



Charoen Pokphand Foods Public Company Limited

Sustainability Report 2023

KITCHEN OF THE WORLD

*Nurturing the Health
of the World*





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Definition

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



Form 56-1
One Report 2023



Annual Review
2023



The Company's Purpose

Vision

Kitchen of the World

Creating food security to consumers worldwide

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 emphasizes the creation of **a world-class, modernized production process**, as well as efficient and **eco-friendly** 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.



Kitchen of the World

Corporate Strategic Direction

Sustainable Growth



Expand integrated agro-industrial and food business



Enhance capability to become a global company

Aiming for Excellence



Be a leader in quality and food safety



Promote innovation and efficiency enhancement

Building Solid Foundation



Focus on people development



Take responsibility for society and environment

Corporate Governance



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



Adapt to Change



Speed and Quality



Simplification



Integrity, Honesty and Reciprocity



Innovativeness



CPF Operation Structure

as of 31 December 2023



* % of Sales Revenue in 2023

38%*



Thailand Operations

32%*

Domestic

6%*

Export

62%*



International Operations

27%*

CPP

20%*

Vietnam

7%*

China

35%*

Other ⁽²⁾

Republic of China (Taiwan)

Russia

United States

Philippines

Cambodia

Malaysia

United Kingdom

India

Türkiye

China (CTEI)

Laos

Poland

Belgium

Sri Lanka

Associate and JV of CPP ⁽¹⁾

CP-Meiji (59.99%)

HyLife Investment (50.10%)

Ross Breeders Siam (49.99%)

Arbor Acres Thailand (49.98%)

SuperDrob (49.45%)

Camamor Produtos Marinhos (40.00%)

CP ALL (34.45%)

CP AXTRA (8.85%)

Well Well Invest S.A. (33.33%)

Associate and JV of CPP ⁽³⁾

Chia Tai Investment (26.69%)

Note :

⁽¹⁾ % of shareholding represent both direct and indirect holding. Presenting only major associates and joint ventures.

⁽²⁾ List of other operation areas.

⁽³⁾ Group of associate and joint venture of CPP. Details are available in Note to Financial Statements for the year 2023.



CPF Worldwide

Operates and invests in 17 countries



Distributes to **>50** countries **5** continents



Caters to **>4,000** million people

Details of the Company's International Operation

As of 31 December 2023

North America

(2 countries)



Europe

(5 countries)



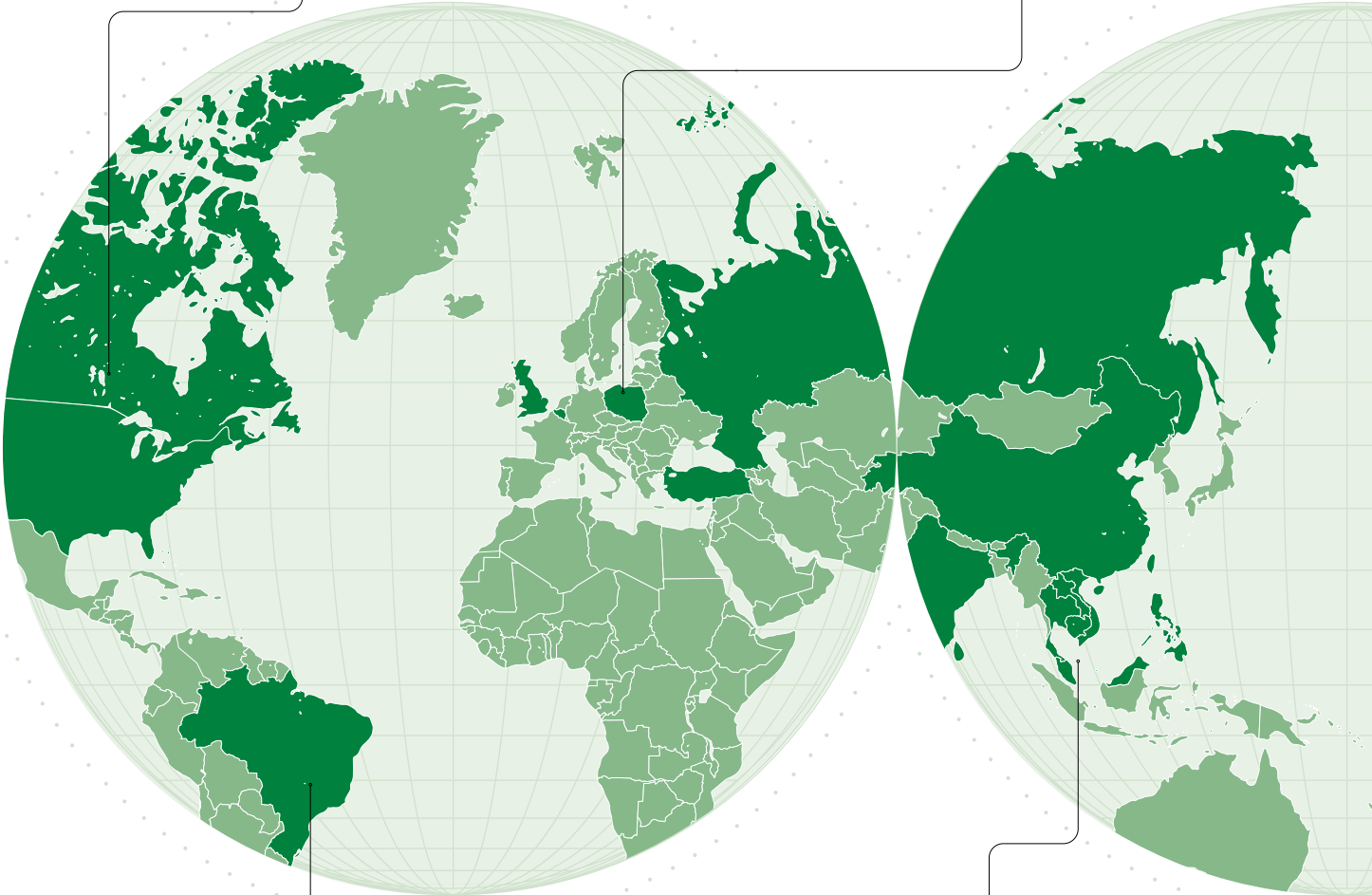
South America

(1 country)



Asia

(9 countries)

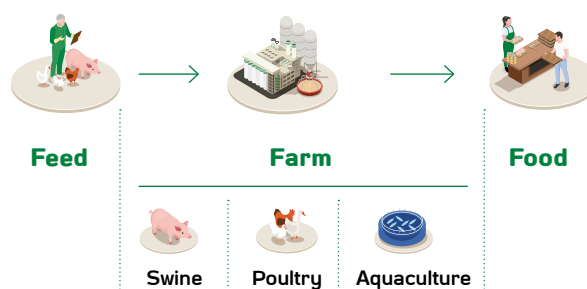
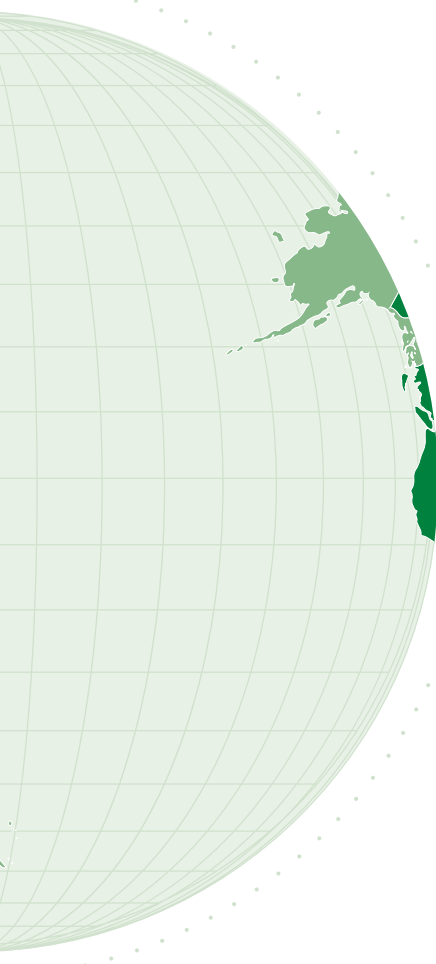


Sale Revenue
585,844 million Baht

Income Tax Paidⁱ
4,442 million Baht

Investment on Human Capital
61,507 million Baht

ⁱ Income Tax Paid is from the Statements of cash flows in Consolidated Financial Statements of Charoen Pokphand Foods PCL. (CPF) and its subsidiaries.



	Feed	Swine	Poultry	Aquaculture	Food
Asia					
Thailand	●	●	●	●	●
China	●*	●*	●	●	●
Republic of China (Taiwan)	●	●	●	●	●
Vietnam	●	●	●	●	●
India	●	●	●	●	●
Cambodia	●	●	●	●	●
Philippines	●	●	●	●	●
Malaysia	●	●	●	●	●
Laos	●	●	●	●	●
Sri Lanka	●	●	●	●	●
Europe					
United Kingdom	●	●	●	●	●
Russia	●	●	●	●	●
Türkiye	●	●	●	●	●
Belgium	●	●	●	●	●
Poland	●	●	●	●	●
North America					
United States	●	●	●	●	●
Canada*	●	●	●	●	●
South America					
Brazil*	●	●	●	●	●

Remark: * Business of associates and joint ventures



Message from Executives



On behalf of the Board of Directors and executives, we would like to extend our sincere gratitude to all stakeholders throughout The Company's value chain in joining our operations and turning conceptual sustainability development into real practice that positively impacts to the society. This is an important support in achieving the Company's vision of **"Kitchen of the World"** with sustainable growth while **"Creating Shared Value"** to the overall society.

Charoen Pokphand Foods Public Company Limited operates integrated agro-industry and food service business aiming to provide food security under the vision of "Kitchen of the World", with the production base through investment and joint ventures in 17 countries, including distribution and export network of over 50 countries worldwide.

The Company strives to develop and deliver high quality products with nutritional value that meets consumers' satisfaction, with the balance between economic success and shared value creation for all stakeholders, along with efficient use of natural resources, on the basis of good corporate governance, and under Charoen Pokphand Group's Three-Benefits Principle that aims to maximize the benefit for the country, for the people, and for the Company.

The 2023 was a year of challenging economic situation from various factors, including purchasing power that was not expanded as expected and the increase in the cost of agricultural raw materials due to political conflicts and increased interest rates. However, even the driving of economics growth was all-around challenged, the Company has not neglected to balance the sustainable development that includes the respect of human rights of all stakeholders, climate action, the management of water resources and biodiversity, and the building the food security in both normal and crisis situations. All operations are based on the foundation of good corporate governance.

The Company aims for food security, by delivering safe and quality food to consumers, supporting food access in both normal and crisis situations, and promoting good nutrition via innovative organizational culture through CPF Way. In 2023, the Company received the Best Innovative Company Awards from the Stock Exchange of Thailand and 2023 National Innovation Award for organizational innovation from the National Innovation Agency through innovation of probiotic feeds.

In 2023, one of important missions is the declaration of **Net-zero commitment by 2050** and the Company is 1 of the 7 companies worldwide who enter the pilot projects and recognized as the first food processing company with near-and long-term forest, land and agriculture guidance (FLAG) science-based targets validated by the Science Based Targets initiative (SBTi). The mission mutually benefits both business operations and environmental conservation.

To achieve the above targets of reducing greenhouse gas emissions, the Company has announced **Biodiversity and Zero Deforestation Commitment** for corn, soy, palm oil, and cassava by 2025, along with the utilization of traceability system through digital technology of applications and satellite images, the connection of the supplier' traceability databases, and the source of raw materials from acceptable certification standards. This is to ensure that the Company's supply chain is free from

raw materials that come from forest encroachment and burning to accelerate planting in the area.

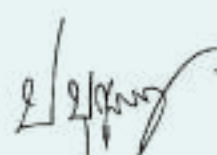
In 2023, the Company has brought **The Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)** as a guideline for assessing risks and opportunities related to climate change in order to adjust business operations to be in line with the changing climate.

With the Company's commitment to conducting business while creating shared value to the society and the environment, in 2023, the Company has been selected as a member of the "Dow Jones Sustainability Indices" for the 9th consecutive year in FOA Food Products, emerging market and a member of "FTSE4Good Index" in emerging market for the 6th consecutive year. The Company also received the "Best Sustainability Awards" from the Stock Exchange of Thailand.

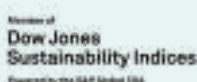
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Mr. Soopakij Chearavanont
Chairman



Mr. Prasit Boondoungprasert
Chief Executive Officer



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Sustainability Recognition and Assessments

Member of Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Listed as a member of the index in emerging market in food product industry for **9th consecutive year.**

Charoen Pokphand Foods Public Company Limited
Food Products

Top 5%

S&P Global Corporate Sustainability Assessment (CSA) Score 2023

Score date: February 7, 2023
The S&P Global Corporate Sustainability Assessment (CSA) Score is the S&P Global CSAs Score without the inclusion of any additional qualitative data. Positive and negative qualitative aspects and related additional information are available at <https://www.spglobal.com/esg/ratings>



Ranked among **the world's top 5%** in the food product industry.



Participated in sustainability assessment for food product industry.



Listed as a member of the FTSE4Good index series for **6th consecutive year.**



SET Awards 2023 Receive 2 awards, which are Best Innovative Company Award in the Business Excellence Award group, and Best Sustainability Award in Sustainability Excellence group from Stock Exchange of Thailand.



Scored B for CDP Climate Change 2023, B for CDP Forests 2023 for palm oil, soybean and paper pulp, and C for CDP Water Security 2023.



Received approval for **forest, land, and agriculture (FLAG)** science-based targets validated by the Science Based Targets initiative (SBTi).



Thailand Sustainability Investment 2023 Listed in agriculture and agro-industrial industry by the Stock Exchange of Thailand.

Model Human Rights Organization Award Received an outstanding award in the category of large corporation sector in 2023 for 3rd consecutive year.



ESG100 Selected as one of the companies in the ESG100 securities group from 888 listed securities with outstanding performance for 7th consecutive year.

6 Regional Excellence Awards Received awards from the 13th Asian Excellence Awards by Corporate Governance Asia magazine, namely, Asia's Best CEO Award, Asia's Best CFO Award, Asia's Best Investor Relations Award, Best Investor Relations Company Award, Asia's Best CSR Award, and Best Environmental Responsibility Award.



Thailand HR Innovation Award 2023 Received a silver award from Personnel Management Association of Thailand (PMAT) under "The next CEO Agile@scale" project.



National Innovation Award 2023 for Outstanding Innovative Organization

Received the award in the large private sector organization category from the National Innovation Agency.



CAC Change Agent Award 2023

Received the award in recognition of the important contribution in expanding the transparency network (CAC), by being a member of Thai Private Sector Collective Action Against Corruption since 2017.



Investors in People Awards 2023 Received the award for learning and development in the category of large companies, presented by the Investors in People Institute of England.

2 Honorary awards from the Global Good Governance Awards 2023

Received 3G Best Sustainability Framework Award 2023 and 3G Best CSR Program Award 2023 from Cambridge IFA International Financial Advisory in the United Kingdom.



Sustainability Disclosure Award Received the award at Sustainability Disclosure Community's 2023 result announcement from Thaipat Institute.



Economic and Efficient Energy Use 2023 Honorary Award Received award from Ho Chi Minh City's Department of Industry and Trade (DOIT) and United States Agency for International Development (USAID) given to Cu Chi Food Factory of CP Vietnam.



The most outstanding company in the agricultural business sector in Thailand Received the award from an annual survey by Asiamoney magazine, a leading regional financial and investment magazine.



CSI100 Selected as one of Vietnam's 100 most outstanding sustainable business organizations in the manufacturing category for 8th consecutive year.



Outstanding Achievement Award

Received the award from the CPV Donation Fund at the Food Hero 2023 Award ceremony organized by the Association for Food Transparency (AFT), the Food System Transparency Network, and the Sustainable Food Development Network - Foodshare of Vietnam.



Vietnam's Best Places to Work for 2023 Ranked 13th place by Anphabe, a human resource consultancy, as a result collected from a survey of over 70,000 workers and university students.



Malaysia Livestock Industry Award 2023 Received Outstanding Breeder Farm Award and Innovation in Pork Processing Product Award From the Department of Livestock Development, Ministry of Agriculture and Food Sustainability of Malaysia.



2023 Key Sustainability Highlights



Responsible Marketing



48% of the new products developed to be healthier and more nutritious

The performance calculated from number of new fresh meat and food products released in 2023 in Thailand operations.



Responsible Sourcing



49.4% of key raw materials were traceable

The level of traceability extended to plantation/fishing sources. Key raw materials included maize, soy, palm oil, cassava, and fishmeal. The performance covered Thailand, Cambodia, Philippines, Malaysia, Laos, Vietnam, and India operations.



Shared Value Creation with Community



3,534,958

livelihoods improved in communities connected to the Company's operations

The performance covered Thailand, Cambodia, Türkiye, Philippines, Malaysia, Laos, Vietnam, and India operations.



Human Resource Management




4,991,188 hours of education and training for employees

The performance covered all businesses of the Company, joint ventures and business partners in all countries.





Circular Economy 

77.8% of food waste alternatively utilized

The performance calculated from total weight of food loss and waste covering food loss in processes of fresh chicken meat, fresh pork meat, shrimp, and egg products and food waste in Bang Nam Prio distribution center, Chester's restaurants, and food catering and food courts under Food World in Thailand operations.




Climate Action 

24.1% of direct and indirect greenhouse gas emissions per production unit reduced, compared to 2015 base year

The performance covered feed, farm-processing, and food businesses in Thailand operations.




Climate Action 

1,831,204 tons CO₂ equivalent of GHG emissions reduced from low-carbon products

The performance covered products of feed, live animals and fresh meats (chicken, duck and pork), shrimp, egg, sauce, ready to eat food, and pet snack in Thailand operations.



Biodiversity and Ecosystem 

35.4% of key raw materials sourced from deforestation-free areas

The key raw materials included maize, soy, palm oil, and cassava. The performance covered Thailand, Cambodia, Philippines, Malaysia, Laos, Vietnam, and India operations.



CPF Sustainability Strategy

The Company operates under the three benefits principles of the Charoen Pokphand Group, is committed to create benefits for the country, people, and the Company, as well as supports the United Nations’ Sustainable Development Goals, on the foundation of good governance and respect to human rights. Philosophy of Sufficiency Economy serves as the principle in conducting business.

The Company considers the present context of agro-industry and food operations throughout the value chain, analyzes key internal and external factors, covering economic, social, and environmental risks together with both internal and external stakeholders’ satisfaction. This subsequently allows the Company to establish 7 Sustainability focuses.



The Company’s targets are in alignment with the focus, as well as the United Nations’ 17 Sustainable Development Goals (UN SDGs) and the Ten Principles of the UN Global Compact.

Sustainable Development Framework



Sustainability Steering and Governance Structure

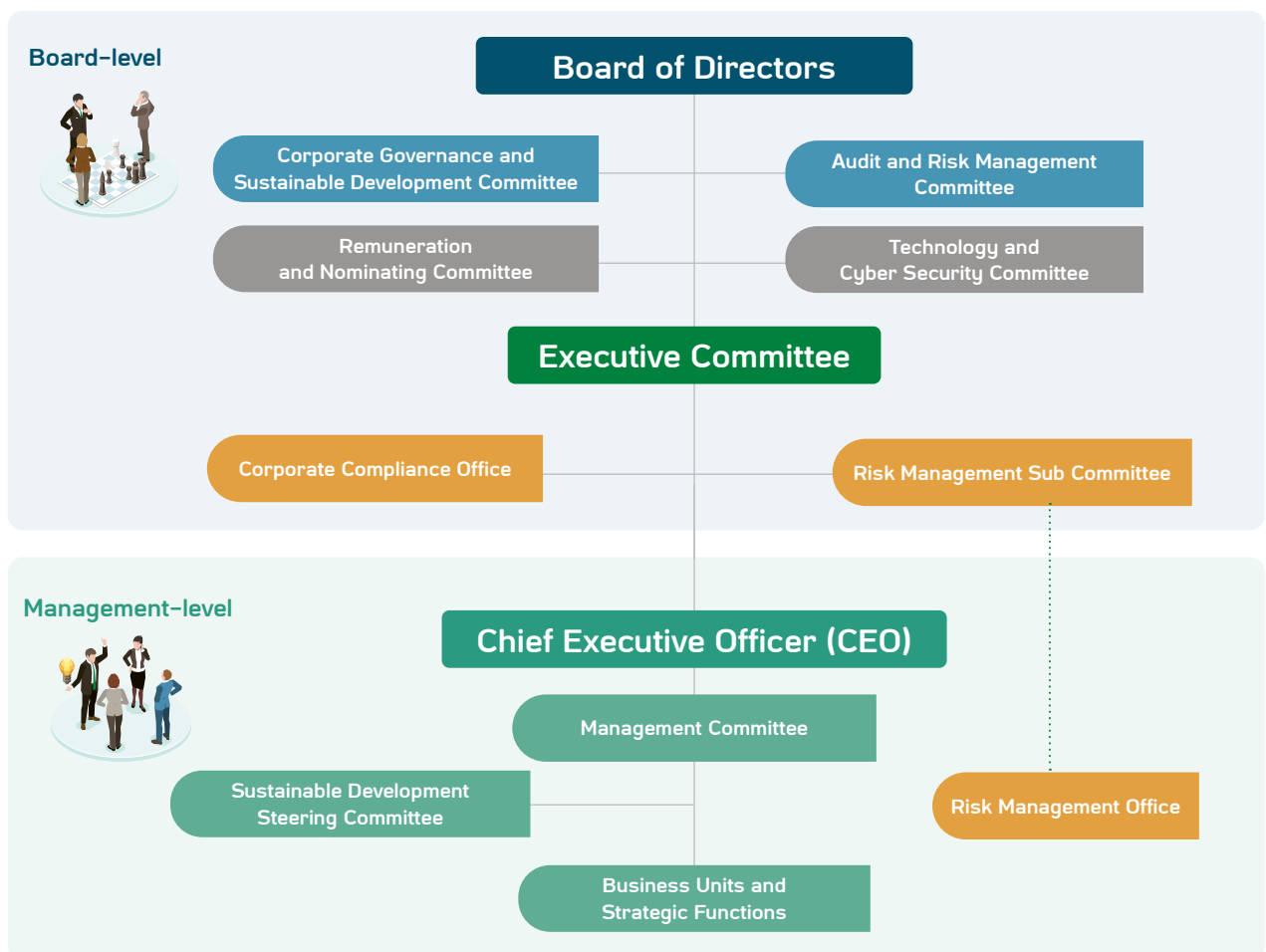
The Board of Directors has appointed and designated the committees to govern and screen sustainability-related operations. This includes Corporate Governance and Sustainable Development Committee, Audit and Risk Management Committee, Technology and Cyber Security Committee. The Executive Committee is responsible for governing the compliance.

At management-level, the CEO set up Sustainable Development Steering Committee, comprising relevant business units' management. The Committee manages materiality and communicates to those at operational level, enabling

continuous improvement of operations and progress monitoring through key indicators.

Sustainability Development Function, as well as functions relating governance, risk management, compliance and human resource, have conducted sustainability assessment and presented to CEO, to establish approach and policy for strategy and target setting. This will be presented to Corporate Governance and Sustainable Development Committee and the Board of Directors for approvals as the Company's targets and policies.

Sustainable Development Steering Structure



To continuously drive sustainability, the Company set forth a 10-year strategic plan to drive social and environmental responsibility from 2021 - 2030 as illustrated in 2023 Sustainability Report. Furthermore, the Company conducts reviews on materiality and sustainability work plans annually to keep up with the rapidly changing global trends.



Business Value Chain Analysis

The Company has analyzed the value chain to identify key sustainability focuses throughout downstream to upstream business operations. This led to the establishment of policies and 7 Sustainability Focuses, as illustrated in CPF Sustainability Strategy.

Value Chain Analysis

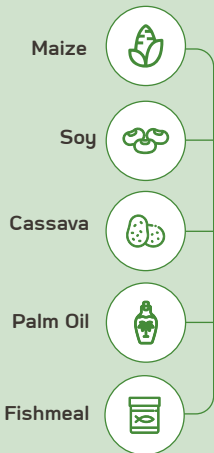
Input

Feed Business

Farm-Processing Business

Context Analysis

1. Stakeholders' Expectations and Needs
2. External Factors and Global Trends
3. Internal Factors, Vision, and Goals of the Company
4. Business Scope
5. GRI Sector Standards
6. United Nations Sustainable Development Goals



Feedmill



Farming and Primary Processing

7 Focuses



Governance, Risk Management, and Compliance



Food Security



Human Rights

Stakeholders



Shareholders and Investors



Employees and Families



Customers and Consumers

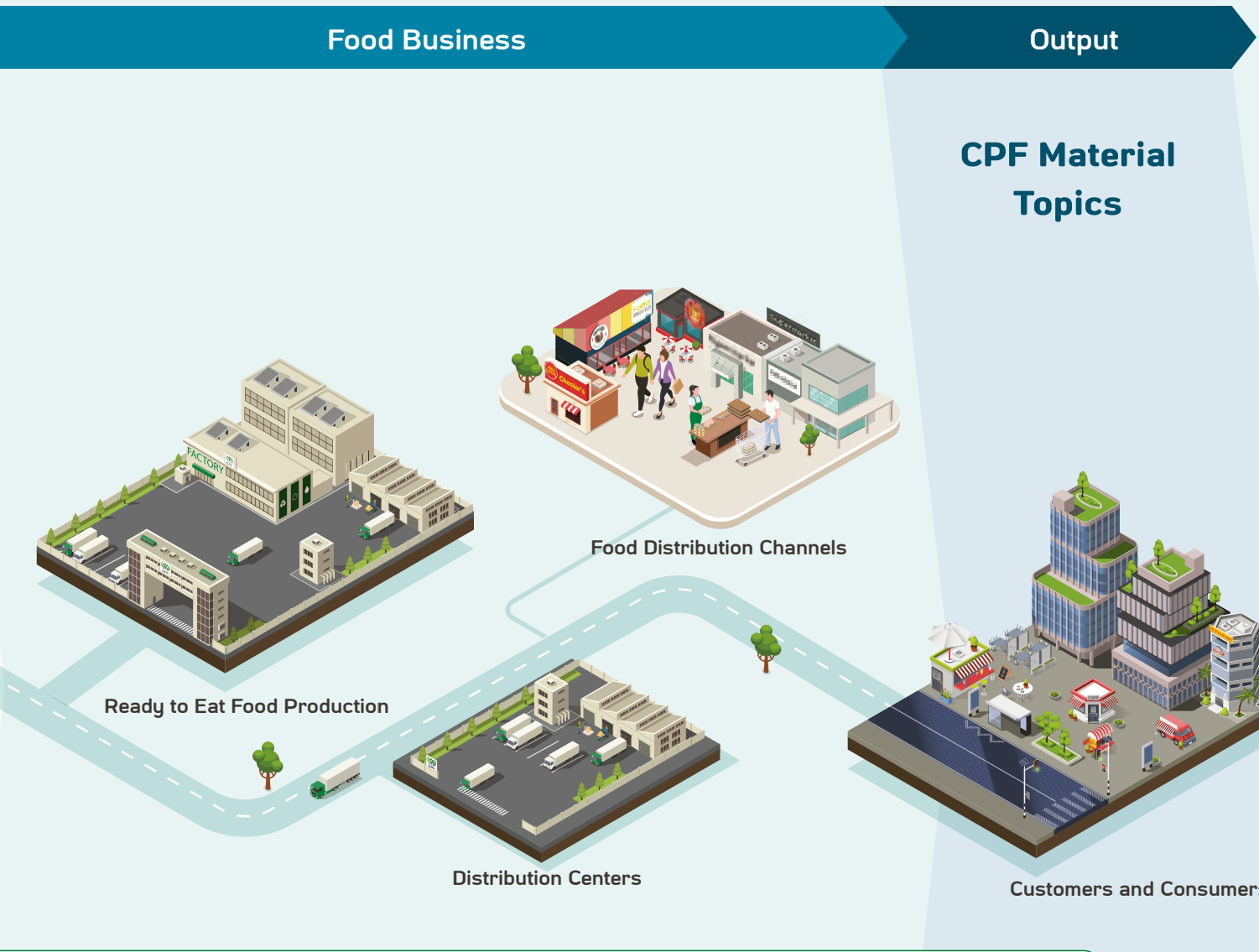


More information on Stakeholder Analysis and Materiality

More information is available on the Company's website, under "Lead the Way to Sustainability"

CPF conducts agro-industrial and food business, categorized into 3 types according to the products:

- 1 Feed
- 2 Farm-Processing
- 3 Food



CPF Material Topics



Employees & Communities



Climate Action



Water Stewardship



Biodiversity & Ecosystem



Business Partners



Communities and Societies



Governments



Civil Society Organizations and Academia
















Media



Sustainability Targets and Progress

Targets	Target Year	2023 Performance	Progress against Target	2023 Performance Boundary
Governance, Risk Management, and Compliance				
100% compliance system of code of conduct is certified/audited/verified by third party	2030 ⁱ	100%	100%	The performance covered Thailand operations.
Food Security				
100% of key raw materials are traceable	2030 ⁱ	49.4%	49%	The level of traceability extended to plantation/fishing sources. Key raw materials included maize, soy, palm oil, cassava, and fishmeal. The performance covered Thailand, Cambodia, Philippines, Malaysia, Laos, Vietnam, and India operations.
Zero public recall on food products ^{iv}	2030 ⁱ	Zero	100%	The performance covered food products in Thailand operations.
100% of sows raised in group gestation pen housing system	2030 ⁱ	45.1%	45%	The performance covered Thailand, Cambodia, Philippines, Malaysia, Vietnam, and Republic of China (Taiwan) operations.
10% per year increase in production capacity of cage free egg compared to the 2022 base year	2030 ⁱ	184% per year	184%	The performance covered Thailand, Cambodia, China, Türkiye, Poland, Philippines, Malaysia, Vietnam, and Republic of China (Taiwan) operations.
100% environmental enrichment for broilers	2030 ⁱ	88.9%	88%	The performance covered Thailand, Cambodia, Poland, Philippines, Malaysia, Russia, Vietnam, Republic of China (Taiwan), and India operations.
35 million consumers per day reached to healthy foods and beverages ^{iv}	2030 ⁱ	26 million consumers	74%	The performance covered products derived from chicken in Thailand operations.
50% of new products developed to be healthier and more nutritious ^{iv}	2030 ⁱ	48.0%	96%	The performance calculated from number of new fresh meat and food products released in 2023 in Thailand operations.
Human Rights				
100% human rights due diligence conducted once every 3 years, including risk and impact assessment in high risk areas of own operations	2030 ⁱⁱⁱ	100%	100%	The performance covered all businesses of the Company, joint ventures and business partners in all countries.
Employee and Community				
3 million hours of education and training for employees	2030 ⁱⁱ	4.9 million hours	166%	The performance covered all businesses of the Company, joint ventures and business partners in all countries.
3,000,000 livelihoods improved in communities connected to the Company's business activities	2030 ⁱⁱ	3.5 million people	118%	The performance covered Thailand, Cambodia, Türkiye, Philippines, Malaysia, Laos, Vietnam, and India operations.

Targets	Target Year	2023 Performance	Progress against Target	2023 Performance Boundary
 Climate Action				
25% of direct and indirect GHG emissions per production unit reduced compared to the 2015 base year ^{iv}	2025 ⁱ	24.1%	 96%	The performance covered feed, farm-processing, and food businesses in Thailand operations.
To set science-based targets for GHG emissions reduction (Scopes 1, 2 and 3)	2030 ⁱⁱ	Approved by SBTi	 100%	The performance covered all countries with an operation base.
40% of revenue generated from green products ^{iv}	2030 ⁱ	36.5%	 91%	The performance calculated from total revenue of Thailand operations. Green products included carbon footprint product, carbon reduction product, and carbon neutral product labels of products of feed, live animals and fresh meats (chicken, duck and pork), shrimp, egg, sauce, ready to eat food, and pet snack in Thailand operations.
Zero industrial and agro-industrial waste to landfill and incineration	2030 ⁱ	22,687 tons	 96%	The performance covered Thailand, Cambodia, Türkiye, Philippines, Malaysia, Laos, Vietnam, India, and United Kingdom operations.
Zero food waste from operations to landfill	2030 ⁱ	38,984 tons	 78%	The performance covered food loss in processes of fresh chicken meat, fresh pork meat, shrimp, and egg products and food waste in Bang Nam Prio distribution center, Chester's restaurants, and food catering and food courts under Food World in Thailand operations.
100% of plastic packaging for food products to be recyclable or reusable or compostable	2030 ⁱ	83.6%	 84%	The performance covered Thailand, Russia, Laos, and India operations.
 Water Stewardship				
30% of water withdrawal per production unit reduced, compared to the 2015 base year ^{iv}	2025 ⁱ	50.4%	 168%	The performance covered feed, farm-processing, and food businesses in Thailand operations.
Support all tier-1 suppliers identified as having high water impact to establish water management plans	2030 ⁱⁱ	In progress	In progress	
 Biodiversity and Ecosystem				
100% of key raw materials sourced from deforestation-free areas	2025 ⁱ	35.4%	 35%	The key raw materials included maize, soy, palm oil, and cassava. The performance covered Thailand, Cambodia, Philippines, Malaysia, Laos, Vietnam, and India operations.
20,000 rais (3,200 hectares) of conservation and reforestation areas of mangrove forests and watershed forests increased in strategic areas and green area in operations ^{iv}	2030 ⁱⁱ	19,932 rais (3,189 hectares)	 99%	The performance covered Thailand operations.
200,000 tons of cumulative carbon dioxide sequestered from conservation and reforestation projects and green areas in operations ^{iv}	2030 ⁱⁱ	46,392 tons	 23%	The performance covered Thailand operations.

