation as well as taking care of employees and their families in times of crisis. It also attaches importance to succession planning by recruiting employees who have potential to become executives in the future, equipped with experience, knowledge, competence and leadership skills, in order to reduce the risk of personnel shortage for key positions.

More details regarding personnel are available in [Annual Report 2021 under the section of Driving Business towards Sustainability Topic: Self-sufficient society.](#)

## Social Impact

The Company attaches great importance to holistic social development, promoting well-being, enhancing necessary knowledge and skills while also supporting business partners and communities to do better and preparing them for the challenges of today and tomorrow, based on its commitment to positive social outcomes. The Company has operated projects and activities to promote the quality of life in the community that corresponds to their livelihood and true needs. For example, creating careers and boosting income for small farmers for more than 40 years using the model of contract agriculture, supporting the trading of local goods and services to stimulate economic circulation in the community, supporting farmers who grow food crops in terms of knowledge, promoting small entrepreneurs' careers, promoting good quality of life for youth through the Laying Hens for Student Lunch Program. This also includes supporting vulnerable groups, including the elderly, the disabled, and the disadvantaged, who live in the surrounding areas of the Company's establishments to ensure they have sustainable income and subsistence; for instance, during the Covid-19 outbreak in Thailand. The Company has implemented the project “CPF Food from the Heart to Fight Against Covid-19” for medical personnel and those affected, together with aiding more than 6,000 small business partners through a scheme to reduce supplier credit terms to less than 30 days to increase working capital for small entrepreneurs. Importantly, the Company has joined forces with its partners to distribute food to communities under the project "Krua Pan Im" to take care of society in times of crisis.





## Balance of Nature



Due to limited natural resources, together with the impacts of climate change, environmental pollution, ocean plastics waste, food waste, and the exacerbating loss of biodiversity, both directly and indirectly, the quality of life of people in society, food security and business continuity have been greatly affected. Therefore, the Company is committed to operating a business that reduces environmental impacts and taking actions to generate positive environmental outcomes, promoting the conservation of natural resources throughout the value chain under the commitments Climate, Water & Waste Excellence, Responsible Sourcing for the Planet, along with Waste to Value to balance the environment towards a sustainable future.

## ∞ Climate, Water & Waste Excellence

The Company never stops improving, extending, and developing its production processes by integrating the circular economy concept with its operations along the value chain, in accordance with the Company's Occupational Health, Safety, Energy Policy, in order to manage resources to attain the maximum benefit while also mitigating environmental impacts on a continuous basis as follows:



### Climate Change Management

Various projects have been undertaken through application of science, innovation and technology, including Artificial Intelligence (AI), robotics, and automation to enhance production efficiency along with resource optimization, promoting the use of renewable energy throughout the production process and developing low carbon products, etc.

### Water Resource Management

There is an assessment of the risk of water scarcity (Baseline Water Stress), improvement of water use efficiency according to the 3Rs principles: Reduce, Reuse and Recycle, and joint water management with communities.

### Waste Management

By recycling wastes for useful purposes, such as turning manure, sludge from a wastewater treatment system and eggshells into fertilizers and soil amendments; using chicken carcasses and fur as animal feeds; changing waste into energy, for example, treatment of water from animal farming to be water for plants, etc.





## Responsible Sourcing for the Planet

The Company is committed to business operations that contribute to mitigating environmental impacts and protecting biodiversity throughout the Company's value chain, starting from responsible sourcing through to nature-based solutions as follows:

### Supply Chain Management

Since 2015, the Company has begun sharing responsible business practices through communications and training on sustainable sourcing policies and guidelines for business partners while also expanding the policies to its partners in other countries. Moreover, it incorporated self-assessment on sustainability in environmental, social and corporate governance terms for all business partners as part of their initial sustainability assessment according to CPF Supply Chain ESG Management Approach.

### Procurement of Raw Materials from Sustainable Sources and Zero Deforestation

The Company does not support raw material from deforested land or plantation without official land documents. Also, raw materials must not come from a source of fish meal that is at risk of extinction. The Company shall procure key raw materials that are traceable to the plantation or source. This is consistent with our commitment to biodiversity and the fight against deforestation.

### Biodiversity Management

The Company focuses on not only sustainable operations since the origin of agricultural raw materials, but it also recognizes the importance of promoting the development of multi-species fisheries, which are a characteristic of the seas in the gulf of Thailand and leveraging nature-based solutions as part in mitigating the impacts on biodiversity that is important to the world's ecosystems.



## Waste to Value

The Company realizes the importance of waste management, whether in food production, consumption, or post-consumer management. Both food waste and post-consumer food packaging are global issues that cannot be overlooked by the Company. As a food producer, the Company is committed to contributing to solving food loss, food waste and packaging problems to optimize resources by setting goals, policies, and practices on food loss, food waste, and sustainable packaging on the basis of a circular economy throughout the value chain. The operation consists of:

### Reducing Food Loss and Food Waste

The Company establishes a policy on food loss and food waste management, with a goal to promote food waste reduction throughout the value chain and reduce the amount of food waste in the Company's business process to zero by 2030.

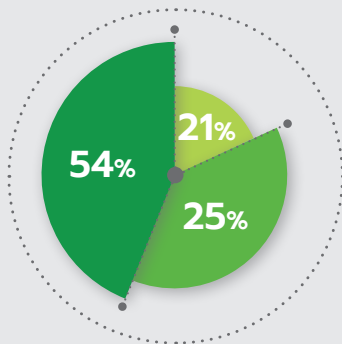
### Sustainable Packaging

The Company is committed to research and development of sustainable packaging design and management based on the concept of a circular economy throughout the value chain. This commitment aims at making the most of the resources in packaging production, mitigating the problem of packaging waste, along with promoting the use of materials that reduce environmental impacts.

