



Charoen Pokphand Foods Public Company Limited

# PUT OUR HEART INTO FOOD



Annual Review  
2020



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### Definition:

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

Further information of the Company are available in Annual Report 2020 (56-1 One Report)

[Sustainability Report 2020](#)



# Message from Executives



**Mr. Soopakij Chearavanont**  
Chairman

**Mr. Prasit Boondoungprasert**  
Chief Executive Officer

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA

**Sustainability Award  
Silver Class 2021**  
**S&P Global**





In 2020, The Company underwent drastic changes due to the novel coronavirus 19 (COVID-19) pandemic. Disruptive technology, rapidly changing behavior of customers in line with the new normal lifestyles as well as more extreme climate events have materially impacted the global economy. They also brought about intensified challenges for the Company to overcome while driving for business growth and ensuring overall wellbeing of our stakeholders.

The Company engages in fully integrated agro-industrial and food businesses, with investments 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. Concurrently, we strive to maintain the balance of business success and the value delivered to all stakeholders in alignment with the Three Benefits Principle, the benefit for the nation, for the people, and for the organization. Our operation firmly supports the United Nations Sustainable Development Goals (UNSDGs); and ensures compliance with good corporate governance.

The Company is a large market capitalization company in the Stock Exchange of Thailand. In 2020, the Company reported sales revenue of 589,713 million baht, total assets of 761,719 million baht, net profit of 26,022 million baht, and tax paid of 9,038 million baht. The Board of Directors resolved to propose to the 2020 Annual General Meeting of Shareholders for the approval of 2020 dividend payment at the rate of 1.00 baht per share, comprising the interim dividend of 0.40 baht per share paid on September 11, 2020, and the final dividend to be paid on May 28, 2021 totaling 0.60 baht per share.

Albeit the impacts from COVID-19 crisis which hindered the purchasing power of several economies and brought the business to a halt during the state's lockdown period, the Company stood strong and

continued to deliver healthy performance with its net profit growth of 41%. This was the fruitful result of business expansion in various economies, accomplished by systematic crisis management as well as efficient preventive system in our farming business. In addition, the aquaculture business performance in Thailand further improved mainly due to the adjustment in marketing strategies and business operations.

The year 2020 also saw significant investments of the Company for the purpose of business expansion and operating advancements. Among them were 1) the merger of feed and swine businesses in China<sup>1</sup> which become one of the five largest swine businesses in China; and 2) the investment in Tesco Asia Group<sup>1</sup>, a leading retailer in Thailand and Malaysia.

Remark:

<sup>1</sup> Detail of the transaction can be found in Note to Financial Statement Year 2020



Regarding the management during the COVID-19 pandemic, the Company applied the maximum level of disease preventive measures in order to ensure continuity of production and operations while the safety and hygiene of employees remained its priority. The Company worked with the governments in all countries in which that it has presence to provide food support for healthcare workers at over 200 public hospitals and surrounding communities. Additionally, we responded to the government policy to drive the Thai economy by means of new graduate employment; and we shortened the payment term from 60 to 30 days to enhance liquidity of 6,000 SMEs business partners.

Climate change is among priorities of the global community. the Company focused on contributing to the solution based on the circular economy principle, embedded as an element in its business planning. Renewable energy, water management, food waste reduction and zero food waste management, reduction of single-use plastic containers throughout the supply chain, and restoration of mangrove and watershed forest, which are the key resources of the nation, were inclusively included in our consideration.

On behalf of the Board of Directors, executives, and employees, we would like to express gratitude toward all stakeholders for their long-established trust. The Company is committed to produce quality products to strengthen food safety and food securities along with enhancing efficiency by using innovation to increase competitiveness to its core businesses, while promote sustainable growth of the Company and contribute to the nation and the people in its capability of the **"Kitchen of the World"**.



**Mr. Soopakij Chearavanont**  
Chairman



**Mr. Prasit Boondoungprasert**  
Chief Executive Officer



# PUT OUR HEART INTO FOOD

**CPF pushes 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.



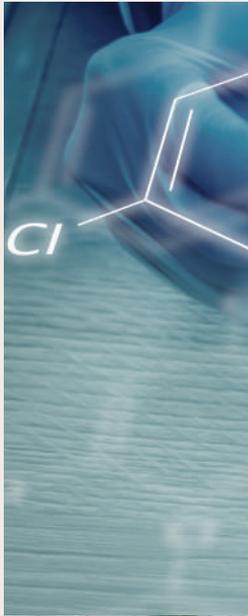




# Innovation

## We put love into innovation

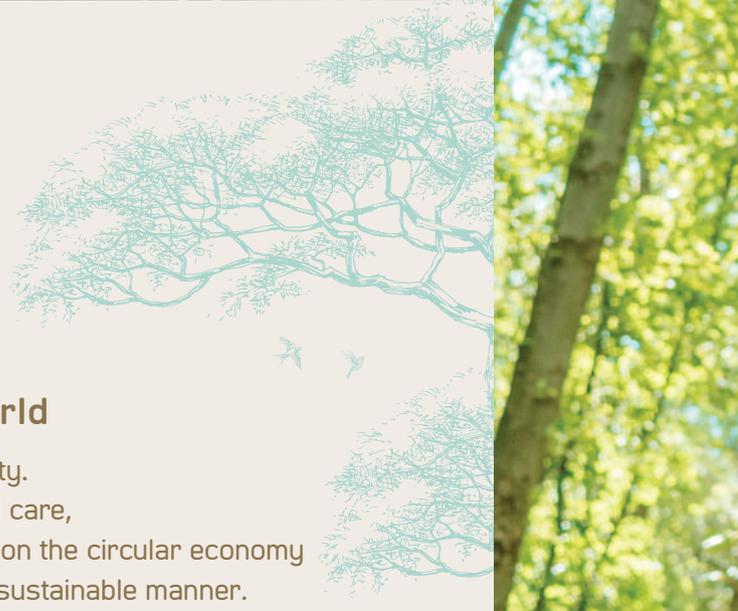
We believe that “love” can be felt in all senses, which inspires us to “put our heart” into innovation throughout value chain to deliver products of top quality and safety for consumers in every corner of the world.



# Planet

## We put our soul into saving the world

We “contribute to” and “care for” better air quality. 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.





## People

### We put a smile on every face

We endeavor 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.