Remarks:

ⁱ Annual Targetⁱⁱ Cumulative Targetⁱⁱⁱ Every 3-Year Target^{iv} Thailand Operations



2023 Material Topics







Feed
Business



Farm and
Processing
Business



Food
Business

Dimensions	7 Sustainability Focuses	Material Sustainability Topics	Impact Level to Stakeholders
 Sustainability Foundation	Corporate Governance, Risk Management, and Compliance	Corporate Governance and Risk Management	2.88
		Ethics and Legal Compliance	2.84
		Stakeholder Engagement and Transparency	2.75
 Economic Dimension	Food Security	Responsible Sourcing	3.11
		Food Quality and Safety	3.09
		Innovation and Technology	3.37
		Animal Welfare	3.33
		Responsible Marketing and Product Labeling	3.32
		Health and Nutrition	3.51
 Social Dimension	Human Rights Human Rights and Labour Practices	3.37	
	Employee and Community Community Development and Support	2.94	
		Employees' Safety, Health, and Well-being	2.56
		Organizational Culture and Management	2.54
Human Resource Management	2.32		
 Environmental Dimension	Climate Action Climate Action	2.84	
		Waste Management	2.16
		Circular Economy and Packaging	3.38
	Water Stewardship Water Stewardship	3.21	
	Biodiversity and Ecosystem Biodiversity and Ecosystem	3.06	

The Company's material sustainability topics are aligned with the Global Reporting Initiative Standards 2021 and GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022, covering all fundamental aspects of sustainability: economic, social, and environmental. The impact level to stakeholders is varied from one topic to another. The Board of Directors has considered and approved these material sustainability topics and important highlights in this report.



In 2023, the Company conducted the review of 2022 assessment result of material topics in accordance to the Global Reporting Initiative 3: Material Topics 2021 (GRI 3) framework, by taking internal and external factors into consideration such as business risk factors and collection and analysis of sustainability operations of companies in the same industry (Peer Review). This review is conducted annually, at least once a year. These were jointly analyzed and tested for sustainability impacts (ESG Impact Assessments) with external experts (Expert Testing) in 3 areas: good corporate governance, human rights and social management, and environmental management, covering all 3 businesses: feed business, farm and processing business and food business

and all stakeholder groups throughout the Company's value chain such as shareholders, employees, customers, business partners, communities and societies, governments, civil society organizations and academia, and media. The evaluation was conducted in 8 countries in which the Company operates: Thailand, Malaysia, Vietnam, Laos, Cambodia, Philippines, India and Turkey. In conclusion with the sustainability experts, the level of impact to stakeholders from 2022 is still valid and can be considered as 2023 material topics for the Company in order to issue further sustainability policies and strategy.





Governance, Risk Management, and Compliance



In addition to a focus on creating organizational value in economic, social, and environmental aspects, good corporate governance is also an important part of building trust among stakeholders. Adaptation to changing business environment or risk management enables the Company's sustainable growth and competition in the market. Moreover, the Company places importance on compliance to ensure continuous licenses to operate.

The Company has comprehensive governance policies throughout the value chain by setting policies into practice through the Code of Conduct for its personnel and creating understanding among stakeholders. In addition, the Company has established systematic governance structure with the objective to drive the organization towards sustainability and processes and participatory culture from all business units in both domestic and overseas countries by using tools, international framework, and technology to help develop data collection and evaluation. The Company also focuses on transparent disclosure of operational information which the process of Code of Conduct has been verified by external independent auditors.

Management Approach

- **Establishment of organizational policies in corporate governance** i.e. Corporate Governance and Sustainable Development Policy (including 12 related policies), Code of Conduct, Risk Management Policy, Compliance Policy to set guidelines for implementation and evaluation.
- **Establishment of corporate governance structure** by defining the roles of directors of the board, executives, risk management, compliance, and internal audit functions to perform work in accordance with organizational objectives.
- **Organizing of governance process and participation to create efficient work** by driving operations through effective internal communication, creating awareness to become organizational culture.
- **Transparent communication and disclosure of operational information including establishing systematic channels for reports, suggestions, and grievance** which are verified by external independent auditors.

Implementation and Performance

Establishment of organizational policies in corporate governance

The Company has adopted the principles of good corporate governance of the Organization for Economic Co-operation and Development (OECD) and good corporate governance principles for the listed companies into its good corporate governance work by establishing corporate governance policies that integrate economic, social, and environmental concepts into practices to ensure sustainable growth for the organization. The main policy is Corporate Governance and Sustainable Development Policy and other organizational policies. Implementation of the Company's policies is therefore the mission of the Company's Board of directors, executives, and all employees. The Company provides the evaluation of compliance with related policies and regulations and reports the results to the Board of Directors at least once a year, as well as promotes good governance and sustainable development learning throughout the organization.



Corporate Governance and Sustainable Development Policy and other organizational policies.

12 policies



The evaluation of compliance with related policies

at least once a year







Establishment of corporate governance structure

The Board of Directors is responsible for supervising the management to ensure that the operations are in accordance with strategic goals and plans approved by the Board of Directors to achieve maximum benefit for the Company and all stakeholders. The Board of Directors has appointed the Chief Executive Officer and the sub-committees to be in charge of operational management and specific tasks i.e.

1. Audit and Risk Management Committee which is responsible for auditing, internal control, and risk management
2. Corporate Governance and Sustainability Development Committee
3. Remuneration and Nomination Committee
4. Technology and Cybersecurity Committee
5. Executive Committee

There are also support functions i.e. risk management office, compliance office, internal audit office with the duty of monitoring and reporting to the relevant sub-committees. More information on the Corporate Governance Policy, board structure with roles and responsibilities in governing corporate governance and sustainability development, and operating results is available in the Annual Report 2023.


 **Annual Report 2023 (Form 56-1 One Report)**
 **The Corporate Governance and Sustainable Development Policy**




Organizing of governance process and participation to create efficient work

Anti-Corruption Measures

The Company has established the Anti-Corruption Policy for the Board of Directors, sub-committees, executives, and employees to use as a framework to operate in an efficient manner and jointly create values in workplace with honesty, integrity, transparency, accountability, and free from fraud and corruption to become the organizational culture. This is the key for the Company to be able to conduct business and achieve the set goals and is applied to every business and every business unit of the Company. The Company provides regular reviews of compliance to this Anti-Corruption Policy as well as reviewing guidelines and operational requirements to be in line with business changes, regulations and legal requirements. The Anti-Corruption Policy and guidelines are communicated to employees at all levels and integrated into the Sustainable Sourcing Policy and Supplier Guiding Principle and communicated through various formats and channels.

 **Annual Report 2023 (Form 56-1 One Report)**
Part 2 "Corporate Governance"
topic "Anti-Corruption"



 **Anti-Corruption Policy**



Collective Action against Corruption (CAC)

The Company received the CAC Change Agent Award 2023 by encouraging 12 business partners to sign the declaration of Collective Action against Corruption, as well as organized training for 264 SME business partners in Thailand to raise awareness and transparency standard of business operations in order to define the policy and guidelines for preventing corruption appropriately.





Anti-Corruption Participation

The Company provided opportunity for employees to participate against all forms of corruption on the 2023 Anti-Corruption Day, continuously organized in a yearly basis by the Anti-Corruption Organization (Thailand) or ACT. The Company also arranged online and offline Anti-Corruption training courses to raise awareness and create understanding for personnel to behave correctly. New employees shall attend the class and every employee must review it at least every year.

100%

of workers to top management from Thailand, Cambodia, Canada, Türkiye, China (Taiwan), Belgium, Poland, Philippines, Malaysia, Russia, Laos, Vietnam, Sri Lanka, India, United States, and United Kingdom attended the anti-corruption training course.

In 2023, the Company did not find any significant cases of corruption against the Company, affecting the Company’s reputation and financial status (Capital over than 5% of shareholders’ equity as of December 31, 2023).

Risk management

The Company develops the risk management system in alignment with international COSO (The Committee of Sponsoring Organizations of the Treadway Commission) standards. This initiative is holistically undertaken throughout the organization and encompasses all types of risks. The objective is to ensure that the Company’s risk management is effective and efficient, capable of managing risks to an acceptable level (Risk Appetite) and supports sustainable business operations. The Company’s risk management process is compiled in “Risk Management Manual” with operating procedures and tools used as follows:

1. Consideration of global business environment by analyzing macro, industrial, and business levels, to gain insights of current situation and potential future trends.
2. Identification of risks that could affect the Company’s achievement of goals, encompassing both existing and emerging risks that may arise in the future. This includes business operation opportunities, covering internal and external factors and utilizing various tools or techniques e.g. verification of issues that may arise internally, consideration of reliable external data sources, study on surveys or risk assessment from different organizations, and analysis of risks from hypothetical scenarios. Additionally, the Company defines the meaning of risk to assist executives to understand the scope of risks.
3. Risk assessment and prioritization, including the establishment of measures and key risk indicators.
4. Reporting and monitoring the progress of the risk management measures and the status of key risk indicators as scheduled.



Annual Report 2023 (Form 56-1 One Report)

Part 1 “Business Operations and Performance”, topic “Risk Management”





Ethics, Business Code of Conduct, and Compliance

The Company places importance on complying with laws and regulations related to the Company's operations by setting policies to govern rules compliance for employees at all levels. The Corporate Compliance Office is the central unit to coordinate with other functions in coordination with compliance & risk champions from each core business. The management principles are as follows:



- 1 The Compliance Office identifies newly announced or changed regulatory requirements both domestic and oversea businesses that have an impact on the business and notifies the executives of each business.
- 2 Risk assessment and prioritization of impacts.
- 3 Communications to create understanding and awareness of the importance of regulatory compliance.
- 4 Verification of compliance monitoring via self-assessment.
- 5 Reporting of operational compliances to the audit and risk management committee and the management team related in each issue.
- 6 Monitoring of issues improved according to the specified plan and providing additional suggestions for operational improvements in compliance with relevant regulations.
- 7 Management process of non-compliances to reduce the impact and prevent recurrence.

In 2023, the monitoring of business Code of Conduct and compliance with regulations were verified, by independent external auditors.

100% of employees

from 17 countries received business code of conduct training.

In 2023, the Company has no legal disputes regarding anti-competitiveness trade monopoly, law violation and unfair trade practices. There are also no significant social, human rights, and environmental legal disputes. (Capital over than 5% of shareholders' equity as of December 31, 2023)

- Annual Report 2023 (Form 56-1 One Report) Part 2 "Corporate Governance", topic "Compliance"



Cybersecurity and Information Security

The Company places great importance on cybersecurity and data protection to prevent the risk of data loss that may affect business operations by establishing the Cyber Risk Management Policy and Personal Data Protection Policy. The NIST Framework has been adopted in operation as a guideline starting from defining a board-level committee to oversee technology and cybersecurity, conducting a risk assessment in the business supply chain, creating a risk prevention plan, inspection and surveillance, and threat response and recovery.

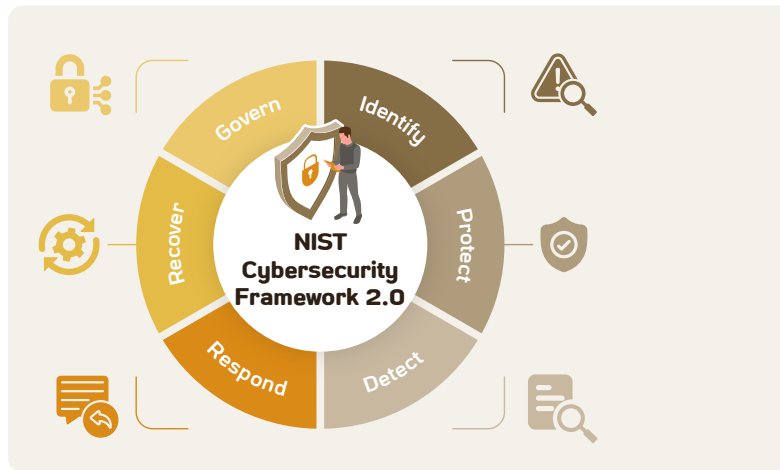
The Company¹ has been certified by information technology management ISO 27001. This includes giving importance to and respecting the right to personal information, whether for personnel, customers, business partners, business competitors or stakeholders. The Company communicates data storage, collection, use, and rights for management of stored data by creating the guideline “Response to Personal Data Breaches”. The breaches can be reported at dpoffice@cpf.co.th

 **Annual Report 2023 (Form 56-1 One Report)**

Part 1 “Business Operations and Performance”, topic “Risk Management”



 **Personal Data Protection Policy**




Remark:

¹ For business in Thailand, China, Türkiye, Malaysia, and Vietnam and for Cambodia, Poland, Philippines, Laos, Sri Lanka, and India serviced under ISO 27001 standard by operation of CPFIT Thailand

Transparent communication and data disclosure, channels for whistleblowing, suggestions and grievance

The Company arranges the Company’s code of conduct training to all executives and employees through different communication channels e.g. business line meetings, email iaoffice@cpf.co.th, The Company’s website, and online platforms e.g. HR-eXp, CPF Connect, CPF Family, new employee orientation, and e-Learning system. In 2023, 100 percent of personnel in every business unit of the Company in both domestic and overseas countries received CPF Fundamental Program training through the curricular of “CPF Way”, corporate governance, business code of conduct and CPF Integrated Value Chain. The Company demonstrates transparency in the process of compliance and business Code of Conduct by disclosing significant non-compliances and operations against business Code of Conduct which were verified by independent external auditors.

The Company has established [whistleblowing policy](#) to provide opportunities for employee, stakeholders, and external party to send suggestions and complaints regarding non-compliance against regulatory requirements or code of conduct, corruption, or violation of rights through different channels. These are reported to the Audit and Risk Management Committee and the Board of Directors.

 **Whistleblowing Policy**



Grievance Mechanism

- 1  **Receipt of complains from Internal or external stakeholders**
- 2  **24-hour Whistleblowing service**
- 3  **Audit and Risk Management Committee and internal audit function**
- 4  **Screening and Investigation Process**
- 5  **Appropriate action taking**
- 6  **Reporting to Audit and Risk Management Committee and the Board of Directors**



Food Security



Responsible Sourcing



Food Quality and Safety



Innovation and Technology



Animal Welfare



Responsible Marketing and Product Labeling



Responsible Sourcing




5 Key raw materials:
maize, soy, palm oil,
cassava, and fishmeal

Nowadays, sourcing of raw materials, products, and services, especially in the agro-industrial and food business is increasingly challenging. The focus has been expanded from solely economic dimension in terms of quality, price, and timely delivery, to sustainable procurement prioritizing more on social and environmental dimensions. For example, raw materials from sources with human rights due diligence, particularly for groups or areas vulnerable to human rights violations, as well as environmental considerations, e.g. global warming impacts which may set back operational efficiency, lower agricultural productivity or cause supply shortage. Stakeholders therefore places an emphasis on sustainable sourcing of products and services, while considering comprehensive economic, social, and environmental impacts.

The Company has established a [Sustainable Sourcing Policy and Supplier Guiding Principle](#) that applies across the entire supply chain, which has been regularly communicated to suppliers. In addition, the Company has issued policies in response to sustainability issues relevant to business operations, e.g. the “No purchasing and importing maize products from deforestation and stubble burning areas” policy. There are risk

assessment process and the development of traceability system to illustrate the origin of raw materials, as well as continuous stakeholder engagement with suppliers, customers, and governmental agencies to promote farmers and SMEs. This enables farmers and SMEs to increase their productivity and grow sustainably along with the Company.

2030 Target



100% of key raw materials are traceableⁱ

2023 Performance



49.4% of the key raw materials were traceable

Remark:

ⁱ The level of traceability reported here is plantation area/fishing sources. The reported information covers feed business's key raw materials in Thailand, Cambodia, Philippines, Malaysia, Laos, Vietnam and India operations, as well as food business' key raw materials in Thailand and Vietnam operations. The Company's five key raw materials include maize, soy, palm oil, cassava, and fishmeal.

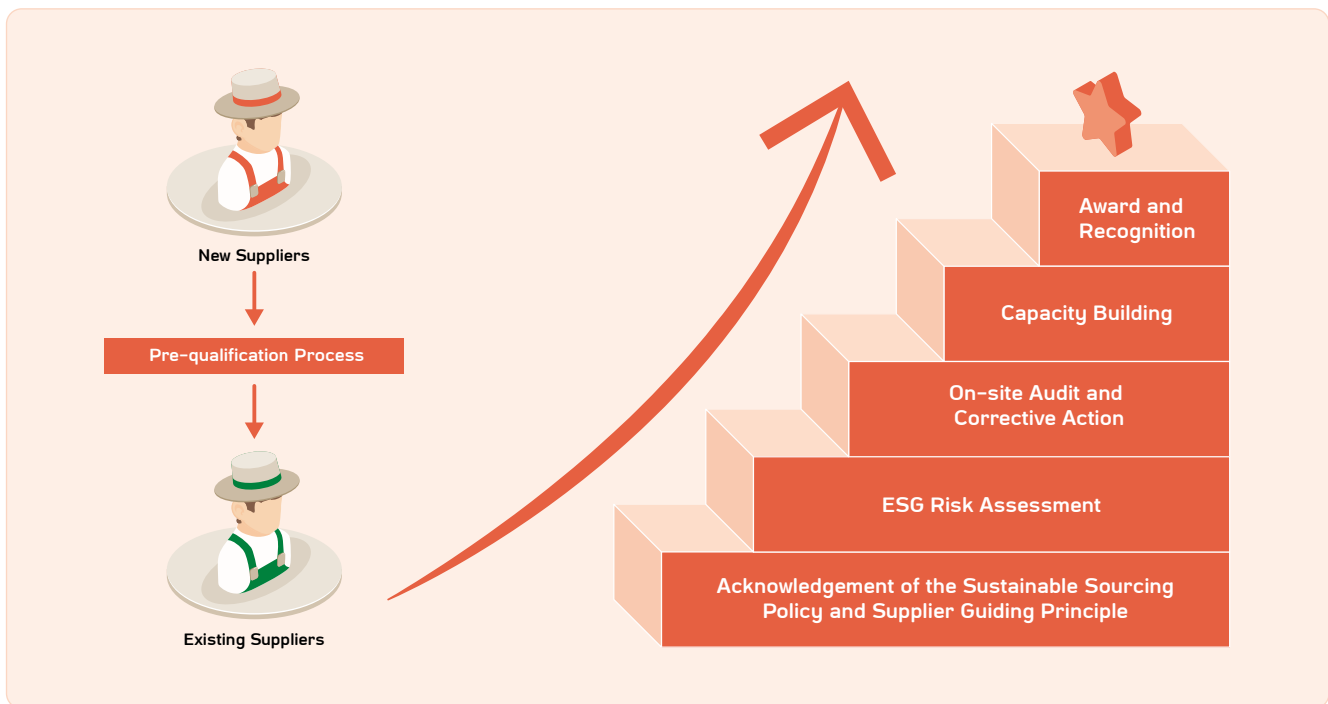




Management Approach

- **Sustainable Sourcing Policy and Supplier Guiding Principle** which is a framework for good business operations for suppliers to adhere to. This policy is also called a 4Ps policy, which are Products & Service, People, Process, and Performance.
- **Supply Chain ESG Management** which covers supplier ESG risk assessment, supplier audits, corrective measures, efficiency improvement, and capacity building as well as creating incentives for suppliers with outstanding performance.
- **Building Transparency throughout the Supply Chain** by using technology and innovation as tools for transparency to obtain quality raw materials from sustainable sources. Examples are the development of traceability system for raw materials through blockchain technology, covering five key raw materials, which are maize, soy, palm oil, cassava, and fishmeal. This is in line with the “No purchasing and importing maize products from deforestation and stubble burning areas” policy.
- **Fostering Partnership in the Supply Chain** to promote and expand sustainability process to partners, suppliers as well as farmers in the supply chain, both at the local and national level.

Implementation and Performance



Supply Chain ESG Management

Sustainable Sourcing Policy and Supplier Guiding Principle

The Company communicates Sustainable Sourcing Policy and Supplier Guiding Principle to all suppliers who are part of the Company’s procurement, with written acknowledgement. Additionally, in 2023, the Company has developed e-learning for the first time to conveniently enhance suppliers’ knowledge and understanding of the policy. Suppliers will have access to this service in 2024.

 **Sustainable Sourcing Policy and Supplier Guiding Principle**



Supplier ESG Risk Assessment and Audit

The Company has developed a process for assessing and managing risks in the supply chain starting from the new supplier selection process. The Company has established criteria for selecting new suppliers that address both the quality and sustainability aspects of products and services. New suppliers (Thailand and Vietnam operations) shall respond to a self-assessment questionnaire, which is consistent with the Sustainable Sourcing Policy and Supplier Guiding Principle. This includes key topics in Environment, Social, and Governance (ESG) and/or assessments against other relevant standards e.g. Thai Labour Standards (TLS). Furthermore, considerations are also given to product traceability process and business operations’ legal compliance prior to commencing business with the Company.

For existing suppliers, the Company assesses and reviews sustainability risks covering economic, social, environmental, and governance aspects, as well as food quality and safety in

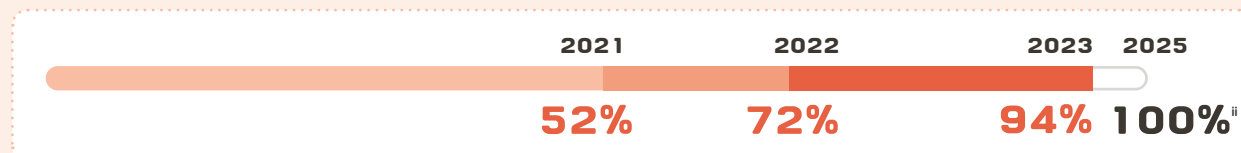
every product group. In addition, the Company identifies critical suppliers, which are 1. suppliers with high spending, 2. suppliers for critical components to production process, 3. non-substitutable suppliers or those who would require a long search for substitution. These critical suppliers shall undergo an ESG Risk assessment through a more rigorous self-assessment questionnaire compared to other suppliers. Moreover, on-site ESG audits are conducted by the Company’s personnel or third-party auditors.

The Company identifies supplier groups with high sustainability risk through desk research. The result of sustainability risk analysis indicates the groups of suppliers that should be managed closely which are animal feed raw materials, food ingredients, packaging, equipment and machinery, fuels, chemicals, logistics, and other critical raw materials. Furthermore, the Company conducts on-site ESG audit of critical suppliers with a target “100% of the critical suppliers audited in Thailand and Vietnam operations by 2025”.

Progress of On-site ESG Audit on Critical Suppliersⁱ

Percentage of critical tier-1 suppliers that have been audited on-site in terms of Products & service, People, Process and Performance (4Ps)

Unit: Cumulative percentage of critical suppliers



Performance on Supply Chain ESG Management as of 2023

Critical tier-1 suppliers under the target scope is 852 suppliers.

- The Company has 1,278 significant tier-1 suppliersⁱⁱⁱ which accounted for 51% of total procurement spending on tier-1 suppliers.
- The Company has 39 significant non tier-1 suppliers.ⁱⁱⁱ
- 804 significant tier-1 suppliers (57% of all significant tier-1 suppliers) has undergone sustainability assessment, within which 764 were identified as having substantial actual/potential negative impacts.
- 86% of significant tier-1 suppliers identified as having substantial actual/potential negative impacts has an agreed corrective action plan in place.
- 656 significant tier-1 suppliers identified as having substantial actual/potential negative impacts were supported in corrective action plan implementation.
- 0.00% of significant tier-1 suppliers identified as having substantial actual/potential negative impacts were terminated.
- In 2023, 97% of tier-1 suppliers were local suppliers which accounted for 63% of total procurement spending.^{iv}

Remarks:

ⁱ Thailand operations

ⁱⁱ Significant suppliers refer to suppliers identified as high sustainability risk or critical suppliers or both.

ⁱⁱⁱ Scope of Thailand operations covers 9 groups of products and services including 1. Processed Animal Feed Raw Materials 2. Unprocessed Animal Feed Raw Materials 3. Food Ingredients 4. Packaging 5. Equipment and Machinery 6. Fuels 7. Chemicals 8. Logistics 9. Other Critical Raw Materials. Scope of Vietnam operations covers all product and service groups.

^{iv} Thailand and Vietnam operations are considered as the Company’s significant operations due to their two highest contributions to sales revenue.





The Company collaborates with suppliers to support the formulation of corrective measures in case of non-conformity, promotes suppliers' knowledge and understanding through various capacity building programs and awards suppliers with excellent performance. Based on the critical supplier ESG audit in 2023, the top three most common areas requiring improvement included occupational health and safety, labour practices and climate change management. Therefore, the Company has coordinated with these suppliers to develop management processes, monitor performance, and provide trainings to inform good labour practices, occupational health and safety in workplaces, as well as environmental management.

Supplier Capacity Building

The Company recognizes that growing a sustainable business is unattainable without suppliers, both large corporations and SMEs, with high potential to grow mutually and sustainably. Therefore, the Company strives to increase knowledge and strengthen the potential of suppliers through various sustainability capacity building programs, e.g. focus group training, providing understanding on the Company's supplier ESG management process, both in overview and in depth. One of the objectives is to improve suppliers' capability to address audits findings. CPF Partner Day was organized to communicate the direction of CPF's supplier development on sustainability and awards recognitions to suppliers with outstanding performance. Throughout 2023, 148 suppliers in Thailand operations and 85 suppliers in Vietnam operations have participated in supplier capacity building program.

In 2023, the Company's focused topics in economic aspect were efficiency improvement through innovation and quality & safety of raw materials. For social aspect, the focused topics were good labour practices with respect to human rights principle; for environmental aspect, they were net-zero transition, traceability and zero deforestation supply chain, as well as food loss management. The objectives were to increase knowledge, elevate competitive capacity and drive business excellence with considerations to sustainable growth, and reduce business disruption risks, while being environmentally and socially responsible in the supply chain.

Focus group training on good labour practices, occupational health and safety, and environment for suppliers in Thailand operations



Capacity building of suppliers in Vietnam operations



More information on promoting Small and Medium-sized Enterprises (SMEs)' competitive capacity is available in the chapter **"Climate Action"** under the topic [→ Stakeholder Engagement in the Value Chain.](#)

Award and Recognition

The Company organized CPF Partner Day 2023 and presented honorary awards to acknowledge suppliers with outstanding performance and important contribution. This enhances sustainability in the Company's value chain towards international recognition. The Company aimed to encourage suppliers towards success and mutual growth according to the concept of **"Partner to Grow"**. Twelve awards were given to suppliers of large corporations and SMEs, divided into six categories including CEO Award "Best Business Partner", Rising Star Award, Best Innovation Award, Best Sustainability Award, Best Cost Competitiveness Award and Best Quality and Supply Performance Award. Over 300 suppliers participated in the event.








Building Transparency throughout the Supply Chain

In addition to ensuring the quality of raw materials that meet the Company’s standards, the Company has announced Biodiversity and Zero Deforestation Commitment in line with Net-zero commitment to reduce greenhouse gas emissions according to Science Based Targets initiative (SBTi)’s guideline. The Company set a target to achieve zero deforestation for four key agricultural raw materials including maize, soy, palm oil and cassava across global operations by 2025. The Company works towards this target by developing a blockchain-based traceability system and using advanced satellite imaging technology for governance. The Company is also in progress of connecting traceability databases with suppliers and farmers in the supply chain, along with procuring certified raw materials recognized by international standards with traceability. Notably, the Company does not use the contract farming system with feed plantation farmers both in Thailand and overseas operations.

Biodiversity and Zero Deforestation Commitment



Results of Traceability and Zero Deforestation Sourcing in 2023ⁱ

Key Raw Materials	Point of Traceability	Percentage of Traceability ⁱⁱ	Percentage with Evidence of Zero Deforestation
 Maize	Plantation Areas	61.2%	61.2%
	Collection Points	38.8%	
 Soy	Plantation Areas	48.0% ⁱⁱⁱ	1.2%
	Processing Facilities	51.9%	
 Palm Oil	Plantation Areas	2.5%	3.1%
	Processing Facilities	96.8%	
 Cassava	Processing Facilities	99.8%	0.5%
 Fishmeal	Fishery Sources	34.4%	Not Applicable
	Processing Facilities	65.6%	
Total	Plantation Areas / Fisheries Sources	49.4%	35.4%

Remarks:

ⁱ Information covers Feed business’ key raw materials in Thailand, Cambodia, Philippines, Malaysia, Laos, Vietnam and India operations, as well as food business key raw materials in Thailand and Vietnam operations.

ⁱⁱ Kindly note that the scope of reporting has been revised from the previous year as follows 1. the point of traceability includes plantation/fishery sources only 2. the scope expansion to include food business in Thailand and Vietnam operations.

ⁱⁱⁱ The traceability to plantation areas is under third-party verification process on deforestation-free area status.

Zero Deforestation Sourcing Approach



The product internationally certified

Internationally recognized standards and certifications are such as Roundtable on Sustainable Palm Oil (RSPO) for palm oil, SSAP (U.S. Soy Sustainability Assurance Protocol) and ABIOVE Soy Moratorium Declaration for soybeans and soy products, and Forest Stewardship Council (FSC) for paper packaging



Farmers’ documents to certify their plantation areas

Based on land title deed certificate or official documents certifying that the plantation area is permitted as agricultural land

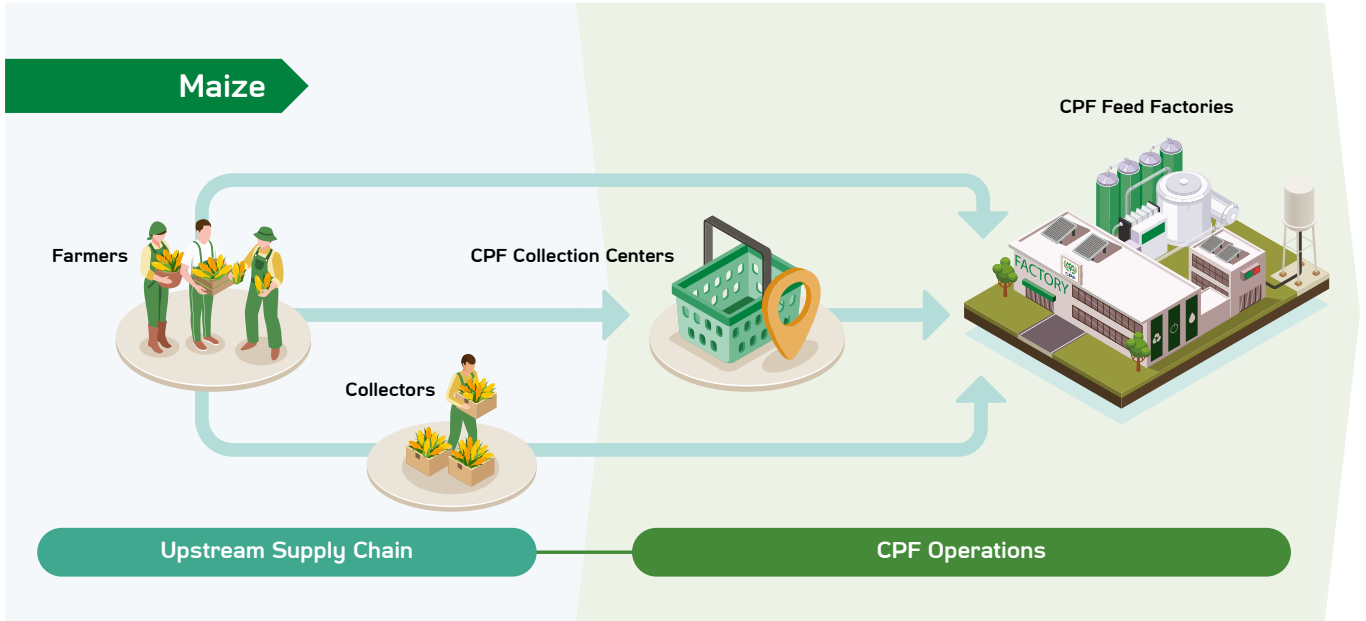


GPS technology and satellite imagery

Use of geolocation for plantation plots (GPS coordinates) to track changes in land uses or tracking the stubble burning with satellite imaging technology



Maize

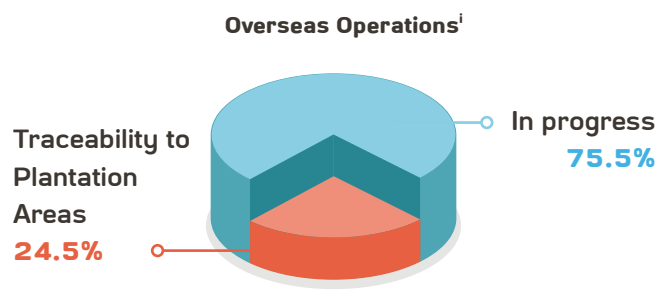
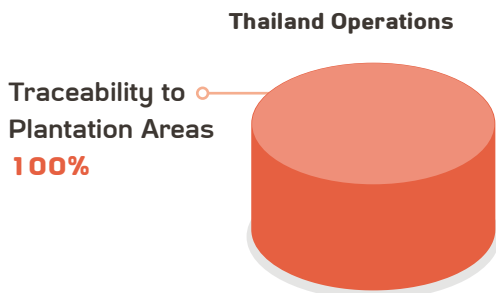


The Company has a pre-purchasing quality control system on maize to ensure quality raw materials meet the standards, prior to being input into feed production process. The Company has also developed and implemented Maize Traceability System in Thailand since 2016 to ensure that the Company’s supply chain is free from deforestation and stubble burning which negatively affect the environment in terms of biodiversity and air pollution. The Company employs blockchain technology on traceability database to achieve an accurate, transparent and swift traceability system to the origin of agricultural raw materials. By 2025, the Company aims to achieve 100% traceability of maize back to plantation areas globally through the Maize Traceability System facilitated by F. Farm application which supports farmer registration and knowledge sharing on sustainable agriculture.

By 2025, the Company aims to achieve **100%** traceability of maize back to plantation areas globally through the Maize Traceability System.



Ratio of Maize with Traceability to the Plantation Areas



Remark:

ⁱ Overseas operations cover 6 operating countries; Cambodia, Philippines, Malaysia, Laos, Vietnam and India, where Bangkok Produce Merchandising Public Company Limited supplies animal feed raw materials to the Company.



The Company moves forward with the **“No purchasing and importing maize products from deforestation and stubble burning areas”** policy with a traceability system that jointly prevents PM2.5 problems.

This policy is to procure maize through the Company’s Maize Traceability System, which is not a contract farming model. This helps reduce forest encroachment and the PM2.5 air pollution from stubble burning. Currently, 61.2% of maize in feed businesses in Thailand and overseas operations can be traced back to the plantation areas.