# Performance Highlights 2021

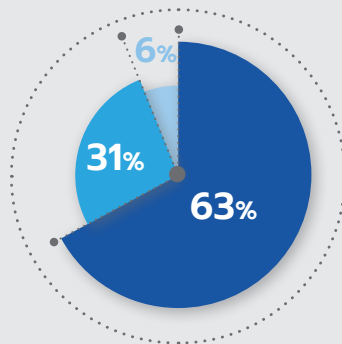


## Sales Revenue Breakdown



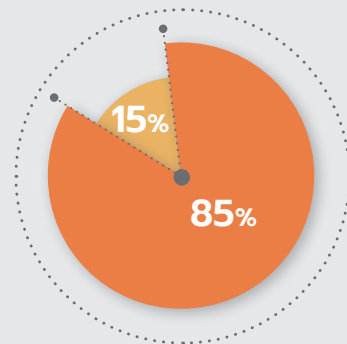
### By Product

- Feed
- Farm and Processing
- Food



### By Operation

- International
- Thailand (Domestic)
- Thailand (Export)



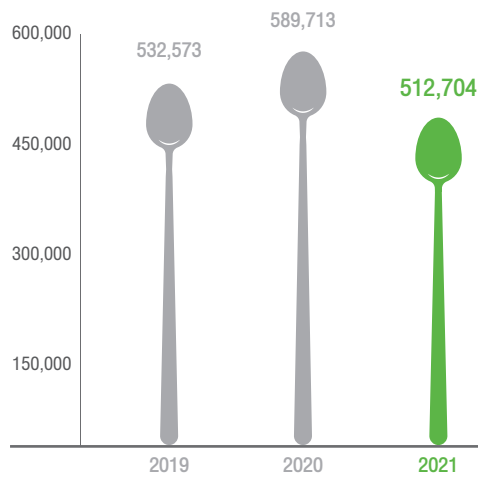
### By Business

- Livestock
- Aquaculture



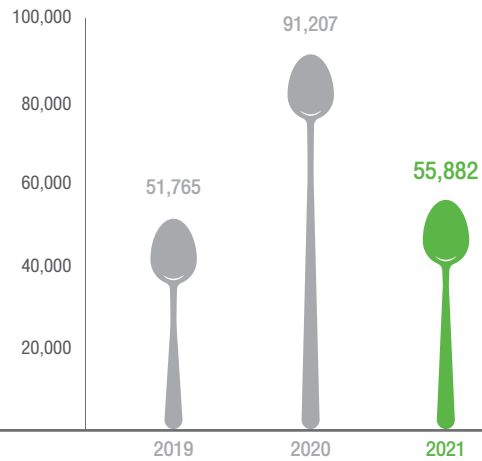
### Revenue from Sales

Unit : million baht



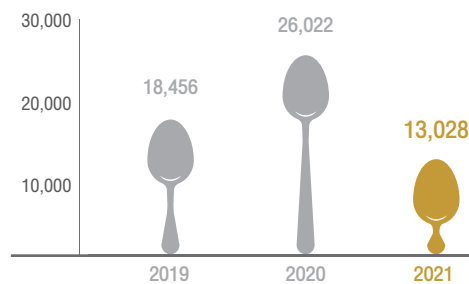
### Earnings Before Interest, Tax, Depreciation, Amortization (EBITDA)<sup>(1)</sup>

Unit : million baht



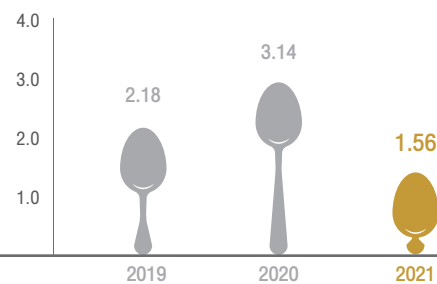
### Net Profit<sup>(2)</sup>

Unit : million baht



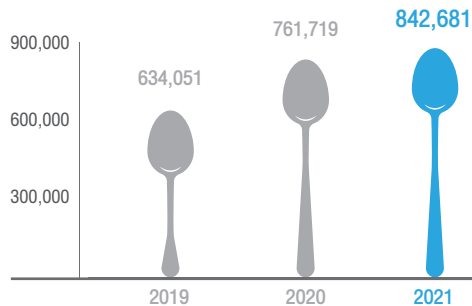
### Earning per Share

Unit : baht per share



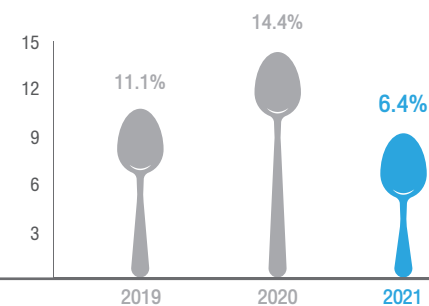
### Total Asset

Unit : million baht



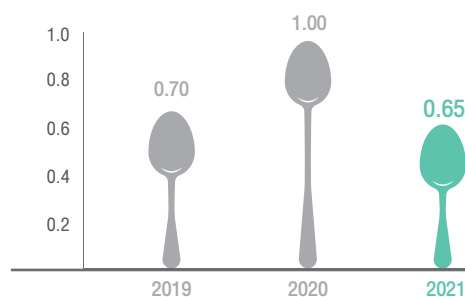
### Return on Equity<sup>(3)</sup>

Unit : %



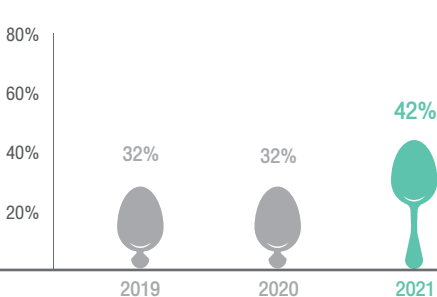
### Dividend per Share

Unit : baht per share



### Dividend Payout Ratio

Unit : %



<sup>(1)</sup> EBITDA = Revenue from Sales - Cost of Sales Goods + Net Other Income - Selling & Administrative Expense + Gain (Loss) from Foreign Exchange + Depreciation & Amortization + Depreciation of Biological Asset + Dividend Income from Associate and Joint Venture