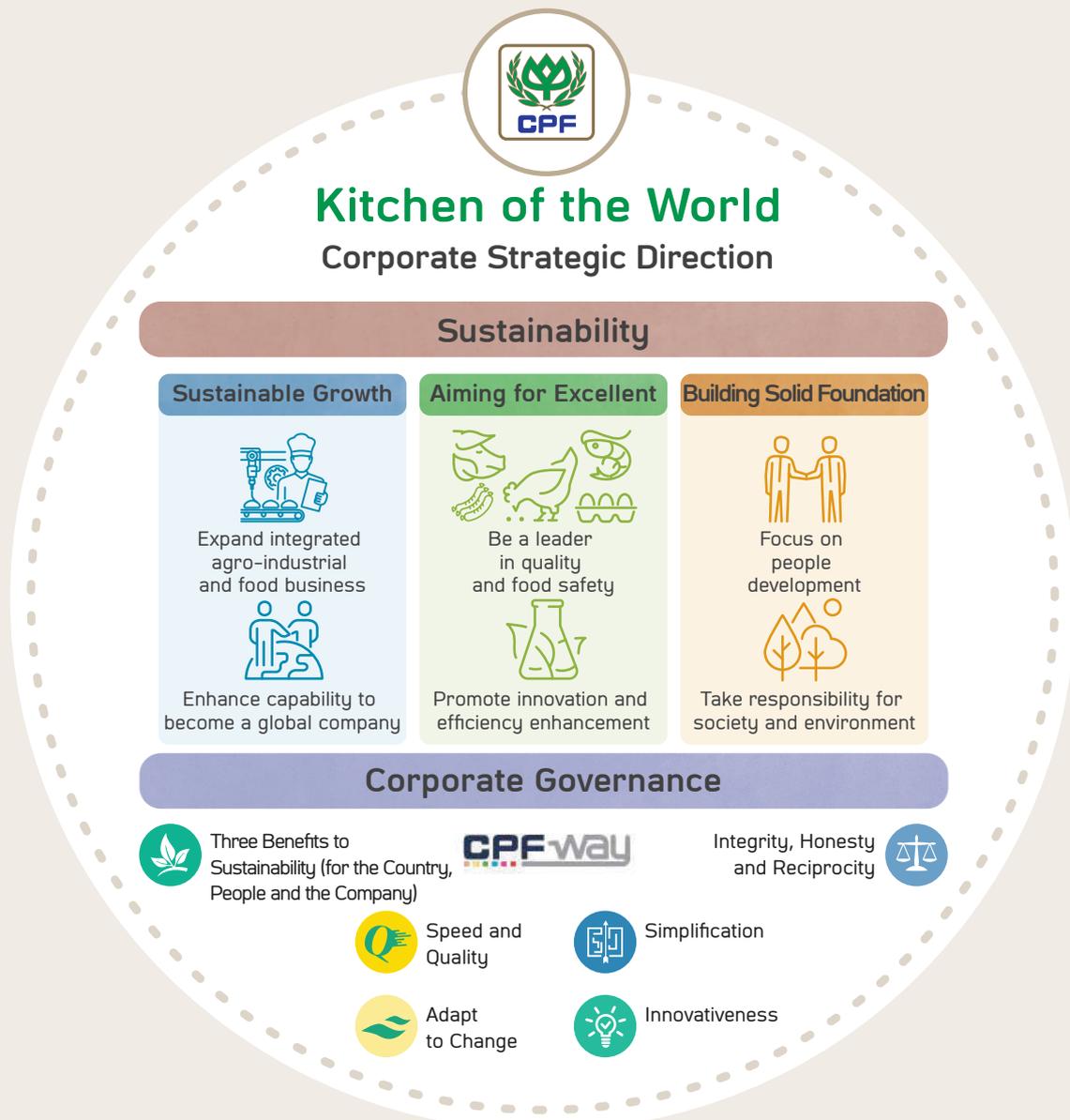
# Our Purpose

## Vision: Kitchen of the World

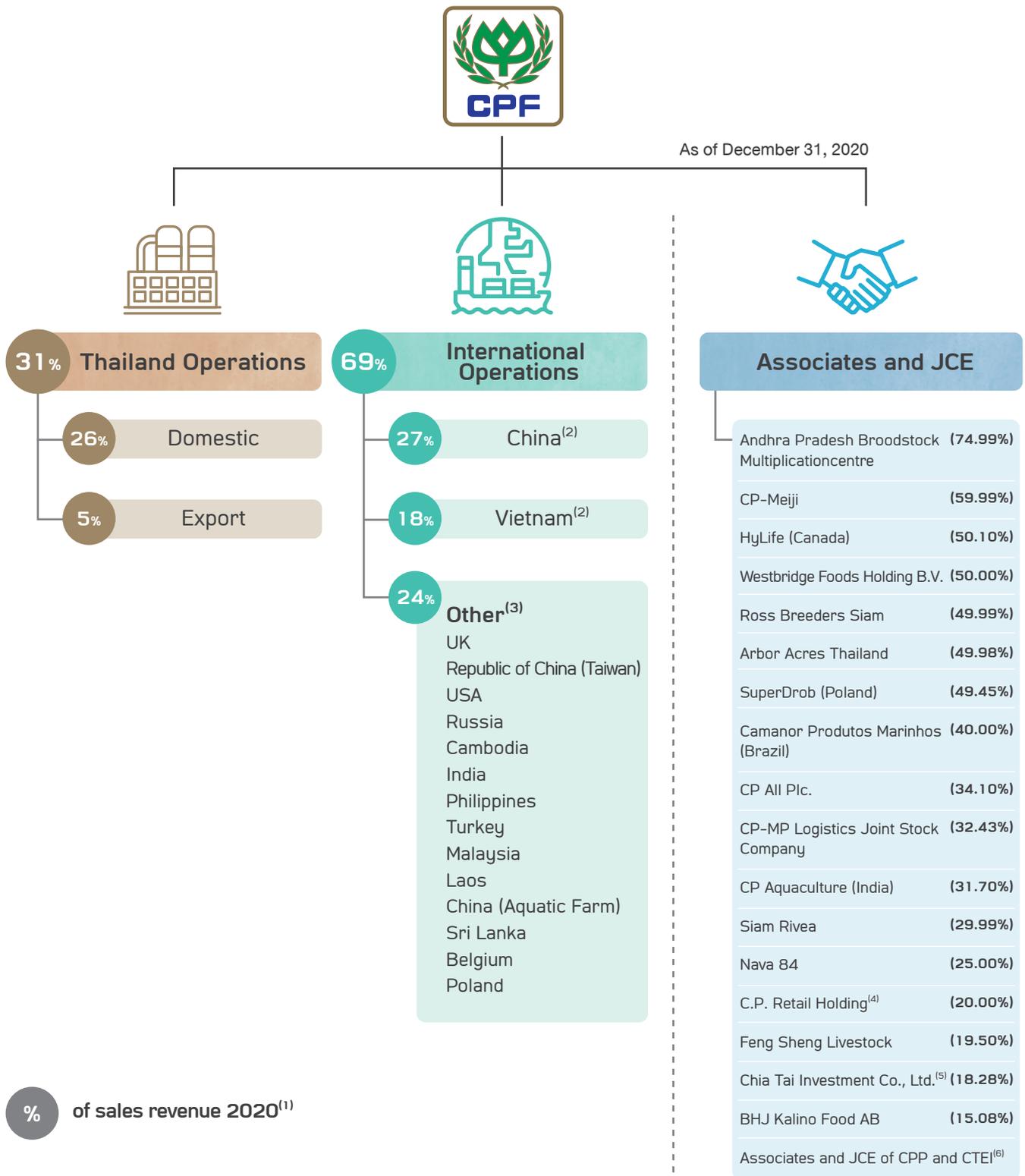
To deliver top quality products to consumers in every corner of the world.

## Mission:

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.



# Business Structure



Note:

<sup>(1)</sup> % of sales revenue 2020 represent both direct and indirect holding

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

<sup>(3)</sup> Ranked by sales revenue size

<sup>(4)</sup> Investment completed since December 18, 2020

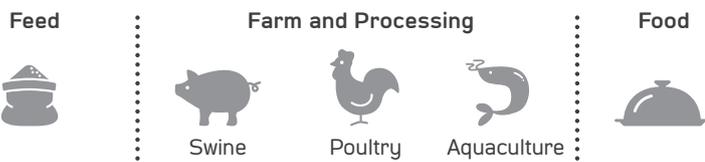
<sup>(5)</sup> CTI is an associate of CPP operates feed and swine farm in China. Investment completed since December 1, 2020.

<sup>(6)</sup> Group of associates and joint ventures of CPP. Details can be found in Note to financial statements for year 2020.

# CPF Worldwide

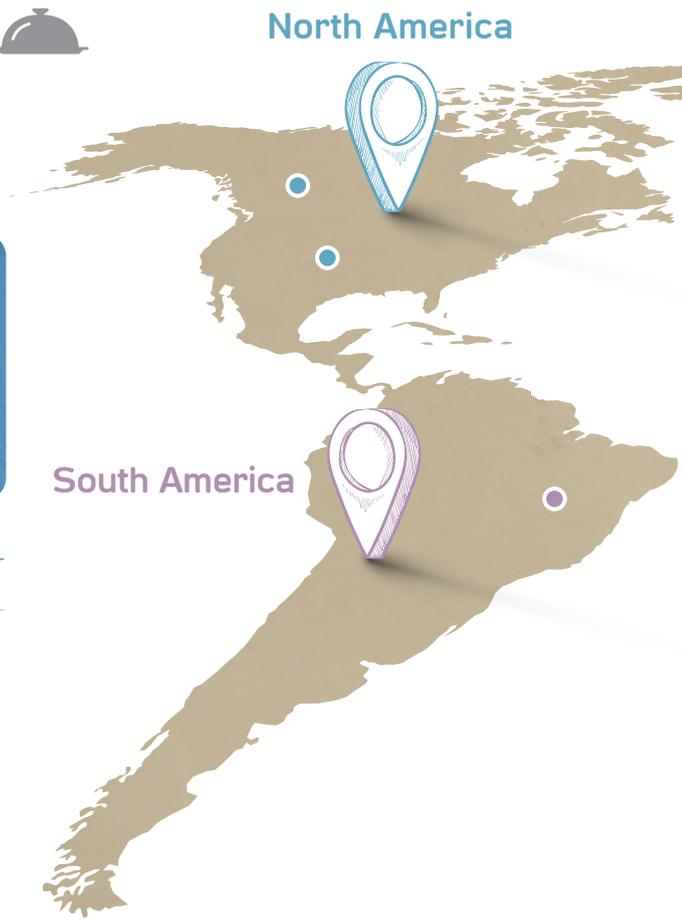
Operate in **17** Countries  
 Export to more than **40** Countries  
 Across **5** continents

Including Associates and JCE



**North America**  
**2 Countries**

USA  
 Canada



**South America**  
**1 Country**

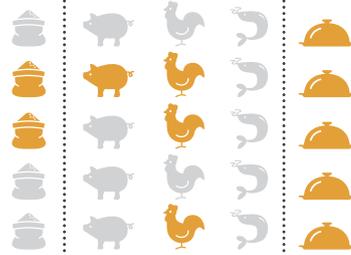
Brazil

## Europe

# 5 Countries



England  
Russia  
Turkey  
Belgium  
Poland



## Europe

## Asia



## Asia

# 9 Countries



Thailand  
China  
Republic of China (Taiwan)  
Vietnam  
India



Cambodia  
Philippines  
Malaysia  
Laos  
Sri Lanka



# Milestone and Development

A 4-Decades Journey of food quality and innovation beacons by the vision of being “the Kitchen of World”

## 1977 – 1986

### 1978

Registered under the name ‘Charoen Pokphand Feedmill Company Limited’ to produce and distribute animal feed in Thailand.

## 1987-1996

### 1987

Listed ordinary shares on the Stock Exchange of Thailand (SET) with the trading symbol ‘CPF’.

### 1992

Investment in aquaculture feed and farm business in India.

### 1994

Registered as a public company limited on March 27, 1994.



## 1997-2006

### 1998

Investment in Vietnam, focusing in production and distribution of animal feed, farm and processed food.

### 1999

Renamed as ‘Charoen Pokphand Foods Public Company Limited’ and announced CPF vision of becoming the ‘Kitchen of the World’.

### 2002

Investment in United Kingdom, focusing in production and distribution of chilled food for distribution in the European Union (EU).

Investment in China, focusing in the manufacturing and distribution of animal feed as well as aquatic farming

Investment in Belgium, focusing in import and distribution of processed meat and food in the European Union (EU).

### 2004

Investment in Turkey, focusing in the manufacturing and distribution of livestock feed, and a fully-integrated chicken business.

### 2005

Investment in Malaysia, focusing in the manufacturing and distribution of aquamarine feed, and a fully integrated shrimp farming and processing business.

### 2006

Investment in Russia, focusing in the manufacturing and distribution of livestock feed and farming business

Investment in Laos, focusing in the manufacturing and distribution of livestock feed and farming business.

## 2007-2016

### 2007

Investment in **Philippines**, focusing on manufacturing and distribution of animal feed as well as animal farming.

### 2009

Acquisition of issued shares in **Charoen Pokphand Enterprise (Taiwan) Co., Ltd. (CPE)**, a listed company on the Taiwan Stock Exchange with the "TWSE: 1215" ticker, focusing on manufacturing and distribution of animal feed, as well as animal farming and food processing in Republic of China (Taiwan).

### 2011

Investment in **Combdia**, focusing on the manufacturing and distribution of animal feed, as well as animal farming and food processing

### 2012

Acquisition of issued shares in **C.P. Pokphand Co., Ltd. (CPP)**, listed on the Hong Kong Stock Exchange with the "HKSE: 00043" ticker, which currently operates business in the manufacturing and distribution of animal feed in China, as well as the agro-industrial and fully-integrated livestock and aquaculture businesses in Vietnam.

### 2016

Investment in **United States of America**, focusing on manufacturing and distribution of manufacturing and sale of single serve frozen entrée

Investment in **Sri Lanka**, focusing on manufacturing and distribution of ready-to-eat food products

## 2017-2019

### 2017

Investment in **Poland**, focusing on broiler farming and food business

### 2018

Investment in **Brazil**, focusing on manufacturing and distribution of shrimp farms and primary shrimp processing business

### 2019

Investment in **Canada**, focusing on full-scale swine business, ranging from swine feeds production, farming, and primary processing



## 2020

### February:

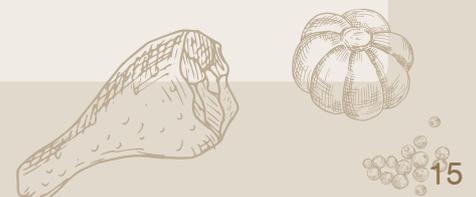
The Board of Directors approved the acquisition of remaining shares of Charoen Pokphand Holding (Malaysia) Sdn. Bhd. (CPHM), from the existing 49.75% to 100%. CPHM engages in the an integrated broiler business, ranging from feeds production, broiler farming, processing plant and processed food production in Malaysia.