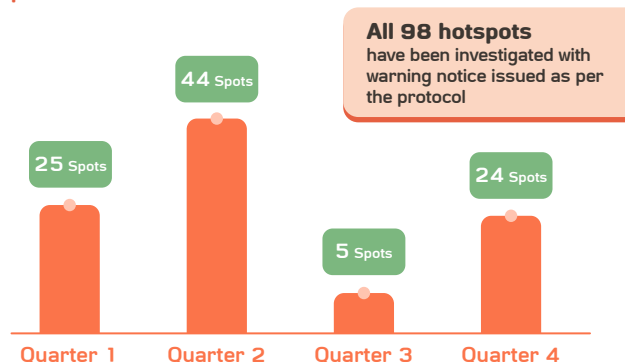
Mechanism of Maize Traceability System

Maize farmers in the supply chain shall register with their personal information along with location of the plantation areas, the size of the plot, and the status of land ownership which is based on a legal document of land title deed or an official document certifying that the plantation areas are permitted as agricultural land. Maize collectors shall register with their personal information or establishment registration details, along with the establishment’s location. Upon the transaction, maize farmers and maize collectors shall record trading information in the system every time. Currently, the Company has adopted blockchain technology to track each trading transaction for transparency within supply chain. The Company has also integrated the geolocation of the registered plantation areas (GPS Coordinates) with a real time satellite-based hotspot tracking system, using the same database as NASA (NASA FIRMS: Fire Information for Resource Management System), to monitor stubble burning in registered maize farmers’ plots in the supply chain.

Monitoring of hotspots on registered planting plots through satellite image



Statistics of hotspots on registered planting plots in Thailand in 2023



When a hotspot is found on the registered plot, the Company will investigate and issue a warning notice to the farmer with knowledge sharing on how to properly manage stubble without burning. In case of repeated stubble burning, the Company reserves the right not to purchase maize from aforementioned plots for at least 1 year. The Company established public channel to report maize stubble burning to safeguard society and the environment in accordance with the “No purchasing and importing maize products from deforestation and stubble burning area” policy.

Report Channel for Maize Stubble Burning

Website

www.cpworldwide.com



F. Farm Application



For Android only





Third-party Verification of the Traceability System

To ensure transparency and continuous improvement, the Company has commissioned an independent and internationally recognized sustainability verifier to verify the completeness of Maize Traceability System, addressing the principle and system’s work process, as well as a satellite hotspot tracking system.

Third-party Verification of the Traceability System (Inspecting merchants/collectors)



Third-party Verification of the Traceability System (Inspecting farmers’ plots)

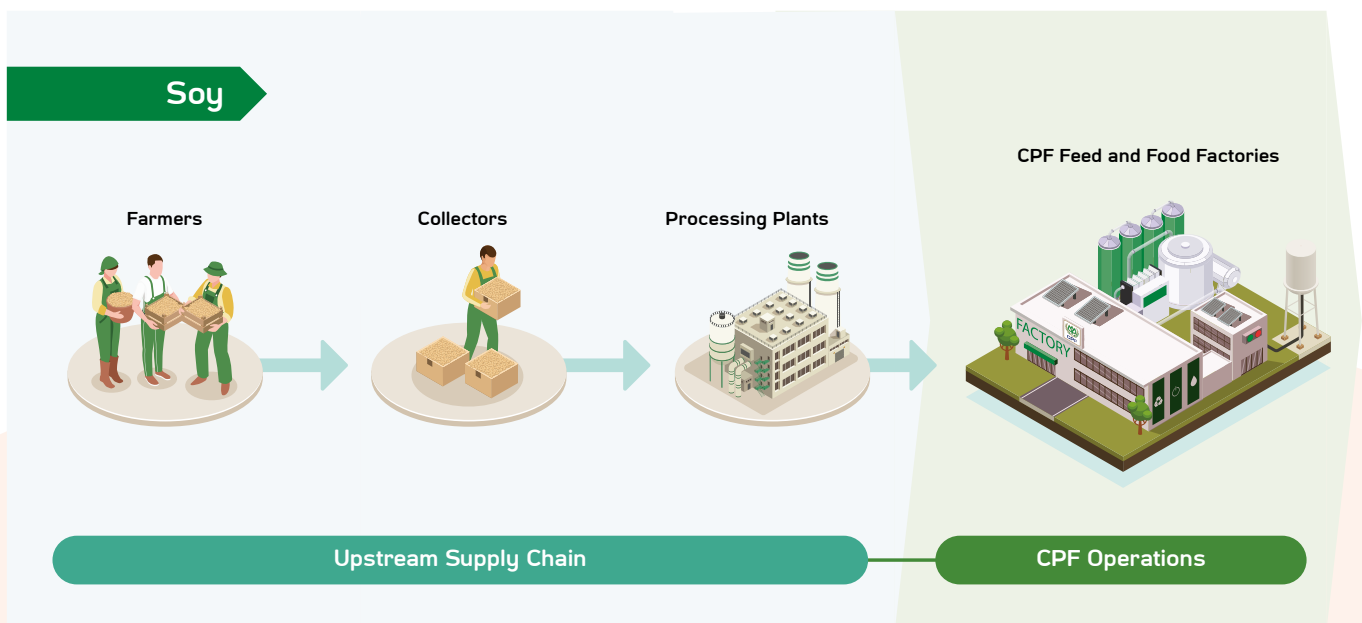


F. Farm Application “Thai Farmers’ Buddy”

The Company has developed the F. Farm application to encourage Thai farmers to use modern knowledge and technology to facilitate the cultivation of animal feed crops in line with international standards. This application also allows users to register and connect to the traceability system with maize as the pilot feed raw material. This application facilitates farmers in documenting, confirming, and submitting information for verification. At the same time, it is also a tool for companies to monitor results, collect supply chain data, and verify sources. In addition, farmers can check market prices of raw materials, weather conditions, and receive news about epidemics and insects. They can also learn about sustainable farming techniques, e.g. good practices and efficient methods in fertilizers and agrochemical usage, contributing to water stewardship and climate change adaptation, soil quality improvement and greenhouse gas reduction in the agricultural sector.



Soy

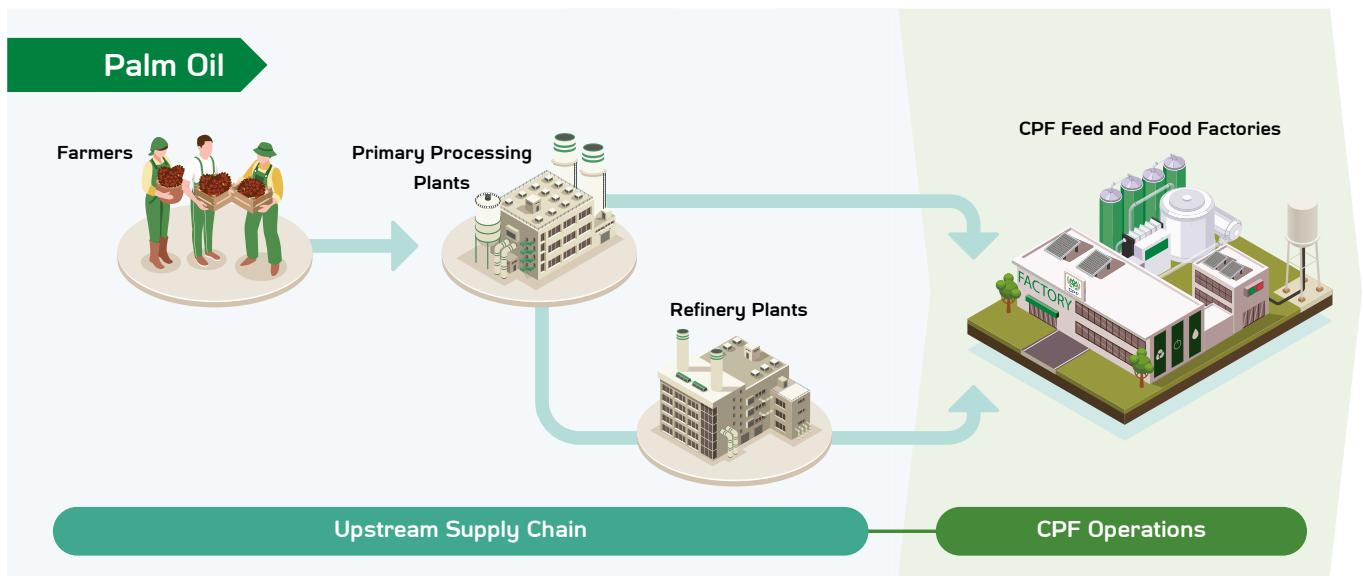


In 2023,
48%
of soy were traceable
to plantation areas.



The Company prioritizes the inspection of soybean meal and soy products' quality prior to purchasing, to ensure quality raw materials meeting the Company's standards. The Company also recognizes the importance of a zero deforestation soy supply chain both in Thailand and overseas. The Company has a target that 100% of soybean meal sourced will be traceable and free from deforestation by 2025. The Company therefore identifies risks from raw materials' country of origin, as well as set guidelines for sourcing soybeans and soy products from countries with high risk of deforestation. The product shall come from traders who are members of ABIOVE Soy Moratorium, which plays an important role in keeping the supply chain of soybeans and soy products free from deforestation, by neither purchasing nor financially supporting farmers involved with deforestation. In addition, the Company also cooperates with key suppliers to connect the Soy Traceability System, enabling identification of soybeans and soy product sources, all the way to the plantation areas using blockchain technology. The Company also explores the possibility in using soybeans and soy products that has been certified by Round Table on Responsible Soy Association (RTRS) and U.S. Soy Sustainability Assurance Protocol (SSAP) standard, which are internationally recognized.

Palm Oil

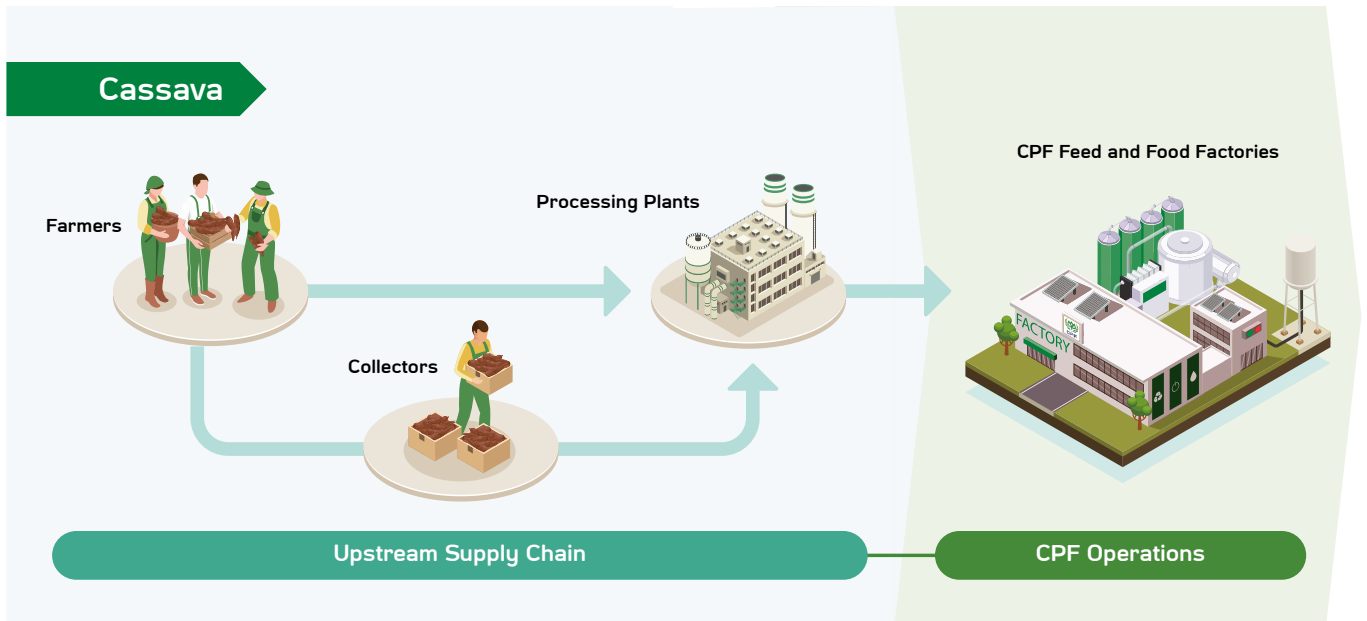


The Company is committed to controlling the quality of palm oil before entering the food and animal feed production systems to produce products that meet the Company's standards. The Company is also aware of the impact of converting tropical rainforest areas to agricultural areas for planting oil palms, resulting in ecosystem changes and biodiversity loss. The Company, as a leader in the agro-industrial and food industry, aims for 100% of its palm oil to be traceable and deforestation-free by 2025. For animal feed business, the Company has developed a Palm Oil Traceability System which will be expanded in 2024. For food business in Thailand and Vietnam operations, the Company currently procures parts of palm oil from production sources that meet international standards, e.g. the Roundtable on Sustainable Palm Oil (RSPO) which ensures that the palm oil purchased is free from deforestation.





Cassava



Cassava is one of the key raw materials in the food and animal feed industry. The Company places great importance on the quality of raw materials purchased. The Company has developed a Cassava Traceability System for feed business, and has expanded the success in Thailand in the fourth quarter of 2023. This was achieved through collaboration between suppliers and farmers in the supply chain who registered under the Company's traceability system.

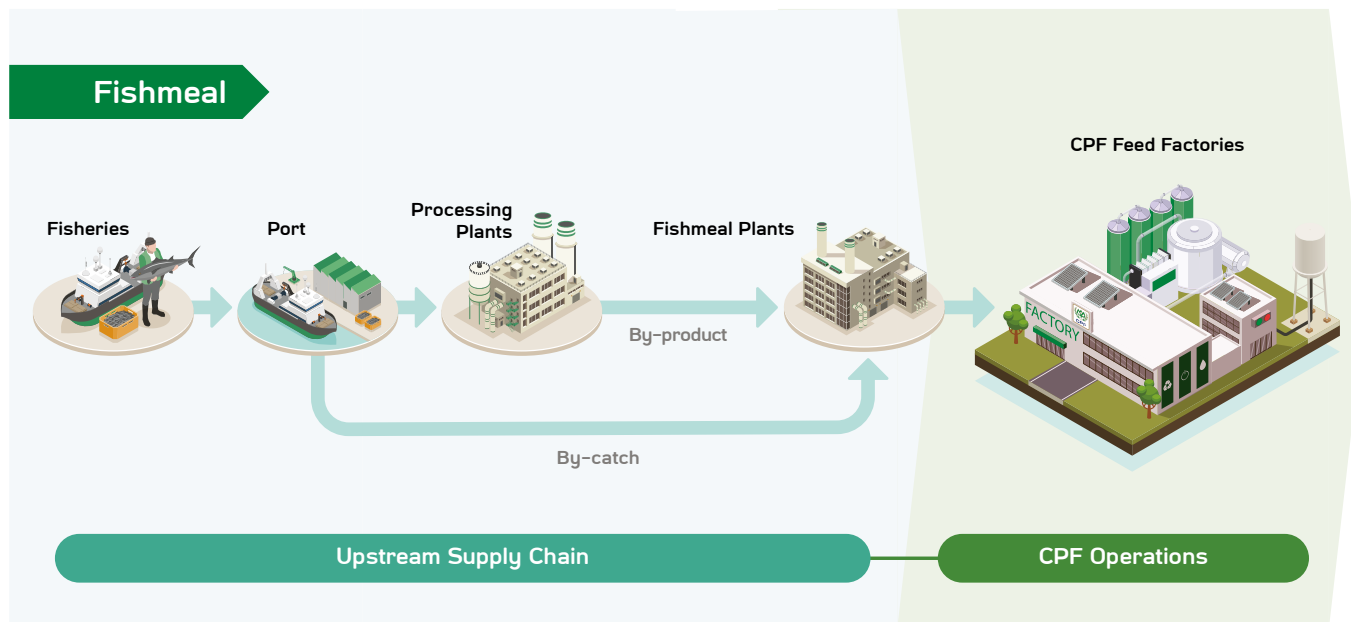
User Training on Cassava Traceability System



For processed cassava used in the food production business, the Company has collaborated with suppliers and farmers to collect data. The Company is in the process of expanding the traceability system to plantation areas to ensure zero deforestation sourcing.



Fishmeal



The Company emphasizes the pre-purchasing quality control of fishmeal, which is another important source of protein in aquatic feed. The Company is aware that fishmeal is a raw material that is at risk of sustainability issues, both in the social and environmental dimensions, e.g. illegal fishing, use of forced labour in the supply chain, etc. Although the Company does not operate fishing business and does not own fishing vessels, the Company is deeply committed to supporting the sustainable procurement of fishmeal to reduce sustainability risks and impacts that may occur in the supply chain. Thus, CPF Fishmeal Sourcing Restrictions has been established, allowing only two types of fishmeal to be sourced as follows:



1. By-product fishmeal from processing plants (By-product)

The Company purchases fishmeal from factories that align with MarinTrust standard, which is in line with Code of Conduct for Responsible Fisheries of the Food and Agriculture Organization of the United Nations (FAO) or fishmeal that is not a by-product of species at risk of extinction according to the definition of the (World Conservation Union: IUCN Red List of Threatened Species)



2. By-product fishmeal from direct fishing (By-catch)

The Company purchases fishmeal which is certified by MarinTrust, which is an internationally recognized standard for sustainability and traceability of fishmeal (certified by the International Fishmeal Organization (MarinTrust)) or can be verified with legally supported inspection mechanism from various sectors, e.g. officials or representatives from the Department of Fisheries, entrepreneurs, related communities, consumers, and academics, etc.



Thailand Operations

100% of fishmeal is a by-product from fish processing plants under MarinTrust standard.



Vietnam Operations

40.98% of fishmeal is a by-product from fish processing plants under MarinTrust standard.

7.51% of fishmeal is a by-product of fishery under Fishery Improvement Plan.



Global Operationsⁱ

34.43% of the procurement of fishmeal is consistent with the "Fishmeal Procurement Requirements" that focuses on conserving marine biodiversity and ecosystems.

Remark:

ⁱ Reported information covers all operating countries that use fishmeal including Thailand, Cambodia, Philippines, Malaysia, Laos, Vietnam and India operations.



Fostering Partnerships in the Supply Chain

The Company works with partners throughout the supply chain, including the government, private sector, and farmers, to promote sustainable supply chain in terms of nature and environmental protection, knowledge sharing, and agricultural productivity improvement as follows;

Collaboration with the Department of Agriculture on Maize Farmer Development towards International Standards

The Company and the Department of Agriculture have jointly organized training sessions and developed methods for maize cultivation in accordance with Good Agricultural Practice (GAP) standard for farmers in the Na Klang Community Enterprise, Amphur Sung Noen, Nakhon Ratchasima Province. This program encourages farmers to apply maize cultivation knowledge and promotes participation in certification of agricultural produces, which cover all production stages from plantation to harvest. This program aims to uplift the production of safe and quality agricultural produces, while protecting the environment and promoting farmer's health and well-being.



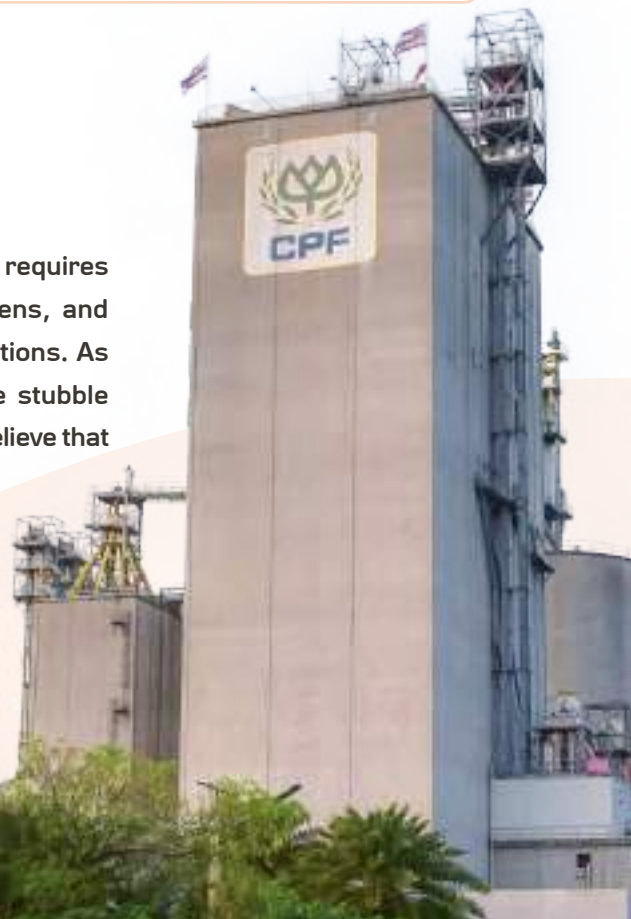
"Partner to Green: Combating PM2.5" project in collaboration with Chiang Mai Governor Office

The Company leverages on the Maize Traceability System which was initiated in 2016 to deal with ongoing PM2.5 issue by supporting maize collectors in Thailand to use the hotspot information from the Traceability System and satellite image to jointly take care of the maize supply chain and combat stubble burning.



Smog problem is a national problem. It requires the government, private sector, citizens, and civil society to join forces and take actions. As CPF has initiated a project to reduce stubble burning in the agricultural sector, we believe that the positive change is coming."

Mr. Nirat Pongsitthithaworn
Governor of Chiang Mai Province



Collaboration with the U.S. Soybean Export Council (USSEC)

The Company signed a Memorandum of Understanding (MoU) to enhance responsible sourcing of soybeans, soybean meal and soy products. This collaboration includes knowledge and information sharing to optimize the procurement of sustainable food and feed raw materials. USSEC, as a sustainable protein producer, will also share technical expertise, experience, and success factor in sustainable soy production, deforestation-free supply chain and natural resources protection to support the Company's transition towards net-zero greenhouse gas emissions by 2050.



Collaboration with Bunge, a global leader in agribusiness, in developing and connecting a traceability system to the origin of soybean and soy products, promoting deforestation-free supply chain through blockchain technology

The Company builds trust by collaborating with major suppliers. This Memorandum of Understanding (MoU) covered agricultural raw materials sourced from Brazil to be used as feed raw materials in Thailand and overseas operations of the Company with an aim to drive the Company's global food supply chain to become more sustainable and environmentally-friendly, whilst protecting biodiversity.



Collaboration with Louis Dreyfus Company (LDC), a leading merchant in agricultural goods, to use satellite mapping to enhance soy traceability for zero deforestation and low carbon supply chain

The Company seeks opportunities to integrate various systems, which includes real-time data transfer and improved digital traceability solutions in line with the (European Union's Deforestation Regulation or EUDR, (EU) 2023/1115) as well as the sustainability certification standards, e.g. Round Table on Responsible Soy (RTRS), International Sustainability and Carbon Certification (ISCC) and ProTerra standard. These international standards emphasize the production of agricultural products from planting, harvesting, to processing without causing negative impacts on the community and the environment.





Food Quality and Safety



2030 Target



Zero
public recall on
food productsⁱ

2023 Performance



Zero
public recall on
food productsⁱ

Food safety is a key factor to everyone's well-being. The access to safe, nutritious, and good for health food could reflect the good quality of life. It was estimated that 1.6 million people around the world fall ill from unsafe food every day, wherein the majority are young children. This emphasizes that access to safe, nutritious, and health-nourishing food is a basic human right for everyone. Since food safety is considered a key determinant for people's health¹, it is crucial that food production standards must prioritize on food safety and implementation of quality control system to prevent physical, chemical, and biological risks. For example, establishing the bio-security system to prevent contamination in production process.

As a leader in integrated agro-industry and food, the Company has adopted the international standards for food quality and safety in production, including the regulations from the domestic and overseas government as well as requirements from customers, to implement in food quality and safety control, starting from the acquisition of raw materials, production, and product delivery to customers and consumers. The Company also strives for continuous improvement according to the recommendations of customers and consumers to ensure food quality and safety.

Management Approach

- **Establishment of the Quality Policy** to achieve food security and sustainability throughout the Company's value chain in order to deliver quality and safe food products to consumers.
- **Elevation of CPF Standards in Alignment with International Standards** Raising standards for quality, safety, and sustainable food production to comply with global standards (One Standard for All).
- **Development of Personnel Potentials and Organizational Culture in Food Safety and Quality** Developing the personnel with skills and expertise in auditing in line with international standards. Inculcating awareness and attitudes towards food quality and safety among employees. Focusing on promoting good practices to foster a culture which ultimately extends across the supply chain.
- **Improvement in Product Quality Assurance throughout the Supply Chain** Elevating the quality assurance strategies by analyzing development opportunities throughout the supply chain.
- **Transparency in Product Quality and Safety through Traceability System** Maximizing consumer's confidence with high quality, clean, and safe products by applying an effective traceability system which enables production history check and swift product recall.

¹ Food and Agriculture Organization of the United Nations World Health Organization Rome, 2023

Remark:

ⁱ Thailand operations



Implementation and Performance

Elevation of CPF Standards in Alignment with International Standards

The Company increases the efficiency in production plants inspection to ensure effectiveness and elevates CPF Standards globally toward the same direction. The Company therefore has initiated CPF Food Standard project in collaboration with the British Standards Institution (BSI) called CPF Food Standard; PS 7818:2018, which is a standard for poultry products covering quality management, food safety, and sustainable food production. This standard is applied throughout the production process (Feed Business, Farm and Processing Business, and Food Business) of the Company to ensure one single standard globally. The Company integrates various international standards that the Company has been certified, i.e. CODEX, ISO 9001, ISO 22000, internal and international regulations as well as customer requirements i.e. BRC. Currently, the CPF Food Standard covers broiler and duck business in Thailand. The Company set a strategy to expand the coverage of this standard to overseas operations, driven by the Global Standard System Centre and Food Quality Assurance Unit which report to the Chief Operating Officer on quarterly basis.



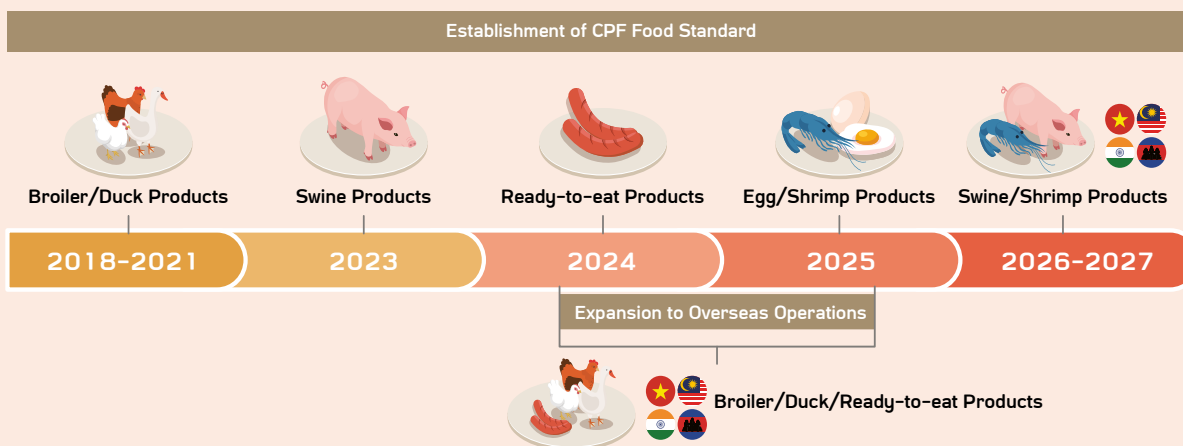
The first Company in ASEAN with Private Standard for Food Quality and Safety

Mr. Siripong Aroonratana, Chief Operating Officer - Livestock Business, received CPF Food Standard PS 7818:2018 Certificate for a total of 117 locations from BSI Group Co., Ltd. (Thailand) along with ISO 9001:2015 Quality Management System Certificate, ISO 22000:2018 Food Safety Certificate as well as Good Hygiene Practices and Hazard Analysis Critical Control Points (GHPs & HACCP) Certificate.

CPF Food Standard Roadmap 2023-2027

In 2022, the Company was successful in the establishment and application of CPF Food Standard for the integrated broiler-duck business. In 2023, the Company set a target to expand the results of the CPF Food Standard to other businesses in Thailand operations, including swine and regional broiler processing factories. The Company aims to expand the standard to ready-to-eat food business in Thailand operations in 2024 and layer and shrimp business in 2025. In 2024- 2025, targets of expansion are broiler, duck and ready-to-eat food business in Vietnam, Malaysia, India, and Cambodia operations. In 2026-2027, targets of expansion are swine and shrimp business in Vietnam, Malaysia, India, and Cambodia operations.

CPF Food Standard Roadmap 2023-2027





In 2023, the Company has been certified in accordance with these following international standards for food quality and safety throughout the production process as follow:

Country of Operations	Feed Business				Farm and Processing Business							Food Business		
	GMP, HACCP	ISO 9001	AI Compartment ⁱ	FAMI QS ⁱⁱ	GAP	Genesis GAP/ Lloyd's Register Poultry Scheme	AI Compartment	BAP	GMP/GHP/HACCP	ISO 9001	BRC Global Standard for Food Safety	GMP/GHP/HACCP ⁱⁱⁱ	ISO 9001	BRC Global Standard for Food Safety
Thailand	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Remarks: CPF Food Standard; PS 7818:2018 has been commenced in Thailand operations only

- ⁱ AI Compartment (Avian Influenza Compartment) Standard by the Department of Livestock Development
- ⁱⁱ FAMI QS (Feed Additives and Pre-Mixtures Quality System)
- ⁱⁱⁱ Food production plants including food processing plants for semi-cooked and cooked food, and ready-to-eat food factories

Development of Personnel Potentials and Organizational Culture in Food Quality and Safety

In 2023, the Company organized 11 training programs for personnel in every related function on an annual basis. One of the highlight programs is "Quality Lead Auditor".



The Company develops personnel with skills and expertise in food quality and safety assessment to ensure that the food delivered to consumers are safe, nutritious, and good for health. In 2023, the Company organized 11 training programs covering personnel in every relevant function which occurred on an annual basis. The highlight program for 2023 is Quality Lead Auditor. Those who completed this training program are registered as the auditors by International Register of Certificated Auditors (IRCA), a global organization that certifies quality management. Thirty-seven participants have completed the training in 2023. In total, 80 qualified personnel across the Company are the key workforce in food quality and safety inspection within the organization and suppliers in the supply chain.

The Company raises awareness of quality and safety of food among the employees in the Company through the CPF Food Safety & Quality Culture project. The training was provided to employee leaders to expand the results in 7 pilot business units across 12 factories in Thailand, with a target to expand across all factories by 2025.



World's Food Safety Day in the United States Operations

Four facilities in North America including, Vernon Plant 1, Vernon Plant 2, Archbold Plant, and the Jackson Plant held activities in World's Food Safety Day to promote a culture of food safety. A committee was established to discuss and monitor the implementation of projects with objectives to uplift food safety practices toward international standards and share knowledge.



Improvement in Product Quality Assurance throughout the Supply Chain

The Company initiated a project to build quality and safety control driven by the Food Quality Assurance Unit. Key recommendations and complaints regarding product quality from customers are analyzed and reported to senior executives on regular basis, resulting in project objectives as follows:

Improving the Quality of Raw Materials

The Company believes that “quality raw materials lead to quality products.” Therefore, the Company aims to improve the quality of raw materials by cooperating with suppliers through the “Supplier Quality and Food Safety Development” project. Training workshops are organized for Small and Medium Enterprises (SMEs) to enhance knowledge for global food safety and quality, creates an organizational culture on food safety, food fraud, and food defense in line with the [Sustainable Sourcing Policy and Supplier Guiding Principle](#). Suppliers are supported to improve operational efficiency according to the international standards, be socially and environmentally responsible according to ESG guidelines, be responsive to the current consumers' demands in product quality and safety. Site visits are conducted to provide advisory for process improvement. Moreover, Quality Assurance (QA) experts are developed, with a focus to enhance their expertise on raw materials.



Upgrading Production Processes to Proactively Manage Quality Issues

The Company creates proactive quality assurance measures to prevent quality problems by using “TPM: Infinite Loop” tools to manage the quality issues. Quality assurance personal are promoted to learn about the mechanisms of key machines and analyze risk points in order to design an inspection process. This can prevent quality problems from key machines through quality maintenance to avoid waste generation from the production.



Elevating Product Quality

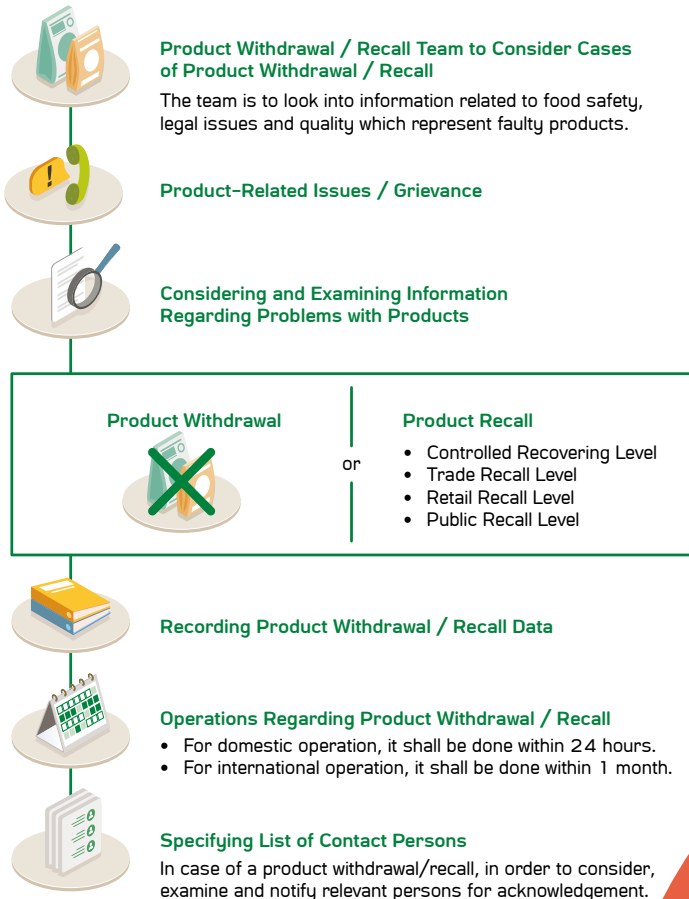
The Company established a project to develop the products inspection kits in collaboration with domestic and international experts. Through accurate and quick analysis, these kits help reduce human labour, waste, and storage time. This results in quick product delivery, consistency in product quality, and positive customers and consumers' sentiments due to consistent food quality e.g. taste, color, texture, and scent. The Company also fosters experts in sensory testing for food business and establishes the Sensory Evaluation Center to develop the personnel to perform sensory quality testing. In 2023, there were a total of 729 qualified personnel across 7 business units.