<sup>(2)</sup> Net Profit = Profit Attributable to Equity Holders of the Company

<sup>(3)</sup> Return on Equity = Profit Attributable to Equity Holders of the Company / Average Shareholders' Equity Attributable to Equity Holders of the Company



# Awards and Recognitions 2021



## Corporate Excellence Awards

Five awards from the 11<sup>th</sup> Asian Excellence Awards 2021 organized by Corporate Governance Asia Magazine are as follows:

- Asia's Best CEO
- Asia's Best CFO
- Asia's Best Investor Relations Professional
- Asia's Best Investor Relations Professional Company
- Asia's Best CSR Award

Two awards from the Asset ESG Corporate Awards 2021 organized by The Asset Magazine are as follows:

- Best CEO Award in agro-industrial and food businesses
- Gold Award for ESG

Two awards from IAA Awards for Listed Companies 2020, Agro-Food Industry Category, organized by the Investment Analysts Association, are as follows:

- Best CEO Award
- Best CFO Award

The awards were nomination-based and rated by securities analysts and fund managers in Thailand.

Thailand Sustainability Investment (THSI) 2021, Agro-Food Industry Category, organized by the Stock Exchange of Thailand (SET), to recognize the Company for having social, and environmental responsibility, and governance in accordance with sustainable development guidelines.

SET Awards 2021 Highly Commended Sustainability Awards organized by the Stock Exchange of Thailand in collaboration with Money and Banking Magazine. The award reflects our commitment to operating business under good corporate governance by taking into account all aspects of stakeholders.

Certificate of Membership Renewal of the Thai Private Sector Collective Action Against Corruption and CAC Change Agent Awards 2021 from the Thai Institute of Directors (IOD) and the Thai Private Sector Collective Action against Corruption (CAC) as an exemplary organization that conducts business with transparency.

IR Magazine Awards - Southeast Asia 2021 Certificate of Excellence in Investor Relations in the consumer goods segment. This reflects that the Company has placed importance on investor relations alongside transparent disclosure of information and effective two-way communications with all stakeholders.



## Innovation Awards

Two awards from the **Asian Export Awards 2021** organized by Manufacturing Asia. CP Merchandising Co., Ltd., a subsidiary of the Company, received the following awards:

- The Export Initiative of the Year for food businesses
- Product Exporter of the Year for Meat Zero product

It reflects the success in developing food products to acquire consumer acceptance and in exporting goods to all over the world.

**“Excellent” award in the Low Carbon and Sustainable Business Index (LCSi) assessment 2021** was granted by Thailand Greenhouse Gas Management Organization (Public Organization) to reflect commitment in reducing greenhouse gas emissions and maintaining environmental balance.

**Plaques and certificates of the “CSR-DIW and CSR-DIW Continuous” Award 2021** were granted to the Company by the Department of Industrial Works, Ministry of Industry. Nineteen facilities of the Company were awarded with the CSR-DIW Continuous Award while two facilities received the CSR-DIW Awards. These recognitions reflect the commitment to operating businesses with social responsibility, being environmentally friendly, and promoting sustainable coexistence with communities.

**SET Awards 2021 Outstanding Innovation Company Awards** in recognition of “Cheeva Pork, with Omega-3” organized by the Stock Exchange of Thailand, in collaboration with Money and Banking Magazine, reflects the use of innovations in product development for the good health of consumers.

**National Innovation Award 2021**, Distinguished Innovative Organization Category for large private organizations was granted to the Company by the National Innovation Agency (NIA) for the commitment to leveraging innovations and technologies in driving efficient business operations and developing quality food products for consumers.

**Innovation Award 2021 from the National Research Council of Thailand and Cheewajit Award**, in the categories of Innovation Reader’s Vote and Guru’s Pick, were granted to the Company in recognition of its innovative BIFIO Probiotic Plus products, which fulfill the true needs of health enthusiasts and are environmentally friendly.

**Thailand Energy Awards 2021** on Creative Energy by the Ministry of Energy was granted to CPF (Thailand) Plc., a subsidiary of the Company, as being outstanding using wastewater discharged from the chicken carcass temperature reduction process to exchange heat with a rotary heat exchanger.



### Marketing Awards

**Thailand Corporate Excellence Awards 2021 in Distinguished Marketing Excellence** organized by Thailand Management Association (TMA) and Sasin Graduate Institute of Business Administration of Chulalongkorn University was presented to CPF (Thailand) Plc., is a subsidiary of the Company.

**Best Plant-Based Food Award 2021** from ROOT The FUTURE, which is a large webpage for plant-based food lovers.

**Marketeer No.1 Brand Thailand 2020-2021 Awards** were granted to the Company by Marketeer Magazine, in Microwavable Food and Frozen Food categories. These awards reflect creativity, determination in developing good quality products, resulting in the CP brand being No. 1 in consumers' minds.

### Human Resources Awards

**Thailand Labour Management Excellence Award 2021** recognizes the Company as being excellent with labor management systems in the medium-sized enterprises category. The award was granted by the Department of Labor Protection and Welfare, Ministry of Labor.

**Companies to Work for in Asia 2021** from HR Asia Magazine, the leading human resource magazine in Asia, were granted to companies with excellent human resource practices that prioritize employees.

**A plaque for distinguished organizations that support the disabled, Excellent Level, of 2021** The award was organized by the Ministry of Social Development and Human Security. It recognized the Company as a private organization that supports people with disabilities to ensure a secure career and stable income, as well as equality and equity, for the group of people in Thai society.

**Human Rights Award 2021** in the category of large organization was granted to the Company by the Department of Rights and Liberties Protection, Ministry of Justice as it has integrated human rights principles and systematic operations throughout the supply chain while also placing importance on employees and stakeholders of all sectors.