### March:

The Board of Directors approved the investment in Tesco Asia Group in the proportion of 20% through C.P. Merchandising Co., Ltd. (Thailand) (CPM) to engage in retail business. The acquisition was completed on December 18, 2020.

### September:

The Board of Directors passed a resolution to propose the investment in swine business in China by Chia Tai Investment Co., Ltd. (CTI), an indirect subsidiary in China, for the purpose of swine business expansion, to the Extraordinary General Meeting for consideration and approval. The acquisition was completed on December 1, 2020.



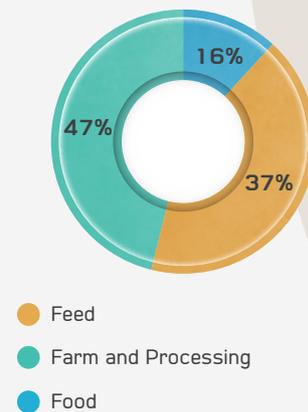
# Business at a Glance



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

- 1 **Feed business** - production and distribution of animal feed
- 2 **Farm and processing business** - animal breeding, farming and primary meat processing
- 3 **Food business** - production of semi-cooked and cooked products as well as ready to eat meals, and food distribution channels, including restaurants.

**Sales Breakdown by Product**



## Business operations

### Thailand operations

Operates a vertically-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 China including Republic of China (Taiwan), Vietnam, United Kingdom, India, United States of America, Cambodia, Russia, Turkey, Philippines, Malaysia, Laos, Belgium, Sri Lanka, Poland, and investment in Canada and Brazil.

## Business Categories

## Nature of Business

### Feed Business



### Animal Feed production and distribution



### Farm and Processing Business



### Breeding, Animal farming, and primary processing



### Food Business



### Production of semi-cooked and cooked products and ready to eat meals



Distribution Channels i.e. wholesaler, retailer, restaurant, and food outlet



# Nature of Business

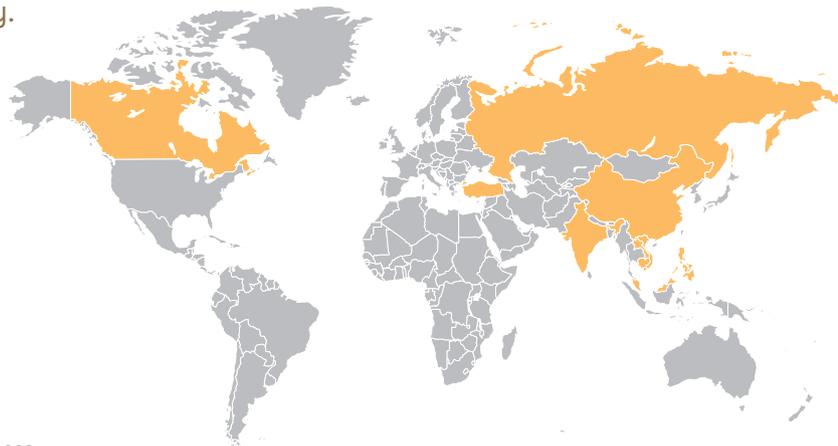
## Feed Business



Feed business belongs to the upstream part of the meat and food production supply chain. To ensure top quality, the Company has continuously driven for innovations that sustain our feed production with the international standards while maintaining competitive cost and affordable price for farmers. The Company's core products are swine feed, chicken feed, duck feed, shrimp feed, and fish feed in various formats, including feed concentrate, powdered feed, and tablet, which are locally produced and distributed mainly in the local market.

The Company engages in the feed business in **11** countries around the world i.e., Thailand, China, including Republic of China (Taiwan), Vietnam, Russia, India, Cambodia, Turkey, Philippines, Malaysia, Laos, and a joint venture in Canada.

Total sales of the feed business in the year 2020 was **218,191** million baht or **37%** of total sales of the Company.



## 6 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 full 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 contamination prevention 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**, the Company places importance on top quality of feed and formula that offers nutrition suitable for animals of different ages and stages so as to promote healthy growth and feed conversion ratios.

**Raw materials**, main raw materials comprise 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.

**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.

The feed market has seen continued growth in line with the rising demand of meat consumption and the expanding modern industrial farming.

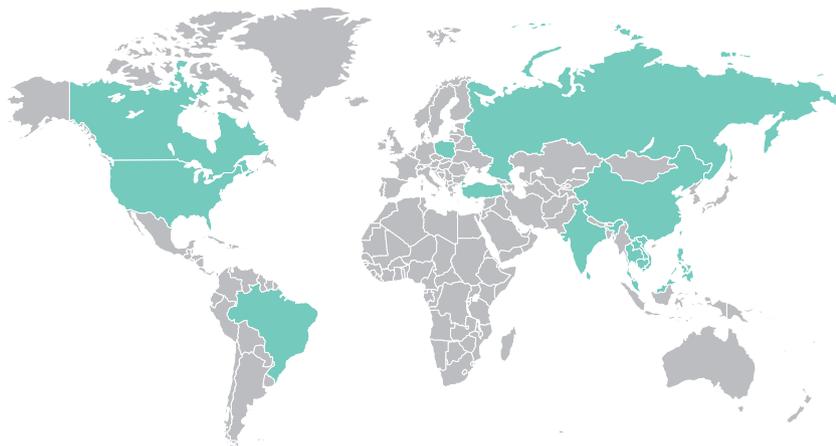
## Farm and Processing Business



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 (meat parts) and eggs; and our core animals comprise swine, broiler, layer, duck, shrimp, and fish.

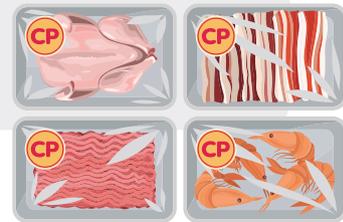
The Company operates the farm and processing business in **15** countries i.e., Thailand, China, including Republic of China (Taiwan), Vietnam, United States of America, Russia, India, Cambodia, Turkey, Philippines, Malaysia, Laos, Sri Lanka, Poland, and a joint venture in Canada and Brazil. Each entity adopts different business approaches based on the market opportunity and suitability.

Total sales of the farm and processing business in the year 2020 was **274,691** million baht or **47%** of total sales of the Company.



## 7 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. In addition, the facilities are designed to enable a surveillance network to prevent disease transmission and assure animal wellbeing.

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 natural genetic traits to produce stronger breeds with high disease resistance characteristics.

The Company continually develops its farming systems and technology to remain 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.

**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; for example, bioplastic trays made from renewable resources called polylactic acid (PLA).

**Sales**, the 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 stores.

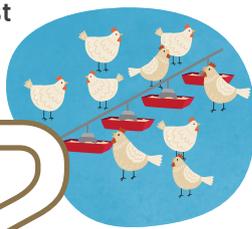
The farming business has enjoyed high growth in line with consumer demands due to rising numbers of population and enhanced access to affordable meat.

## The 5 freedoms principle

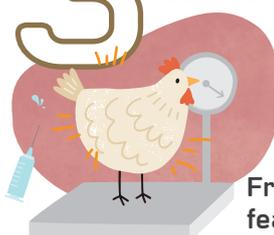
1 Freedom from hunger and thirst



2 Freedom from discomfort



3 Freedom from pain, injury or disease



4 Freedom from fear and distress



5 Freedom to express normal behavior



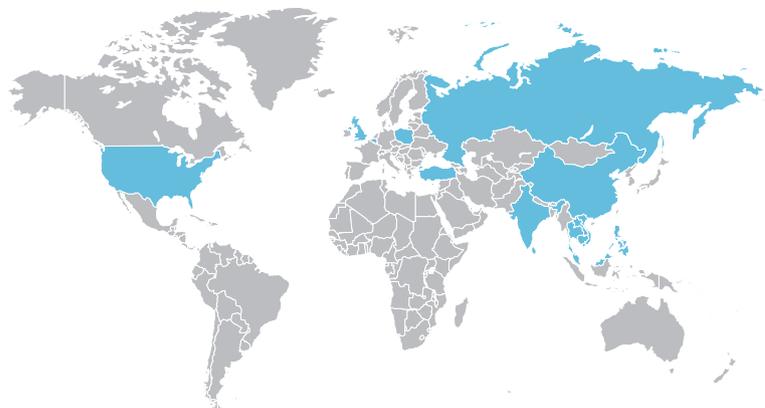
# Food Business



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, and distribution businesses.

The Company operates food business in **15 countries** i.e., Thailand, China, including Republic of China (Taiwan), Vietnam, United Kingdom, United States of America, Russia, India, Cambodia, Turkey, Philippines, Malaysia, Laos, Sri Lanka, Belgium, and Poland.

Total sales of the food business in the year 2020 was **96,831 million baht** or **16%** of total sales of the Company.



The Company firmly believes that good food comes from quality 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 third-party suppliers 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

concurrently 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 while maintaining its efficient and sustainable practice.

**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, quick serve restaurant, food court, and catering service. The Company also ensure its



distribution agility via its own stores, which serve as distribution points to various types of restaurants and food courts. Furthermore, the Company exports food products to overseas via the Company's sales offices, dealers, and local importers for overseas distribution.

The overall food business environment is rapidly changing as consumers are trending toward packaged foods for utmost convenience in daily life. At the same time, they demand quality and variety, especially those of healthy food, along with full traceability and product accreditation. Hence, food producers must be able to match the market demand in line with the changing consumer behavior.

## 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	
Production standards	GMP HACCP ISO 9001 ISO 22000 ISO/IEC 17025	GMP+ B1 B2 B3 FAMI-QS AI Compartment RWA ALO	GAP GMP HACCP ISO 9001 Halal Standard	AI Compartment BRC QS RWA ALO	GMP HACCP ISO 9001 Halal Standard BRC	QS ALO
Sustainability standards	Global GAP BAP IFFO RS CoC MSC		Global GAP BAP CoC Dept. of Fisheries Genesis GAP/Lloyd's Register Poultry Scheme		RSPO BAP ASC	
Environment standards	ISO 1400 ISO 14067	ISO 14040 ISO 50001	ISO 14044 AEMAS	ISO 14046		
Occupational safety standards	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 with third-party organization for standard certification as deemed appropriate based on the country's laws as well as requirements of the Company and customers.



We put our heart into food



Bakery



Chicken Products



Egg Products



Duck Products



Soup and Sauces



Supplemental Nutrition Drinks



Pork Products



Shrimp Products

Wonton and Noodle Products



Sausage Products



Ready Meal



Beverage

  
To deliver  
great food and  
good health to  
the World

Note: Product displayed on this page are samples products

# Innovation from the Heart to the Table

The Company cultivates innovative spirit of its people by embracing the concept into the organization culture. All business units are encouraged to push the boundaries of innovation they can achieve in production process, product development, work process and business model as well as innovation for the society and environment. Such effort maximizes competitiveness of the Company while maintaining the equilibrium of nature and social responsibility. Outstanding innovations in 2020 were summarized as follow.