Transparency in Product Quality and Safety through Traceability System (Thailand Operations)

The Company established a digital product traceability system for Thailand's operations to assure product quality and safety for consumers by providing transparent information. This initiative is a part of the Company's transformation toward a digital business through blockchain technology to holistically strengthen the business operation. In 2023, the Company successfully implemented the system covering chicken meat products, pork products, shrimp, and chicken eggs products. The process for product withdrawal and recall is established as shown below.

Product Withdrawal and Recall Process



Innovation and Technology



The Company drives corporate-wide innovation through personnel and corporate knowledge building



Innovation is a vital tool for sustainability development in the economic, social, and environmental aspects. The Company's innovation consists of feed production, animal farming, and food manufacturing, which help increase efficiency in production, quality and food safety, reduce losses and consequences on the environment. Moreover, it is also another important factor impacting consumers' decision to purchase. Evidence from studies shows positive correlation between greenhouse emission and innovation technology.¹ Also, according to a 5-year research across 154 companies, there is an evident correlation regarding ratio between new ideas, and income and profit growth.²

Innovation is one of the Company's core values or the CPF Way, which revolves innovativeness. The Company therefore focuses on creating an "innovative organizational culture" by encouraging all employees to innovate and create innovative projects that can be applied in the Company and leading to the development and production of new products and services, with 3 essential elements as follows: working environment, employees, and innovation management standards. Every business unit must participate in innovation development by focusing on innovation in 5 areas: (1) efficient production innovation (2) value-added innovation (3) innovation in health and hygiene products and services (4) business model innovation to create growth, and (5) innovation for sustainable organizations. These help increase the Company's competitiveness as a whole and maintain the environmental equilibrium, as well as be responsible for surrounding community and society. The Company also gives considerations in selecting external partner organizations to jointly develop and complement each other's skills and capabilities.

Management Approach

- **Becoming an Innovative Organization** encourages employees to be creative and continuation of the working process for operational effectiveness, including product development, to ensure customers' satisfaction in each local area.
- **Innovation to Drive the Business Forward** aims to develop production process along the value chain of agro-industrial in 6 areas, namely, Agri-Tech, Bio-Tech, Food-Tech, Sustainable-Tech, Operating-Tech and Artificial Intelligent-Tech.
- **Building Cooperation in Innovation** building cooperation with the public sectors, educational institutions, business organization, and encourage new entrepreneur (Startups) to facilitate innovation development together in agro-industrial business.

¹ Technological innovation and the environment, Lund University, School of Economics and Management.

² Are Innovative Companies More Profitable?, MIT Sloan Management Review, <https://sloanreview.mit.edu/article/are-innovative-companies-more-profitable/>.



Implementation and Performance

Becoming an Innovative Organization

The Company strengthens the status of becoming an innovative organization according to the Company's core value of innovativeness under the CPF Way. The Innovation Day is set to encourage employees to utilize creativity to continuously develop their own work, both in respect of hardware and software, until it becomes the enterprise culture. In 2023, Thailand operations spent more than THB 2,700 million in research and development, with over 1,100 employees in research and development.

"Innovation for swine business: 2023 Pig BU Innovation, Thailand Operations"

Drive the "Innovative Organization" by continuously innovate. This includes the Green Farm Model, which is friendly to the community and environment and other various products i.e. Kurobuta CP pork products and Cheewa pork products with healthy fat, omega 3.



"Creativity and Innovation Training, Vietnam Operations"

Provide curriculum for innovation and creativity to assist employees in developing business growth, increasing competitiveness, and promptly adapting to changes. In 2023, four patents and petty patents were registered i.e. raw material sampling device for animal feed production.



"Feed Innovation Week by Livestock Feed Business, Thailand Operations"

Provide knowledge and experience sharing, and drive towards the creation of innovators for innovation within the Company. This project encouraged employees to become innovators and innovator assistants in total of 1,147 individuals. Additionally, the project created an innovative atmosphere and inspired employees to create new things, increase competitiveness capacity, address customer needs, and aim at the goal of becoming an organization which uses innovation for sustainable growth.



CPF received "National Innovation Awards 2023" by National Innovation Agency (Public Organization) as an outstanding innovation organization for large private organization.

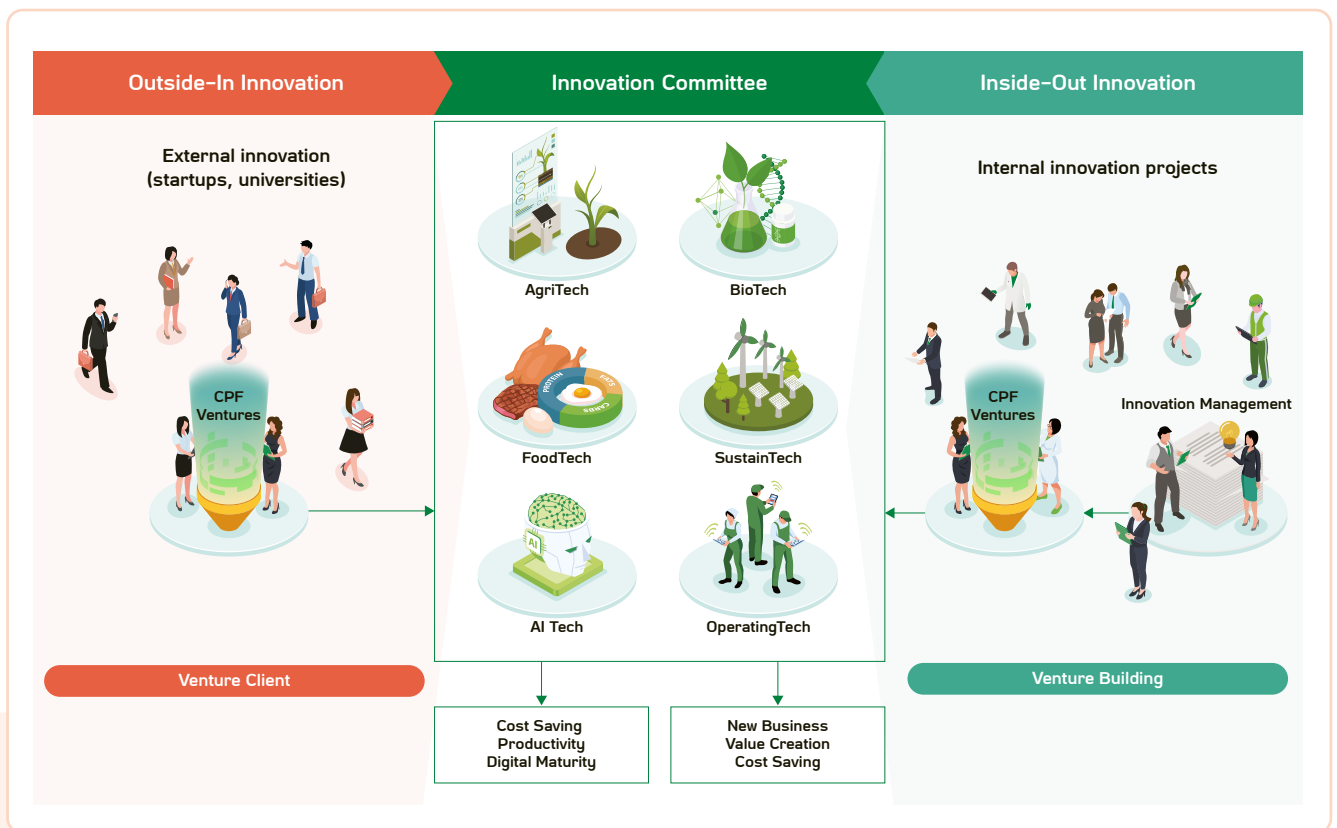
Mr. Prasit Boondoungprasert, the chief executive officer, was an award recipient. The award demonstrates the Company's top-tier performance in the integrated agro-industrial and food businesses with outstanding organizational management from strategies, processes, to the Company's infrastructure.



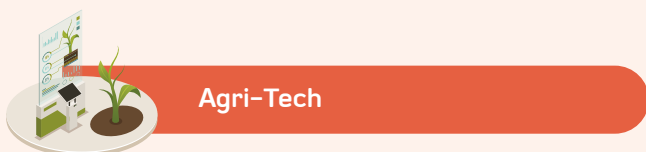
Innovation to Drive the Business Forward

The Company aims to use innovation to improve the production process such as food product research, satisfying consumers' needs and containing rich nutritional values. Such innovation enhances operational effectiveness to reduce cost of production. This includes new external innovation that could be implemented in the Company and generated business value, which could be achieved through collaboration with external organizations, such as universities and startups. The developmental framework comprises 6 aspects, as follows.

Organizational Innovation Strategy



Examples of Innovation Programs



Farmer Management System for farm crops and horticulture, For Farm Application

Real-time monitor cultivation fields. The application enables management of cultivation fields, both in the forms of Company's large fields and small fields of farmers, capacity to analyze recommended areas suitable for farming, notification concerning levels of water, rainfall, humidity, wind directions, suitable fertilization for planting and harvesting. Market price for the crops is also available to aid farmers in decisions to sell their goods, including knowledge sharing from experts to the farmers.





Bio-Tech

Probiotics Innovation

The Company develops animal feed formula with good bacteria, strengthening animals' immunity system for good health, and preventing them from falling ill as they are naturally healthy. Therefore, antibiotics usage is not necessary. In collaboration with globally renowned research institutes, through screening across over 125,000 strains of probiotics, only 10 strains of probiotics are selected. They are used for animal feeds including broiler, layer, duck, swine, and shrimp. Moreover, the Company was awarded as Best Innovative Company from the Stock Exchange of Thailand in 2023.



Vegan Cheese from Fermented Broken-Milled Rice 'Just-Cheese' Through a Biological Process

The Company uses the specially selective yeast, providing specific aroma and amino. While it is considered a lower-value by-products from rice milling process, broken milled rice is rich in proteins, minerals, good fats, and vitamins. Low fat and nutritious "cheese" satisfies the needs of young generation who loves cheese, and is vegetarians. At the same time, the product is delicious on par with dairy cheese, serving as an alternative for those with lactose intolerance.



Food-Tech

Pasteurization Innovation for Pasteurized Liquid Egg Production

The Company has created a pasteurized liquid egg product from fresh egg yolk, white egg, and mixture of both. The product provides nutritional value equivalent to fresh eggs. It was manufactured in plant with modern technology and innovation of global standards. Pasteurization innovation is used for quality control, quality consistency, ready-to-go, and convenience in storage. The product has a longer shelf-life than normal fresh eggs. It is free from *Salmonella sp.*, *E.Coli* and other pathogenic microorganisms.





Sustainable-Tech

Solar-Generated Electricity Storage System Pilot using batteries, in collaboration with VFlow Tech a startup company, and PTT Exploration and Production Public Company Limited

It reduces electricity's peak demand and reduces dependency of the government grid's power at night for layer farms in Chantaburi province. Economic benefits forecasted the reduction of THB 1.66 million annually, with the reduction of greenhouse gas emissions of 58 tons CO₂equivalent per year. Moreover, the Company is committed to use 100% renewable energy in this farm, and expand this initiative to other farms in the future.



Operating-Tech

Automated Storage & Retrieval System or ASRS

The Company utilizes automated robot system and Smart Warehouse system during the receipt and storage of raw materials in a cold room. This serves as the storage and automated retrieval system (ASRS) room, ensuring the goods are constantly kept fresh and storage area is reduced.



Artificial-Intelligent Tech

Artificial Intelligent (AI) Prediction End Products Price Forecast

The Company utilizes artificial intelligence technology to predict the feed buyers' needs. This allows the Company to plan and estimate the orders and production systematically. The Office of Strategy and Business Development won an award from the Feed Innovation Day 2023 competition.





Building Cooperation in Innovation



Thoughts on CPF



“CPF prioritizes to elevate Thailand’s agro-industrial sector and serves as a model “innovative organization”, continually promoting creative innovation. The Innovation Day event, which has been held for more than 15 years, is an open forum for employees to create innovative works and to develop CPF innovators from one generation to another.”

Dr. Chaiyatorn Limapornvanich

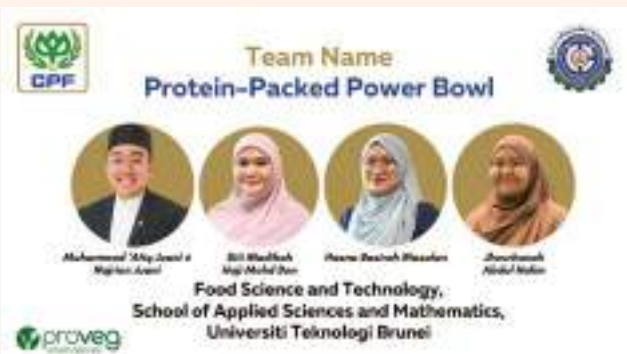
Director of the Strategy Department, National Innovation Agency

Driving startups forward in the search of food industry development technology

Beyond driving for employees’ innovation within the Company, the Company also promotes building innovation in collaboration with external parties with expertise in agro-industry and food business, both governmental agencies and startup groups, for domestic and overseas operations, to create additional long-term value for the food industry. Subsequently, CPF Ventures was established, with the task to build collaboration with startups globally and create new business opportunities continuously, e.g. the business challenge “energy consumption in layer farms in Chantaburi province”. The Company also provided consultation and served as a judge searching for the winner of the DIPROM x Delta Angel Fund Hackathon 2023 event. The event was hosted by the Department of Industrial Promotion, in collaboration with Delta Company, to support younger generation entrepreneurs in business operation to satisfy the industrial sector’s demand. Startups in which the Company provided consultation won 3 outstanding presentation awards. The first prize went to EV Heat Map Team for EV Charging Planner Platform. The platform was developed to facilitate electric car users in planning for electricity charging in an effective and environmentally friendly manner. The second prize went to Chickasix Team, the creator of 100% renewable energy system utilizing ammonia from chicken manure. The third prize went to REPoultry for the development of Biogas Fermentation and Energy Management System for Smart Farming.

Development of Youth Innovators into Regional Innovation Leader

The Company has been a partner to ProVeg, a regional organization supporting plant-based protein production for 3rd consecutive years to elevate food industry and promote The ProVeg Food Innovation Challenge APAC 2023. CPF Food Research and Development Center joined in providing consultation and sharing knowledge with participating teams. This provides opportunities for the young generation to learn from the Company’s experts and to build on the food product development for new consumers, and drive food security forward. In 2023, the Company took part in setting topic for innovation challenge, the development of healthy and nutritious plant-based ready-to-eat food. The Company mentored a team of students from University of Technology Brunei, who successfully placed third in the competition. In total, over 1,000 students from 260 universities across 23 Asia-Pacific countries participated in the challenge. A total of 384 proposals were submitted.



Animal Welfare



Use of large quantities of antimicrobials or improper use in humans, animals, and agriculture may lead to Antimicrobial Resistance (AMR), which is one of the top 10 global health threats.¹ In 2019, AMR caused approximately 1.27 million deaths worldwide² and is expected to cause approximately 10 million deaths per year by 2050. It is also estimated that AMR could increase healthcare costs by USD 1 trillion by 2050 and cause gross domestic product loss of up to USD 1 - 3.4 trillion per year by 2030.³

¹ Bracing for Superbugs: Strengthening environmental action in the One Health response to antimicrobial resistance, United Nations Environment Programme 2023, Geneva.

² Global antimicrobial resistance and use surveillance system (GLASS) report 2022, World Health Organization.

³ Antimicrobial resistance, World Health Organization, 21 November 2023.

Remarks:

ⁱ There is a new target to cover the business of laying hens in all countries.

ⁱⁱ The performance covered Operations in Thailand, Cambodia, Philippines, Malaysia, Vietnam, and Republic of China (Taiwan).

ⁱⁱⁱ The performance covered Operations in Thailand, Cambodia, China, Turkiye, Poland, Philippines, Malaysia, Vietnam, and Republic of China (Taiwan).

^{iv} The performance covered Operations in Thailand, Cambodia, Poland, Philippines, Malaysia, Russia, Vietnam, Republic of China (Taiwan), and India.

2030 Targets



100%

of sows raised in group gestation pen housing system



10% per year increase in

the production capacity of cage free egg compared to 2022 base yearⁱ



100%

environmental enrichment for broiler globally

2023 Performance



45%

of sows raised in group gestation pen housing systemⁱⁱ



184% increase in the

production capacity of cage free egg compared to 2022 base yearⁱⁱⁱ



88%

environmental enrichment for broiler globally^{iv}



The Company with an end-to-end food production chain is committed to protecting a sustainable food system, food safety for consumers' health, and focusing on well-being of animals' husbandry. The Company has an animal-friendly farming system based on the Five Freedoms and the Five Domains principles for assessing animal welfare and applying farm biosecurity systems for farm management. There is also an animal welfare committee to drive **"Animal Welfare Policy and Long-Term Targets"** and an antimicrobial action steering committee to support the **"Global Vision for Antimicrobial Use in Food Animals"**. These approaches have been applied throughout the entire operations in every country and are traceable to build confidence for consumers and prevent disease outbreaks that may occur.

Management Approach

- **Declaration of Policies and Commitments** under the Five Freedoms and the Five Domains principles for animal welfare assessment to ensure that animals are raised ethically and in compliance with the laws, rules, requirements, and regulations of the producing and trading countries.
- **Research and Development** of animal feed and animal farming that are efficient and of high quality, ensuring consistency to the animal welfare principles.
- **Supporting and Promoting** good animal welfare practices both in the Company's operations and in the supply chain, enabling suppliers and contracted farmers to follow the Company's animal welfare policies and requirements.
- **Auditing** by internal functions and external independent agencies to ensure appropriate and humane treatment of animals including receiving recommendations for development opportunities in operations.
- **Building Cooperation and Alliance Networks** i.e. business partners, government agencies, civil society organizations, research and academic institutions, as well as relevant stakeholders to raise awareness and help elevate the level of animal farming according to animal welfare principles.

Implementation and Performance Commitment to Animals Farming According to Animal Welfare Principles

The Company elevates the farming business to international standards under the "Five Freedom" and the "Five Domains" principles. The Company has also issued policies, manuals, and guidelines on operating practices to align management direction in every country. The Company requires top management to oversee the animal welfare management, establishing an animal welfare committee for each country where there are animal farming operations, and experts in each business line to operate and promote animal welfare, covering both the Company's farms and those under Contract Farming. In addition, the Company arranges meetings for animal welfare committees from every country at least twice a year to exchange knowledge, review policies, and monitor animal welfare management. This is to ensure that the animal welfare management of the Company, the Contract Farming, and suppliers related to the Company's meat protein products are all in compliance with the laws, regulations and rules of the country of operations. This includes regulations of key trading partners, customer requirements, as well as international standards for animal welfare, and communication of animal welfare performance through the Company's public channels e.g. sustainability reports, organizational website, and social media for transparency and raising awareness.



Responsible and Prudent Use of Antibiotics

The Company is committed to responsible and prudent use of antibiotics as a core practice for farm business in every country, covering all of the Company's farms and farms under contract farming. This is achieved by limiting antibiotics use for disease prevention (Prophylactic Uses) and using antibiotics for treatment (Therapeutic Uses) in accordance with animal welfare principles under veterinary prescription only, and:

- Free from the use of human-only antibiotics.
- Free from the use of shared-class antibiotics that are medically important to humans for the purpose of accelerating growth (Growth Promotor).
- Free from the use of hormones for the purpose of accelerating growth (Growth Hormone).



Research and Development

Research and development is the key to sustainable business. The Company therefore develops innovations in animal welfare to elevate animal farming in the supply chain, starting with the sanitary of farm animals, one of the important factors in animal farming.

Animal feed mixed with probiotics is the starting point of innovation for raising healthy animals, reducing illness with probiotic microorganisms that have been selected in a laboratory from more than 125,000 strains, to only 10 of the best strains, helping to balance the animal's intestinal tracts and naturally strengthen the immune system. **Biosecurity system** is a practice to prevent germs from outside to contaminate animal farming area, preventing disease outbreaks in animals. This also includes farming in a closed-housing system, having a traceability system for raw materials used within the farm as well as controlling the entrance and exit of both people and vehicles. All of which must pass a disinfection system before entering and exiting the farm.

Smart farm is integrated to the farm business to more efficiently help monitor operations within the farm, including the well-being and health of the animals at all times. **Big database** is used to collect data on animal welfare from operations around the world. In 2023, the Company developed technology and innovations in animal welfare e.g.

Smart Rice Husk Flipping Robot

To promote the natural behavior of chickens in scavenging, the Company therefore uses rice husks to cover the floor of the housing to improve the environment for the chickens. This allows them to feel comfortable and provides warmth. Though rice husks are soft material, easy to procure and reasonable price, the surface preparation takes a long time to set up, making it inconvenient to use. The Smart Rice Husk Flipping Robot is the solution of this pain point by reducing human labours and keeping the rice husks dry and friable. This innovation promotes a physical environment for animals to behave naturally and supports the good quality of chicken meat delivered to processing plants.



Poultry Weight Prediction Device Using AI and 3D Technology

AI technology facilitates in broiler weighing in farms without disturbing the broiler, as a result, the broiler are not stressed. This enables real-time weighting of broiler and increase in accuracy of estimation of herd uniformity, average daily growth, and weight before entering the factory. It also reduces the work time of the personnel and possible pathogen contamination within the farm.



Electrical Stunner for Shrimp Anesthetization

Vietnam is the world's 2nd largest exporter of shrimp, with major markets in Europe, where consumers prioritize animal welfare. Vietnam operations recognizes that it is essential to render shrimps insensible in the briefest time prior to processing. Therefore, they have developed a machine to anesthetize shrimps with electric current instead of using ice as a traditional anesthesia method by experimenting with the electrical current adjustment, which is most appropriate and effective in rendering shrimps unconscious and causing the least damage. This is a humane act that can reduce pain without affecting the quality of shrimps.

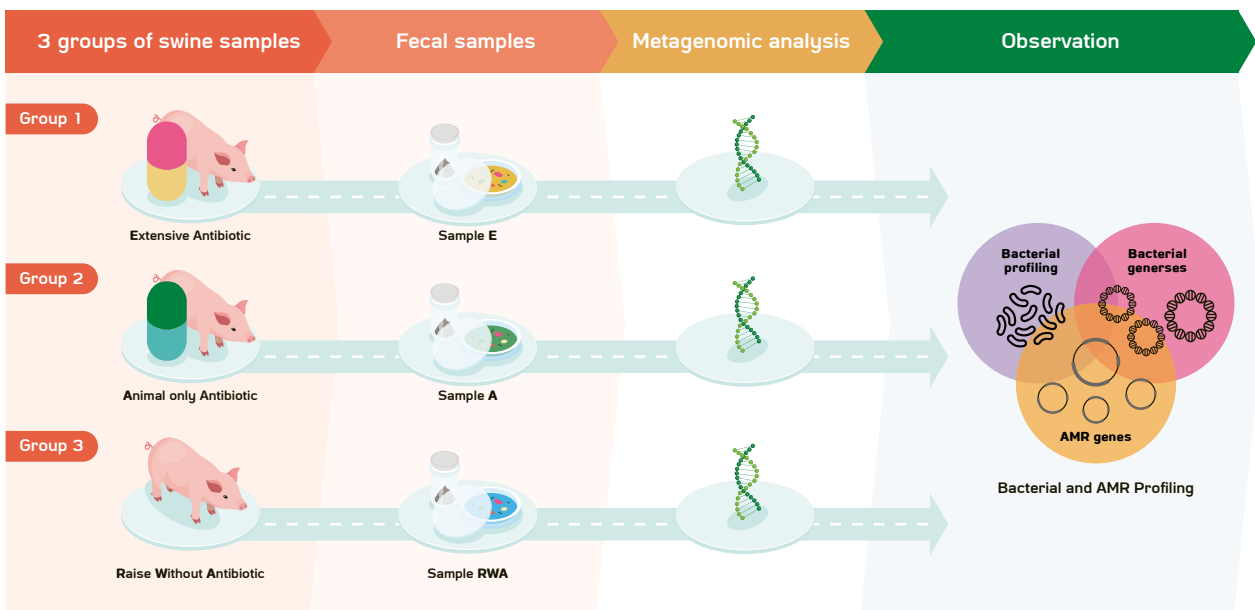




Research on Microbial Diversity and Abundance Antibiotics Resistance Genes in Thai Swine Farm

The Company supports the reduction of antimicrobial resistance through research and development on the responsible use of antibiotics in collaboration with the Department of Microbiology, Faculty of Science and Division of Medical Bioinformatics, Faculty of Medicine Siriraj Hospital, Mahidol University by studying drug resistance and examining the diversity of various types of bacteria from the manure of the Company's fattening swine from every region in Thailand and in 3 different groups of swine:

1. Group that uses general antibiotics that are prescribed to be usable by both humans and animals (Extensive Antibiotic).
2. Group that uses antibiotics for animals only (Animal only Antibiotic).
3. Group that does not use antibiotics throughout the raising (Raise without Antibiotic: RWA).



Supporting and Promoting Good Animal Welfare Practices

The Company prioritizes educating the operators involved in animal welfare to ensure meticulous understanding and attention to animal's health and physical condition under the principles of animal welfare, and in the matter of preventing epidemic. The Company's team of veterinarians and experts has transferred their expertise in animal husbandry to farm supervisors, animal husbandry professionals, and relevant staffs, and farmers in the contract farming programs to raise awareness of the importance of animal welfare through meetings, seminars, training, on-site training, and job training, including teleconferences with global animal welfare committees to monitor animal welfare efforts and know-how exchange.

Examples of Knowledge Transfer Training on Animal Welfare in 2023

Human Resource Development

- Training course on Alternative Housing System and Tail Biting course by international experts (Arlene Garcia, Ph.D., Texas Tech University School of Vet Med)
- Building competent officials to register and certify animal welfare officers at the factory. (PWO-Processing) Vietnam operation by Dr. Andy Butterworth, AW Training, UK who's an Approved Training Provider from the UK.
- Providing knowledge regarding animal welfare to employees in primary processing plants.



Business Partners/Partnerships Development in Thailand by the Company's Experts

- Teaching health management and disease prevention to farmers
- Providing knowledge about animal welfare to truck operators whom transporting broilers from farms to processing plants



Knowledge Sharing with the Government / Overseas by the Company's Experts

- Management, prevention, and control of African Swine Fever (AFS) for teams in Korea and Vietnam
- Farm biosecurity system for the University
- Driving guidelines to enhance the potential of cage-free layers in Thailand for universities and layer farmers.
- Sustainable Broiler Production for the International Broiler Raising Council
- Past, present, and future directions for dealing with antimicrobial resistance at the National Conference on Antimicrobial Resistance in Aquaculture (National Aqua AMR Forum)











Promoting Animal Welfare in the Supply Chain

The Company is committed to delivering animal proteins that has been treated with good animal welfare to consumers. The Company has therefore assessed the animal welfare performance of its core products throughout the global supply chain.

Animal welfare assessment of key products throughout the global supply chain in 2023ⁱ

Products from	Animal Welfare Promotion	Production Capacity
 Broiler	From enhancing the physical environment, %	88.00
 Duck	From enhancing the physical environment, %	83.34
 Layer	From raising in cage-free housing, million eggs	110
 Swine	From sows raised in group gestation pens, %	42.00
 Shrimp	From shrimp breeders without eyestalk ablation, tons	4,300
 Fish	From no fin clipping, %	100







Remark: ⁱ In Thailand operations, the physical environment for broilers has been enhanced at 93.65%, a production capacity of cage-free eggs was 30.50 million eggs, and 57.18% of sows have been raised in group gestation pens. The Company has worked to elevate animal husbandry levels according to animal welfare principles in businesses across every country to address the entire production capacity.

Participating in Reducing Pain in Swine in 2023ⁱ

3Ts	Operations Participated	Proportion (%)
No Testicle Castration	Thailand, Republic of China (Taiwan), Cambodia, Philippines, and Malaysia	9.27
No Teeth Clipping	Thailand, Republic of China (Taiwan), Vietnam and Malaysia	37.48

Remark: ⁱ In operations in the Republic of China (Taiwan) and Malaysia, there is zero piglets' teeth cutting/grinding. In addition, in operations in the Republic of China (Taiwan), there is zero male castration.

Welfare Outcome Measures of Companies in the Global Supply Chain in 2023

	Welfare Outcome Measures (WOMs)	Performance		
		2021	2022	2023
 Broiler	Transport Livability, %	99.76	99.82	99.80
 Duck	Transport Livability, %	99.84	99.86	99.02
 Layer	Transport Livability, %	99.98	99.98	99.59
 Swine	Sow Livability, %	95.73	98.02	96.86
 Shrimp	Black Scar Lesion, %	2.09	3.67	3.13
 Fish	Transport Livability, %	n/a	99.90	99.07






The Company uses animal welfare outcome measures to develop and improve animal welfare performance, following the development of the breeding and managing animal farming to ensure animal welfare in accordance with local climate. The Company also uses this as an index to measure the success of the work performance (KPIs) of personnel involved in animal husbandry.





Auditing

All animal farms of the Company and contract farms in every country have been audited by third parties for at least 1 time in every 3 year and has certified to livestock product standards from the Department of Livestock Development of each country, covering animal welfare management and being in line with the Good Agricultural Practice (GAP) and Good Manufacturing Practice (GMP). This ensures consumers confidence of advanced animal welfare enhancements in fresh food products and all processed meat products under the Company's and customer brands, which are distributed domestically and overseas. This reassures the products are from quality farms, hygienic and safe for consumers. The Company has also been certified to various international standards e.g.:

Certified Advanced Animal Welfare	
 Broiler	<p>India, Malaysia, and Poland: Genesis GAP</p> <p>Thailand and Malaysia: Global GAP by Control Union International, QS Scheme</p> <p>Thailand: Farm First Poultry Welfare Standard by Lloyd's Register UK, Compartmentalization System, Raised without Antibiotics (RWA) by NSF, National Sanitation Foundation Global Animal Wellness Standards (NSF GAWS)</p> <p>Malaysia: LR Poultry Scheme</p>
 Duck	<p>Thailand: LR Poultry Scheme, Compartmentalization System</p>
 Layer	<p>Vietnam and Malaysia: Global GAP</p> <p>Thailand: Raised Without Antibiotics (RWA) by NSF</p>
 Swine	<p>Vietnam and Malaysia: Global GAP</p> <p>Thailand: Raised Without Antibiotics (RWA) by NSF</p>
 Shrimp	<p>Thailand and Vietnam: Best Aquaculture Practices (BAP), Aquaculture Stewardship Council (ASC)</p> <p>Thailand: Antibiotic-free products (Antibiotic Free Product Certification)</p>
 Fish	<p>Vietnam: Aquaculture Stewardship Council (ASC)</p>

Building Cooperation and Alliance Networks



The Company has joined the World Business Council for Sustainable Development (WBCSD) since 2015 and has jointly established the Responsible Meat Initiative (ReMI) sub-working group under the project to reform the sustainable food production system for health benefits (Food Reform for Sustainability and Health: FReSH) in 2021, with the aim to promote responsible protein production and consumption throughout the food value chain, with 4 out of 11 areas directly related to responsible animal husbandry, animal welfare, interventions in the use of antimicrobials and animal health, animal nutrition, and the demand for responsibly produced pork. In 2023, the ReMI Working Group, which consists of representatives from 6 global leading food production companies, has published guidelines for responsible swine raising under the title 'Criteria for Responsible Pork: A Roadmap to Sustainable and Just Animal Protein' to promote responsible protein production.

In addition, the Company, as a private organization, has been a co-founder of a collaborative network of global seafood industry leaders (Seafood Business for Ocean Stewardship: SeaBOS) since 2017. Numerous works has been done to promote sustainability in seafood and related supply chains in many dimensions, which are divided into various working groups. Currently, the Company's Chief Operating Officer of Aquaculture Business Operations serves as the main supporter in the working groups to promote the responsible use of antimicrobials (Task Force III: Reducing antibiotics use) while company representatives also serve as (Task Force Leader) in the said working groups even though the Company does not use antimicrobial drugs in aquaculture. To promote the reduction and responsible use of antimicrobials in the aquaculture industry as a whole, the Company is committed to disseminating good practices in shrimp farming, from the introduction of various technologies applied throughout the production process e.g., raising animals in closed housing system with high biological safety, the use of probiotics mixed with feed to build immunity of healthy shrimp, strong, not easily ill, and increase in water use efficiency such as using microorganisms to treat pond water (Biofloc) etc. This leads to uplift seafood safety standards, create sustainability for the society and the environment. In 2023, the Company joined forces with the SeaBOS network and experts both domestic and overseas to implement a pilot project in Antimicrobial Resistance Gene Testing in order to use the results of this study to develop guidelines for monitoring and reducing the use of antibiotics in aquaculture. This is in accordance with the standards of the World Health Organization (WHO) and is a guideline to drive food security, leading to a sustainable production system, safeguarding the balance of the ecosystem and joining forces in protection of the natural food resource base for future generations.



Responsible Marketing and Product Labeling



The Company drives for the development of healthier and nutritious products



Responsible marketing is considered important business ethics in being responsible to customers. The Company must communicate transparently to stakeholders, especially the consumers, displaying no false texts or false information that could mislead decision-making, in both product safety and quality. This is especially for vulnerable consumer group e.g. children, pregnant women, and patients with non-communicable diseases (NCDs). The Company should raise awareness among new generations who prioritize environmentally friendly products.

The Company values food security, aiming to produce quality meat protein and food products at affordable price, as well as developing food products for consumers placing a great emphasis on health e.g. reducing sugar, sodium, and fat content. Simultaneously, the Company continues to provide great taste and nutritional values, while also conducts impact assessment and in the process of certifying for carbon labels, recognizing greenhouse gas emission reduction throughout the product lifecycle. Such labels demonstrate transparency in communication of green products. The Company has also

2030 Targets



50% of new products developed to be healthier and more nutritious.ⁱ



35 million consumers per day reached to healthy foods and beveragesⁱ

2023 Performance



48% of new products developed to be healthier and more nutritious.ⁱ



26 million consumers per day reached to healthy foods and beveragesⁱ

Remark:

ⁱ Thailand operations



stipulated responsible marketing and selling ethics, as well as providing training to employees to raise awareness concerning the importance of responsible communication. The Company provides mechanisms to ensure product labels follow the laws, regulations, as well as national and international suppliers' standards. There are nutritional facts shown to facilitate consumers' decision making, without displaying exaggerated information or excessive advertisement. Furthermore, the Company conducts customer satisfaction surveys, subsequently utilizing the results for the development and improvement of products, services, and the Company's business operations.