## Awards from International Operations

### Vietnam

- The Medal of Honor “For the New Generation of Youth” was granted to the Company on the occasion of the 90<sup>th</sup> anniversary of the Ho Chi Minh Communist Youth Union as a result of consistent contributions and promotion of the new generation through various activities.
- Vietnam Top 10 Food Reputation Award 2021 (1<sup>st</sup> prize in the frozen food category) was granted to the Company by Vietnam Report and Vietnam Net Newspaper. This reflects the success of CP Vietnam, which has been dedicated to investing in and developing food safety innovations to seek acceptance and trust of all consumers in Vietnam.

### India

#### Times Business Awards Bangalore 2021

The Fastest Growing Food Franchise Brand 2021 reflects the Success of Five Star Businesses in India.

### United States of America

**Business of the Year 2021** from the Jackson County Chamber of Commerce reflects success in investments in large projects which elevate the business with modern technology, as well as aiding society during the Covid-19.

### Canada

- **Large Business of the Year Award from The Steinbach Chamber of Commerce** presented to large businesses that set an excellent example of innovation, product quality, including human resource practices and aiding the community in all aspects.
- **Exceptional Achievement Award** from The Windom Chamber of Commerce reflects the Company's continued growth over the past year.

# Corporate Governance



The Company recognizes that good corporate governance is the cornerstone of business operations. It starts from determining a clear management structure, recruiting directors with management vision and experience as well as setting guidelines and policies for all executives and employees to uphold and follow, in order to drive economic growth of the organization (Economic) while maintaining environmental balance (Environment) and creating shared values together with the surrounding society (Social) to achieve the maximum efficiency and effectiveness.

## **Corporate Governance and Sustainable Development Policy**

The Board of Directors and the management believe that good corporate governance is an integral part of creating sustainability for the organization and a driver to economic growth, as well as social and environmental stewardship. Therefore, implementing principles and practices stipulated the Company's Corporate Governance and Sustainable Development Policy is considered a mission of the Board of Directors, executives, and employees of the Company itself and its subsidiaries. The policy is divided into 5 main categories based on the OECD principles and consists of 12 main policies, as follows:

## Corporate Governance and Sustainable Development Policy



## Major Changes and Developments in Governance and Sustainable Development Actions in 2021

The Company is aware of social changes and the needs of all stakeholders. The Board of Directors therefore attaches great importance to the review of policies, guidelines, systems and operations in relation to corporate governance and sustainable development. In 2021, the Company has taken the following actions:

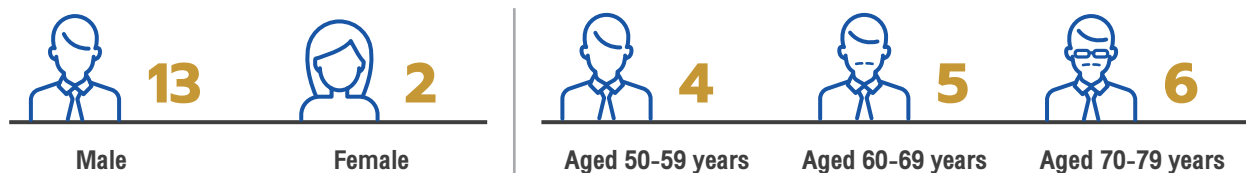
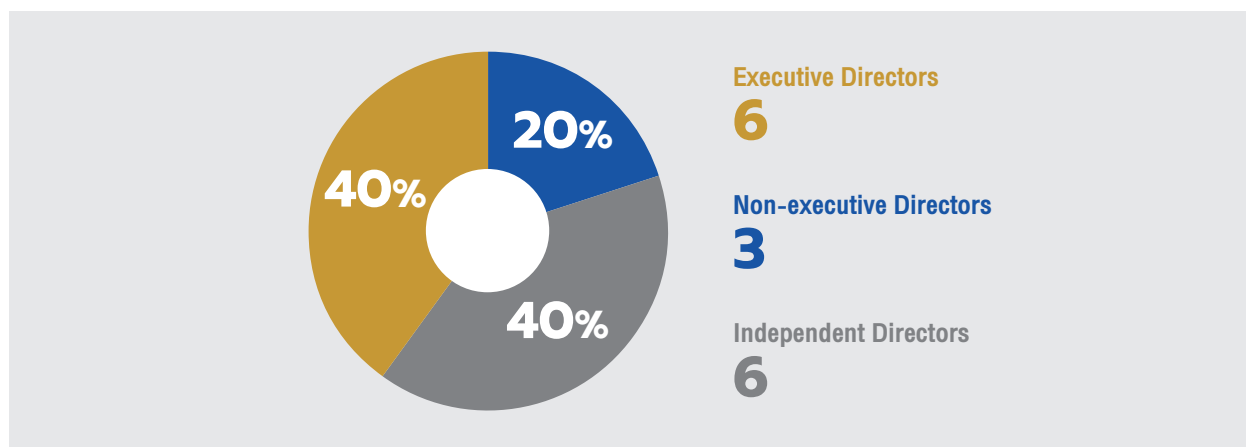
- **Appointed a Corporate Governance and Sustainable Development Committee** by integrating the duties and responsibilities of the Corporate Governance Committee and the Corporate Social Responsibility and Sustainable Development Committee.
- **Considered reviewing the sustainability conceptual framework and improved corporate governance and sustainable development policy.**
- **The Remuneration and Nomination Committee** has reviewed the criteria for directors' qualifications in terms of skills, knowledge, expertise, experience of the composition of the Board (Board Skills Matrix) in accordance with the goals of the Company's business operations.
- **Prepared online learning materials regarding good governance and sustainable development** for employees and executives, both in and outside the country to create awareness and practical application in their own work.
- **Prepared an internal communication plan** that covers anti-corruption and no gift policies, etc.
- **Provided a survey on employee engagement** to set guidelines for improvement and upgrading employee engagement, as employees are the key to driving the organization towards sustainability.
- **Communicated new laws or amendments.**
- **Compared assessment scores on corporate sustainability and corporate governance conducted by external organizations.**

## The Board of Directors

### Composition of the Board of Directors

The Company requires in its Articles of Association that the Board of Directors must consist of at least 5 members and not less than half of the total number of directors must reside in the Kingdom.