At CPF... we put our heart into selection of the right animal breeds, comprehensive nutrition from carefully chosen raw materials and feed formula, and innovative farming to produce strong, healthy and disease-free animals.

## Breeding research

### CP Super Laying Duck

CP Super Layer Duck was developed by breeding experts that combined dominant features of 3 different types of layer ducks. Chosen breeder ducks with high productivity and large-sized eggs gave birth to CP Super Layer Ducks whose outstanding characteristics are their lean shape, brown feather, voracious eating habit, low-maintenance, and big-sized eggs. They produce 20-30 eggs/layer/year higher than average, adapt easily to all climates, and have strong disease-resistance quality.



## Feed formula innovation

### Hi-Gro 558 F swine feed

Hi-Gro 558 F swine feed is one of the Company's innovation derived from its extensive research development. The formula offers comprehensive nutrition, especially vitamins and antioxidant, highly suitable for breeder sows to enhance transmission of great genetic traits due to its special characteristics that help increasing the sows' sperm by 12% and higher volume of semen by 10-20%. The formula is integral to the success the Company's swine business.



### Eco-friendly feeds formula for laying hens

This feed formula was developed based on specifically selected amino balance and the right enzyme for animals of different ages, aiming to enhance digestion efficiency of animals that promotes their healthiness, growth efficiency, and zero waste emission. In parallel, raw materials such as corn and protein were effectively reduced, resulting in less animal excrement in line with optimized ingredients of the feeds to minimize any excess in animal dietary needs. The eco-friendly feeds formula for laying hens could reduce nitrogen emission by 12-13% and carbon dioxide emission of around 103 tons per year.



## Disease prevention to ensure safety of animals

### AI in Farming and Biosecurity Dashboard

AI is leveraged in the farming and biosecurity dashboard to enable a close surveillance system for employees having contact with animals as well as third-party vehicles and staff, which could expose the farm to disease transmission. Their movements are constantly monitored to ensure they remain in the safety zone. The system scans and differentiates employees from their uniform color to detect whether any staff under surveillance trails off from the restricted zone. Any breach will be immediately notified to the office and governing officers of the farming facility.



## Advance farm monitoring system

### Smart Farm Solution

The Company has developed the smart farm solution system by leveraging the 4.0 technology, especially the Internet of Things, which enables AI to provide the right advices to farmers and increases farming efficiency and cost effectiveness.



At CPF... we have confidence in our food production, which delivers complete nutrition and food safety compliance with international manufacturing standards. We make steady progress in food innovations for all consumers to enjoy great food and good health.

## Research for prevention or detection of pathogens in food

### Introduction of duplex listeria/listeria monocytogenes DNA strip test for detection of pathogens in food

The recent development ensures the food safety and zero contamination prior to food distribution to consumers, especially Salmonella spp., E. coli and L. monocytogenes. Usually, the international certification standard test requires a separate test kit for each pathogen and a long period of time is required for the test result. To minimize the required time and eliminate redundancy, the Company sets out to develop the rapid test kit applicable for all 3 pathogens, which reduced the test period from over 2-7 days to only 5-10 minutes (provided that there are adequate pathogen volume) or 25 hours while the DNA accuracy was augmented in a shorter period of time required in a test.



The rapid test kit for Listeria 2 caused food disease and it is hazardous to the health. The biosensor technique was developed to detect DNA of the pathogens for fast and accurate reading at cheaper costs. The innovation was awarded the 2018 Golden Awards, iENA—New Invention from Germany.

## Healthy food

### Healthy soup for patients and seniors

“The smart soup” is the chicken soup with pumpkin and egg. The formula is designed in response to the nutrition requirement and standard of Ramathibodhi Hospital. The smart soup is categorized as healthy food, suitable for patients which required tube feeding, normal-feeding patients, and senior consumers. The product has high growth potential, since Thailand is becoming an aging society.



### Cheeva pork

Cheeva pork was the winner of the THAIFEX Taste Innovation Show from ThaiFex-Anuga Asia 2020. Cheeva pork, is the World’s First Omega 3 pork, fed with super food such as flaxseed, seaweed, and deep sea fish oil; and it contains 2.5 times more Omega-3 than average. Cheeva pork helps decrease the exposure to cardiovascular disease; and it is chemical-free and raised without antibiotics certified by NSF.



At CPF... we believe that good environment builds a solid fundamental for wellbeing, caring for and saving the world thus is the mission of us all

## Optimal use of resource and energy

### Fresh food chillers of CP Fresh Mart

The Company co-designed fresh food chillers of CP Fresh Mart with business partners to obtain the best quality chiller embedded with advanced technology and high efficiency. The chiller is equipped with auto timer and round flow system to preserve juiciness and tenderness of the meat by preventing freezing; and it is the first of its kind to utilize the R-290 that save electricity cost by 50% when compared to normal chiller. As such, the chiller's useful life has been extended by 40% while reducing carbon dioxide emission to the atmosphere. Thus, we can deliver fresh food to consumers with absolute confidence. This innovation was registered as intellectual property with the Department of Intellectual Property in Thailand.



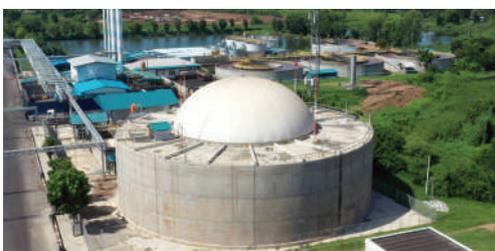
## Minimized waste

### The digital egg

The digital egg solution was introduced to detect crack problem in the egg transport and egg sizing processes. A sensor was invented in an egg shape, equipped with sensors measuring vibration, temperature, and relative humidity which helped to identify the root cause and particular areas where eggs were damaged. Consequently, the problems were addressed and the volume of damaged goods as well as waste were minimized.

## Adoption of renewable energy and minimization of environmental impact

### Introduction of the "Continuous Stirred Tank Reactor" (CSTR)



The CSTR was installed at the Korat chicken processing plant, resulting in the enhanced efficiency of wastewater management, cost effectiveness as well as reduction of chemical for fat elimination by 30% percent and reduction of sludge from fat elimination by 20% when compared to the existing system. Furthermore, the Company focused on production of biogas to replace the use of furnace oil, and it was awarded with carbon credit certification from Thailand's Greenhouse Gas Management Organization (Public Organization) as well as the sustainable waste management award from the Department of Industrial Works.

# Business Growth for Sustainability

The Company places significance on driving business growth for sustainability. The business strategy is determined to deliver appropriate returns for shareholders; concurrently, the sustainability strategy is incorporated among 3 core pillars—“**Food Security, Self-Sufficient Society, and Balance of Nature**”, based on the foundation of good corporate governance and respect for human right and labour practice. The Company aims to achieve health and hygiene of consumers, stability as well as happiness of employees, and to co-create value with business partners and community. In parallel, we strive to conserve natural resource and the environment, which is the capital for social and economic growth in the present and future.

The Company conducted the sustainability review and assessment whereby its extensive coverage included significant opportunities and threats in economic, social, and environmental aspects on an

annual basis in alignment with the 4 pillars of Global Reporting Initiatives (GRI) comprising 1.) Sustainability context; 2.) Materiality; 3.) Completeness; and 4.) Stakeholder inclusiveness.



In addition, the Company strives to advance its engagement in the area of social responsibility toward sustainability in accordance with the UN Global Compact, of which its scope extends to human right, labour, environment, and anti-corruption. Moreover, we integrate 13 goals out of 17 goals of the Sustainable Development Goals (SDGs) of the Company, which are directly in alignment with our capability and potential to reach out for more milestones in our journey to become business with sustainability.



## Human Rights and Labor Practices

The Company sees significance in respect for human right. It therefore has determined the **human rights policy** and **employment and labour management policy** as its operating framework in alignment with requirements of the International Labour Organization (ILO), UN Global Compact, UN Guiding Principles on Business and Human Rights (UNGP), and **Statement on Slavery and Human Trafficking**. This practice reflected its standpoint against modern slavery and human trafficking of any kind. In addition, the Company adheres to respect for human right in its supply chain in accordance with the **sustainable sourcing policy and supplier guiding principle**.



## Food Security

Rising world population triggers a surging food demand around the globe. Food innovation is therefore an essential enabler of the food industry to advance their capacity at the same pace. In addition, farming in alignment with the animal welfare is a key success factor for product quality and food safety. All our efforts aim to secure food access and knowledge for consumers for the purpose of sustainable consumption as well as eradication for hunger and malnutrition for the society at large.

### • Food Innovation

Due to the changing environment and consumer behaviors, the Company has declared its **healthier choice principle as well as other relevant policies** promoting healthiness of consumers. In addition, CPF Food Research and Development Center was established to create innovations in response to consumer demands. It aims to build and strengthen

the organizational culture that encourages constant ideas, creation as well as co-creation of innovation through synergy with third party, leveraged on the strength of CPF Research and Development Center, which serves as the core driver and hub of the food industry in response to the shifting pattern of the global food industry.

### • Animal Welfare

The Company focuses on development and advancement of its animal welfare practice in accordance with the “Five Freedoms” principle; at the same time, establishes the culture of care for animal welfare among its people, which is applicable to the Company’s and contract farmers’ farms. The **animal welfare policy** was announced; the **Animal Welfare Committee** was appointed; and **the Global Vision on Antimicrobials Use in Animals** was signed off to **drive animal welfare progress in a long run**. Furthermore, the manual and standards on works related to animal welfare were launched, which was applicable to management of all farms of the Company in every location around the world. Furthermore, we focus on research and development of animal feeds and farming for enhanced quality and efficiency, internal and third-party evaluation, participation with public agencies, civil society organization, and related stakeholders in order to raise awareness and develop the guideline for good animal welfare.

- **Improving food quality and safety throughout the value chain**

The Company places importance of production process control to meet the global quality and safety standards to ensure that consumers are served with high quality and safe products in accordance to **CPF Quality Policy** and also traceable to its source.

- **Access to Food and Knowledge for Sustainable Consumption**

The Company accentuates quality assurance and standardization of production process in order to ensure quality and safety in accordance with the international standards. The Company aims to gain confidence from consumers on food quality and safety as well as traceability throughout its value chain. Additionally, the Company place importance on adequate, appropriate, and sustainable food access for children, youth, and consumers. The Company leverages on its knowledge and expertise to facilitate access and learning about food production, consumption of proper nutrition, and food safety of children and youth.