In 2023, the Company had zero significant violation cases against the law relating to food and service impacts. There was no significant violation cases against the law relating to information, product labels and service. The Company has no significant violation cases against the laws relating to marketing communication, including advertisement, promotion and sponsorships.

Management Approach

- **Development of Policies and Commitments** Pledge commitment under the practice to develop products for greater health, with nutrition policy and other policies in alignment to international standards and relevant legal requirements.
- **Product Development Research for Good Health** Develop and integrate modern technology into developing products that are healthy, delicious, nutritious, and address the needs of different age groups.
- **Establishment of Product Label Regulation Mechanism** Providing mechanism to ensure product labels are in compliance with local laws for domestic sale and export, as well as displaying accurate, clear, and sufficient nutrition facts on labels.
- **Communication and Collaboration for Consumer Health and Sustainable Consumption** Promoting nutritional knowledge and sustainable consumption via medias, as well as continuous collaboration with government agencies, private sector, and non-profit agencies, both domestically and overseas.
- **Establishment of Good Relationship with Customers and Consumers** Surveying customer satisfaction to utilize findings for the development and improvement of products, services, and the Company's business operations. This includes establishing a variety of contact channels to systematically communicate product information and manage grievances.

Implementation and Performance Product Development Research for Good Health

The Company is committed to the development of healthy and tasty food by establishing CPF Research and Development Center since 2017 to enable global consumers' access to quality and safe food with enhanced benefits for good health. This is achieved through research and development of food products by teams of researchers and expert chefs. They jointly studied, researched and developed molecular food innovation and conducted tests on products according to international standards in laboratory, using modern tools and environmentally friendly packaging design. In 2023, there are healthier products e.g.



Lower sodium

(Less than 600 milligrams per servingⁱ)

Frozen Ready-to-Eat Food product group with lower sodium i.e. Spaghetti and Carbonara Sauce with 34%ⁱⁱ sodium reduction, Spaghetti with Minced Chicken and Sausage with 30.7%ⁱⁱⁱ sodium reduction.



Less saturated fat

(Not more than 3 grams per servingⁱ)

Ready-to-Eat product group with less total fat i.e. Chilli Chicken Breast Bologna with 75%ⁱⁱ less total fat, Black Pepper Chicken Breast Sausage with 62%^{iv} less fat.



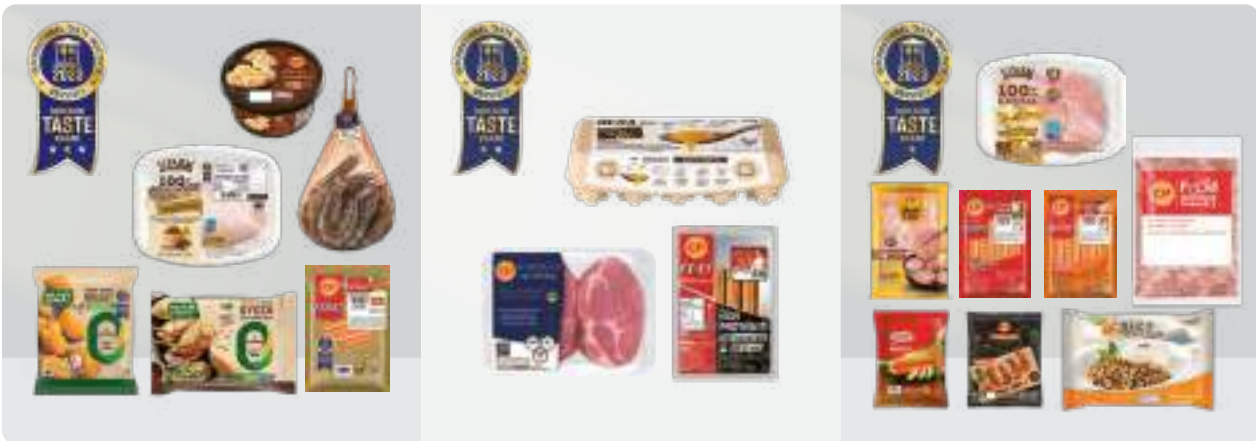
Remarks:

- ⁱ Compared to the Recommended Daily Intakes for population over 6 years of age (Thai Recommended Daily Intakes: Thai RDI) based on energy requirement of 2,000 kcal diet per day
- ⁱⁱ compared to Spaghetti and Carbonara Sauce CP Brand
- ⁱⁱⁱ compared to Spaghetti with Minced Chicken CP Brand
- ^{iv} comparing to Chili Bologna (Pork and Chicken Mixed) CP Brand comparing to Black Pepper Chicken Frank Sausage CP Brand.



Moreover, the Company won the price “**Superior Taste Award 2023**” for 17 products covering all categories, including fresh products and ready to eat products from world leading international institute, International Taste Institute, which is held yearly at Brussels, Belgium. In 2023, over 2,000 food and beverage products’ taste were strictly evaluated. As a leader in food and health-conscious consumption, the Company was awarded 3-Stars for “Benja Chicken” “CP Sausage” “Fresh Shrimp, CP Pacific Brand” “CP Shrimp Wonton” and “Nugget and Gyoza” using Plant-Based Meat from MEAT ZERO. This reflects the Company’s dedication to develop products in accordance with international standards, providing clean, safe, and tasty products.

Product Groups Awarded



Establishment of Product Label Regulation Mechanism

Product label is an important way to communicate nutrition facts to consumers, facilitating their decisions to buy products, and raising awareness in basic nutrition. The Company prioritizes product labels, and thus established the Office of Food Regulations, tasked in assessing the law and monitoring changes relating to food, as well as stipulating rules and standards in labelling development. This includes clear display of product information, nutrition quantity identification and energy in accordance with product’s quantity or the quantity consumed, clear and appropriate word choices, and the clear identification of product components to prevent consumers’ suffering from food allergies or food intolerance. There is also information on materials used in product packaging, user guide, and storage.

In 2023, all Ready-to-Eat product and beverages of the Company have nutrition facts labels GDA (Guideline Daily Amounts) e.g. energy, sugar, fat, and sodium, all of which are important factors behind non-communicable Diseases (NCDs).

Nutrition Facts

Energy	Sugar	Fat	Sodium
XX kcal	XX kcal	XX kcal	XX kcal
*X%	*X%	*X%	*X%

*Percentage of the recommended maximum daily allowance

Communication and Collaboration for Consumer Health and Sustainable Consumption

The Company recognizes the importance of creating awareness and promote knowledge on food and nutrition for consumers good health. The Company therefore fosters marketing, communication and engages with various sectors. Notable projects are as follows.

Low Salt Consumption Network

The Company joined a campaign to help raise awareness on low salt consumption for the public. The Company jointly hold exhibitions and showcasing over 10 low sodium food and food products, whose levels are appropriate and met the criteria of World Health Organization. The showcase and knowledge sharing session were at the “10th anniversary exhibition: Reduce Salt, Reduce Disease, Less Salt, Delicious”. The Company was also awarded 10 Years Low Salt Awards for Healthy Product Development.



Cambodia operations launched “CP Marketing Summit 2023”

with the objective of collecting and sharing knowledge, market experience, accentuating employees’ understanding on marketing strategy for sustainable growth. The operation in Cambodia is proud to be the first Thai company supporting and providing knowledge to Cambodian farmers, allowing them secure employment and suitable income. More importantly, they create food products with utmost hygienic standard to ensure consumer’s well-being, as well as food safety and food security in Cambodia. The Company also sets a strategy to drive business operations sustainably in 2024. This is in accordance with Cambodian government policy, by means of collaboration with Overseas Trade Promotion Office and representatives from the government sector.

Establishment of Good Relationship with Customers and Consumers

The Company sees importance in establishing good relationships with customers and consumers. The Company has therefore established a Consumer Center providing comprehensive service, from providing information, receiving grievance, to taking orders and delivering Company’s products. There is a consumers hotline at 0-2800-8000, available 24 hours. In 2023, there were 1,050 grievances.

Grievance cases	Number of cases	Corrective actions/ remedies
Regarding consumer’s health e.g. consumers fall ill	0	Provide correct information, confirm facts, negotiate, and compensate for damage
Regarding product safety e.g. find foreign matter	265	
Regarding product quality e.g. color, fragrance, flavor	785	
Using product labels e.g. texts on product labels are incorrect or incomplete	0	
Product advertising e.g. over, false advertising	0	

In addition, the Company conducted customer satisfaction survey in 2023



Received **92.6%** in satisfaction score

across feed, farm-processing, and food businesses. Surveys were conducted with customers (B2B), the Company’s primary purchase power. The survey result was used to develop and improve the Company’s products and services in various forms to ensure they best address the customers ‘needs e.g. logistics duration, product quality, and environmentally friendly packaging.

From responsible marketing work, the Company was awarded “**The best leading brand in food products**” Award in Thailand from Superbrands Thailand 2023. The Company received the highest vote from sample group of consumers across the country, over 15,000 people. The selection criteria comprise e.g. brand quality, brand relationship with customers, and brand identity. This substantiates the Company’s leadership in marketing strategy to address consumer’s needs, along with maintaining considerations for the society and the environment.





Human Rights



The United Nations has proclaimed the Universal Declaration of Human Rights in 1948 as a framework for protection of fundamental rights of every human being, regardless of nations, places, languages, religions, ethnicity, or any other conditions, to prevent risks from human rights violation.

The Company realizes the importance of respecting stakeholders' human rights in all aspects, including shareholders, employees, workers and their families, customers, consumers, business partners, communities and societies, government, civil society and academia as well as media throughout the value chain. The Company defines the business direction in accordance with human rights protection principles based on national laws and international principles. Strategies and plans for risk management have been established to handle possible risks arising from human rights violation. The Company sets up strategy and plan in managing risks that may arise from human rights violation including protection and remediation mechanisms. The Company provides an opportunity for its employees, labours, communities, and stakeholders to participate in discussions of these issues in order to build understanding and collaboration guideline. The Company has brought the principles of the Universal Declaration of Human



Rights (UDHR), the United Nations' Guiding Principles on Business and Human Rights (UNGPs), and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work as the operational guidance of the Human Rights Due Diligence Framework and Process (HRDD). Through analysis and assessment of human rights risks, effective risk management and mitigation, along with continuous and comprehensive monitoring and reporting, the Company has developed grievance mechanism to promptly address and minimize potential adverse impacts, covering in 17 countries where we operate.

2030 Target



100%
human rights due diligence conducted once every three year including risk and impact assessment in high-risk areas of own operations

2023 Performance



100%
human rights due diligence conducted once every three year including risk and impact assessment in high-risk areas of own operationsⁱ



100%
of high-risk operations on human rights have remediation measureⁱ

Remark:

ⁱ The performance covered all businesses of the Company, joint ventures, and business partners in all countries.



In 2023
the Company did not have any significant cases of human rights violation.





Management Approach

- **The Announcement of Policy and Commitment** through the Human Rights Policy including other relevant policies and commitments to ensure equal and fair treatment to all employees and stakeholders. The Company advocates freedom of association and fair compensation including of vulnerable groups to mitigate risks related to human trafficking, forced labour, and child labour. The Company pledges to eradicating discrimination and all forms of harassment.
- **Human Rights Due Diligence** Regularly conduct human rights risks assessment to identify human rights risks regarding various important issues, investigate the impacts and improve operational processes. This reduces potential adverse impacts which may occur to stakeholders.
- **Monitoring and Disclosure of Human Rights Performance** Tracking human rights performance, reviewing the actual impacts, and developing and improving defined measures. This leads to utmost efficiency of operations and transparent reporting performance to the public.
- **Cultivation and Communications** The Company communicates the policy, which integrates fundamental principles and international standards of human rights, to employees to build knowledge, understanding, acknowledgement of the respect to human rights.
- **Grievance Mechanism** The Company has provided process to receive complaints concerning to human rights from employees and/or stakeholders, including information or complaint investigation in order to provide appropriate remediation to an affected person. The Company also takes into consideration of human rights issues to prevent recurrence and emerging cases.

Implementation and Performance

Human Rights Due Diligence

The Company has embarked upon the Human Rights Due Diligence (HRDD) since 2016, comprising human rights risk assessment and analysis, effective risk management and mitigation of human rights impacts, as well as continuous and comprehensive monitoring and reporting of performance.



The Company has identified significant risks and implemented measures to prevent or minimize human rights impacts that may occur to stakeholders within the Company and across the value chain. The comprehensive Human Rights Risk Assessment: HRRR are conducted every three years, with annual reviews of risks and risk management measures. (Salient Human Rights Issues) consist of:

 CPF HRDD Report



Risks / Stakeholders					
Scope	Company Operations	Business Partners and Contractors  <ul style="list-style-type: none"> Health and Safety 	Employees  <ul style="list-style-type: none"> Health and Safety 	Communities  <ul style="list-style-type: none"> Health and Safety Standard of Living, Water Sources and Sanitation Standards 	Consumers and Customers  <ul style="list-style-type: none"> Health and Safety
	Tier-1 Suppliers		<ul style="list-style-type: none"> Working condition, health and work safety 		

In 2023, The Company reviewed risks and risks management measures, by reevaluating activities in every business throughout the value chain, both in Thailand and overseas operations, in total of 17 countries. This covered the Company’s employees, including subsidiaries and joint ventures under the Company’s operational control, the rights holders in the value

chain whose rights may potentially be violated are covered e.g. business partners and contractor, local communities, customers and consumers, inclusive of diversified groups regarding gender, nationality, religion, minorities, people with disabilities, and vulnerable groups e.g. the elderly, women, pregnant women, children, and youths.



Monitoring and Disclosure of Human Rights Performance

After the Human Rights Risk Assessment (HRRRA) and to obtain the understanding of the actual risks which impacts rights holders through the Human Rights Impact Assessment (HRIA), the Company has defined control measures to ensure suitability and effective impact remediation as follows:

Employee's Health and Safety

The Company arranges an annual health checkup for employees in the Company's group every year. Also, the Company promotes the employee's health awareness in the factories, as well as having health conversations with expertise medical doctors after the checkup, along with provision of medical welfare for employees and their family members. Additionally, the Company provides suitable basic safety equipment for work and relevant training e.g. annual fire evacuation training and basic fire fighting training. More information is available in chapter **"Employee and Community"** under topic → [Well-being, Health, and Safety of the Employees](#).



Burranung Animal Feed Factory: Malaysia operations arranged a campaign on health & wellbeing to promote employees' health awareness and communication with expert doctors.

Business partners' and Contractors' Health and Safety

The Company's Safety, Health, Environment, and Energy Standard (SHE&En Standard) administers contractors and business partners throughout the working operation periods. The Company undertakes the assessment of critical suppliers at suppliers' operational sites. The purposes are to monitor progress against mitigation plan and to enhance their capability by arranging focus group training and annual capacity building. More information is available in chapter → [Responsible Sourcing](#).



Vietnam operations: Annual assessment of suppliers' performance on environment, social, and government aspects.

Standard of Living, Water Sources, and Sanitation Standards

The Company carried out a survey to identify the needs of communities in the radius of 5 kilometers from operational sites. The response plan to address the concerns of the local community was established e.g. examination plan of the environment, water quality, air quality, and sound quality in the area nearby the operational sites. The consistent communication to local communities is arranged to proactively engage with them.



Animal Feed Business: Laos operations conducted water quality testing at a public water source within the proximity of its operational site.

Customers' and Consumers' Health and Safety

The Company has devised quality and safety control measure of products in accordance with international standards e.g. ISO 9001 and BRCGS. The Company has traceability system from upstream to downstream to ensure customers' confidence and sets up grievance mechanism to receive customers' complaints which are regularly improved. More information is available in chapters [→ Food Safety and Quality](#) and [→ Responsible Marketing and Product Labelling](#).



Food Processing Business: Thailand operations, employees inspect product control process.

Recruitment and Hiring of Foreign Labours

The Company employs foreign labours under Thailand and neighboring countries' agreement, foreign labour employment (MoU), through legally certified labour agencies in both the source countries and Thailand. The Company employs foreign labours as its direct employees to ensure accurate and transparent application, recruitment, selection, and related employment expenses. Once employed, foreign labours are treated as fair and equal as Thai employees.

The Company received "Human Rights Awards 2023"

for the third consecutive year. This emphasizes the Company as a role model in driving human rights in line with international standards and enhance organizational culture which accepts diversity and respect differences. The "Human Rights Awards" is recognized as the national highest award in human rights. This reflects the commitment of the Company to drive human rights according to international standards, to support good labour practices throughout the supply chain, and to create engagement among stakeholders. Human rights is one of the Company's strategic sustainability focuses.



In verifying its employment practices for transparency, the Company selected a sample group of **newly employed foreign in 2023**, according to international standards.



The inspection revealed no **non-conformity** in the recruitment and employment processes of foreign labours. Furthermore, the responsibility for expenses in employment processes is in accordance with the Company's policy and procedures.



The Company has a measure in place for selection and investigate of labour agencies. This is to ensure that labour agencies operate legally in accordance with the laws and regulations, e.g. labour recruitment agents provide information about the employer company, job descriptions, working environment, and wages and other benefits to foreign labours prior to employment process. Also, responsibility for recruiting fees and costs involved in the employment process belongs to the employer while foreign labours are in charge of personal expenses at the country of origin. Moreover, the Company also conducts the verification of ethics in employment process (Post-Arrival Verification). Such process is to ensure that the recruitment and employment process for foreign labour is carried out responsibly and transparent, while being consistent with the regulations. This allows the Company to take immediate corrective actions on non-conformities.

The Company received fair labour practice certificate from the Ambassador of Cambodia to Thailand.

H.E. Mr. Hun Saroeun, The Ambassador of Cambodia to the Kingdom of Thailand awarded the certificate to the Company, demonstrating fair and equal labour practices, wellbeing and security management, including the opportunity to grow in the career as well as the protection of labour rights according to human rights laws.



Diversity Management and Acceptance of Differences

The Company pledges to equal treatment of all employees, fostering an inclusive work environment with respect and acceptance of difference. The Company ensures there is no discrimination in any forms, and actively prevents any forms of harassment or intimidation. The Company applies this principles to all employees, in both Thailand and overseas.

With operations in 17 countries and a global workforce exceeding 130,000 employees, the Company embraces diversity in aspects of race, religion, notion, and social status. The Company extends the care to all stakeholders in the value chain, including communities, business partners, customers, consumers, and the civil society sector. The Company prioritizes human rights protection and promotion, by instilling respect for diversity into its corporate culture. This commitment includes equal treatment, protection of vulnerable groups, stakeholder engagement, human rights knowledge and experiences sharing to various sectors through the Company's development plans for personnel aiming to cultivate lifelong learning.

Labour Relations Management

The Company's approach to labour relations management is one of the important processes to foster healthy relationships between the Company and its employees. The Company adheres to principles of transparency, fairness, and verifiability in its interactions with employees, aligning our practices with the Rule of Law and relevant labour laws. The Company emphasizes respect of human rights as a fundamental ethics for coexistence, ensuring non-discrimination towards employees at all levels regardless of race, religion, gender, skin color, and age. This includes prohibition of any form of threatening or intimidating behavior, including sexual and physical harassment verbally and mentally. The Company ensures that in the operational context, all employees and stakeholders are fairly and equally treated, protected, and respected. All of the Company's products are produced under labour management in full alignment with Thai laws and fair human right principles.

However, the Company does not have unfair or unjustified termination of employment or termination due to situation in crisis. In cases of employee's misconduct is reported or



a complaint is received in regard to severe violations against the Company's rules of work and relevant procedures, the investigations is conducted while providing an opportunity for an alleged person to clarify. This involves appointment of investigation team comprising representatives from various departments to collect and investigate facts and evidences. Upon investigation conclusion, the disciplinary penalty consideration committee, consisting of the Company's senior executives appointed by the authorized persons, is in charge of consideration of findings proposed by the committee. In this regard, the Company's procedures are meticulously aligned with labour law, regulations, orders, and past cases of Supreme Court labour case judgments, ensuring a process is devoid of bias. This commitment reinforces employee confidence in equal treatment to all employees, focusing solely on the facts of each case.

Establishment of Welfare Committees

The Company emphasizes employee participation to foster positive working relationships, with no discrimination based on nationality, religion, or gender, promoting a harmonious work environment. To support this, the Company encourages its employees to be part of members of Welfare Committee, employee representatives, who gather suggestions from employees and present them to the executives. This aims to improve workplace conditions and benefits, with transparent elections of the committee members. The committee candidates and voters have freedom to vote as they see fit.

The Company takes into consideration of opinions, suggestions, or complaints received from the Welfare Committees and pledges to correct and improve for more efficient labour management. The Company defines number of committee members in variable to total number of employees in each establishment, with members exceeding the minimum legal requirement of 5 people and up to maximum of 17 members. The designated members shall be diverse, covering all employee groups in terms of gender, nationality, religion, and disability. If an election doesn't adequately cover vulnerable groups, additional subcommittees are formed. This is to ensure inclusive employee participation at all levels and active engagement in sharing perspectives, offering suggestions, and voicing concerns. This leads to the equal development and improvement of employee welfare.

Whistleblowing



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 **02-780-8787**

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Proportion of Employees in Thailand Operations

In 2023, 82.9% of employees countrywide benefited from improvements initiated by the Welfare Committees, proposed to the employer’s representatives. Currently, there are 171 committees with 985 members,



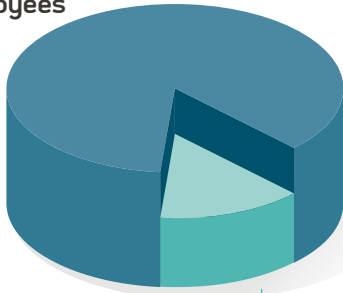
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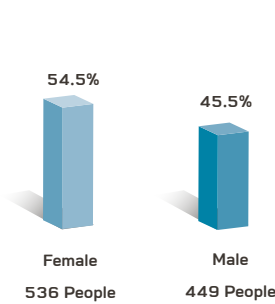
Total of committee:

82.2%
810 Thai
employees

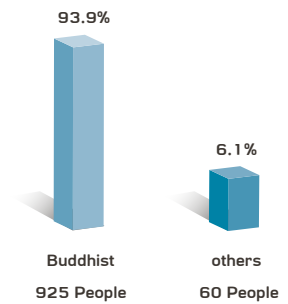


17.8%
175 foreign
labours

Genders:



Religions:



Awareness Raising and Communications

To achieve maximum efficiency in human rights operations, the Company recognizes the importance of communications to instill understanding and awareness of rights among employees at all levels, accessible in languages which employees understand and through various channels such as posters, flyers, emails, training, various online platforms. In addition to the communication to employees within the organization, the Company also focuses on communications with all stakeholders to uplift joint operations throughout the value chain through various channels e.g. posters, training, site visits, assessments of suppliers, and dialogue for opinions hearing with nearby communities. This is to inform communication channels for opinions regarding expression of rights in social and environmental matters. For customers and consumers, the communication is done through advertising and public relations regarding the value and nutrition of products, etc.





Communication Activities and Human Rights Training

Employees

100% of all employees in all business units attended various human rights training courses e.g. CPF Code of Conduct (100% signed and acknowledged), covering all groups of Thailand and overseas countries.

In addition, the Company has signed the MoU with Labour Protection Network Foundation: LPN for the sixth consecutive year. The mission is to build understanding and awareness of human rights and labour rights among Thai and foreign employees, in line with labour protection laws and international labour standards. There were ten 3-hour training classes with the participation of 300 new employees in operation sites around the country, of which 75% were foreign workers. From pre- and post-tests, the understanding level of employees increased from 82% to 93%.



Local Communities and Societies

The Company communicates and provide knowledge on safety and environment, impact prevention measures and channels for complaints received from communities through activities from social development functions and business units e.g. feedback hearing of dialogue through various projects of each country e.g. public hearing with the community and government sector. This is to hear the needs and expectations before constructing the factory.



Customers and Consumers

The Company communicates of knowledge in respect of value and nutrition of products to various customer groups and age range i.e. providing knowledge of low-sodium products to customer groups with non-communicable diseases, providing academic knowledge of healthy products through academic events, including preparing channels for complaint via various communication channels e.g. website, public media, and customer and consumer hotline.





Grievance Mechanism

The Company emphasizes the importance of establishing channels for complaints and grievances, to handle complaints from employees whose rights are directly violated or those who indirectly experience with non-compliances to legal requirements and the Code of Conduct by others. The Company has set clear, honest, and transparent grievance mechanism in alignment with international standards.

In 2023, the Company and Labour Protection Network (LPN) mutually have signed a memorandum of understanding for the sixth consecutive year by establishing the “Labour Voices Hotline by LPN”, a channel for employees to voice their opinions and feedback. Operated by a neutral organization, this initiative is accessible in all languages understood by employees, including Thai, Cambodian, and Myanmar. This enables the Company to effectively address employee concerns and

suggestions, establish labour practices based on equality, and effectively prevent issues like illegal labour, bonded labour, forced labour, child labour, and human trafficking that could arise during foreign labour recruitment and employment processes as well as various forms of violations.

The Company has disseminated “Labour Voices Hotline by LPN” posters in 4 languages: Thai, English, Myanmar, and Cambodian, and encouraged employees to contact LPN for assistance with queries, complaints, whistleblows or any personal matters, ensuring their comfort and confidence.

Labour Voices Hotline by LPN Poster



Thai/English language poster

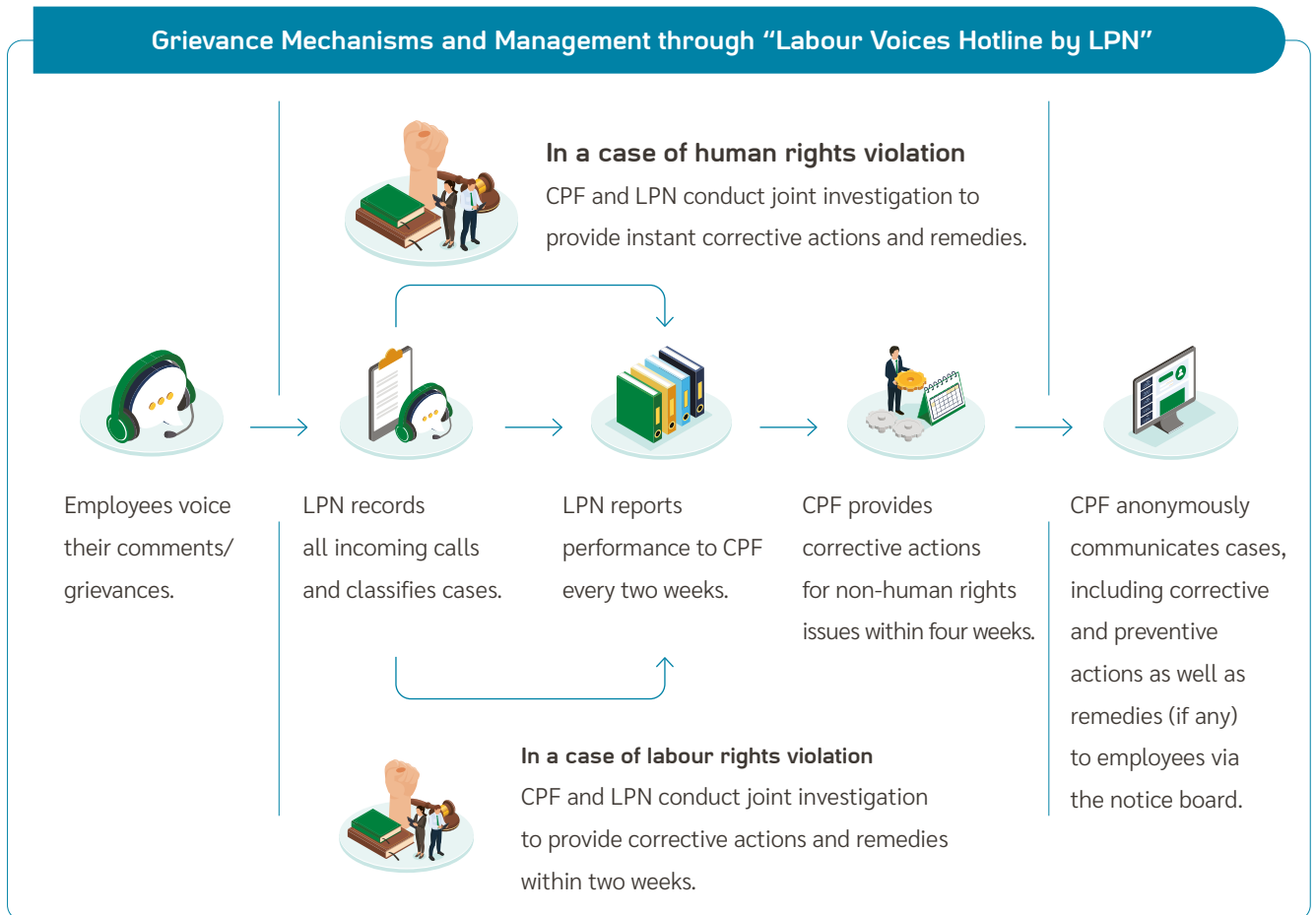


Burmese/Thai language poster



Cambodian/Thai language poster

The complaint and whistleblowing processes are as follows:



In 2023, the Company received 7 complaints through the “Labour Voices Hotline by LPN” center: 5 complaints from discrepancy and anxiety of employees e.g. employees understood that they were punished by job relocation, instead, the Company intended to provide learning opportunity and self development in new working environment or employees misunderstood that they were discriminated by being exempted from punishment. The Company has therefore improved communication for better understanding of employees. Other two cases were from inappropriate verbal expression and unfair treatment. The Company collected evidences and investigated including provided disciplinary punishment to offenders. The Company also improved communication on regulations to ensure employees’ proper behavior and prevent recurrence. However, in the past year, the Company has not received any complaints or report on human rights issues from stakeholders in its business operations. In this cooperation, in 2023, LPN organized 8 visits to foreign employees at their dormitories

(Dormitory Meet-and-Greets) to hear various suggestions and expectations. This leads to the promotion of employees’ well-being. The dormitory visit allows LPN to monitor signal of risks warning (Red-Flagged Indicator) in the case of foreign employees who may be subjected to bonded labour or forced labour.



Regarding channels of complaints for stakeholders in every sector and in every country where the Company invested in, more information is available in chapter **“Governance, Risk Management, and Compliance”** under topic [→ Transparent communication and disclosure of operational information.](#)



Employee and Community



Human Resource Management



Organizational Culture and Management



Employee Well-being, Health and Safety



Shared Value Creation with Community



Human Resource Management

Nowadays, agro-industry business has relied mainly on and driven by labour throughout the whole value chain. The ratio of elders or people aged over 60 years old is increasing while the birthrate and the workforce population are in decline.¹ This may affect the operations in both economic and social dimensions, e.g. rising wages resulting from labour scarcity, changes in food consumption concerning elders' health. This challenges the world and large corporations to adapt, integrate, and take into account of human resource management in the long run, upskill and reskill of workforce, as well as enhancement of new skills learning among workers in order to sustainably increase organizational competitive advantage.

The Company, as a large corporation with the employment of 135,446 people worldwide, realizes the importance of human resource strategy that is align with the organization's objective, the analysis of appropriate manpower, and the recruitment of quality people, having behavior in line with the Company's core values, having qualifications matching with the jobs and enthusiasm to learn on the Company's organizational culture. The Company provides fair compensation that is on par or above the industry, fair treatment of employees to create morale and motivation in workplace, including training skills and knowledge to enhance capacity in the society 5.0 era which emphasize on digital and technology skills throughout the entire working cycle of employees.

Management Approach

- **Transformation of HR Working Process to Digitalization** Rapidly develop quality human resource processes by applying digital technology in Advanced People Analytics. This uplifts the automation of human resource operating systems.
- **Leader Development and Succession Planning** Nurture the new generation of leaders who are "ethical and talented" in alignment with 6 core values of the Company, through the Entrepreneurship Program which emphasizes on action-based experiences by adhering to the "Guiding, not Directing" concept. The Company has also established succession plans for important roles and developed leadership capability in order to promote mutually sustainable growth with the Company.

2030 Target



3 million hours
of education and training
support for employees

2023 Performance



4,991,188 hours
of education and training
support for employees¹

- **Design or Organizational Structure and Strategic Workforce Analysis in Consistent with the Company's Vision, Mission and Strategic Target** Create a flat organization to manage concise work hierarchy and increase efficiency and agility in the management of the Company, business units, and individual employees.
- **Enhancement of Employees' Potential for the Sustainable Growth of the Company and Building Leaders for Change** Build and seek for "ethical and talented" candidates worldwide who possess the qualifications in consistent with the Company's core values through "Co-Creation Program". The Company also equips all employees with future skills, enables upskilling and reskilling in response to changes in business operations through learning center and technical academy, aiming to promote proficient and versatile employees, who can share knowledge and utilize such knowledge in practice.

¹ Statistics from Department of Older Persons (DOP)

Remark:

ⁱ The performance covered all businesses of the Company, joint ventures and business partners in all countries.



Implementation and Performance

Transformation of HR Working Process to Digitalization

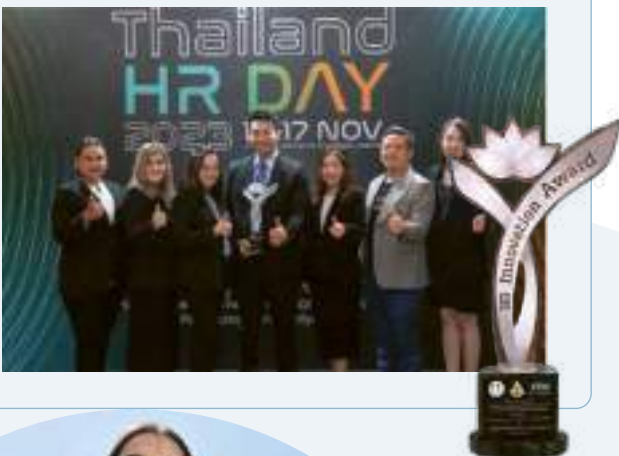
The Company has developed the access to employee self-service, an easy way to manage information, by improving the whole human resource management system, using digital technology to reduce the complexity of work, and increasing efficiency throughout the employee life cycle through SAP SuccessFactors system and HR-eXp project. This includes Advanced People Analytics to analyze multi-dimension data, workforce planning, work efficiency management by setting goals, monitoring the success against those goals, assessing,

and defining personal skill development plan which is in line with employee's career advancement. The Company also enables effective communication across the organization through the CPF Family platform. In 2023, the Company has conducted the satisfaction survey in regard to the use of the HR-eXp system for 2 consecutive years. The result showed that 93.6% of the employees were satisfied with the use of the system, higher than that from last year.