As of December 31, 2021, there were 15 directors in total.



### Roles and Responsibilities of the Board of Directors

The Board of Directors is the representative of shareholders, having roles and duties to supervise the business in accordance with applicable laws, objectives, Articles of Association and resolutions of the shareholders' meeting as well as supervising the management to achieve the performance goals according to the strategies and plans approved by the Board of Directors on the balance of benefits for the Company and various groups of stakeholders. This has been conducted under the three main strategic guidelines, including "Sustainable Growth, Aiming for Excellent, and Building Solid Foundation" along with building a corporate culture based on the Company's value, or "CPF Way". In addition, four Fiduciary Duties must be taken into account: (1) performing duties responsibly and carefully (Duty of Care); (2) Performing duties with honesty to maintain results, benefits of the shareholders, stakeholders, and the stability of the country's financial system (Duty of Loyalty); (3) complying with laws, objectives, regulations, board resolutions, and the resolutions of the shareholders' meeting (Duty of Obedience); and (4) disclosing information in an accurate, complete, transparent, and timely manner (Duty of Disclosure).

In the performance evaluation of the entire committee as of 2021, the results of the assessment were at an excellent level, which showed that the structure of the board of directors and the qualifications of the directors were appropriate to the nature of the business and the size of the Company's revenue, promoting the overall performance of the Board of Directors to be effective.



## Sub-committees

The Board of Directors has appointed sub-committees to assist in scrutinizing goals and operational guidelines in various areas before proposing to the Board of Directors for consideration and approval. The five sub-committees consist of:



## Performance Evaluation of the Chief Executive Officer

The Board of Directors shall assess the performance of the Chief Executive Officer each year for further consideration on the remuneration based on two main indicators:



1

**Financial Return Indicators**

Financial return indicators are such as market capitalization, profitability, including EBITDA margin, return on equity, and net profit margin, etc.



2

**Sustainability Performance Indicators**

Sustainability performance indicators consist of sustainability assessment results by external organizations such as the Dow Jones Sustainability Indices, FTSE4Good Index, MSCI ESG, Carbon Disclosure Project and survey project on corporate governance of listed company, etc. as well as the organization implementation result on sustainable development goals 2030, which includes employee engagement.

## Annual General Meeting of Shareholders 2021



AGM was held via electronic media according to the Royal Decree on Teleconferences through Electronic Means, B.E. 2563 (A.D. 2020), and the Announcement of the Ministry of Digital Economy and Society on Standards for Maintaining Security of Meetings via Electronic Means, B.E. 2563 (A.D. 2020). To reduce the risk of the spread of Covid-19, the Company has used the IR PLUS AGM application to organize the meetings. Shareholders can either attend the meetings in person or appoint an independent director or other person as a proxy, or watch a live broadcast of the meeting, vote and ask questions regarding any agenda via the application. During the meeting, criteria, including procedures and methods of voting for each agenda shall be clarified. The Company also procured a legal advisor to be at the shareholders' meeting in compliance with the laws and the Company's Articles of Association and to check the vote counts.

### Procedure for Conducting AGM



**September 30, 2020 – December 31, 2020**  
Shareholders were invited to propose meeting agenda and nominated qualified candidates to serve as directors



**March 31, 2021**  
Published meeting documents on the Company's website.



**April 9, 2021**  
Sent meeting documents to shareholders via registered mail



**April 30, 2021**  
AGM date



**May 14, 2021**  
Submitted AGM minutes to the Stock Exchange of Thailand and published on Company's website

## Business Code of Conduct

"CPF Code of Conduct" is the basic principle, guidelines to be upheld by the Company's directors and personnel in line with the Company's expectations. It specifies the principles of business operations, corporate values, compliance with the Business Code of Conduct, laws and regulations, as well as the supervision of compliance with expectations for the benefit of establishing performance standards among the Company's directors and personnel and to ensure integrity and honesty. The details in this manual shall not address every specific situation; however, it will help suggest proper and appropriate behaviors in each situation. The Company's directors and personnel must comply with the following:



To understand principles and practices.



Consult the supervisors or departments involved in the regulations or policies if you are not certain whether what you do is correct based on the related code of conduct.



Communicate to relevant parties for acknowledgement.



Report suspicious activities against business code of conduct using the provided whistleblowing mechanisms and provide cooperation in the investigation process. The informants shall be protected based on the policies that correspond to applicable laws.

This is to ensure that all employees comply with the code of conduct upon the same standards. Therefore, the Company has set a total of 12 related policies, divided into 4 categories: (1) moral, (2) quality, (3) personnel, and (4) asset, as follows:



## Whistleblowing

The Company has given employees, stakeholders, or third parties an opportunity to report suspicious activities, or lodge complaints regarding breaches of law or code of conduct, corruptions, or infringement through various channels as follows:



### Audit Committee

Letter 1, 1/1 Soi Yen Chit 2 Yaek 1  
Sap Samut Building 2, 4<sup>th</sup> Floor,  
Yen Chit Road Thung Wat Don Subdistrict,  
Sathon District, Bangkok 10120  
Tel. 0-2673-1105 and 0-2673-1092-3  
Fax. 0-2673-1090  
Email: [iaoffice@cpf.co.th](mailto:iaoffice@cpf.co.th)  
Website: <https://www.cpfworldwide.com/th/contact/form>

### Consumer Center

Tel: 0-2800-8000  
Email: [consumercenter@cpf.co.th](mailto:consumercenter@cpf.co.th)

## The Whistleblowing Process

### Whistleblowing Procedure



# Risk Management



The Company is committed to managing risks to consolidate organization's flexibility competency, ensuring that it has been prepared for uncertainty of external situations and new global trends that are highly complicated. Moreover, the Company has strengthened confidence of all groups of stakeholders, which shall lead to sustainable growth.