## Self-Sufficient Society

Participation in and contribution to management of various issues in and outside its industry are considered a major support for food security and environmental balance. For the said reasons, the Company stresses on taking care of its employees to make CPF a home of happiness in the heart of employees, together with taking care of business partners to enjoy mutual growth, and taking care of the community to enhance the quality of life of farmers and the community.

- **People**

The Company's people vision is **“People Excel-Business Exceeds”** in alignment with the respect for human right and labour practice, which is solid foundation of human resource management. The Company focuses on human resources management. The Company promotes value addition of our people in all positions to be prompt for the changing context of the current global scene such as digital transformation and operations improvement for sustainability. In addition, the Company places importance on safety and hygiene at workplace for employees and labours.

The Company strives to be the learning organization focusing on people development, which commences with onboarding of good and talented people (attraction), retaining good and talented employees with the organization (retention), motivating and incentivizing employees to strive for good performance and self-development (development), developing employees of all levels to have knowledge, ability, and excellence as well as sustainable people development by means of up-skill, re-skill, and new-skill training, enabling them to be ready for business adaptation in the challenging business environment. Interactive learning is applied for employees to excel from learning by doing.

## Cultivating strong Organization Culture

The Company engages in the business based on honesty, integrity and benefits of the public through promotion and cultivation of the “Master 4D Guideline” process through change agents. The Company enjoyed healthy participation of senior executives, management of business units; and all employees to strengthen clear and systematic guideline for a stronger organizational culture.



## People Development

The Company defines the people development framework on the foundation of leadership and competency framework. The guideline for people development is divided into 3 main categories as follow.

1. People development based on CPF core values framework
2. People development based on leadership competency framework
3. People development based on leadership challenge framework

Regarding people development based on functional and technical competency framework, the Company encourages all business units to prepare the people development plan to increase the knowledge and skill necessary for each business unit. In addition, learning centers were established in Thailand and overseas to enhance expertise of professionals in each field.

Furthermore, the Company focuses on development of digital knowledge in the human resources development. The online basic digital technology training course was introduced along with the online learning tools such as e-learning and CPF Connect Portal and knowledge management system. Additionally, online learning was encouraged by means of introducing various learning topics such as product knowledge, and basic knowledge on corporate sustainability in order to build familiarity of online and digital learning for our people.

### • Business Partners

From 2015 onwards, the Company has shared the guideline for doing business with responsibility through communications and training programs about **sustainable procurement and practice guideline for business partners**, which was expanded to overseas partners. Also, the environment,

social, and governance: supplier sustainability self-assessment was integrated in the initial sustainability assessment for business partners in accordance with **CPF Supply Chain ESG Management Approach**.

• **Community**

The Company puts emphasis on continuous support for careers that yield stable income for farmers and SMEs businesses following the strategy of “4Cs to Sustainability: Competency + Creation + Collaboration + (Connection)”. The Company leverages its strength to bring about positive affect while minimizing any negative social impact, to share and develop **ideas** or innovations which promotes responsibility, to encourage **engagement** between the Company, employees, and relevant parties, including collaboration with our **network** to enhance operating effectiveness and efficiency in a long run. Moreover, we provide support for



socially vulnerable groups, especially senior and disabled people in the surrounding community through promotion of sustainable income and occupations.



**Balance of Nature**

The Company is well aware that natural resources are limited; thus, strives to operate its business in a manner that minimizes impact on the environment and preserves the natural resources in every touchpoint throughout its value chain. The Company is driven to “develop packaging for sustainable development”; “minimize impact on the environment”, while “protecting biodiversity” in order to create balance for development and sustainable future.

• **Sustainable Packaging**

The Company recognizes and is determined to contribute to sound management of food packaging waste, especially plastic problem that has been addressed as a global issue. The Company thus sets forth the **goals, policies, and guidelines on sustainable packaging** based on the **circular economy concept** throughout its supply chain.



The Company synergizes with producers of raw materials and packaging developers to research and design packaging innovation as narrated below., and

- The primary objectives are to **secure food quality and safety** by packaging innovation that serves the purpose
- The key preference is **plastic alternatives or plastic made from alternative and/or replaceable materials** that enabled the package to be reusable.
- The key solution is to **develop reusable packaging** in case the alternative raw materials offering the food quality and safety equivalent to plastic packaging are not available

The Company has reached several milestones in its effort to minimize the environmental impact throughout its supply chain. In 2013, the livestock business introduced the use of bulk feed tank to replace plastic feeds packaging; and in 2016, the aquaculture business replaced seeds plastic container with Q-Pass tank, which enabled multiple use after sterilization. The fully-integrated broiler business in Thailand shifted from using plastic bags for product part transport during production process, to use stainless trays instead. Concurrently, the Company focuses on minimizing single use plastic packaging. To name a few, STAR coffee promoted minimal use of plastic straws, which was replaced by the new design of the coffee cup lid that encourages direct drinking; and Chester's no longer used plastic containers for food and beverage takeaways as they were replaced with paper counterparts.

- **Minimal Impact toward the Environment**

The Company integrates the circular economy concept in its operations throughout the supply chain in accordance with **occupational safety and health and renewable energy policies**, aiming for optimal resources utilization and minimum environmental impacts. Several initiatives include adoption of renewable energy throughout the production process. To further elaborate, the energy source of steamers utilized in the feeds business is now biomass in replacement of coals; the wastewater and manure are treated for production of biogas that fuels power generation utilized in the swine and chicken farming business. In addition, solar PV was installed for power generation at farms of the aquaculture business; the ultra-filtration was introduced in the wastewater treatment process that allows proper usage of treated water; and the swine business further leverages on the biogas production where the treated water from the system is developed to



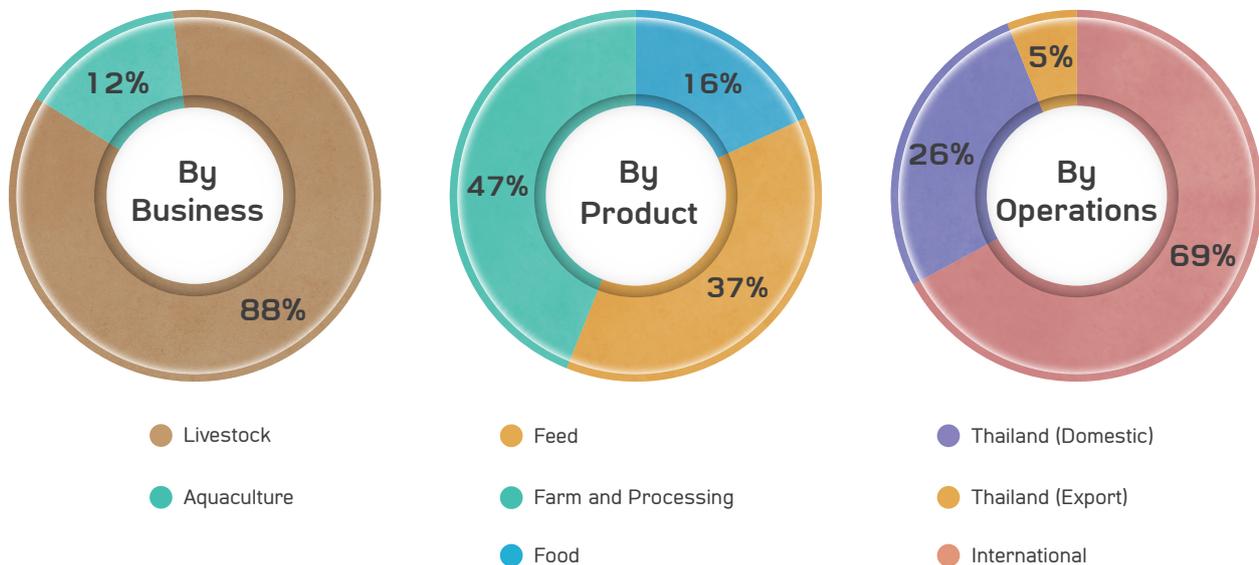
be liquid fertilizer and provided to surrounding communities via the “Liquid fertilizer for Share” project to help farmers save their farming cost.

- **Biodiversity**

The Company underlines its key decisions on **location selection**. To name a few, its **location of business shall not be in the natural resource and environmental conservation zones** in compliance with the regulations, requirements, standards, and the ministerial rules. Furthermore, environmental impact assessment is conducted on a regular basis; **and the source of agricultural key raw materials shall not be involved with area without ownership title deeds**. The Company ensures **full traceability and responsible sourcing** in its procurement of corn, soymeal, palm oil, cassava, and fish meal utilized in feeds production. We have implemented the “CPF Plant-Participate-Protect” –an ongoing project which commenced in 2014, with dedication to preserve and restore mangrove forests in 5 provinces of Thailand, which serve as the abundant ecosystem and nursery for marine lives at early stages. In addition, the CPF for Ecosystem Preservation at Pasak Basin project at Praya Dern Thong mountain in Lopburi province has been ongoing since 2016 during which the area of extreme drought has been transformed to green forests that contributes to the balance of nature.

# 2020 Performance Highlights

## Sales Breakdown

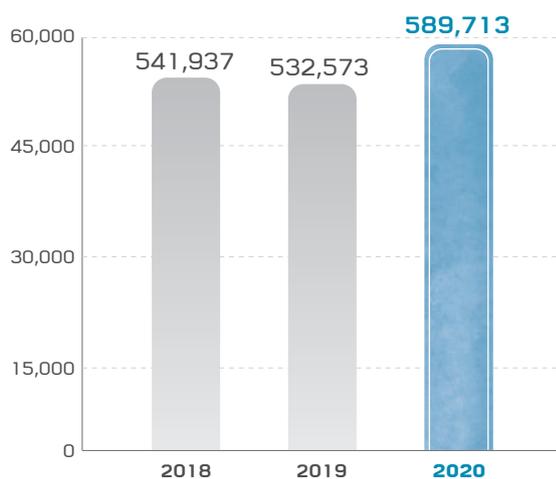


In 2020, the Company's sales revenue was 589,713 million baht, an increase of 11% from the previous year. This was due to 15% increase in overseas operations and 3% increase in Thailand operations. The main factor was that the Company had placed great emphasis on the manufacturing process management with highest standards and modern technologies and innovations, including applications of AI systems which enhanced works and generated better results in the industry. Therefore, even during the outbreaks of COVID-19 crisis and African swine fever (ASF), the Company could improve business performance. In addition, swine shortages had resulted in swine prices rising from the previous year in Asia, especially in Vietnam, Thailand and Cambodia. Moreover, the performance of aquatic business in Thailand had improved due to increased business efficiency and marketing strategy adjustments, thus, the Company's sales volume of shrimp in Thailand increased significantly. As a result, the Company's gross profit margin in 2020 was 18%, increased from 14% of the previous year. Selling and administrative expenses was 57,380 million baht, an increase of 2,983 million baht or 5%, due to increased sales. Thus, the Company's earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to 81,692 million baht or a 72% increase.