Leader Development and Succession Planning Management of Ethical and Talented Persons

The Company prioritizes knowledge and skills development of personnel in all levels in order to create ethical and talented persons through the Action Learning Program, by operating business with challenges and emphasizing learning from practice, similarly to a business owner. This allows the participants to be trained as a leader to create team culture, as well as providing the opportunity for leaders to share experience across generations by the "Leaders Leading Leaders" format. The process equips participants with systematic management skills development, mentoring by "Sponsors", who guides rather than directs, support, and unlock participants' potentials without the set framework.

The Company was awarded the "Thailand HR Innovation Award 2023" (Silver Award) from the success of "The Next CEO: Agile@Scale" project. This project effectively integrates human resource management across all processes through Tao Kae Project, encouraging new generations to innovate pioneering idea, as well as promoting tangible and prompt results across the Company.



Furthermore, Strategic Rotation is another strategy for employees' career growth. The Company aims to promote various capabilities and provide opportunity for employees to internally rotate within the Company. Both intra- and inter-functions through the "Chance for Change Program" with examples of activities below,

"Opportunity Day – Growing the Future"

A collaboration between 20 business groups enhanced personnel's Multi Skill capacity through internal rotation within the Company, facilitating learning and mutual growth while driving to become an Innovation & Technology-driven Company.



Succession Planning

The Company has prepared a clear individual development plan in both short-term and long-term for persons with high potential and apparent outstanding performance, in preparation for succession of important positions e.g. high-level executives of the Company CEO, CEO-1, CEO-2, and expertise positions. The plan covers the extension of work scope, more responsibilities, strategic job rotations, and strategic projects relevant to the direction of the Company.

Design of Organizational Structure and Strategic Workforce Analysis

In 2023, the Company is committed to enhancing efficiency across the organization through flat organizational structure in order to minimize hierarchical levels, improving operational processes to vitalize decision-making flexibility, and embracing new technologies. The Company focuses on skill development (Upskill and Reskill) and modular & agile ways of work. This allows employees to work at their highest efficiency, even in midst of changing circumstances. Furthermore, the Company fosters employees' empowerment, enabling them to make decisions and manage their tasks effectively, thus enhancing workplace agility. The Company also conducts strategic manpower planning in Thailand and oversea countries, in accordance with the Company's business plan and in order to balance workforce demand and supply by using SAP Analytics Clouds technology system to assist in workforce planning and data analysis for effective decision making.

Enhancement of Employees' Potential and Building Leaders of Change

Development and Recruitment of Personnel with Future Skills

The Company raises awareness inside out through activities that strengthen employer branding e.g. organizational culture activities and instills pride in being part of the Company's success. This aims to build understanding of the Company's values among target groups and new generations and delivered the messages to all employees through key communication channels i.e. LinkedIn: CPF Group, Facebook: CPF Career and events arrangement e.g. Bootcamp enabling the target groups and the new generations to acknowledge and select the Company as the Top Employer. The Company also recruits the talented around the world to join force via various projects and activities e.g. the Co-Creation project, aiming to develop quality curriculums for undergraduate students to receive hands-on learnings and experiences at the Company's sites, simultaneously equip students with practical skills and readiness to start work. At the same time, the Company is in search of new generations with high capabilities, who study abroad and have residential status in overseas countries through many activities e.g. Academic and Career Cooperation in United Kingdom and Virtual Career Fair at United States. The Company has planned to extend the talent recruitment to other countries in the near future.

Human Resource Development

The Company aims to develop employees at all levels with Future Skills, uplift their potentials (Upskill), and enhance capabilities in various aspects (Reskill) in order to prepare for the changes in business operations at the present and in the future through learning centers and employee development plan specified by career group. This enhances employees' capabilities to play role in driving sustainable business's growth through 4 different employee development programs as follows:





CPF Fundamental Program

Enhance employees' understanding of the Company's rules and policies and practices in compliance with the Company's core value, good governance, and Code of Conduct, while encompassing comprehensive understanding of upstream to downstream business operations. The program also focuses on fundamental digital knowledge for work application and awareness of technological risks. In 2023, 100% of all employees received the defined fundamental training courses, with overall training hours of 261,000 hours.

Digital Skills Program

Develop employees with digital and technological knowledge and skills, divided into 3 levels: Basic Level, Standard Level, and Advanced Level, covering 7 essential skills. Each skill consists of over 65 certified curriculums in development of knowledge and skills at all levels where employees can select to enroll in accordance with their development needs. In 2023, the Company has continually developed digital knowledge and skills adding on from last year and emphasized on standard and advanced digital skills levels:

The Digital Exponential Development (DED) Program

Develop employees' skills in digital tools of AI Power Platform and Power BI. The course enables employees to apply these tools in their works, improving quality and speed and propelling the organization towards an AgriTech Company. The program incorporates practical workshops with real business cases, result presentations, and mentorship throughout the program. To date, over 400 employees have been trained, contributing significantly to the Company's Digital Transformation with more than 120 digital tool application projects.





Managerial & Leadership Development Program

Develop leadership skills across all executive levels to enhance potentials and readiness of competitiveness in the future business landscape. The program is segmented into 3 target groups: 1. People Managers, 2. Management Level, and 3. Senior Management & Executive Level. In 2023, over 3,000 participants attended this training program.



CPF Business Transformation

A curriculum for leader development and preparation for competitive world market, in collaboration with SASIN School of Management. The program generates new dimension of CPF's leader development to respond to digital and business transformation. The curriculum aims to develop 4 aspects of leaders: Global Trends and Digital, Strategic, Leadership, and Organizational skills, rapidly responding to world's changes, opportunities, and challenges that may arise. In 2023, 72 participants in 2 batches from various business groups completed the ongoing program.

Technical Skills Program

Technical Skills Program: Promote technical skills through various technical academies in order to develop employees' competencies and skills which are in line with strategic business direction. In 2023, 100% of the technical academies were set up across 29 business groups with 86 Knowledge Management (KM) units.

Human resource by CPF Training Center has supported every business unit to establish **"Technical Academy"** to develop, standardize, and systematize specific knowledge in each business unit. The participants are equipped with new sets of competencies and skills in response to today's and future business landscape, enhancing sustainable business growth.





Attractive Compensation Management

Provision of appropriate and competitive compensation, on par or above of the industrial market is one of approaches the Company utilizes to retain and grow the talents, simultaneously driving sustainable growth of the Company.

Compensation Management

Every employee receives fair and transparent compensation which is in line with their performances. The Company has assessed job values of all levels by using internationally recognized tools and market data. Furthermore, in 2023, the Company's goal to provide living wage to all employees was accomplished. This uplifts employees' well-being with adequate spending capability to sustain the basic of livelihood. As of 2023, the Company's average remuneration ratio between female employees versus male employees¹ is at 1:16 for Thailand operations, and 1:1.21 for overseas operations.

Welfare Management

The Company has defined fair welfare management and benefits to all employees, without discrimination. The allocation of welfare to employees is not less than that required by laws, encouraging employees to live physically and mentally well, in terms of preventive and mitigative approaches. The Company has emphasized on employees' good quality of life and well-being through the market data assessment and the hearing of the employees' demand e.g. improvement of annual health check-up program that takes into consideration of risk factors, provision of medical treatment in collaboration with the MORDEE application, paternity leave for male employees, loan for illness of family members, allocation of educational scholarships for children with outstanding academic record, and loan for education.

Performance Management and Career Advancement

The Company encourages the progression of employees for growth in 3 main aspects 1. Deployment of organization's business goals to operations' business goals, mutually agreed via the set-up of Key Performance Indicator (KPI) which is aligned with the Company's business goals. 2. Cultivation of "feedback for development" environment, by transforming supervisors into people managers who are good listeners,

¹ An average from signification operation sites which refer to operation sites whose number of employees account for over 80% of the Company's total employees.

2023 Performance

The Company collected and monitored key indicators to assess the 2023 management approach's efficiency. The Company's key performance is as follows.



100%
of the employees received performance evaluation and career development plan in the past yearⁱ



13.39 hours
on average for personnel's training and developmentⁱ



100%
of employees completed fundamental compulsory trainings, for examples, the Company's regulations and policies, governance, and business ethics.ⁱ



Personnel with high-level digital skills, who passed set assessment for each skill level comprising employee-level and aboveⁱⁱ

4,777 people
(22.5% of all employees at standard level)

23,966 people
(36% of all employees) All personnel and labour at basic level

27,815 people
(51.7% of personnel at every level)

provide constructive feedback, and collaboratively build short-term and long-term career path and individual development plan. 3. Compensation management in genuine reflection to employees' performance. The Company believes that good performance appraisal system leads to effective employees management and enhancing retention of talents in order to advance their careers. In 2023, 100% of employees received performance appraisal and career development.

Remarks:

ⁱ The performance covered all businesses of the Company, joint venture, and business partners in all countries

ⁱⁱ Thailand operations

Organizational Culture and Management



Creating organizational culture significantly drives and supports an organization to achieve its targets, especially setting the way of working for people in the organization to the same direction to create competitiveness along with the business strategy of the organization. Good organizational culture is an important factor in retaining employees with the organization for a long time and attracts ethical and talented people from outside to become part of the organization. This arises from the core values and practices employee across all levels adhere, which is then integrated and serves as the path in sustainably driving the organization towards the goals.¹

The Company prioritizes the employees' capacity development in driving business and creating a competitive advantage based on the Company's core values or the 6 CPF Way. This serves as a framework for actions, outward expression, and behavior of employees at all levels, along with fostering employee engagement in building long-term mutual growth for the Company. This was achieved through employee engagement surveys with credible process, whose yielded results could be utilized to develop and enhance operational plan for even greater effectiveness.

Management Approach

- **A Strong Organizational Culture** creating "ethical and talented people" based on the 6 organizational core values or CPF Way, which is an organizational culture that all employees must adhere to.
- **Organizational Values and Work Culture** consists of 3 important factors: process, people and platform to ensure employees have systematically embraced organization's culture or the 6 values.
- **Elevation of Employee Engagement** through the CPF@Heart project to create positive results in both the physical and mental health of employees in the Company. The employee engagement survey's result is used to improve the engagement as appropriate, basing on the Company's context.

2030 Target



100%
implementation of the employee
engagement plan in 2023¹

2023 Performance



100%
implementation of the employee
engagement plan in Focus Area

¹ HREX.asia, what is organizational culture? 6 factors that help strengthen organizational culture

Remark:

¹ Thailand Operations



Implementation and Performance



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



Adapt to Change



Speed and Quality



Simplification



Integrity, Honesty and Reciprocity



Innovativeness

A Strong Organizational Culture



The Company is committed to be a strong and sustainable organization, achieving the targets according to the vision of “Kitchen of the World” through “ethical and talented people” based on the 6 organizational values or the CPF Way. It consists of generating benefits to the nation, people, and the Company according to the philosophy of 3 benefits, working with quality and speed, simplifying difficult processes, be prepared to deal with future changes, always creating new things and fostering the new generation to be good, honest and ethical. This is the practice that all employees must adhere to from the first day of work. Starting from the vision, mission, business strategy, and values transfer from senior executive to employees to have the same targets through various activities e.g. CEO Townhall 2023 under the concept of “Ultra Speed and Quality”, which is one of the CPF Way that the Company adheres to. This is to convey the policy, vision, and business practices of the Company with social and environmental responsibility. The senior management team led a team of over 300 CPF young leaders nationwide to integrate the Company’s strategies into practices to achieve the vision of being “Sustainable Kitchen of the World.”

In addition, the Company has continuously organized innovation competitions at the business level namely, **the Innovation Showcase** activity, to promote the 6 core values.



Volunteer Activity “We do good deeds with our hearts” is held every year. In 2023, the Company held mangrove planting activity at Bang Pu Army Nature Education Center, Samut Prakan Province, and other volunteer activities as appropriate to each area’s context.



Organizational Values and Work Culture

The Company has set guidelines for instilling organizational values and work culture, by cascading all 3 guidelines into practice. The details are as follows:

- **Process** A systematic approach to communicating with employees, using structured formats and methodologies to disseminate knowledge, experiences, and the organizational vision comprehensively to employees at all levels.
- **People** C.P. Ambassador Group, refer to employees who possess love, knowledge, and understanding for the Company, ready to be representatives conveying and spreading good things, including the CPF Way to both inside and outside the Company.
- **Platform** or C.P. LOVE Application This platform supports two-way communication, offering essential content and information to foster knowledge and efficiently gather employee feedback, under the four-dimensional elements which is L.O.V.E as follows:



Loyalty: This dimension fosters employee unity through fact awareness and support for Company products and services. It encourages adherence to “promptly praise when do good”, creating pride and a sense of belonging among both givers and receivers, ready to grow with the Company.



Omnichannel Communication: This involves disseminating information, facts, and positive narratives to employees through integrated online and offline channels. C.P. Ambassadors play a key role in spreading good news internally and externally through various social networks.



Volunteer: The platform promotes volunteering for societal and environmental good through diverse activities. These range from individual contributions to enhancing community and national well-being, aligning with the philosophy of 3 benefits.



Education & Empowerment: This involves promoting employees or groups of people who are ready to be Key Opinion Leaders (KOLs) to be able to share corporate news, products, and various benefits, including information related to the 6 organizational values to employees on an ongoing basis. The Company aims to have 650 C.P. Ambassadors in 2024.

Elevation of Employee Engagement

- Choose the engagement measuring method that is appropriate for the Company.
- Conduct engagement surveys.
- Analyze the context requiring actions, categorized into business units, line of work, or positions.
- Prioritize employees’ concerns requiring actions, and maintain what employees admire.



The Company conducted an engagement survey, in which 97 percent of employees participated. It was found that employee engagement to the Company was at 64 percent, a decrease from the previous survey in 2022. The Company analyzed the survey results and found that the top 3 factors employees are most satisfied with are organizational values, organizational decision making, and direct supervisor. Work life balance is one of the factors that the Company is striving to develop. The Company created a gap closure plan and follows up continuously throughout 2023 and has set a target to conduct an organizational engagement survey in 2024. The Company has set key milestones for following up on the gap closing plan in 3 phases as follows:



- Formation of the CPF Employee Engagement Committee (CEEC): This committee is tasked with setting targets, strategies, guidelines, and structure of the working groups responsible for driving employee engagement at both the organizational and business unit levels. This involves supporting and following up on operations to achieve the targets.
- Establishment of working groups for enhancing engagement at the organizational and business unit levels. These groups are responsible for developing plans to enhance engagement by analyzing survey results and insights. This has led to the creation of over 140 plans, covering every aspect of organizational engagement.



- Progress Monitoring and Communication: the Company regularly tracks and communicates the progress of these plans to employees on a monthly and quarterly basis. This continuous communication is aimed at creating accurate perceptions and improving employee experiences and will lead to the continuous development of employee engagement.

Moreover, the Company persistently elevates employee engagement through the CPF@Heart project, aimed at yielding positive outcomes in both physical and mental health. The project operates comprehensively within the frameworks of the CPF We Care and CPF Love&Share with details below:



CPF We Care Project



Care for Benefits focuses on taking care of the welfare and compensation of employees which is in accordance with the law and able to compete in the industry. The Company also initiated beneficial projects e.g. collaborating with application “MORDEE” to take care of the physical and mental health of employees remotely. There are also Debt Relief Project to reduce the burden of informal debt for employees, and Scholarship Program for employees and their children, both domestically and overseas, to provide educational opportunities in demanded fields in the labour market, totaling 80 scholarships. Currently, a total of 17 scholarships have been awarded, 9 employees have graduated and 8 are currently studying.



Care for Career provides opportunities for employees to rotate jobs within the organization. This is to gain experience, build potential to have a variety of skills through Opportunity Day activity under the concept of Growing the Future, learn and grow with the organization that aiming to be an Innovative & Technology-driven Company.



Care for Culture promotes the creation of good and talented people, gives the new generation the power to make decisions, learn, quickly find solutions, break down silos, and increase work efficiency, truly in accordance with the organizational values. Also, it promotes acceptance of diversity, as well embedding equality, and inclusion through activities powered by LGBTQ+ clubs e.g. “Pride Month Post” Activity, “Beyond Gender for A Better Tomorrow” Activity, “CPF Spreading Pride 2023” Activity to continuously foster and raise awareness of equality among employees.



Care for Well-being focuses on creating a good life for employees e.g. setting flexible working hours to promote working hours conducive to the different lifestyles of employees, organizing a variety of activities through 19 clubs to meet employees’ needs and interests, as well as help foster the positive mindset and emotions, leading to good relationships between employees and families.

Furthermore, these clubs serve as platforms for employees to voice their opinions, contributing to the development and improvement of policies and practices for better well-being. Activities are organized based on employee interests, these clubs help strengthen bond across the Company.

CPF Love & Share Project

The Company delivers discount benefits on product and service of Charoen Pokphand Group companies for employees and their families e.g. special discount privileges when dining at restaurants under the Company’s business unit, special privileges for the Company and its affiliates’ product benefits e.g. pet snack, TrueMove H Networks’ service fees and communication tools, etc.





Employee Well-being, Health, and Safety



Good occupational health and safety management system is related the health and well-being of employees within the Company. The system, which is in full compliance with international laws and standards, addresses management efficiency, creates positive impacts to the employees' well-being, promotes a safe and healthy working environment to prevent illness, injury, and chronic conditions accumulate from work, as well as work-related accidents and fatalities among employees and stakeholders at work.

The Company promotes and supports employees' good health and safety at work by providing medical checkup programs and promotes activities to maintain well-being and engagement among employees through 19 clubs. The occupational health and safety at work have been governed by safety committee in accordance to CPF safety, occupational health, environment, and energy standard or CPF SHE&En Standard. The Standard is aligned to the ISO 45001 Occupational Health and Safety Management System enforced in every business unit. There are activities to identify risks which are the main causes of work accidents, and trainings to raise employees' awareness in accident prevention to enforce safety culture at work.

2025 Target



0.6 cases per one million man-hours of employee's lost time injury frequency rate (LTIFR)

2023 Performance



0.88 cases per one million man-hours of employee's lost time injury frequency rate (LTIFR)ⁱ

Remark:

ⁱ Thailand, Cambodia, Türkiye, Philippines, Malaysia, Laos, Vietnam, India and United Kingdom operations.



Management Approach

- **Establishment of Policies and Management Systems for Occupational Health and Safety in Alignment with International Standards.**
- **Engagement in Safety Management** by establishing a safety committee with representatives from executives and employees to consider work plans and feedback for further improvement of risk control measures.
- **Risk Management to Reduce Accidents at Work and Occupational Illness** by identifying risks and developing standards to prevent danger and mitigate risks according to the hierarchy.
- **Training and Communicating on Occupational Health and Safety** by communicating specific policies, regulations, and requirements to employees and contractors to raise awareness and enable understanding of safe operations.
- **Promotion of Care for Well-being of Employees** by organizing various activities according to employees' needs for good physical and mental health. More information is available in chapter **“Organizational Culture and Management”** under topic [→ Elevation of Employee Engagement](#)

Implementation and Performance

Engagement in Safety Management

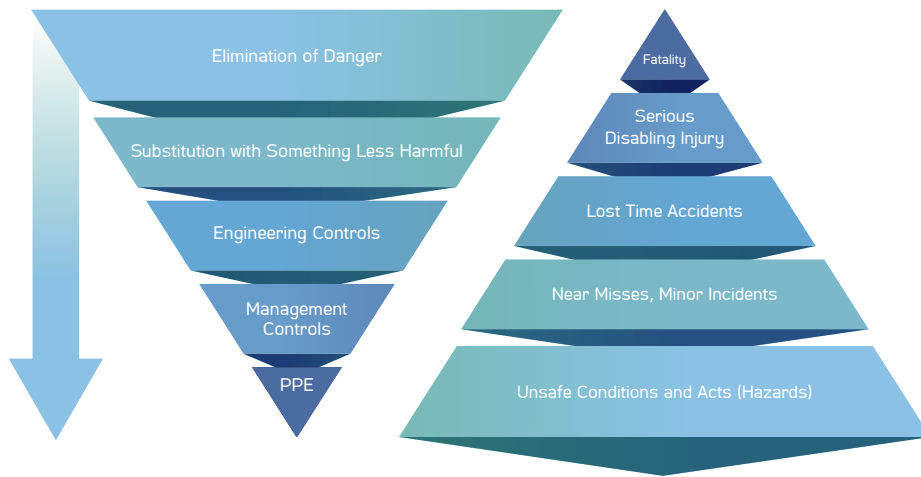
The Company has promoted good cooperation for stakeholders to participate in occupational health and safety management through the establishment of a safety committee with executive and employee representatives participating to review the policies on occupational health, safety, and working environment and establish the guidelines for preventing and reducing accidents, danger, illness or the occurrence of a nuisance. There are efforts to propose improvement for working conditions and working environment to ensure the safety of employees, contractors and third-party working or getting services at operations. The Committee promotes and supports occupational health and safety activities relating to operations, gives due considerations to projects or training plans relating to occupational health, as well as monitors progress of proposals made to employers, and reports annual performance, challenges identified and suggestions made, etc.





Risk Management to Reduce Accidents at Work and Occupational Illness

The Company has organized Safety Modular and Safety Kaizen activities to detect risks from unsafe environment and issue measures to prevent dangers and minimize risks to an acceptable level. This consists of implementing integrated measures in risk management, including: elimination of danger, substitution with something less harmful, utilizing engineering controls to improve the areas that may be prone to incidents from the beginning. The Company has reduced the behaviors that may cause risk by building the behavior-based safety culture and conducting work analysis prior to project launch to select appropriate personal protective equipment to control hazards that may arise at work.



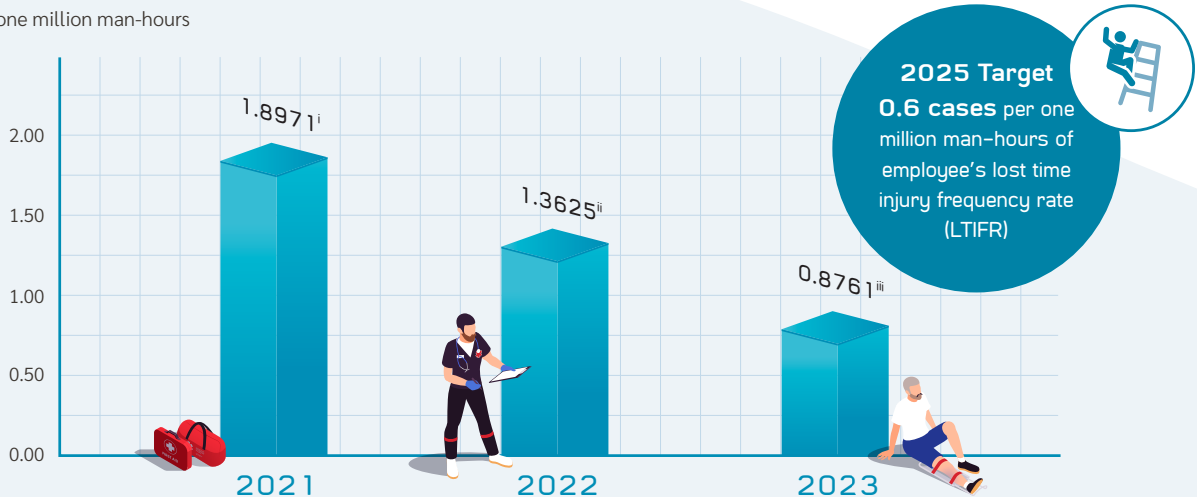
Reducing the employee lost-time injury over 36% compared to the previous year 2022.



By operating in accordance with the laws and SHE&En standard, the Company is able to reduce the lost time injury frequency rate (LTIFR) caused by unsafe actions of the employees and contractors, therefore reducing the employee lost-time injury over 36% compared to the previous year 2022.

Lost Time Injury Frequency Rate (LTIFR) of Employees

Unit: cases per one million man-hours



Remarks:

- ⁱ The performance covered Thailand operations.
- ⁱⁱ The performance covered Thailand, Cambodia, Türkiye, Philippines, Malaysia, Laos, Vietnam, and India operations
- ⁱⁱⁱ The performance covered Thailand, Cambodia, Türkiye, Philippines, Malaysia, Laos, Vietnam, India and United Kingdom operations



Safety Modular activities to search for risks of incidences and unsafe conditions and environments. (Thailand operations)



Inspection of the fire extinguishing system to test the efficiency of the equipment for readiness. (Phu Kham Feedmill: Laos operations)



Training and Communication on Occupational Health and Safety

The Company has established communication plans and safety training for employees and contractors across various channels, i.e. public relations boards, emails, meetings, and safety campaigns to reinforce safety culture in the Company and ensure all is informed regarding key changes in policies and safety indicators. Furthermore, the Company provides fundamental courses and specialized courses as required by law and as relevant for each position, as well as organizing occupational health and safety-related activities and projects where the Company organized until it becomes a safety culture e.g. executives' leadership building for executives to better understand their roles and duties as a role model in safety, to create incentives by awarding employees to encourage active engagement. The Company gives opportunities for employees to exchange information, news, knowledge, good practices and organizing safety-related activities i.e. safety talks before starting daily work, exchanging knowledge (Lesson Learned), at the executive level, workers, and contractors. In addition, the Company also organizes the Safety Week exhibition, encouraging the safety behavior from the projects "Think before you act", "Helping Friends" and "Behavior-based Safety Observation" along with monitoring, suggestions and positive motivation.

100%

of all employees are trained in occupational health and safety management requirements in the workplace through training on Business ethics



Occupational Health, Safety, and Working Environment-related Awarded.

Aquaculture Business: Thailand operations received the 2023 occupational health, safety, and work environment awards, as follows; the Zero Accident Campaign 2023 Award, and the Accelerated Safety Curriculum Development Project Award from the Ministry of Labour to honor Thai companies with outstanding performance in management and commitment to excellence in occupational health, safety, and the environment.

Readiness training for emergency (China operations)



Safety training for contractors before working (Nong Chok Food Processing Plant: Thailand operations)





Shared Value Creation with Community



The community and society are important to agro-industry business in the role of agricultural suppliers in both raw material production and animal farming. Creating shared value with communities living in the surrounding areas of the Company's operational sites plays an important role in promoting business sustainability. Businesses therefore need to create partnerships to strengthen an economic in the communities, promoting local employment to support their income, procurement of goods and services related to business operations, and extending assistance to vulnerable groups.

2030 Target



3,000,000
livelihoods improved
in communities connected to
the Company's business activities

2023 Performance



3,534,958
livelihoods improved
in communities connected to
the Company's business activities¹

The Company conducts business while also cares for communities and society by utilizing the Company's knowledge and expertise on agro-industry to initiate projects that enhance better well-being of the community. Moreover, the Company is always considerate of the environment and local society. Encouraging employee within the organization to participate in delivering value to the community through voluntary in joining participate with the communities e.g. the establishment of Service Club of employee in Thailand, and community work of overseas operations. In addition, the Company also have the communication and mechanisms for environmental and social grievances to prevent negative impacts. This is a fundamental human rights that the organization must pay attention to and determine policies for concrete practice.

Management Approach

- **The Announcement of Social Responsibility Policy for Sustainability and Commitment** to conduct business with responsibility to the community and the society.
- **Promotion of Personnel Knowledge and Activities in Social Responsibility** The Company appoints CSR leaders across all business units and promotes community engagements on the sustainable development framework. This aims to create shared values to the Company and encourages employees' participation through voluntary activities.
- **Survey and Listening to Local Communities' Needs** leading to activities that create shared value between community and the Company. In addition, the Company has conducted the CPF Sustainability in Action every single year in Thailand operations with the aim of knowledge and experience sharing between the business units. Also, this is to honor the outstanding community development projects to be further developed.

Remark:

¹ Thailand, Cambodia, Türkiye, Philippines, Malaysia, Laos, Vietnam, and India operations.

Implementation and Performance

Promotion of Personnel Knowledge and Activities in Social Responsibility

The Company appoints 120 Corporate Social Responsibility Leaders (CSR leaders) across all business units in Thailand operations and organizes a course to provide knowledge and understanding on community development in line with sustainable development framework of the Company. In 2023, there were 120 participants and over 90% reported to recognize the importance of internal training in sustainable development of the community and society. The Company aims to expand this course to other operating countries.

Survey and Listening to Local Communities' Needs

In 2023, the Company conducted a community engagement survey to assess impacts from the operations to the surrounding community. Communities' needs and expectations were gathered and used as an input in designing community projects in a holistic manner.

Economic Aspect

The Company promotes economic security for communities and society. This is carried out by utilizing the personnel and expertise of the company in collaboration with other organizations to develop projects or activities that promotes income generation for the communities. The Company uplifts the quality of life of the surrounding communities through over 36 projects.



Promotion of Small Business Entrepreneurship

The Company's food business includes a 100% franchise business model called "Five Star Business" which helps create jobs and generate income to Thai people on a sustainable path for more than 39 years. This business has a system that allows the franchisee to manage business autonomously with a strength of having a "lifetime support" e.g. store location selection, raw material delivery system without stocking, centralized marketing, business knowledge capacity building, and easy-to-use accounting management system.

2023 Performance

Provided opportunities for more than 4,700 small business entrepreneurs to own a business in Thailand and more than 3,400 overseas



Social Return on Investment (SROI) of Five Star Business

The Company assessed social return on investment of Five Star Business in Thailand in 2022 to study both positive and negative impacts of the project on the society including the broadened opportunities and promotion of for people to become entrepreneurs. Impacts in terms of economic, social, and environmental aspects were analyzed. The result indicates that Five Star Business has a social return on investment value of 1.32 with a total social impact of THB 7,759 million. This social return on investment has been verified by LRQA (Thailand) Company Limited.

Social Return on Investment (SROI)ⁱ

Economic Aspect



THB 7,221.9 million

Social Aspect



THB 34.8 million

Environmental Aspect



THB 2.4 million

Remark:

ⁱ Thailand operations



2023 Performance
Partnership with
over **5,500** farmers¹

Remark:

¹ Thailand operations

“Promotion of Animal Farming Careers for Farmers” Project

The Company applies contract farming system with the “Promoting Animal Farming Careers for Farmers” project to help create secured careers for farmers as part of a safe food production chain which creates food security for consumers in a sustainable manner. Modern animal farming knowledge is disseminated including technology and innovation under Smart Farm concept in line with Green Farm standard. This supports a secured career path for farmers while establishing a shared value with the Company to grow together sustainably. The Company absorbs the market risks by buying all products of the farmers at prices agreed in advance, thus, the farmers are free from price volatility. The Company revises the contract farming system in accordance with the international standard of International Institute for the Unification of Private Law (UNIDROIT), an independent agency. In this way, the contract farming system is “modern, transparent, just, and verifiable”. The Company is also the first that offers insurances for farmers with guaranteed income to reduce the risks of buildings and equipment damage in case of disasters. The Company promotes financial access for farmers to run business continuously.



Social Aspect

The Company promotes and supports community and society to have a better quality of life through various projects and partnerships with governmental organizations and business partners as well as vulnerable groups e.g. ensuring provision of basic rights and developmental opportunities for people with disabilities to have a livelihood in the society, closing education gap by promoting students learning opportunities, and healthcare for the elderly both physically and mentally.

Supports for Children and Youths

The Company recognizes that education is fundamentally important for national development. The Company therefore places importance on promoting education across all operating countries.

“Smart Schools and Smart Students” Project

Aquaculture business in India provides learning equipment including computer and projector and renovates classroom to give educational opportunities to students. Smart classroom is one of the new teaching methods in India which improves communication between teachers and students, increases learning freedom, and inspires in-depth learning for students.

2023 Performance



200 students have access to improved educational services.

The “CONNEXT ED” Project Promoting Academic Excellence

Business units in Thailand operations join forces with the Foundation for the Future of Education or CONNEXT ED for 8 consecutive years to provide both academic and experience-based learning through various projects e.g. 1. Active Learning Project emphasizing participatory learning on academic topics 2. Smart Layer Farm Project focusing on utilizing smart technology in productivity improvement and layer farm management 3. Vocational Training Project (Kind’s Coffee Shop) emphasizing on skills development to increase income and employment opportunity in the future.

Performance



Support learning in over
302 schools
since the project commencement

354 projects across 4 provinces; Nakhon Ratchasima, Chaiyaphum, Buriram, and Saraburi. The Company expanded the project scope in the first semester of the 2023 academic year to include over 77 additional projects.

“Container Library” Project

Business units in Vietnam operations together with partners give “Container Library” to Nhon Hoa Lap School in Tan Thanh district, Long An province to inculcate reading habits, inspire limitless learning and create equal access to education, powered by clean energy from solar cells.



2023 Performance

513 students have access to the library service.



Supports for People with Disabilities

The Company employs people with disabilities and works with the government to recruit people with disabilities for public services in their local communities. Apart from creating job opportunities for people with disabilities, the Company also provides layer hen farming knowledge to these people along with knowledge on basic rights of disabled persons, social security fund, compensation fund and work safety. This aims to promote livelihood and build work capacities for people with disabilities.

“Promoting People with Disabilities Employment” Project

In 2023, Thailand operations have followed Persons with Disabilities Empowerment Act, Article 33, by having full-time employment of 717 disabled persons in offices and community organizations e.g. schools, subdistrict health promotion hospital, temples, subdistrict administrative organization, and municipalities which is 18 persons more than legal requirements. The Company employs disabled individuals through 2 appropriated approaches: 1. Hiring 118 disabled individuals for office roles e.g. accounting and administration 2. Hiring 529 disabled individuals for community roles e.g. school assistants, temple, and health promotion hospital aides, and for the “Layer for Student Lunches” project. The Company also provides 1 space concession in factories for disabled individuals to sell products per Article 35. Moreover, Thailand national wheelchair basketball team members were also employed.