## Risk Management Culture

The Company consistently promotes a culture of risk management among employees at all levels to raise knowledge, understanding, as well as taking into account all potential risks as follows:

- Integrate risk management principles with internal work processes.
- Determine risk appetite and risk assessment criteria that have the same standard.
- Establish risk management as one of the organization's strategies which are compulsory to be emphasized and adhered to.
- Organize risk training to create understanding and ensure effective risk assessment.
- Hold joint risk workshop between department executives and the Corporate Risk Management Office on a regular basis.
- Ensure a risk management process, as well as consistently monitoring the progress of defining risk management measures.
- Dimensionally assess risks in mega investment projects.
- Define Key Risk Indicators (KRIs) and monitor the management progress.
- Encourage to include an agenda on risks in the monthly meeting of the department.
- Encourage sharing risk management experiences between departments.

## Risk Management Policy

The Company requires systematic risk management, which covers all types of risks including environmental, social, and governance (ESG Risk) risks in all processes by integrated operations throughout the organization and in conformity with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to appropriately and timely identify risks and business opportunities, as well as maintaining risk appetite for the purpose of encouraging sustainable business operations that align with the Good Corporate Governance.

### Relevant committees and departments in the operation are as follows:



#### Corporate Governance



**The Audit Committee** was delegated by the Board of Directors to review the sufficiency, effectiveness, to ensure that the Company comply with the Risk Management policy and strategies, as well as the risk appetite.



**Executive Committee** is responsible for overseeing and monitoring the critical risk statuses, including risk management, as well as promoting a culture of risk management throughout the organization.



**Risk Management Sub-Committee** is led by the Chief Financial Officer, who has responsibilities to review the Company's major risks. The Company has set risk management measures by cooperating with all relevant departments serving as risk owners. In this regard, the Committee shall monitor risk management and the progress of measure implementation with meetings on a quarterly basis.



#### Operation



**Corporate Risk Management Office** is responsible to encourage, cascade knowledge, as well as rendering advice to the departments regarding risk management, and monitor the progress of risk management.



**Department Executives** is directly responsible for risk management in the scope of their responsibility and shall report risk management results to the Risk Management Sub-committee.



**Internal Audit Office** is responsible for assessing the operational process and rendering advice to develop a risk development system.

## Risk Management System

The Company's risk management process is incorporated in "Risk Management Manual" which explains procedures and tools used as follows:

- Identifying risks that may affect the achievement of the Company's objectives, both the risks currently encountered and emerging risks while also explaining the meaning of such risks.
- Assessing risks in terms of impact and the likelihood according to the criteria set by the Company, which is based on the corporate risk appetite through risk workshop and presenting the results of the assessment, as well as prioritizing risks in the form of a risk heat map.
- Manage risks by defining and monitoring the progress of additional measures to be taken, including duration of action, responsible person, desired outcome and the required budget
- Establish a risk warning system by defining indicators for key risks.
- Report the progress of risk management measures and the status of key risk indicators according to the specified cycle.

The Company analyzes the business environment based on both internal and external factors in order to determine the necessary risk factors important to the current business operations, which may affect the achievement of the 3 benefits to sustainability principle – the basis for business operations, including emerging risks as follows:

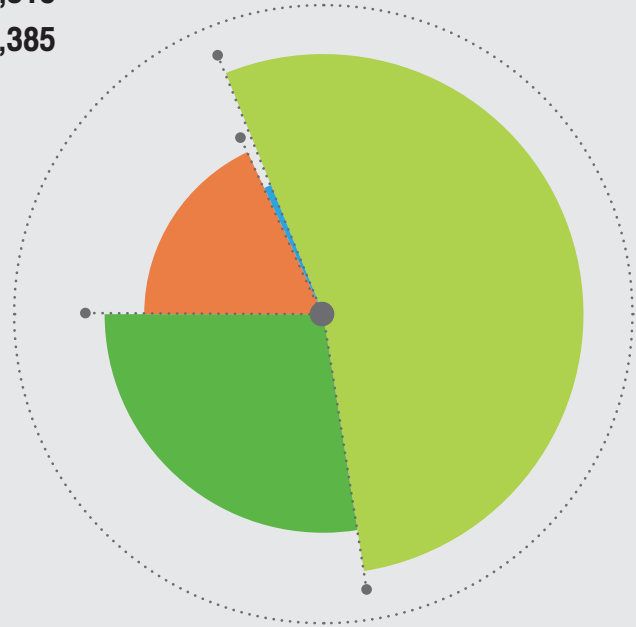
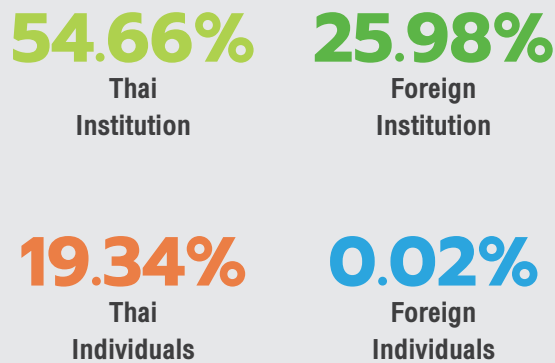