Net profit for the year 2020 amounted to 26,022 million baht, an increase of 41%, and earning per share was 3.14 baht per share. The Board of Directors resolved to propose to the Annual General Meeting of Shareholders No. 1/2021 to consider and approve the dividend payment from the 2020 operating results to shareholders totalling 1.00 baht per share, which had already been paid as an interim dividend to shareholders at the rate of 0.40 baht per share on September 11, 2020

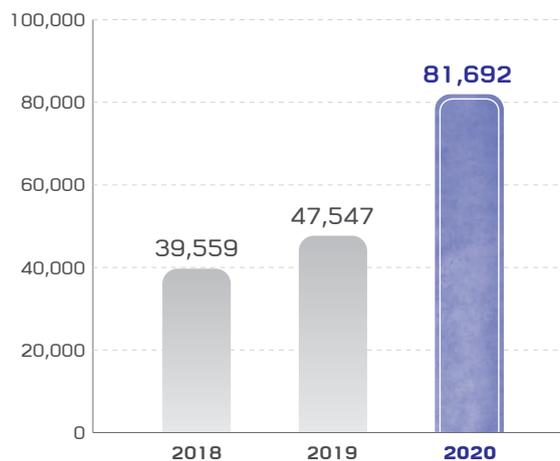
## Revenue from Sales

Unit: Million Baht



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

Unit: Million Baht



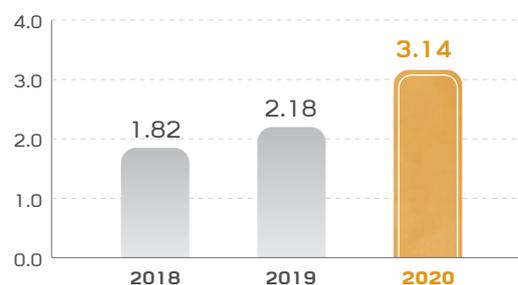
## Net Profit<sup>(2)</sup>

Unit: Million Baht



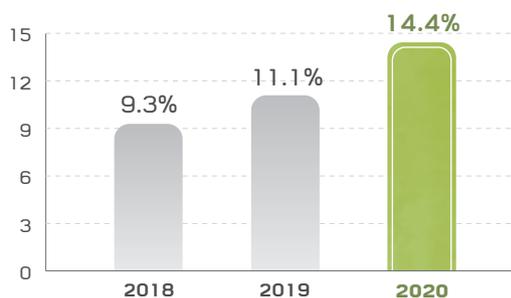
## Earnings per Share

Unit: Baht per Share



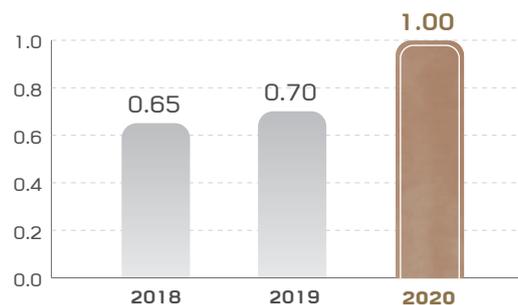
## Return on Equity<sup>(3)</sup>

Unit: Percentage



## Dividend per Share

Unit: Baht per Share



<sup>(1)</sup> EBITDA = Revenue from Sales of Goods - Cost of Sales Goods + Net other Income - Selling & Administrative Expense + Gain (Loss) From Foreign Exchange + Depreciation & Amortization + Depreciation of Biological Asset

<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 in 2020



## Thailand Sustainability Investment (THSI)

The 2020, Thailand Sustainability Investment (THSI) award in the agricultural and food industry was conferred to CPF by the Stock Exchange of Thailand (SET) in recognition of CPF's outstanding performance in environmental, social, and governance aspects based on the concept of sustainable development while delivering continuous business and growth.



## ASEAN Asset Class PLCs

The ASEAN Asset Class PLCs award from the 2019 ASEAN CG Scorecard project which was sponsored by ASEAN Markets Forum and Asian Development Bank (ADB) was conferred to CPF in recognition of its cooperation with capital market organizations in 6 ASEAN countries for the purpose of uplifting corporate governance of listed companies in ASEAN to be on par with the international standards.



## Thailand Corporate Excellence Awards 2020

Thailand Corporate Excellence Awards 2020 was organized by the Thailand Management Association (TMA) and Sasin Graduate Institute of Business Administration of Chulalongkorn University. The award recognized CPF for its outstanding leadership, innovation for the society, and contribution of sustainable growth of the Thai economy.



## The Asian Excellence Awards 2020

CPF won 5 awards from "Asia Excellence Awards 2020" by Corporate Governance Asia—a leading financial magazine. i.e. "Asia's Best CEO", "Asia's Best CFO", "Best Investor Relations Professional", "Best Investor Relations Company" and "Best CSR Company" in honor of its outstanding business performance and international recognition.



## The World's Best Employer 2020

CPF won the "The World's Best Employer 2020" by Forbes magazine and ranked No. 1 Thai company delivering distinguished contribution in terms of food security for the society in its accomplishment to elevate the safety and COVID-19 prevention measures, applicable throughout its supply chain, leading to food security and safety for consumers.



## Annual Institutional Investor Awards for Corporates

CPF was the winner of 4 awards from 10<sup>th</sup> Annual Institutional Investor Awards for Corporates by Alpha Southeast Asia i.e., "Best CFO In Thailand" conferred to Mr. Paisan Chirakitcharern (CFO), "Best Senior Management IR Support", "Strongest Adherence to Corporate Governance", "Most Consistent Dividend Policy", and "Best Strategic CSR", all of which reflected management excellence in respective aspects.



### **Brand Leadership Award**

CPF received the Brand Leadership Award from the 2019 Thailand Best Brand Awards organized by the World Marketing Congress for sustainable marketing. The Company was recognized in its integrated food business delivering food quality with the international standards for the health of consumers while upholding social and environmental responsibility.

### **Sema Kunupakarn Award 2020**

Mr. Prasit Boonduangprasert, Chief Executive Officer of CPF, received the Sema Kunupakarn Award 2020 from the Ministry for Education in honor of the contribution to the Ministry of Education in respect of continuous support for the CONNEXTED project for future education of children.

### **Quality Persons of the Year**

The award was conferred to Mr. Sooksunt Jiumjaiswanglerg, Vice Chairman of CPF in 2020 due to his outstanding performance, exemplary management skills. In this connection, CPF was awarded the “Contribution to the Nation” award in recognition of its contribution to the society and the country.

### **C.P. Vietnam Corporation**

C.P. Vietnam Corporation was conferred the CSI-100 Award by Vietnam Business Council for Sustainable Development (VBCSD) in the benchmarking and announcing sustainable companies in Vietnam 2020 in recognition of its distinguished sustainability performance.



C.P. Vietnam Corporation was ranked No.1 company in the fresh and chilled food industry by Vietnam Top 10 Food Reputation Award 2020, which reflected widespread acceptance and trust from Vietnamese consumers. In addition, the Company won the Gold Brand from the Vietnam’s Agriculture Award 2020, conferred to brands offering outstanding agricultural products and services and leading producer with food safety excellence.

### **CPF INDIA PVT LTD.**

CPF India won the the Excellence in Partnership 2019 Award in “KFC Supplier’s Conference 2019”. held at Le Meridien New Delhi hotel in India. The award signified excellent contribution of CPF India, highly appreciated by KFC, the biggest account of the company.

### **Certification of ESG 100 Company**

CPF was conferred the “ESG100 Company 2020” certification by Thaipat Institute for the 4<sup>th</sup> consecutive year, reflecting its strong commitment in operating business with strict adherence to environment, social and governance (ESG) compliance while delivering appropriate returns for investors and stakeholders and sustainable growth. Furthermore, the Three Benefit for Sustainability Award was established as recognition for the Company’s internal functions driving business while building sustainability.

### **SAM Silver Class Award**

CPF was conferred with the SAM Silver Class Award in the foods industry, and it was listed in The Sustainability Year Book 2020 for the first year. The Company won the Bronze Class Award in 2018. This reflected CPF’s commitment to continuously operate on the foundation of sustainability.

### **Sustainability Award**

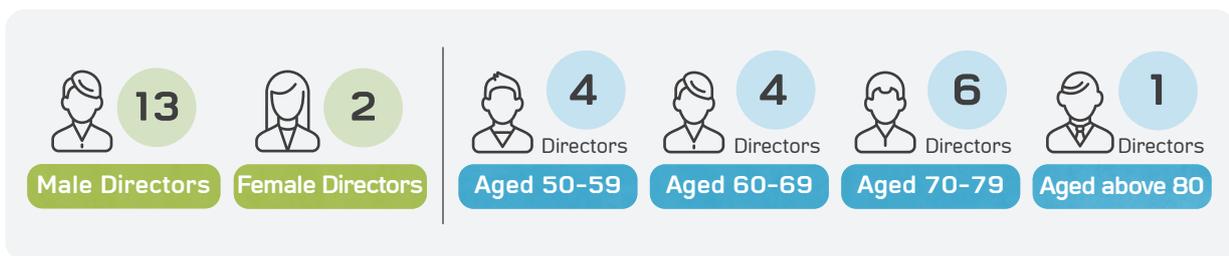
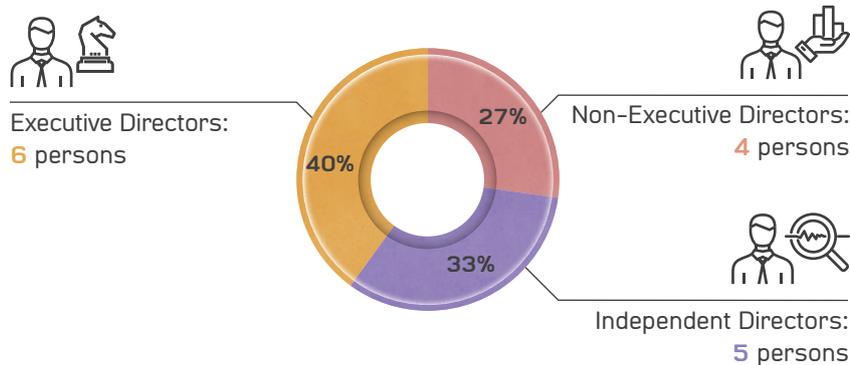
CPF received the Sustainability Award from Kemin Industries, a global ingredient manufacturer, in recognition of its effort to drive for business growth while promoting social and environmental, and responsibility.