“Sensory Room Renovation” Project for children with special needs

Thailand operations: Broiler-Duck Complex collaborates with Special Education Center Region 11, Nakhon Ratchasima province to renovate a sensory room. The facility stimulates senses and creativity through light, color, and sound which are important for the development of children with autism and disabilities in the community. This aims to develop them towards autonomy which enables them to enter regular education system.

2023 Performance



35 children

with special needs have enjoyed benefits of the sensory room.



Thailand operations received “Award for organizations that promote employment of people with disabilities”, Excellent-Level in 2023 International Day of Persons with Disabilities, by Ministry of Social Development and Human Security. Thanks to the continuous and systematic support for people with disabilities and vulnerable groups. Job opportunities were created enabling them and their families to attain livelihood and become self-reliant. These helped them to create value autonomously which reduced social inequality.



Support for the Elderly

Aging society is a trend in many countries around the world. The elderly need to be taken care of both physically and mentally. The Company has initiated projects to take care of elders living in the vicinity of the operations and encouraged employees to participate in these activities.

“CPF Returns Happiness to the Elderly” Project

Thailand operations have organized this project starting in 2011 for the elderly living near the factories who do not have children to take care of them and lack of income. Employees regularly visit the elderly in the project and bring food, consumer goods, daily necessities, together with nursing staff to provide primary health care to the elderly.

Performance



Thailand operations have delivered social value to **279 elderly people** in 2023 since the project commencement.

“Home Visit Program for Retired Staff”

Since 2021, CP Inter Generational Family Club (CPV) has organized a home visit program for retired employees in Vietnam Office to convey CPV’s love, care and products to the elderly.



Performance



Vietnam operations have delivered social value to more than **60 elderly people** since the project commencement.



CPF Sustainability in Action 2023

The Company is committed to provide opportunities for employees to advocate for projects with local communities which promote sustainability in terms of economic, social, and environmental aspect. This aims to create shared value between the Company and the communities. CPF Sustainability in Action has been organized for 8 consecutive years.



162 projects nominated in 2023

“Baan Thammachat Lang Model” Project

Aquaculture business, Thailand operations, jointly solves community problems by using the strengths and aptitudes of communities with diverse backgrounds together with the capabilities of the Company’s personnel to support group formation in order to implement various projects since 2017. Many of these projects have progressed into establishments e.g. Baan Thammachat Lang Tourism Community Enterprise, Baan Thammachat Lang Community Drinking Water Enterprise, Ban Thammachat Lang Three-forest Tie-dye Fabric Group. These projects creates jobs and promote a good quality of life for the community in economic, social, and environmental aspects.



Performance



Created income and good quality of life for **21,757 beneficiaries** since the project commencement.

“CPF Growing Happiness, Growing Futures” Project

Livestock business, Thailand operations, recognizes the importance of “good nutrition” for children and youths, both physically and intellectually. Therefore, the Company launches the “CPF Growing Happiness, Growing Futures” Project in the communities surrounding farms and factories. The project promotes knowledge in layer hen raising, vegetables farming, as well as rice farming and milling. Im-Sook (Full of happiness) shops are also established to be a center for trading of products from schools and the communities.



2023 Performance



22 schools participated in the project since the project commencement



4,291 students benefited from having adequate food and nutrition.

“Sufficiency Farm” Project

Swine business, Thailand operations, adopts “Capacity + Idea + Network + Engagement” concept in the creation of a project to generate additional income and promote saving for the employees. For example, the dividend payment from employees’ cooperative shares. Additionally, another project also aims to promote employee’s good health away cigarettes and drugs.

2023 Performance



616 employees Participated in the project



Over **THB 871,920** per year of additional income and debt relief



Over **THB 362,000** per year of financial saving





Climate Action



Climate Action



Circular Economy



Climate Action

Economic growth and social activities nowadays contribute to greenhouse gas emissions, in which 22% of these emissions come from the agricultural sector that produces food for the world population.¹ On the other hand, food production systems are affected by climate change, e.g., seasonal change, temperature change, sea level rise, flood, and drought, etc. This results in reduced production efficiency, decreased agricultural areas, damages and delayed delivery of agricultural products. All of these affect food security, well-being, and quality of life of farmers, communities, and the society. In addition, the 28th Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC COP) discussed on Just Transition, the transition from using fossil energy, which affects government policies and creates a driving force in the private sector to transition to a low-carbon society.

2025 Target



25%
of direct and indirect GHG emissions per production unit reduced compared to 2015 base yearⁱ

2030 Targets



To set science-based targets
for GHG emissions reduction (Scopes 1, 2 and 3)



40%
of the revenue derived from green productsⁱ

2023 Performance



24.1%
of direct and indirect GHG emissions per production unit reduced compared to 2015 base yearⁱ



GHG emissions scope 1, 2, and 3 reduction targets **approved by the SBTi**



36.5%
of the revenue derived from green productsⁱ

The Company, one of the leading agro-industrial and food company, has recognized and conducted climate management through setting long-term and short-term targets and proactive measures. The Company aims to transition to net-zero emissions and prepares itself for the present and future situations, as well as sustainably establishes for the global food production as named “Sustainable Kitchen of the World”.

Management Approach

- **The Establishment of Policies and Setting the Net-zero Science-Based Targets by 2050 that Align with the Science-Based Targets initiative (SBTi)** to support the Paris Agreement that keeps the increase in average global temperature below 1.5 degrees celsius.
- **Climate-related Risks and Opportunities Assessment and Disclosure in Accordance with the Task Force on Climate-related Financial Disclosures (TCFD)** to inform relevant investors and stakeholders of the Company’s capabilities in managing risks and opportunities from climate change.
- **The Establishment of Operational Guidelines towards Net-zero Emissions** in order to achieve Net-Zero targets.
- **Stakeholder Engagement in the Value Chain** to reduce scope 3 greenhouse gas emissions which accounted for 92.4% of the Company’s total greenhouse gas emissions.

¹ IPCC, Climate Change 2023 Synthesis Report, 2023

Remark:

ⁱ Thailand operations



Implementation and Performance

The Establishment of Policies and Net-zero Science-based Targets across the Value Chain by 2050

CPF is the first food processing company in the world with both near- and long-term science-based targets validated by the Science Based Targets initiative (SBTi) which includes emissions from Forest, Land and Agriculture (FLAG). Compared to 2020 base year, the Company has set targets to reduce greenhouse gas emissions as follows:

Greenhouse Gas Emissions	2030 Short-term Targets	2050 Long-term Targets
Scope 1, 2, and 3 for non-FLAG	42%	90%
Scope 1 and 3 for FLAG	30.3%	72%



Climate-related Risks and Opportunities Assessment and Disclosure in accordance with the Task Force on Climate-related Financial Disclosures (TCFD)

The Company has assessed risks and opportunities regarding climate change to align its operations with the changing global situation due to climate change. The Company has adopted the Recommendation of the Task Force on Climate-related Financial Disclosures (TCFD) for assessing climate-related risks and opportunities. These guidelines have also been used for information disclosure on climate-related risk to investors and stakeholders, enabling them to analyze the Company’s resilience on climate risks.

 CPF TCFD Report



The Establishment of Operational Guidelines towards Net-zero Emissions

The Company strives to achieve its targets by implementing these following actions to reduce greenhouse gas emissions throughout our operations and the value chain including our suppliers and customers:

- **Smart Sourcing:** Key raw materials, which are maize, soy, palm oil, and cassava, must be sourced from deforestation-free areas
- **Smart Production:** Through innovations and advanced technologies in the production process, phase-out of coal, increase in renewable energy, and promotion of the use of electric vehicles
- **Smart Consumption:** Through the development of innovation in environmentally friendly animal feed and low-carbon products

Environmentally-friendly Feed

The Company has developed feed for swine and layer by reducing the amount of excess nitrogen in their manure by balancing sources of protein and selecting enzymes suitable for animals in each age group to improve their digestive system. This results in an increased growth and healthiness of animals while reducing the amount of animal feed e.g. fish meal and soybean that exceeds animal needs which is normally excreted as manure. The feed also helps reduce odors and greenhouse gas emissions in animal manure.



Reduce excess nitrogen by

20-30%
from swine manure


⋮

12-13%
from layer manure



Reduce greenhouse gas emissions by

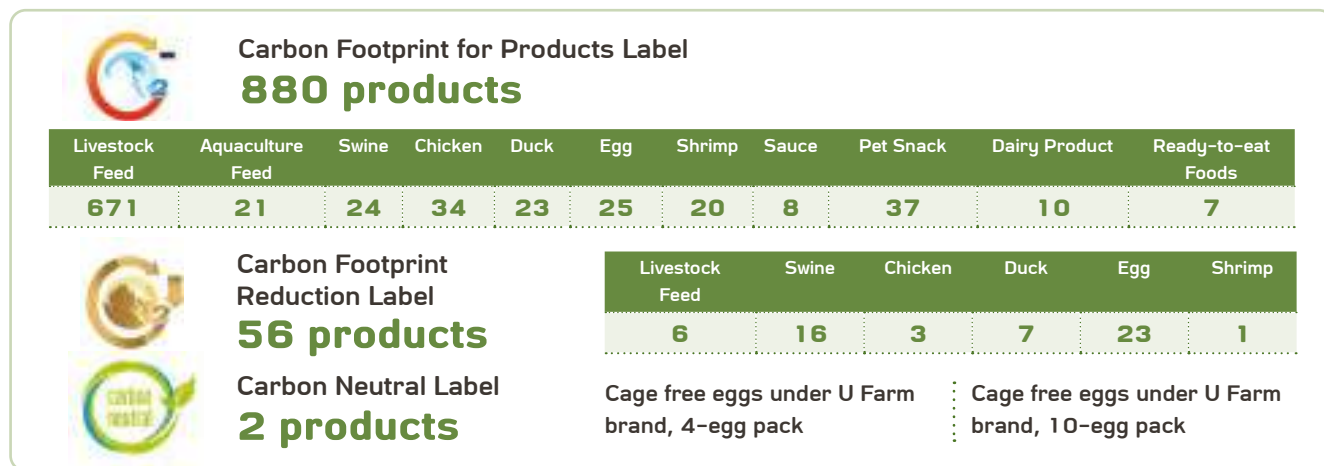
74,700 tons CO₂ equivalent

 CPF Journey to Net-zero SBT



Low-carbon Products

The Company has prioritized CPF Low-carbon Products by assessing carbon footprint of its products since 2009 according to Life Cycle Assessment Principles in accordance with ISO 14040, ISO 14044, and ISO 14067 standards. A variety of our products have been certified with carbon labels by the Thailand Greenhouse Gas Management Organization (TGO).



2030 Target



40%
of revenue derived from green products

2023 Performance



36.5% (THB 80,791 million)
of revenue derived from green products

Low-carbon products can reduce greenhouse gas emissions by **1,831,204 tons CO₂ equivalent**ⁱⁱ

Remarks:

- ⁱ The performance calculated from total revenue of Thailand operations. Green products included carbon footprint product, carbon reduction product, and carbon neutral product labels in Thailand operations.
- ⁱⁱ The performance calculated from weight of green products in Thailand operations multiplied by GHG emissions reduction compared to average carbon footprint of Thailand or base-year carbon footprint of each product

First Carbon Neutral Cage Free Egg in Asia

Cage free eggs under U Farm brand, with package sizes of 4 and 10 eggs, become the first certified carbon neutral products in Asia by the TGO. This is one of several initiatives that demonstrate the Company’s commitment to reduce greenhouse gas emissions through various projects, e.g. using solar energy and biogas energy.

Carbon offset of
3.2 million eggs
production throughout
the year or a total of
**732 tons CO₂
equivalent**



Stakeholder Engagement in the Value Chain

SME Excellence (SMEx) Project: Save Cost – Save the World

The Company is committed to promote Small- and Medium-sized Enterprises (SMEs)’s competitiveness and create mutual sustainable growth by initiating the “SME Excellence (SMEx)” Project: Save Cost – Save the World in 2023. The first generation consisted of 10 SMEs joining with 16 projects to improve the efficiency and quality. The Company utilizes its engineering expertise to holistically develop suppliers by organizing trainings to share knowledge, improving operational efficiency according to the Lean Six Sigma approach, arranging an excursion to learn about world-class technologies in food production, and evaluating the project effectiveness. The Company provided consultation throughout the project to jointly develop and improve the production process in 4 areas, namely efficiency enhancement and cost reduction, occupational health and safety, energy and environmental management, and digitization. This resulted in better efficiency, reduced production cost, and food loss decreased. Cost savings are reinvested in production process improvement to reduce greenhouse gas emissions. The Company plans to expand this project in 2024 with 50 additional suppliers.

Circular Economy

Due to the limited natural resources, the Linear economy that emphasizes on production, consumption, and waste disposal can no longer sustainably support population growth and the demand for resources. Therefore, the transition to the Circular Economy focuses on Reduce by Design, and the utilization of renewable resources to optimum value without negatively impacting the environment becomes crucial. It is also considered as an opportunity for business sector to maximize the use of available resources, along with building collaboration with stakeholders across the value chain in the transition to a low-carbon society.

2030 Targets



Zero industrial and agro-industrial waste to landfills and incineration



Zero food waste from operations to landfill



100% of plastic packaging for food products is recyclable, reusable or compostable

2023 Performance



9,507 thousand tonⁱ
22,687 thousand tonⁱⁱ
of remaining industrial and agro-industrial waste to landfills and incineration



38,984 tonⁱⁱⁱ
of food waste from operations to landfill



83.6%^{iv}
of plastic packaging for food products was recyclable, reusable or compostable

The Company conducts business by utilizing various forms of resources, e.g. raw materials and packaging, including wastes and by-products that occurred throughout the operations. The Company therefore prioritizes the transition to the circular economy and is determined to be part of acceleration for Thailand's Bioeconomy, Circular Economy, and Green Economy (Thailand's BCG Model), where the Company's headquarter is located. This starts from design, production, transportation, and storage, to recycling, with an emphasis on waste management, both internal and external of the Company, which could be reused in the production process or processed to add value. These processes can generate income for individuals involved, in collaboration with networks and relevant stakeholders in many sectors. This enables united efforts throughout the value chain to accelerate towards the Green Business approach. There is also communication with suppliers through the [Sustainable Sourcing Policy and Suppliers Guiding Principle](#) to continuously scale up success in waste management.

Remarks:

- ⁱ Thailand operations
- ⁱⁱ Overseas operations included Thailand, Cambodia, Türkiye, Philippines, Malaysia, Laos, Vietnam, India, and United Kingdom.
- ⁱⁱⁱ Food loss covered operations for chicken meat products, egg products, shrimp, and pork products, and Food waste covered distribution center and restaurant businesses.
- ^{iv} Percentage of plastic packaging for food products to be recyclable, reusable, or compostable has been reviewed in 2023 by excluding the Polystyrene (PS), Multi-materials plastic and Alufoil plastic packaging. The data covered operations in Thailand, Vietnam, Russia, Laos, and India.





Management Approach

- **Establishment of the Policies and Guidelines** e.g. Safety, Health, Environment, and Energy Policy (SHE&En Policy) that covers technical standards relating to waste management and the sustainable packaging policy and guideline. This includes monitoring and reviewing performance, and continuous operational improvement.
- **Application of Circular Economy Principles throughout the Value Chain** The Company is committed to improving resource management, from packaging design, production process, food loss and food waste reduction, as well as utilize waste for added values. This enables a circular and regenerative path that maximizes resource efficiency and values.
- **Awareness Raising** The Company builds employees' understanding and behavioral change prior to cascading to employees in the supply chain and consumers.
- **Partnership Networks** The Company joins forces with government agencies, businesses, NGOs and other stakeholders to support the circular economy principles at workplace and to elevate food waste and packaging management.

Implementation and Performance

Application of Circular Economy Principles throughout the Value Chain

Waste management framework with the Company's circular economy embedded, comprises:





Packaging Design

Sustainable Packaging Management

The Company uses packaging in several forms throughout the value chain in the feed business, farm and processing business, and food business, e.g. animal feed packaging, plastic bags for shrimp fry, and packaging for meat and food products. The Company has studied opportunities in packaging management and adapted to reduce the utilization of single-use packaging, promote the reuse of packaging, and promote packaging recycling through design of recyclable packaging, and utilization of recycled materials. In accordance with the legal and local requirements. The Company also supports the reuse of reusable packaging.

Reduce



Switched from plastic bag to Bulk Feed Tank

Result

Reduced plastic by **13,216** tons in 2023 or **56,481** thousand tons since the project launched.

Calculated as reduction of GHG emissions **67,122** tons of CO₂ equivalent or **229,865** tons of CO₂ equivalent since the project launched.

Reuse



Switched from plastic bags for shrimp fry to reusable Q-Pass Tank

Result

Reduced plastic by **10,265** tons in 2023ⁱ or **12,521** thousand tons since the project launched.

Calculated as reduction of GHG emissions **58,615** tons of CO₂ equivalent or **67,773** tons of CO₂ equivalent since the project launched.

Recycle



Design the packaging to be easily recyclable and utilize the recycled materials. Examples include egg trays or use of Mono Plastic.

Result

Reduced virgin plastic by **1,110** tons by utilizing recycled plastic instead.

Calculated as reduction of GHG emissions **1,134** tons of CO₂ equivalent.

Remark:

ⁱ In 2023, there was a significant increase in amount of Q-Pass Tank resulting in a decrease in using plastic bags for shrimp fry.

CPF Launched Egg Trays from 100% Recycled Plastic

In 2023, the Company launched egg tray packaging made from 100% recycled plastic, which is recyclable. Available nationwide, the Company collaborated with PTT Global Chemical Public Company Limited or PTTGC and Excel Group in utilizing the recycled materials in several packaging, identifying the solutions to reduce new plastic usage, as well as increasing the utilization of reusable and reprocessed packaging. It was initiated through egg tray packaging which uses 55% of post-consumer PET plastic and 45% pre-consumer PET plastic from production. The product can reduce GHG emissions by 29%, compared to new plastic is utilized. Moreover, the packaging is designed for convenience in sorting for waste processing, by using paper labels inserted into the package instead of using plastic adhesive stickers. Additionally, the Company also utilizes paper packaging made from 100% recycled paper for egg trays since 2020, emphasizes the commitment to produce healthy food, is socially and environmentally responsible, and promotes efficient use of resource according to circular economy.

Process Management

The Company is committed to developing production efficiency to decrease waste generation in operations as much as possible, through quality and environmental management i.e. ISO 9001, ISO 14001, Lean Six Sigma concepts. These include technical standard requirements according to CPF SHE&En Standard, which are appropriately applied in feed, farm and processing, and food business. In addition, waste generated from production is utilized for maximum use, in order to reduce operating costs and environmental impacts. Waste disposal has been carried out by authorized waste disposal agencies and inspected according to the Company's procurement process. The Company tracks the amount of waste generated including the utilization and disposal according to technical standards in the CPF SHE&En Standard, as well as assesses the food waste volume through Waste Composition Analysis.

Nong Chok Ready-to-Eat Food Production Pilots the Certification of Circular Economy Management for Organizations

The Company is committed to tangibly implementing the circular economy principle into the business, starting from within operations. In 2023, the Nong Chok Ready-to-Eat Food Production participated in the pilot project to certify the Circular Economy Management System (CEMS) for organizations. This is in collaboration with the Program Management Unit for Competitiveness (PMUC), Thai Industrial Standards Institute (TISI) under the Ministry of Industry, and the Centre of Excellence on environmental strategy for GREEN business (VGREEN) Faculty of Science Kasetsart University. The highlighted projects are as follows.

"Reduce Further" project



using sludge from wastewater treatment ponds to produce biogas to generate electricity used in the facility. It has the capacity to generate energy 516 MWh annually, reduce 543 tons CO₂ equivalent greenhouse gas emissions per year, and reduce wastes by 1,662 tons per year.

"Burn Further" project



using smoked wood charcoal as biomass for energy production, with the capacity to reduce waste by 20 tons per year, and reduce 16 tons CO₂ equivalent of greenhouse gas emissions per year.

"Reuse Further" project



using PP plastic from raw material packaging in food production to produce garbage bags for use in factories. It has the capacity to reduce waste by 3 tons per year and reduce over 2 tons CO₂ equivalent of greenhouse gas emissions per year.



Food Loss & Food Waste Management

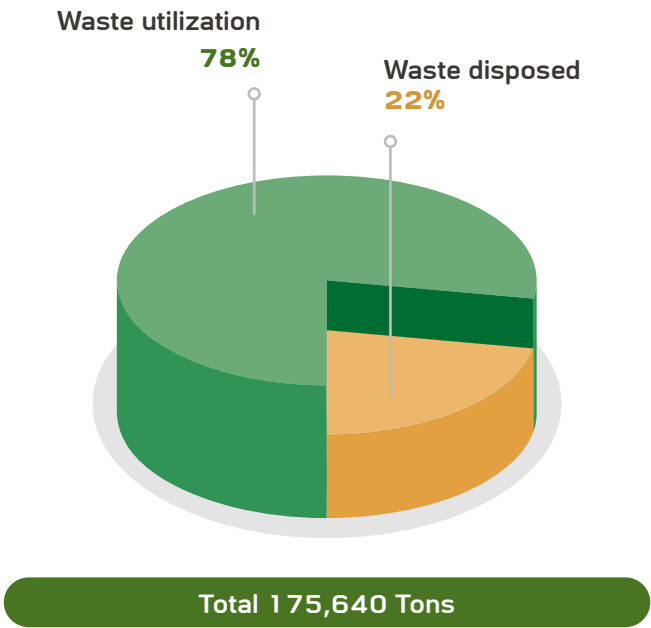
The Company has been conducting a study to develop a plan to collect quantitative, qualitative, and economic data on food loss since 2020, in accordance with the guidelines from the Food and Agriculture Organization (FAO) of the United Nations. The aim is to assess food loss and identify measures to reduce losses throughout the value chain. Currently, it covers operations for chicken meat products, egg products, shrimp, and pork products, by collecting and analyzing data of food loss

in each activity throughout the Company's value chain. The critical points of food loss (Hotspot) found lead to the initiatives to prevent and reduce food loss, for example, improvement of chicken catching and logistics efficiency, through environmental management and application of animal welfare principles, reducing the amount of chicken loss. Egg conveyer initiative also reduces damage during egg collection and transportation within the housing, etc.

In addition, the Company generates value added from chicken parts left from the trimming process which are used to create pet snacks. Additionally, the by-products from inedible parts from production process, i.e. bones, chicken feathers, part of chicken blood, and damaged eggs have been utilized as animal feed, and further processed into animal feed ingredients (except using as poultry feed in compliance with animal welfare principles). Similarly, the wastewater, containing operational waste, e.g. blood and fat, is sent to the Biogas System to generate energy as an alternative fuel in the production process.

For food waste management from consumption, the Company collects data in accordance with the Food Loss & Waste Protocol (FLW Protocol), covering distribution center and restaurant businesses in Thailand. This leads to the reduction of food waste, the promotion of the processing for maximum benefit, reduction of waste to landfill, as well as building awareness among consumers.

Food Loss and Food Waste in 2023ⁱ



Remark:
ⁱ Thailand operations

Food Loss and Food Waste in 2023ⁱ

Unit: Tons

	Food Loss ⁱⁱ				Food Waste ⁱⁱⁱ		Total
	Harvest	Transportation	Production	Storage	Transportation and Distribution ⁱⁱ	Cooking and Consumption by Customers at the Restaurant	
Amount Produced	179	410	173,390	430	9	1,222	175,640
Amount Uses	-	396	135,214	318	9	717	136,654
Amount Dispose	179	14	38,176	112	-	505	38,986

Remarks: According to the FLW Protocol, the Company’s food loss covers harvest, transportation, production, and storage, while food waste covers transportation and distribution, as well as cooking and consumption by customers at the restaurants.

- ⁱ Thailand operations
- ⁱⁱ Food loss data covers 4 product categories including: chicken meat products, egg products, shrimp, and pork products.
- ⁱⁱⁱ Food Waste data including cooking and consumption at the restaurants was calculated from waste composition analysis by multiplying the intensity of food waste per unit of revenue in the sampled data collection area by the annual revenue. The sampled areas were 13 branches of Chester’s and 6 branches of Food World.
 Food waste data related to transportation and distribution was from one distribution center (Bang Nam Prio Distribution Center, Chachoengsao)



Food Loss Reduction Project

“Aquaculture Feed Raw Material Development” Project increases the value of by-products, e.g. blood, meat scraps, and feathers and recycles inedible waste instead of landfill. There is also a collaboration project with the fishmeal supplier, using and developing by-products called “Fish Soluble” into the new quality animal feed raw material that could replace imported materials.

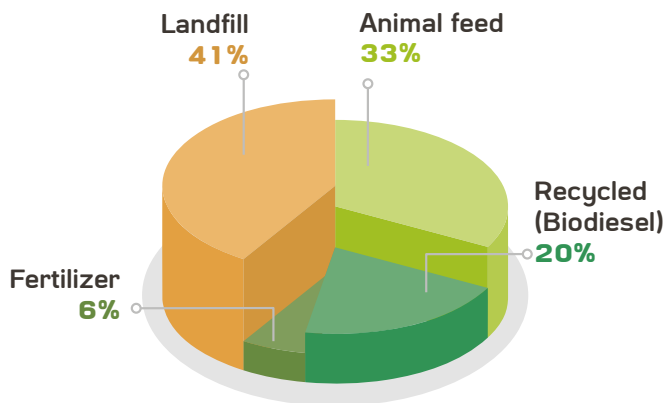
Fish Soluble production technology installation and testing with suppliers



“Reduce Food Loss from Production” Project improves machinery and equipment’s efficiency, e.g. the project to improve the equipment for expelling air in the damaged egg pipes (egg and bread processing business), reduces waste in the production by over 45 tons per year (valued over THB 2.6 million per year). The project to improve spiral conveyor to reduce product from dropping (ready-to-eat food business), as well as to reduce waste in production process by over 1.25 tons per year (valued over THB 372,000 per year).

Food Waste Data Collection¹

The Company collects food waste data in accordance with the Food Loss & Waste Protocol (FLW Protocol), covering one distribution center and restaurants in Thailand operations. The results will be used to determine future plans to further reduce food waste.



Total food waste 1,230 Tons

¹ Thailand operations

Remark: Food waste data was calculated from waste composition analysis by multiplying the intensity of food waste per unit of revenue in the sample data collection area by the annual revenue. The sampled areas include 13 branches of Chester’s and 6 branches of Food World. Whereas the scope of the report covers the Company’s operation areas, excluding franchises and tenants. Business information of Chester’s does not include other restaurant brands, e.g. Taliew and Crown Bubble. The weight of food waste does not include liquids i.e. beverage and soup. The weight of food waste shown also includes one distribution center (Bang Nam Prio Distribution Center, Chachoengsao), where is the amount of food waste was measured by the direct weighing method.

The 3rd Year of Circular Meal Project

The Company brought the surplus food from the Bang Nam Prio Distribution Center, Chachoengsao, and the Mahachai Distribution Center, Samut Songkhram, in the form of frozen and chilled ready-to-eat meals to serve several vulnerable groups, e.g. low-income, children, the elderly, and those with disabilities, in collaboration with the Scholars of Sustenance Foundation (SOS Foundation), Thailand. In 2023, over 79,000 delicious, clean, and safe ready-to-eat meals were delivered, resulting in over 18 tons of food waste avoided. This is equivalent to reducing greenhouse gas emissions by over 47 tons CO₂ equivalent, or planting of over 5,000 trees. In addition, the Company collaborates with partners like GEPP Sa-ard Company Limited (GEPP) to systematically collect plastic and paper for recycling. The project is considered as a model for surplus food management and track-back packaging (closed-loop system) practice. The Company has already taken back over 25,000 pieces of packaging since 2021 – December 2023.



Over 18 tons of surplus food utilized to avoid food waste in 2023

From Waste to Resources

Throughout the business operations: feed business, farm and processing business, and food business, the Company utilizes resources and generates waste classified as non-hazardous waste and hazardous waste, for a total of 586 thousand tons, in 2023, in which 99.9 percent world categorized as non-hazardous waste. Furthermore, food loss and food waste are considered as part of this non-hazardous waste. Part of this waste was used by the Company in several ways, e.g. waste-to-energy, animal feed, making fertilizer or soil amendment, and recycling the materials, depending on the business contexts.

The Company has various concepts in utilizing waste from production and consumption for maximum values in the value chain. Examples includes.

Waste-to-Energy



- Biogas from manure
- Biodiesel from used cooking oil
- Biomass incineration to generate heat or electricity for the production process, i.e. husks, rubber wood, palm shells, and cashew nut shells.

Animal Feed



- Chicken carcasses, feathers, and offals are recycled in the production process. In addition, food waste from distribution centers and restaurants are also used as animal feed for farmers.

Fertilizer or Soil Amendment



- Leftover materials from animal farms such as manure, flooring material from chicken houses, and eggshells are shared for local community uses.

Materials Recycling

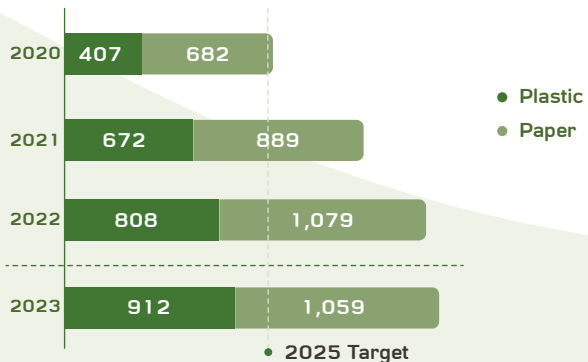


- Egg tray from 100% recycled PET plastic
- Egg tray from 100% recycled paper for cage-free products and egg tray for 30-egg pack
- New paper packaging box reduced paper usage by more than 40%
- 2-layer mono-plastic film ensuring 100% recyclability



Reduction of Plastic and Paper in Food Packagingⁱ

Unit: Ton



● 2025 Target
Reduction of plastic and paper food packaging by 1,000 Tons

Remark:

ⁱ Thailand operations

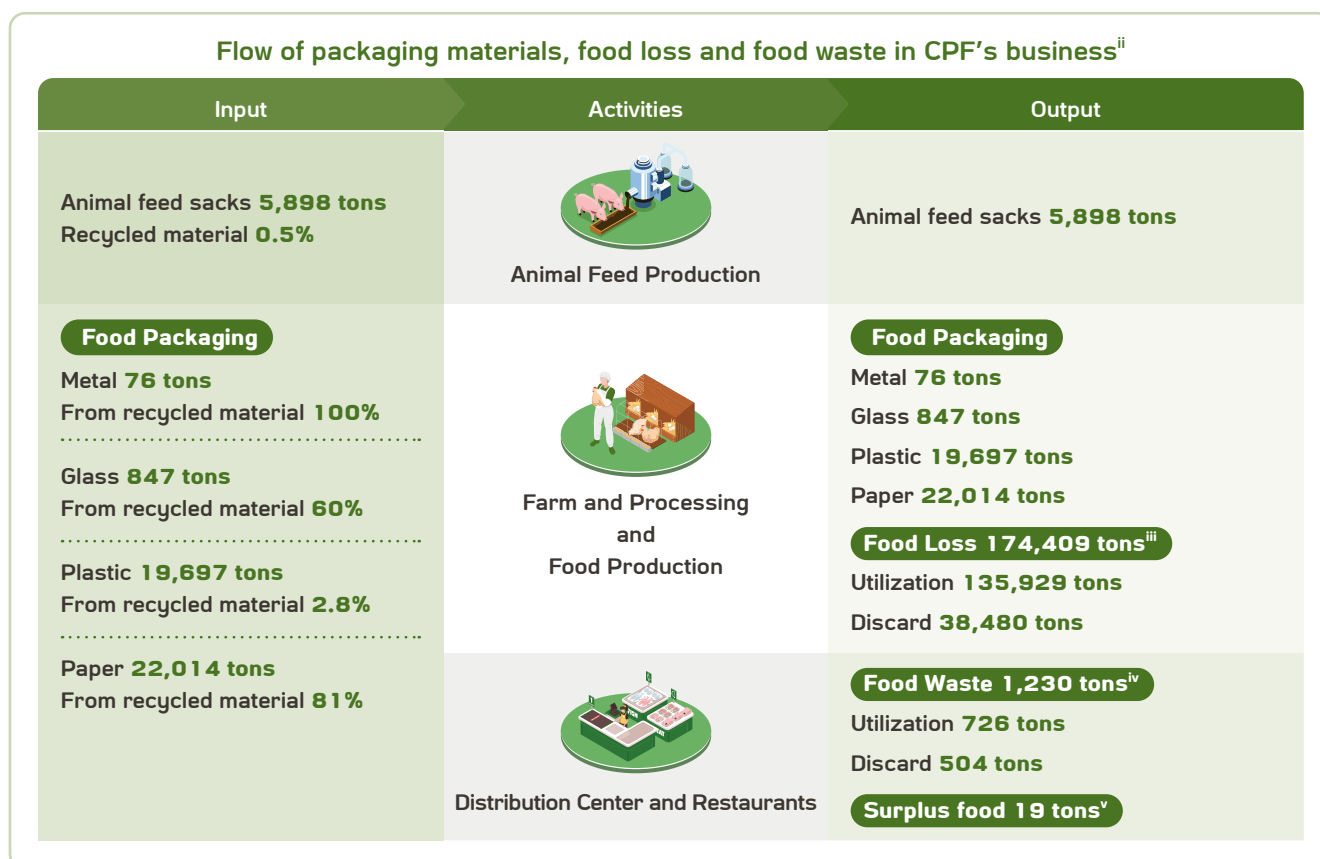
Plastic Usage in Food Packaging.ⁱ



Remark:

ⁱ Thailand, Russia, Laos, and India operations

The Company monitors resources flow, including packaging materials, as well as food loss and food waste for planning measures to reduce the environmental impact and expand opportunities in transitioning to circular economy. The volume of resource flow is as follows.



Remarks: Packaging materials which are renewable materials amount to 22,014 tons, and non-renewable materials 26,518 tons.

ⁱⁱ Thailand Operations

ⁱⁱⁱ Food loss refers to the inedible part and is used in other ways beyond human consumption or discarded. The present reporting scope currently covers chicken meat products, egg products, shrimp, and pork products.