For more information,  
please see 56-1 One report 2021 Chapter Risk Management

# Capital and Shareholder Structure

- Registered Capital : THB 9,291,530,318
- Paid-up Capital : THB 8,611,242,385

## Shareholders structure as of March 14, 2022

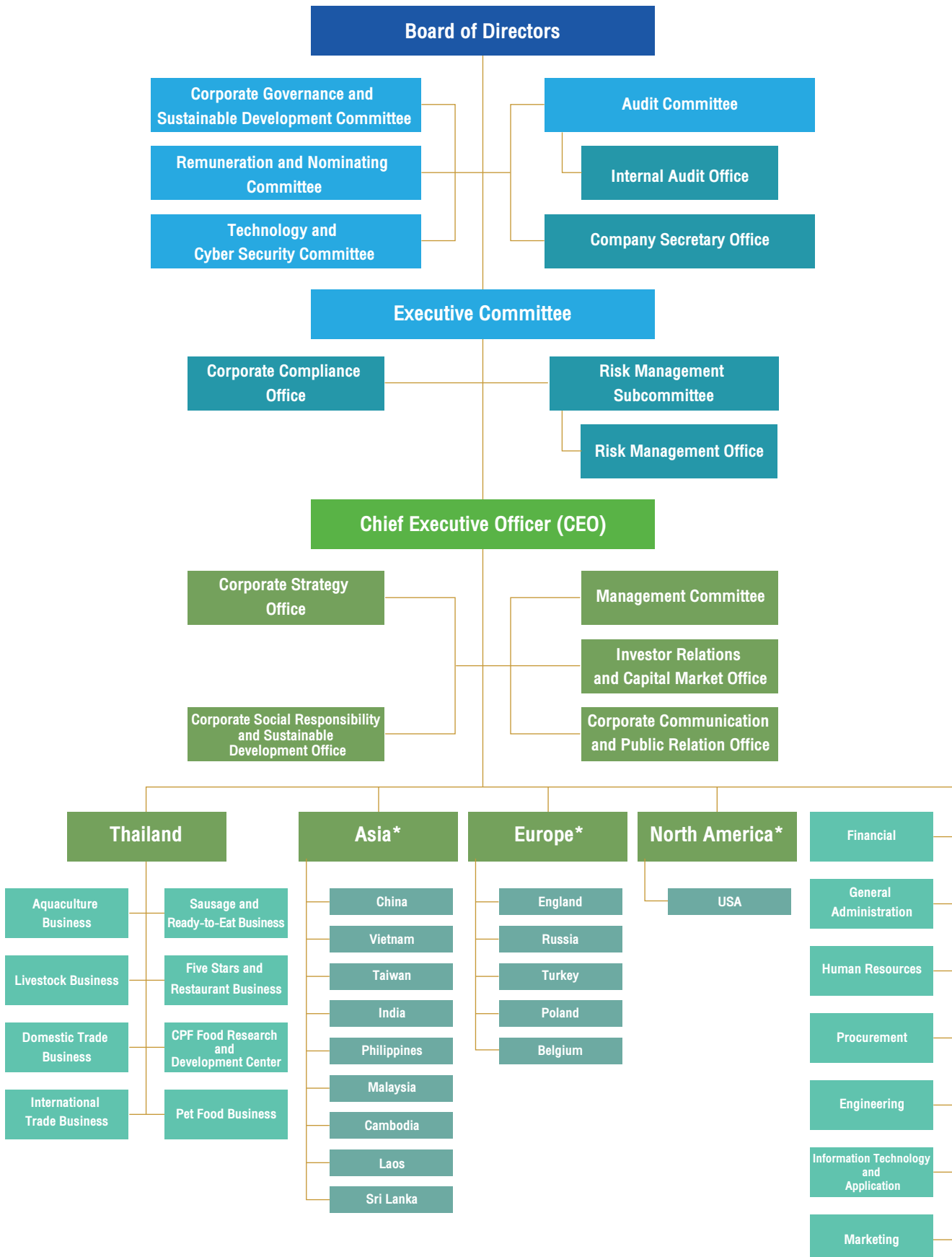


## Top 10 major shareholders as of March 14, 2022

Name	No. of Shares	Percentage (before deduction of treasury shares for financial management)
1. CPG Group <sup>(1)</sup>	4,429,098,680	51.43%
2. Thai NVDR Co., Ltd <sup>(2)</sup>	526,459,263	6.11%
3. Social Security Office <sup>(2)</sup>	323,122,340	3.75%
4. STATE STREET EUROPE LIMITED <sup>(2)</sup>	146,811,617	1.70%
5. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED <sup>(2)</sup>	131,206,098	1.52%
6. UBS AG HONG KONG BRANCH <sup>(2)</sup>	126,755,600	1.47%
7. Mr. Prinya Tieworn	106,000,000	1.23%
8. VAYUPAK FUND 1 <sup>(2)</sup>	71,550,600	0.84%
9. MORGAN STANLEY & CO. INTERNATIONAL PLC <sup>(2)</sup>	46,500,000	0.54%
10. GIC PRIVATE LIMITED <sup>(2)</sup>	43,177,399	0.50%

Note: <sup>(1)</sup> CPG Group is a reporting group to be in compliance with Section 246 and Section 247 of the Securities and Exchange Act of 1992 (as amended)  
<sup>(2)</sup> CPG Group does not have any shareholding

# Management Structure



Note: \*Country in which the Company has operating subsidiary



# Board of Directors

As of 1 January 2022



Mr. Soopakij Chearavanont  
Chairman<sup>(1)</sup>



Mr. Phongthep Chiaravanont  
Vice Chairman<sup>(1)</sup>



Mr. Suphachai Chearavanont  
Vice Chairman<sup>(1)</sup>



Mr. Adirek Sripratak  
Vice Chairman<sup>(1)</sup>



Mr. Rungson Sriworasat  
Director<sup>(2)</sup>



Professor Dr. Pongsak Angkasith  
Director<sup>(2)</sup>



Pol. Gen. Phatcharavat Wongsuwan  
Director<sup>(2)</sup>



Mrs. Vatchari Vimooktayon  
Director<sup>(2)</sup>



Mr. Vinai Vittavassarnvej  
Director<sup>(2)</sup>



Professor Dr. Kittipong Kittayarak  
Director<sup>(2)</sup>



Mrs. Arunee Watcharananan  
Director<sup>(1)</sup>



Mr. Prasit Boondoungprasert  
Director<sup>(1)</sup>



Mr. Siripong Aroonratana  
Director<sup>(1)</sup>



Dr. Sujint Thammasart, D.V.M.  
Director<sup>(1)</sup>



Mr. Paisan Chirakitcharern  
Director<sup>(1)</sup>

Note: <sup>(1)</sup> Authorized directors whereby any two of the authorized directors shall sign on behalf of the Company with the Company's seal affixed  
<sup>(2)</sup> Independent director