# Corporate Governance

Good corporate governance begins with determination of clear management structure; a search of highly experienced directors who are visionary and with firm understanding of business; establishment of clear scope of responsibility of committees as well as policies and guideline for shareholders and stakeholders; disclosure of information in a correct, transparent, and timely manner, and cascading of policies and guidelines to executives and employees for acknowledgement and adherence.

## Corporate Governance Structure

**Board of Directors, representing shareholders, consisted of 15 directors, 5 of which were independent directors.**



**The Board of Directors** governs business in compliance with laws, goals, requirements, and resolutions of the Meeting of Shareholders; and oversees the management to achieve goals in line with annual strategies and business plans approved by the Board of Directors, while balancing benefits of the Company and all stakeholders.

### Roles of Board of Directors



Define goals



Govern business operations



Evaluate, monitor, and disclose



**The Remuneration and Nominating Committee** identifies persons qualified for director position and proposes to the Board of Directors for approval, or for further proposal to the following Meeting of Shareholders. In this regard, shareholders are provided with an opportunity to nominate qualified persons for Director position based on related criteria.

Sub-committees were appointed by the Board of Directors to focus on key tasks in different aspects. In addition, the Company established functions to support business governance as follows;

- Audit Committee,
- Remuneration and Nominating Committee,
- Corporate Governance Committee,
- Corporate Social Responsibility and Sustainable Development Committee,
- Technology and Cyber Security Committee



**13 meetings** | February  
 March | April | May  
 June | July | August  
 September | November | December

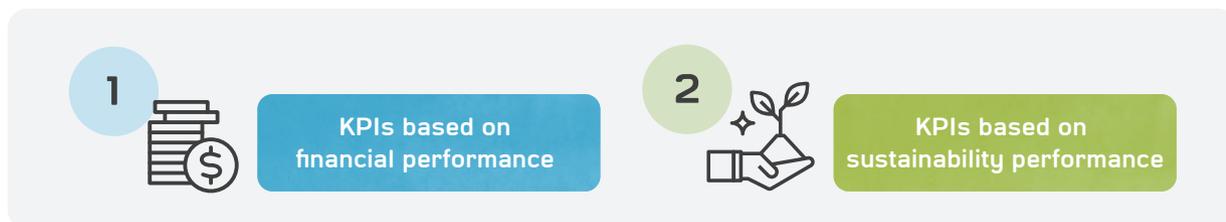
2020 Boards of Directors Meeting

**The Corporate Governance Committee** has duty to define the scope and policy relevant to corporate governance, to propose corporate governance guidelines as well as recommendation to the Board of Directors, to review corporate governance compliance of Directors and senior executives, to review corporate governance guideline by benchmarking against international practice, and to propose to the Board of Directors any modification for enhanced effectiveness and efficiency.

In addition, **the Executive Committee** was also appointed by the Board of Directors, comprising senior executives of core business functions and supporting functions to assist the Board of Directors in ensuring that the business is managed in alignment with policies and business goals in an effective and efficient manner.

## Performance Evaluation of Chief Executive Officer

The Board of Directors conducts performance evaluation of Chief Executive Officer on an annual basis, the result of which will be taken into account for remuneration determination based on 2 key indicators i.e.



## Corporate Governance Policies

The Company believes that good corporate governance is a vital element for sustainable development of the Company and shall be sustained hand-in-hand with its business growth to ensure healthy financial performance in a long run while earning trust along with creation of sustainable value for the business. By attaining this, the Company shall continue to meet expectations of business sector, shareholders, stakeholders, and the society at large. The Company therefore determined the corporate governance policy and incorporated it as a part of mission of the Board of Directors, management, and employees to ensure their acknowledgement and adherence. **A minimum of one evaluation of compliance with related policies and regulation shall be conducted on an annual basis; the result thereof will be reported to the Board of Directors.**

## Annual general meeting of shareholders

CPF organizes the Annual General Meeting of shareholders in every April. However, the COVID-19 pandemic crisis in 2020 resulted in the postponement of the Meeting from April 2020 to be 24 June 2020. In this connection, the Company ensured comprehensive compliance with the policy on promotion of shareholders' right; and distributed related documents and information to shareholders via the website of the Company.



30 September 2019 - 31 December 2019

Shareholders were invited to propose the meeting agenda and nominate qualified candidates



# Anti-Corruption

The Company ensures that its employees shall not tolerate corruption by raising awareness of employees in all levels via policies and guidelines in various formats and distribution channels. The Company has provided the anti-corruption policy with translations in 12 languages to enable communication in all countries where its investments are located. Moreover, the Company has various communications channels, namely mails, telephone calls, facsimiles, electronic mails, and the Company’s website, for employees, stakeholders, or third parties to report any lead or complaint about violation against the laws, code

of conduct, or any right; or an act of corruption. Whistleblowers shall be under protection of the Company and details of complaints will be kept confidential and undisclosed to irrelevant parties, unless required by the laws. Fair treatment and protection will be ensured for employees who refuse to take any action deemed to be crime of corruption. In this regard, risk management procedure of the Company also included corruption risk assessment. In addition, the Company has also determined its risk management process which included corruption risks.

**“The Company was certified as a member of the Private Sector Collective Action Coalition Against Corruption (CAC), reflecting the determined stand point of the Company to apply the anti-corruption policy for actual practice throughout the organization since 2017. Currently, the Company is applying for re-certification, which is required on an every 3-year basis, reflecting its firm adherence to the anti-corruption policy in an effective manner enterprise-wide.”**



# Corporate Governance of Subsidiaries and Associated Companies

The Company has policy to appoint representative to serve as director in subsidiaries to oversee their operations to ensure alignment with the Company’s policy in an effective and efficient manner. In a case where a company, whose shares are held by CPF, organizes the meeting of shareholders, the Board of Directors of CPF shall make voting decision of each agenda and shall appoint proxy to attend such meeting. For joint ventures, CPF govern in accordance with mutual agreed strategies as stated in joint venture agreements.

Note: Further details are available in the Annual Report 2020 (56-1 One Report).

# Risk Management



In the context of evolving business environment and demands of stakeholders, the Company strongly believes that risk management on an organizational level will serve as a key success factor for the Company to achieve its business goals; at the same time, facilitate the organization to be adaptive for changes and to realize more business opportunities as well as advancement in sustainability and appropriate returns to stakeholders. However, risk management may be exposed to external risks beyond control or management, any of which could adversely impact the operation and reputation of the Company.

## Risk Management Culture

The Company has continuously built risk management culture via various engagements to disseminate knowledge and understanding about risk and risk management. The Company carried out the following activities to establish the risk management culture.

- The risk management policy was announced and cascaded down to all employees of the organization.
- The risk management framework was made; and the risk management was integrated to the internal



operating processes of the organization so as to raise awareness of uncertainty reflected in risk management and to encourage that risk management be incorporated in the operations.

- Risk appetite levels were determined and communicated to all relevant employees.
- Risk management was incorporated in the strategies of all business units to ensure adherence and compliance. We emphasized its importance to employees of all levels and the fact that risk should be taken into account in decision-making and operations.
- Training was provided by internal and external parties to ensure understanding of executives

about risk and assessment, which had impact on business targets or operating strategies.

- Workshops on risk management were organized for executives of business units by the office of risk management.
- Risk management process was put in place; and risk management standards compilation was regularly monitored.
- Risk assessment process was incorporated in consideration of significant investment projects of the Company
- Key Risk Indicators (KRIs) were determined and served as alert signals for future risks and progress trackers in relation to risk management.

## Risk Management Policy

The Company has developed an integrated risk management system with an aim to ensure alignment of risk management guidelines throughout the organization, with extensive coverage to all types of risks, including the environmental, social, and governance or ESG risk, incurred in all operating procedures and to employees of all levels. Concrete implementations were preceded in compliance with COSO (The Committee of Sponsoring Organizations of the Treadway Commission), including risk management and culture, determination of strategies and objectives, identification of risk factors and relevancy to business strategies and goals, risk assessment, management, monitoring as well as review of risk level due to significant changes of current scenarios, risk reporting, and systematic and continuous communication. In this connection, risk appetite serves as the foundation for risk management. The Risk Management Subcommittee is in charge of reporting the risk assessment result to the Executive Committee and the Audit Committee, respectively. In addition, such report will be proposed to the Steering Committee for acknowledgement and the proposed risk management measures shall be implemented accordingly.

## Key Risks

	Future risk		ESG risk		Strategic risk
	Operating risk		Financial market risk		Legal and monopoly risk
	Image and reputation risk		Risk on having any shareholder holding shares more than 25% of all issued and paid-up shares.		

Note: Details of the risk management culture, risk management framework, key risks, and other possible risks, which are of less significance, but recognized and monitored by the Company, are available in the Annual Report 2020 (56-1 One Report).