# Executives and Employees














As of 1 January 2022

- |  |   |  |
|--|---|--|
| 1. Mr. Prasit Boondoungprasert <sup>1</sup><br>Chief Executive Officer (CEO)   | 2. Mr. Siripong Aroonratana <sup>1</sup><br>Chief Operating Officer -<br>Livestock Business   | 3. Dr.Sujint Thammasart, D.V.M. <sup>1</sup><br>Chief Operating Officer -<br>Aquaculture Business        |
| 4. Mr. Paisan Chirakitcharern <sup>1</sup><br>Chief Financial Officer  | 5. Ms. Pimonrat Reephattanavijitkul <sup>1</sup><br>Chief People Officer                      | 6. Mr. Rewat Hathaisattayapong<br>Executive Vice President -<br>Livestock Feed Business                  |
| 7. Mr. Somporn Jermpong<br>Executive Vice President -<br>Swine Business  | 8. Mr. Panuwat Niamprem<br>Senior Vice President -<br>Poultry Integration Business            | 9. Mr. Somkid Wannalukkhee<br>Senior Vice President -<br>Egg Business                                    |
| 10. Dr.Ming Dang Chen<br>Executive Vice President -<br>Research and Development<br>of Aquatic Feed                           | 11. Mr. Pairoj Apiruknosit<br>Executive Vice President -<br>Aquaculture Integrated (Thailand) | 12. Mr. Robins Mcintosh<br>Executive Vice President -<br>Aqua Broodstock Business                        |
| 13. Mr. Premsak Wanuchsoontorn<br>Executive Vice President -<br>Research and Development<br>of Aquaculture                   | 14. Mr. Ekpiya Ua-wutthikerker<br>Senior Vice President -<br>Domestic Trade Business          | 15. Mr. Anat Julintron<br>Vice President -<br>International Trade<br>and Business Development            |
| 16. Mr. Narerk Mangkeo<br>Executive Vice President -<br>Ready-to-Eat Food Business   | 17. Mr. Voravit Janthanakul<br>Executive Vice President -<br>General Administration Unit      | 18. Mr. Sunsern Samaisut<br>Executive Vice President -<br>Information Technology and<br>Application Unit |
| 19. Dr.Somma Tachasirinugune<br>Executive Vice President -<br>Office of Research and Development /<br>Quality Assurance Unit | 20. Mr. Peerapong Krinchai<br>Executive Vice President<br>Engineering Unit                    | 21. Mrs. Kobboon Srichai<br>Company Secretary  |

<sup>1</sup> In accordance with the definition stipulated in Notification of the Securities and Exchange Commission No. Kor Chor. 17/2551 Re: Definition under Notifications relating to Issuance and Offering of Securities

## Executives International Operations

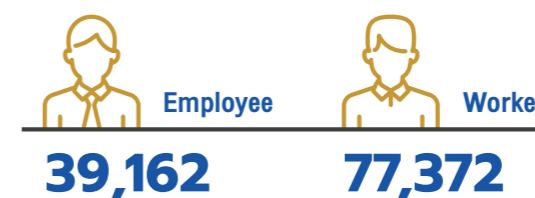
- |   |  |
|---|--|
|  1. Mr. Bai Shanlin<br>China                         |  2. Mr. Montri Suwanposri<br>Vietnam                      |
|  3. Mr. Nick Shaw<br>United Kingdom                  |  4. Mr. Thong Chotirat<br>Republic of China (Taiwan)      |
|  5. Mr. Chainan Nuphet<br>India – Livestock Business |  6. Mr.Wichit Tanesanurak<br>India – Aquaculture Business |

- |   |   |
|---|---|
|  7. Mr. Steve Young<br>United States                         |  8. Mr. Terry O'Brien<br>United States                           |
|  9. Mr. Sakol Cheevakoset<br>The Philippines                 |  10. Mr. Santipharp Seesuanphip<br>Malaysia – Livestock Business |
|  11. Mr. Wirat Phothiphan<br>Malaysia – Aquaculture Business |  12. Mr. Thomas Norgaard<br>Russia                               |
|  13. Mr. Buree Srina<br>Russia – Livestock Business          |  14. Mr. Preeda Chunwong<br>Cambodia                             |
|  15. Mr. Paradon Jinkunthong<br>Turkey                       |  16. Mr. Thamnong Pholthongmak<br>Laos                           |
|  17. Mr. Marcin Swiac<br>ประเทศไทย                           |  18. Mr. Michael Tops<br>Belgium                                 |
|  19. Mr. Habeeb Mohamed Ziauddin<br>Sri Lanka              |   |

## Employees

As of December 31, 2021, the Company had a total of 128,548 employees and workers.\* Number of employees and workers can be grouped according to the main business units as follows:

### Operation units



### Central units



\* Workers mean monthly workers, daily workers and part-time workers

# Contact Us



## Head Office

313 C.P. Tower, Silom Road, Silom, Bangrak, Bangkok 10500, Thailand

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Fax : 02-638-2139

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## Corporate Secretary Office

313 C.P. Tower, 15<sup>th</sup> Floor, Silom Road, Silom, Bangrak, Bangkok 10500, Thailand

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02-766-8354

Fax : 02-638-2139

[csoffice@cpf.co.th](mailto:csoffice@cpf.co.th)



## Investor Relations and Capital Market Office

313 C.P. Tower, 15<sup>th</sup> Floor, Silom Road, Silom, Bangrak, Bangkok 10500, Thailand

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02-766-8323

Fax : 02-638-2139

[iroffice@cpf.co.th](mailto:iroffice@cpf.co.th)



## Recruitment and Selection Office

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Tel : 02-766-8702-5

[job@cpf.co.th](mailto:job@cpf.co.th)



## Consumer Call Center

Tel : 02-800-8000





**Charoen Pokphand Foods Public Company Limited**  
**313 C.P. Tower Building, Silom Road, Bangrak, Bangkok, 10500, Thailand**  
**Tel : 02 766 8000 Fax : 02 638 2139**



[www.cpfworldwide.com](http://www.cpfworldwide.com)