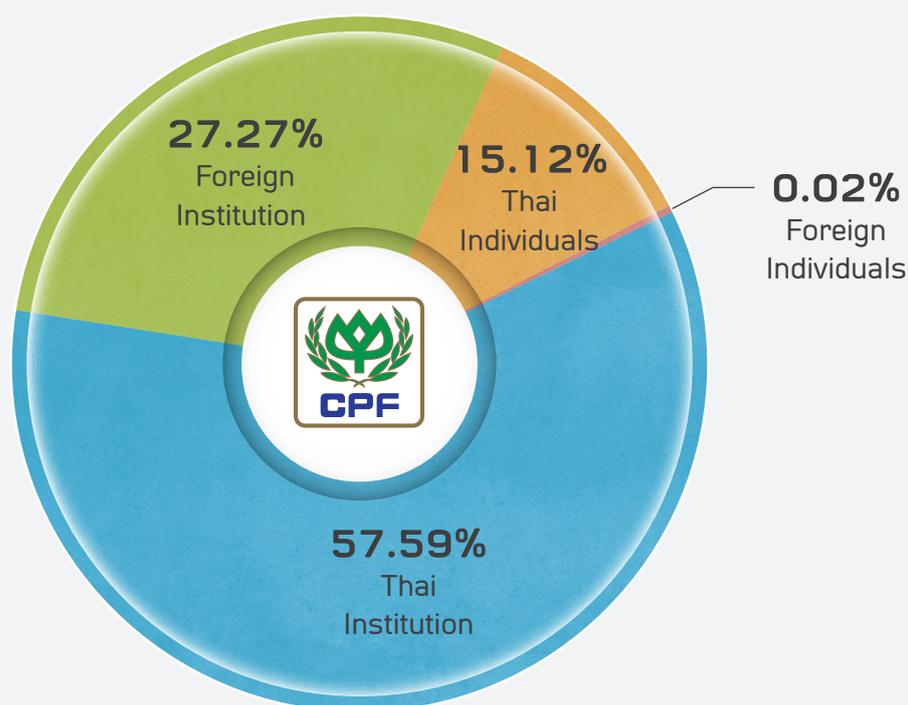


# Capital and Shareholders Structure

Registered Capital and Paid-up Capital

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

Shareholders Structure as of March 12, 2020



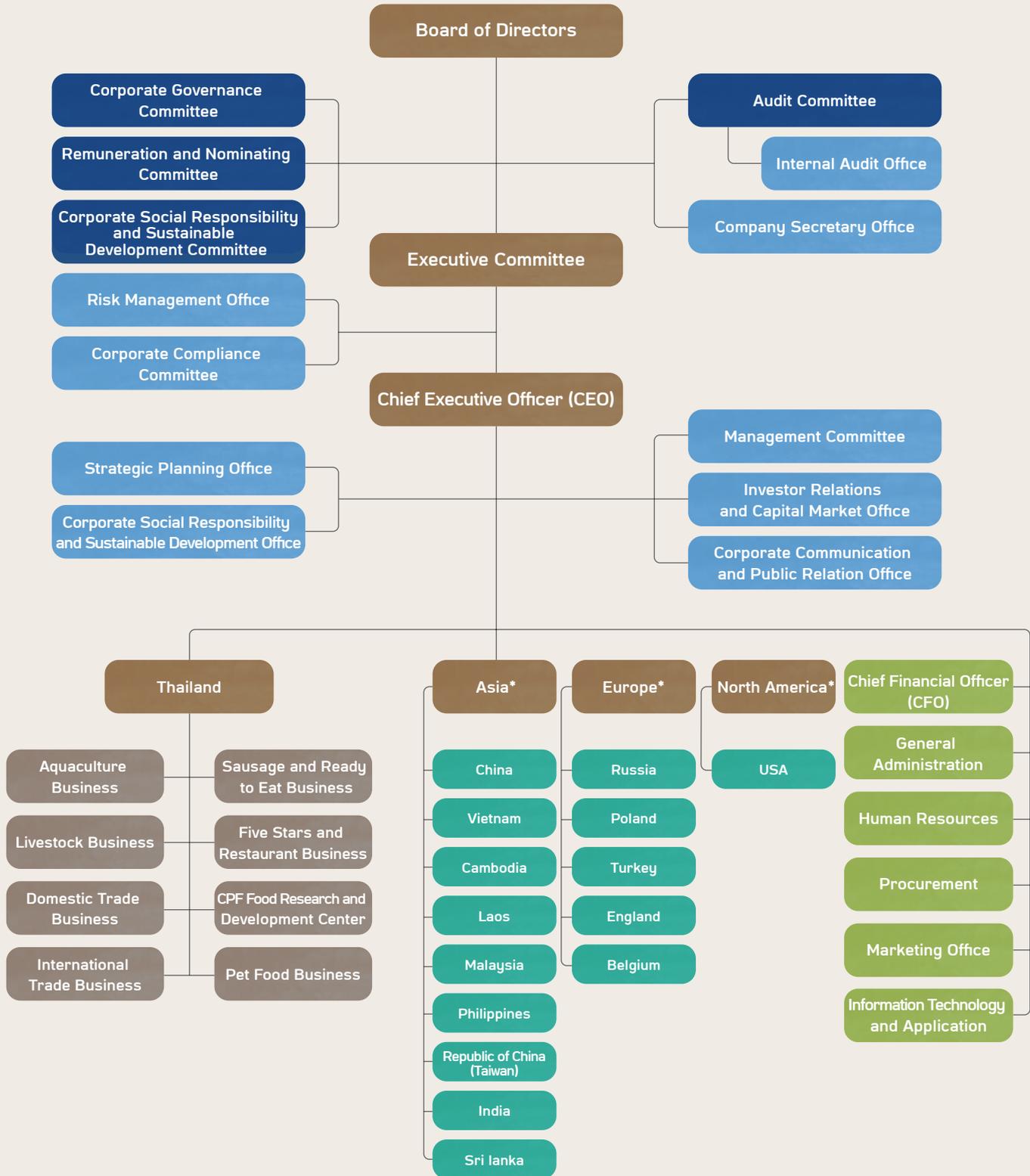
## Top 10 Major Shareholders as of March 12, 2021

Name	No. of Shares	Percentage
1. CPG Group <sup>(1)</sup>	4,429,098,680	51.43%
2. Thai NVDR Co., Ltd.	630,488,740	7.32%
3. Social Security Office	295,858,920	3.44%
4. STATE STREET EUROPE LIMITED	206,543,160	2.40%
5. GIC PRIVATE LIMITED	152,842,822	1.77%
6. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	135,618,150	1.57%
7. Mr. Prinya Tieworn	83,500,000	0.97%
8. VAYUPAK FUND 1	59,198,200	0.68%
9. MORGAN STANLEY & CO. INTERNATIONAL PLC	44,269,700	0.51%
10. BNY MELLON NOMINEES LIMITED	39,897,427	0.46%

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 2535 (as amended)

# Management Structure

(As of December 31, 2020)



Note:

\* Country in which the Company has operating subsidiary



# Board of Directors

(As of December 31, 2020)



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|--|--|--|
| 1. Mr. Soopakij Chearavanont<br>Chairman <sup>(1)</sup>        | 6. Mr. Rungson Sriworasat<br>Director <sup>(2)</sup>           | 11. Mrs. Arunee Watcharananan<br>Director <sup>(1)</sup>     |
| 2. Mr. Chingchai Lohawatanakul<br>Vice Chairman <sup>(1)</sup> | 7. Professor Dr. Pongsak Angkasith<br>Director <sup>(2)</sup>  | 12. Mr. Prasit Boondoungprasert<br>Director <sup>(1)</sup>   |
| 3. Mr. Adirek Sripratak<br>Vice Chairman <sup>(1)</sup>        | 8. Pol. Gen. Phatcharavat Wongsuwan<br>Director <sup>(2)</sup> | 13. Mr. Siripong Aroonratana<br>Director <sup>(1)</sup>      |
| 4. Mr. Phongthep Chiaravanont<br>Vice Chairman <sup>(1)</sup>  | 9. Mrs. Vatchari Vimooktayon<br>Director <sup>(2)</sup>        | 14. Dr. Sujint Thammasart, D.V.M.<br>Director <sup>(1)</sup> |
| 5. Mr. Suphachai Chearavanont<br>Vice Chairman <sup>(1)</sup>  | 10. Mr. Vinai Vittavasgarnevej<br>Director <sup>(2)</sup>      | 15. Mr. Paisan Chirakitcharern<br>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

(As of December 31, 2020)



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4



5

1. **Mr. Prasit Boondoungprasert<sup>(1)</sup>**  
Chief Executive Officer (CEO)
2. **Mr. Siripong Aroonratana<sup>(1)</sup>**  
Chief Operating Officer –  
Livestock Business and  
Sausage and Ready-to-eat  
Business
3. **Dr. Sujint Thammasart, D.V.M.<sup>(1)</sup>**  
Chief Operating Officer –  
Aquaculture Business
4. **Mr. Sathit Sangkanarubordee<sup>(1)</sup>**  
Chief Operating Officer –  
Five Stars and  
Restaurant Business
5. **Mr. Paisan Chirakitcharern<sup>(1)</sup>**  
Chief Financial Officer

## Executives International Operations

1. **Mr. Bai Shanlin**



China

4. **Mr. Thong Chotirat**



Republic of China (Taiwan)

7. **Mr. Thomas Smith**



United States of America

2. **Mr. Montri Suwanposri**



Vietnam

5. **Mr. Chainan Nuphet**



India – Livestock Business

8. **Mr. Preeda Chunwong**



Cambodia

3. **Mr. Nick Shaw**



United Kingdom

6. **Mr. Wichit Kongkheaw**



India – Aquaculture Business

9. **Mr. Buree Srina**



Russia – Livestock Business



- 6. Mr. Rewat Hathaisattayapong**  
Executive Vice President -  
Livestock Feed Business
- 7. Mr. Somporn Jermpong**  
Executive Vice President -  
Pig Business
- 8. Mr. Narerk Mangkeo**  
Executive Vice President -  
Instant Food Business
- 9. Mr. Sujarit Mayalarp**  
Executive Vice President -  
Domestic Trade Business
- 10. Mr. Anat Julintron**  
Executive Vice President -  
International Trade Business
- 11. Mr. Somkid Wannalukkhee**  
Senior Vice President -  
Egg Business
- 12. Mr. Tanapol Sagulwiwat**  
Senior Vice President -  
Duck Business
- 13. Dr. Ming Dang Chen**  
Executive Vice President -  
Aquatic Research  
and Development
- 14. Mr. Pairoj Apiruknusi**  
Executive Vice President -  
Aqua Integrated Business  
Thailand Area
- 15. Mr. Robins Mcintosh**  
Executive Vice President -  
Aquatic Breeding Business
- 16. Mr. Voravit Janthanakul**  
Executive Vice President -  
General Administration Unit
- 17. Mr. Sunsern Samaisut**  
Executive Vice President -  
Information Technology  
and Application Unit
- 18. Dr. Sommai Tachasirinugune**  
Executive Vice President -  
Quality Assurance Unit
- 19. Mr. Virote Kumpeera**  
Executive Vice President -  
Agro-Industry Technology  
and Innovation Unit
- 20. Mr. Anurat Suthamnirun**  
Executive Vice President -  
Food Product Engineering Unit
- 21. Mr. Nattawat Chunhawuttiyanon**  
Executive Vice President -  
Investment and Business  
Development Unit
- 22. Ms. Pimonrat Reephattanavijitkul**  
Executive Vice President -  
Human Resources Unit
- 23. Mrs. Kobboon Srichai**  
Company Secretary and  
Head of Investor Relations  
and Capital Market Office

Note:

<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

**10. Mr. Thomas Norgaard**  
 Russia

**11. Mr. Paradon Jinkunthong**  
 Turkey

**12. Mr. Sakol Cheevakoset**  
 Philippines -  
Livestock Business

**13. Mr. Udomsak Aksornphakdee**  
 Philippines -  
Aquaculture Business

**14. Mr. Santipharp Seesuanphip**  
 Malaysia - Livestock Business

**15. Mr. Wirat Phothiphan**  
 Malaysia - Aquaculture Business

**16. Mr. Thamnong Pholthongmak**  
 Laos

**17. Mr. Michael Tops**  
 Belgium

**18. Mr. Habeeb Mohamed Ziauddin**  
 Sri Lanka

**19. Mr. Marcin Świąć**  
 Poland

# Contact Us



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Tel : 02-800-8000







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