^{iv} Food waste data was estimated from waste composition analysis by multiplying the concentration of food waste per unit of revenue in the sample data collection area by the income, wherein the sample area includes 13 branches of Chester's and 6 branches of Food World. Whereas this report's scope covers the Company's operation area excluding franchises and tenants. Business information of Chester's does not include other restaurant brands i.e. Taliew and Crown Bubble. The weight of food waste does not include liquids i.e. beverage and soup. The weight of food waste shown also includes one distribution center (Bang Nam Prio Distribution Center, Chachoengsao), which is the amount of food waste measured by the direct weighing method.

^v Food Surplus collected from the pilot project of food surplus from domestic trading business at Bang Nam Prio Distribution Center, Chachoengsao and Mahachai Distribution Center, Samut Songkhram, donated to communities through the Circular Meal Project.

“Fried to Fly” Project: Convert Used Oil to Sustainable Jet Fuel



Five Star Business (Thailand operations) in collaboration with BSGF Company Limited (BSGF), the manufacturer and distributor of sustainable bio-jet fuel, utilized used cooking oil to produce sustainable aviation fuel (SAF). This is consistent to the important policy to eliminate the cycle of repeated frying oil, causing health issues. The project also reduces the environmental impacts from fossil fuel combustion. The first phase covers 139 Five-Star stores in Bangkok and surrounding areas. The aim is to expand to 5,000 branches nationwide by 2024. This project is aligned with the Thailand’s BCG economic model. In addition, the United States operations also deliver used soybean oil from the food industry to produce over 91,000 liters of biodiesel which create value, for the Company of over THB 1 million in 2023.

Awareness Raising

In 2023, the Company raised awareness on the circular economy, waste management, and packaging by providing employees with e-learning: ESG Fundamental Course. This builds employees’ understanding and awareness on environmental impacts, leading to the reduced resource consumption, proposing suggestions on innovation, and enabling waste-to-value, as well as business development according to circular economy principle.



Partnership Networks

CPF in Collaboration with TIPMSE to Voluntarily Drive the EPR

At Sustainability Expo 2023 event, the Company announced the commitment to participate in driving the Extended Producer Responsibility or EPR through the “PackBack; Take Back Packaging for Long-term Sustainability” project. This is a project realized under the collaboration among members in Thailand Institute of Packaging and Recycling Management for Sustainable Environment (TIPMSE). EPR is a mechanism to expand producer responsibility, covering the entire product life cycle from the production process to the post-consumption process. It aims to bring packaging back into circulation for sustainable recycling and helps promote circular economy system, as well as reduces greenhouse gas emissions. In addition, the Company has participated in monitoring on the progress of the EPR law and provided opinions on the development of data registry, to promote packaging management according to EPR principle, which is appropriate to Thailand context.



Collaboration with SCGP-SCGC for Sustainable Packaging

The Company joined forces with 2 partners in SCG group, focusing on business growth and sustainability. The Company signed a memorandum of understanding (MoU) on packaging innovation from pulp and polymer with SCG Packaging Public Company Limited or SCGP, and an environmentally friendly plastic innovation (Green Polymer) with SCG Chemicals Public Company Limited (SCGC). There will be joint studies for the development of environmentally friendly food packaging, enabling the reduction of greenhouse gas emissions. The packaging is also clean and safe for consumers. This collaboration provides opportunities for joint innovation with partners with shared sustainability targets throughout the value chain, supporting the domestic demand for environmentally friendly packaging market, which is continuously growing.



Vietnam Circular Economy Forum 2023 to Accelerate the Circular Economy

Vietnam operations had co-sponsored the Vietnam Circular Economy Forum 2023 and participated in a roundtable discussion together with the government sector and international organizations. This demonstrates leadership in supporting transition towards circular economy. This forum has been organized for second consecutive year, aiming to achieve operational plans and promoting public-private collaboration, as well as the development of the National Action Plan on Circular Economy (NAPCE).

Collaboration to Reduce Food Loss in Supply Chain

The Company initiates the “SME excellence (SMEx) Project: Save Cost-Save the World” for suppliers providing raw materials to the food business. This increases operational efficiency to reduce food loss, e.g. Improving the efficiency of lemon juice machines and applying centrifugation for larger volume of juice collected. These also include reduced loss of coriander during the cleaning when soil and dirt are being washed off. The project allows suppliers to secure higher yields and reduce food loss by approximately 10 percent. The savings generated from these projects will be reinvested in environmental improvement in supplier’s operation.





Water Stewardship



Global water demand is expected to increase by at least 1% annually, driven by the growth in global population as well as the expansion of industrial and agricultural sector.¹ Climate change also has impacts on water cycle in each area, causing draught, flood and sea level rise, leading to encroachment of fresh water sources. This could potentially affect community and society' access to fresh water and deteriorates aquatic biodiversity. Water stewardship prevents impacts on surrounding communities, society, and environment both in terms of quantity and quality. It is therefore the heart in conducting a fully integrated agro-industrial and food business.



The Company uses water resources both directly and indirectly. Direct use of water includes livestock farming and aquaculture, site and machinery cleaning, steam production and cooling in industrial systems, etc. Indirect use of water includes upstream feed plantation, animal raising from contract farmers, etc. The Company therefore prioritizes water stewardship from upstream to downstream across the value chain in order to achieve efficient water usage that is appropriate for the context of each country that the Company operates in, e.g. implementing water saving technology in animal farming, optimizing water efficiency in production processes, ensuring wastewater quality meets the standards prior to reuse internally or discharge externally. The Company engages with farmers, communities, government agencies, and stakeholders to jointly develop projects that enhance water access in line with Sustainable Development Goal 6: Clean Water and Sanitation.

¹ The United Nations World Water Development Report 2023 Partnerships and cooperation for water, 2023

Remarks:

ⁱ Thailand operations

ⁱⁱ In process of new target setting which will cover both Thailand and Overseas operations

2025 Target



30% of water withdrawal per production unit reduced, compared to 2015 base yearⁱ

2030 Target



Support all tier-1 suppliers identified as having high water impact to establish a water management plan

2023 Performance



50.4% of water withdrawal per production unit reduced, compared to 2015 base year (target achieved at 13.4 m³ per ton production, against the target of 18.9 m³ per ton production)ⁱⁱ



In progress to support all high water impact tier-1 suppliers to develop water management plan

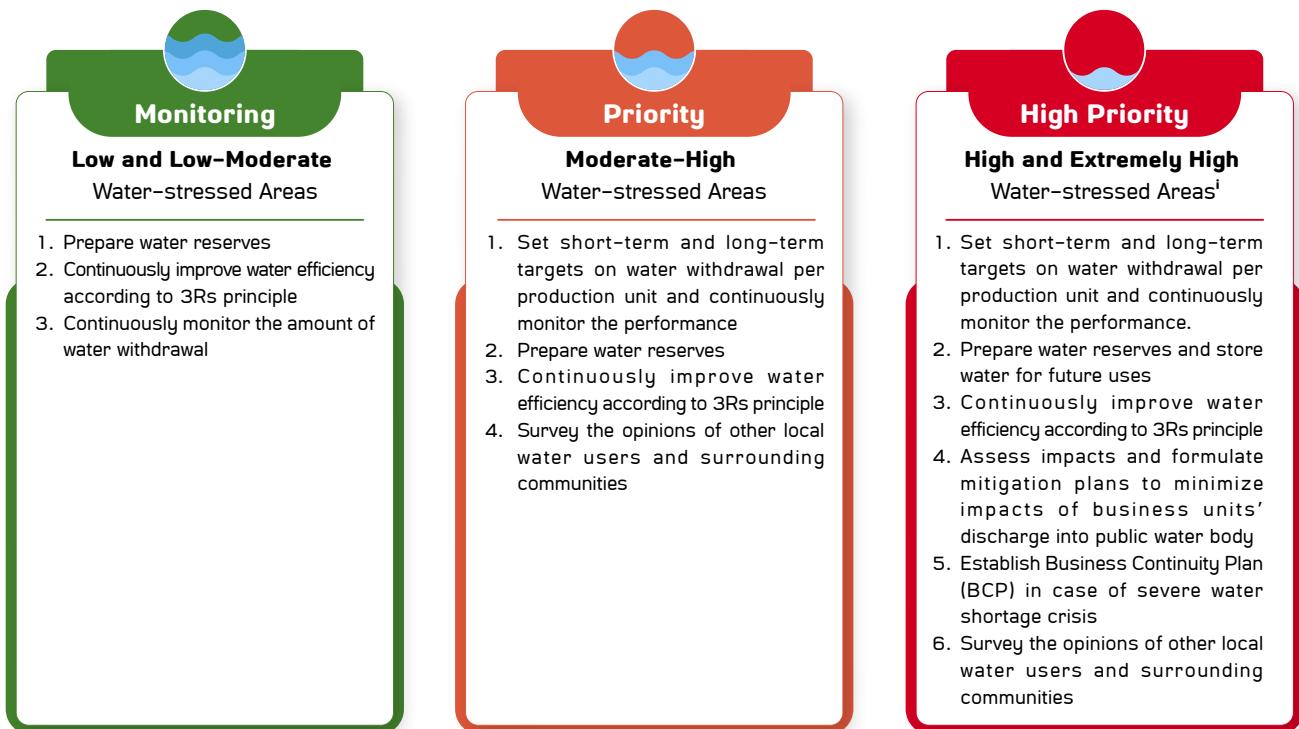
Management Approach

- **Water Security in Operations** by assessing water-related risks and prioritizing areas to develop mitigation and adaptation plans to cope with droughts and floods.
- **Establishment of Water Management Guidelines** under the CPF Safety, Health, Environment, and Energy Standard (CPF SHE&En Standard), by setting water-related targets as part of annual Key Performance Indicators (SHE&En KPIs) and long-term operational targets. The Company implements 3Rs principle to improve water efficiency as well as monitor and control wastewater quality to meet relevant standards prior to reuse internally or discharge externally. The Company also trains employees regarding water management.
- **Stakeholder Engagement on Water Management** to ensure sufficient access to water sources for community's consumption and to restore watershed forests and river basin areas. The Company has also established [Sustainable Sourcing Policy and Supplier Guiding Principle](#) to promote sustainable water management.

Implementation and Performance

Water Security in Operations

The Company prioritizes water management, hence, assesses and reviews water-related risks annually, by analyzing the Company's water withdrawal data and conducting risk assessment through Aqueduct Water Risk Atlas, a tool developed by World Resources Institute (WRI) to assess operating sites' baseline water stress. This helps the Company make appropriate prioritization when it comes to water management. The assessment result classifies the Company's operating sites into three levels, in which the Company subsequently implements management measures as follows:



Proportion of Fresh Water Withdrawal by Area

Water-stressed Areasⁱ

57.6%



Non-water-stressed Areas

42.4%



Remark:

ⁱ The Company classifies areas with high and extremely high water shortage risks as water-stressed areas as the amount of water withdrawal is higher than 40% the water available in the area, in line with GRI Standards.

The results of the aforementioned water-related risk assessment is considered in identification of prioritized areas for CPF's water management in order to reduce impacts on surrounding communities and comply with local water-related regulations.



Groundwater Treatment Plant at Songkhla Chicken Processing Factory

Mitigation Measures for El Niño Impacts

El Niño is an increasingly intensified natural phenomenon due to climate change, leading to decreased rainfall and severe draught in some areas. It could undermine economic activities that rely on water. To cope with the situation, the Company has formulated plans and measures, e.g. improving water efficiency across farms and factories based on 3Rs principle, reducing water consumption in farms by adjusting operating time of evaporation systems in response to local weather to control the farms' temperature, excavating and building more water reservoirs, developing additional groundwater ponds, as well as campaigning to reduce water wasted by increasing the frequency of leakage inspections. In addition, the Company also encourages suppliers to participate in effective water conservation and water management, as specified in the [Sustainable Sourcing Policy and Supplier Guiding Principle](#) to mitigate both the Company's and the suppliers' water-related risks.

Establishment of Water Management Guidelines

The Company established the Safety, Health, Environment, and Energy Policy & Standard (CPF SHE&En Policy & Standard) which consists of technical standards that focus on increasing the water efficiency within the Company through the 3Rs principle (Reduce Reuse Recycle) and managing water discharge. These enables minimization of impacts on communities and ecosystems and mitigation of water shortage risks in operations and communities.

Increased Water Efficiency within the Company

The Company is committed to use water efficiently and reduce the reliance on external water sources, in order to be prepared against any risks of drought that may occur in the future. The Company promotes water efficiency improvement through the 3Rs principle, including Reduce, Reuse, and Recycle. Additionally, the Company collects data of total water withdrawal and consumption, as well as water withdrawal from water-stressed areas. This enables the Company to monitor the water usage status. In 2023, the Company has recycled and reused 19.5% of the total water withdrawal, as a result of the investment in water management technology and management measures to reduce reliance on water from external sources.

Water Management Technologies

The Company implements various technologies to promote water stewardship, including:

- **Using Biofloc technology** to treat organic substances and waste in shrimp farms and **ultrafiltration technology** to enhance water quality comparable to the Waterworks Authorities' standards which allows clean water to be utilized again.

Biofloc and ultrafiltration technology can reduce water withdrawal by 75%



- **Using reverse osmosis filtration technology** to improve water quality to be used in the production process.
- **Using air chiller instead of water chiller** to decrease meat temperatures in chicken processing factory. This reduces water consumption by approximately 15% compared to prior use of water chiller.

These technologies do not only effectively reduce water usage and wastewater, but also maintain biosecurity. The Company has continuously studied how to appropriately apply the technology in each area prior to implementation both in Thailand and overseas operations to ensure maximum benefits.

Biofloc technology utilizes microorganisms beneficial for shrimp to decompose the remaining feed and waste in shrimp farms, continuously keeping the aquaculture environment suitable for shrimp growth. This reduces the need to change water during farming. Currently, this technology is implemented in shrimp farms in Thailand and Vietnam operations.



Pre-discharge Wastewater Management

The Company inspects and monitors the quality of treated wastewater prior to discharge externally in accordance with legal requirements and CPF SHE&En Standard. The Company also identifies the sensitive water bodies (Sensitive Reception) to avoid impacts on communities and ecosystems, e.g. conserved water sources, water sources declared as controlled sources, or water sources that are important to the community. The quality of external water sources is regularly inspected and monitored. In addition, the Company implemented the Zero Discharge Project in several animal farms to mitigate environmental impacts and utilize treated water for other purposes, e.g. watering green areas in farms and factories.

COD/BOD Online Monitoring Project in Ready-to-Eat Food Business: Thailand Operations

The Company installed real-time wastewater quality monitoring system that monitors key indicators, e.g. chemical and biological oxygen demand in wastewater treatment, and the pH value. Administrators are notified in case of abnormal water quality, simultaneously governmental agencies would also be alerted. This system reassures communities and the governmental sector in wastewater management, through traceable historical records.

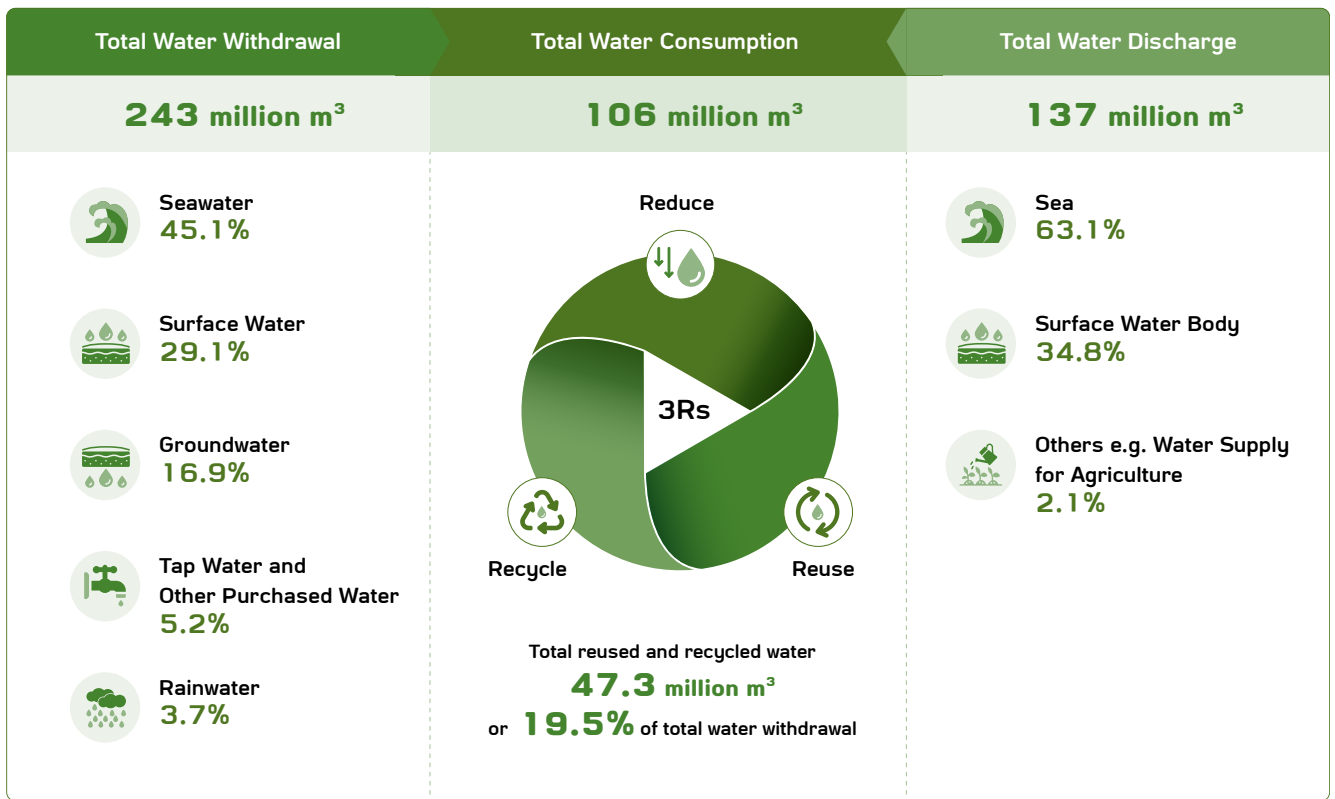


Construction of Groundwater and Wastewater Treatment System at the Sisaket Swine Slaughterhouse and Processing Factories

supports the expansion of livestock business with the wastewater treatment capacity of 1,000 m³ per day, enabling 24% of daily water used from recycled water.



2023 Performanceⁱ



Remark:

ⁱ Thailand, Cambodia, Türkiye, Philippines, Malaysia, Laos, Vietnam, and India operations.

Awareness Raising within the Company

The Company commits to raising employee’s awareness on the importance of water stewardship, guidelines for water conservation, drought response plan, and approaches for employee participation. This has been achieved through ESG Fundamental Training Program for employees, aiming to help employees understand the impacts that may occur. This leads to conscious water usage with considerations of the surrounding community and society’s needs.

Engaging with Stakeholders on Water Management





Stakeholder Engagement on Water Management

Supplier Engagement

In addition to the effective water management within the operation, the Company also supports suppliers in operating eco-friendly business and complying with relevant national and local legal requirements. The Company encourages suppliers to take part in conserving and managing water efficiently, as specified in the [Sustainable Sourcing Policy and Supplier Guiding Principle](#). In 2023, the Company updated the self-assessment form for critical suppliers by integrating components related to water management, climate change management, and zero-deforestation in order to create incentives for suppliers who mutually recognize the importance of water stewardship, in alignment with other stakeholders. The Company is working towards the target to supporting all tier-1 suppliers identified as having high impact on water resources to develop water as well as management plans by 2030. The efforts cover policy development, internal awareness raising, water efficiency improvement, management and monitoring of results against targets. This creates sustainability in water management throughout the supply chain, decreases operational risks in both suppliers and the Company, and avoids potential impacts on surrounding communities, especially during drought periods at present and in the future.

Water Source Conservation in Collaboration with Communities

The Company recognizes and prioritizes conserving quality water sources for communities. Therefore, several projects are implemented in collaboration with the government, private sector, communities and other relevant stakeholders. Engagement is carried out to listen and explore concerns regarding water resources as well as monitor water consumption, water quantity, and water quality in community water sources. The obtained insights show that communities need quality water sources for consumption and occupation, along with conservation, restoration, and preservation of watershed forests and water sources to maintain the ecosystem's biodiversity. Communities also seek support for projects that enable community's water access by building water reservoir for usage during the dry season. Based on the feedback, the Company has created various water management-related projects for the communities, e.g. the Nam Mun River Conservation Project, Underground Water Bank Project, etc.

More information about the water resources conservation projects with communities is available in chapter **"Biodiversity and Ecosystem"** under topic [→ Conserve Ecosystem \(Rak Ni-ves\), Pasak Watershed, Khao Phraya Doen Thong Project](#)



15 Years of the “Mun River Conservation” Project

The Company joins forces with the communities in Nakhon Ratchasima Province in water management, environmental conservation, restoration and safeguard of the Mun River, which is the main river of the Northeast region. The Mun River passes through Nakhon Ratchasima, Surin, Buriram, Sisaket, and Ubon Ratchathani Provinces. Many communities rely on this river for consumption and agriculture. This is also the river basin where the Company’s operations are located. The Company has therefore collaborated with government agencies and communities over the past 15 years on Nam Mun River conservation activities, e.g. tree planting activities for community awareness raising, and local fish releasing to generate income for local fisheries. The Company also organizes the “Water Detective” project for over 1,500 youths to practice and learn about water quality through the study of aquatic indicator insects for water quality. This activity cultivates awareness in preserving aquatic ecosystem and promotes environmental stewardship mindset among younger generations.



“Treated Water Bio-Fertilizer Sharing” Project

From 20 Years of Success in Swine Business to Layer Businesses

Water scarcity and increasing costs of chemical fertilizers are major problems that farmers are facing. The Company therefore launched a project to share bio-fertilizer from swine farm, which is treated wastewater of appropriate quality with remaining nutrients beneficial for local farmers’ farms. This alleviates drought problems and reduces farmers’ expenses on fertilizers and soil conditioning. With over 20 years of project success in swine business, the project success has been expanded to the layer business wherein by-products, e.g. the treated wastewater and eggshells are used as a soil conditioning, which sustainably creates value for surrounding communities.



“

Thank you CPF for organizing this great project. It allows communities and livestock farms to support each other, reduce costs, increase productivity, and solve the drought problem. Farmers are getting better incomes.

Mr. Kasem Ladsuntia

*Sugar Cane Farmer In the area near Chakkarat Layer Farm,
Chakkarat District, Nakhon Ratchasima Province*





Biodiversity and Ecosystem



2025 Target



100%
of key raw materials sourced
from deforestation-free areas

2030 Targets



20,000 rais
(3,200 hectares)
of conservation, protection, and
restoration area of mangrove
forests and watershed forests
increased in strategic area and
green area in operationsⁱ



200,000 tons
of cumulative carbon dioxide
sequestered from conservation
and reforestation projects and
green area in operationsⁱ

2023 Performance



35.4%
of key raw materials sourced
from deforestation-free areasⁱⁱ



19,932 rais
(3,189 hectares)
of conservation, protection, and
restoration area of mangrove
forests and watershed forests
increased in strategic area and
green area in operationsⁱ



46,392 tons
of cumulative carbon dioxide
sequestered from conservation
and reforestation projects and
green area in operationsⁱ

Biodiversity Loss is one of the three environmental world crises together with climate change and pollution problems. World Wildlife Fund (WWF) reported that world's biodiversity decreased significantly. Mammals, birds, reptiles, amphibians and fish decreased by two-third¹ between 1970–2016. Convention on Biological Diversity (CBD) COP 15, Kunming–Montreal Global Biodiversity Framework has been adopted as a framework for biodiversity conservation and sustainable utilization which may influence state policies and create driving force in private sector in the future.

As one of leading integrated agro-industrial and food company, the Company committed to conduct business under Kunming–Montreal Framework in order to protect biodiversity and ecosystem, not invade the forest, and promote reforestation, as well as establish deforestation-free target on key raw materials sourcing to protect biodiversity and ecosystem throughout the supply chain.

¹ GCNT News, 14 October 2022, <https://globalcompact-th.com/news/detail/1165>



Remarks:

- ⁱ Thailand operations
- ⁱⁱ The key raw materials included maize, soy, palm oil, and cassava. The performance covered the key raw materials for feed business in Thailand, Cambodia, Philippines, Malaysia, Laos, Vietnam, and India operations and the key raw materials for food business in Thailand and Vietnam operations.



Management Approach

- **Establishment of Policy and Biodiversity and Zero Deforestation Commitment** setting deforestation free target throughout the supply chain as well as natural resources and ecosystem conservation target
- **Biodiversity Impact Assessment** to assess the biodiversity impacts and natural resources dependency throughout the supply chain and screen biodiversity risks of the Company’s operations in order to determine appropriate impact mitigation
- **Determination of Mitigation Hierarchy** to resile the biodiversity risks
- **Stakeholder Engagement and Partnerships** to create partnership network to promote agriculture and fishery which do not harm natural resources balance, implement technology to enhance management efficiency, support sustainable sourcing from local to international levels, and cooperate with internal and external organizations to restore biodiversity in terrestrial and marine ecosystems.

Implementation and Performance

Biodiversity Impact Assessment

Food security has become a globally critical agenda, especially for the Company who operates integrated agro-industrial and food businesses that rely on natural resources to maintain food security. Protection of biodiversity and ecosystems is therefore imperative to the Company. The Company has therefore assessed the dependence on ecosystem services and the impact drivers that may arise from business operations to the nature. ENCORE is applied as a tool to assess the level of materiality of each issue, leading to the risk management.

	Agricultural raw material sourcing	Feed	Livestock farm	Aquaculture farm	Food
Ecosystem Service Dependency					
Material Resources	High	Not Applicable	Medium	Medium	Not Applicable
Water Resources	High	Medium	Very High	Low	Very High
Pollination	Very High	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Nursery Habitat	Low	Not Applicable	Low	Medium	Not Applicable
Soil Quality	Very High	Low	High	Low	Low
Water Quality	Medium	Low	Medium	High	Medium
Bio-remediation	Medium	Low	Medium	Medium	Low
Climate Regulation	Very High	Not Applicable	Medium	High	Not Applicable
Disease and Pest Control	Very High	Not Applicable	Medium	Medium	Not Applicable
Natural Disaster Protection	Very High	Medium	Medium	High	Medium
Impacts Drivers on Nature					
Resource Exploitation	High	Low	Very High	Not Applicable	High
Land or Sea Use Change	High	Not Applicable	High	Very High	Not Applicable
Climate Change	Not Applicable	High	High	Not Applicable	High
Pollution	Medium	Low	Medium	High	Medium

○ Not Applicable
 ● Very Low
 ● Low
 ● Medium
 ● High
 ● Very High



The Company conducted a critical biodiversity risk screening across 351 operational sites in Thailand, equivalent to 5,580 hectares, which covered three businesses – namely, feed business, farm and processing business, and food business. Biodiversity impact assessment was conducted by mapping the Company’s operational sites with critical biodiversity areas which are recognized in international or national level, including terrestrial and marine ecosystem, e.g. Key Biodiversity Areas (KBA), the International Union for Conservation of Nature (IUCN) Red Lists, World Heritages Sites, Ramsar Wetland and national protected areas. Any of the Company’s operational site located within a 2 – 5 kilometer radius of a critical biodiversity area would be flagged as having high risk of creating impacts on biodiversity. CPF employs tools, e.g. Integrated Biodiversity Assessment Tool (IBAT) and Geographic Information System (GIS) to map geolocation and measure the proximity between CPF operational sites and critical biodiversity areas.

A critical biodiversity risk screening covered 5,580 hectares



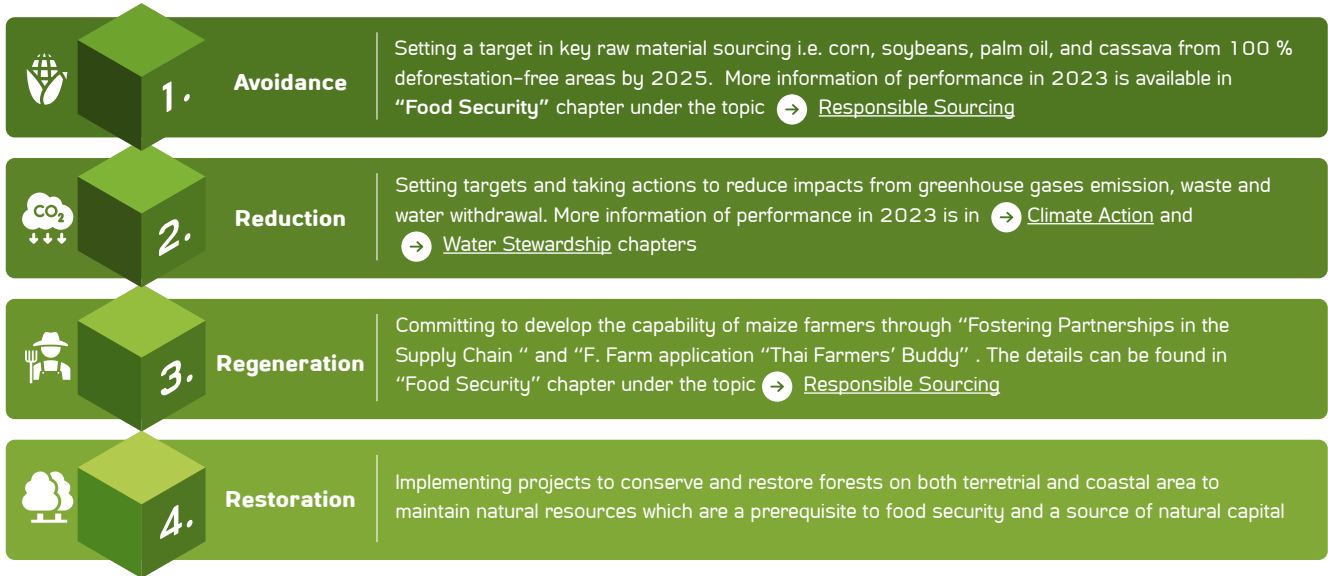
After analyzing the Company’s operational sites that located close to key biodiversity areas and internationally recognized areas, the Company also analyzed operational sites with land use change areas to be residence area by land use map of Thailand. It was found that one of its swine farms with the area of 117 hectares in Chiang Mai province, was located within a 2 – 5 kilometer radius of critical biodiversity areas.





Determination of Mitigation Hierarchy

The Company determines mitigation hierarchy to resile the biodiversity risks which consist of:



Restoration

Forest Conservation and Restoration Project

CPF Grow-Share-Protect Mangrove Forest Project and CPF Conserve Ecosystem (Rak Ni-ves) Project are the Company’s strategic projects in forest conservation and restoration. Besides preserving and restoring natural resources which are a prerequisite to food security and a source of natural capital for agro-industrial business, the Company seeks to improve community livelihood and foster environmental conscience among locals for harmonious and sustainable living with nature. Our framework includes activities as follows;

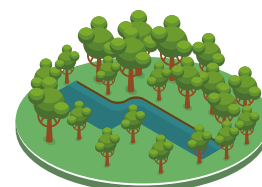


CPF Conserve Ecosystem (Rak Ni-ves) Project, Pasak Watershed, Phraya Doen Thong Mountain

The Company Conserve Ecosystem (Rak Ni-ves) Project, Pasak Watershed, Khao Phraya Doen Thong is a project that has been conducted with strategy in order to solve the watershed forest problems. The Company has cooperated with Royal Forest Department and communities surrounding the forests and set the target to conserve and restore watershed forest in Pasak Watershed for the society and community. Since 2016, the Company has conducted watershed forest in Pasak Watershed conservation and restoration covering the area of 11,971 rais (1,915 hectares). The project has been conducted the unique way of reforestation from other areas and it has shorten time for forest restoration. The Company has been working with Royal Forest Department to survey the area and determine suitable reforestation methodology in each area. In the present, the project becomes a learning center for watershed forest conservation and restoration, ecosystem, biodiversity, and carbon sequestration. The Company also works with communities to carry out organic vegetable plantation project and fish nursery project, creating food security to communities surrounding the project area.

Pasak Watershed conservation and restoration covering the area of

11,971 rais
(1,915 hectares)



Furthermore, the Company has collaborated with Faculty of Forestry, Kasetsart University to survey biodiversity of birds, mammals, reptiles, and amphibians by continuously tracking biodiversity by fieldwork and camera trap. The survey revealed that the project area is a habitat to protected species, as defined in the Wildlife Conservation and Protection Act B.E. 2535 (1992). Protected species observed in the project area included a pangolin and a oriental darter, a critically endangered species (CR) and a near threatened species respectively, according to the IUCN Red List, as well as the leopard cats, the pine bunting, and the foxes, all of which are least-concern species according to the IUCN Red List. A breakdown of the number of animals observed in the Phraya Doen Thong Mountain project area that belong to species included in the IUCN Red List of Threatened Species is as follows;

	CR Critically endangered	EN Endangered	VU Vulnerable	NT Near threatened	LC Least concern
Birds	0	0	0	1	126
Mammals	1	0	0	0	12
Reptiles	0	0	0	0	20
Amphibians	0	0	0	0	16

Black-crested bulbul in Phraya Doen Thong Mountain project area



In 2023, the Company worked with Forest Research and Development Office, Royal Forest Department to explore butterflies and fungus in the project area. Butterflies are important in helping spread plant species and pollinate which is the starting point in the food chain. The research found 61 species of butterflies and 44 species of moths with species diversity index at 2.94¹ which was more than the study of Pang Sida Waterfall area². The highest number of butterfly species were found in area of ecological reforestation with diverse species of plants as well as 5 species of butterflies with conservation status were found.

Butterflies with Conservative Status



Golden Birdwing
listed on
CITES Appendix II

LC Least concern
The IUCN Red List of Threatened Species.
Version 2022-01-14


Lime Butterfly


Common Rose


Tailed Jay


Common Mormon

The butterflies listed in Notification of Ministry Resource and Environment Re : Prescription of import and export prohibition of wild animal; species, remains of wild animal species and products from remains of wild species.

As for the study of fungus, which are decomposers at the end of the food chain and a source of food and income for the community. The research found 100 species of fungus, 8 species are edible and 92 species have no eating information, with a species diversity index of 2.23¹ which is equal to the study of the Sakaerat Environmental Research Station area³. The study found 4 species of termite mushrooms out of 6 species found in Thailand. The highest number of fungus species were found in area of assisted natural regeneration where there are accumulation of plant and animal decomposed naturally.

Edible Fungus in Phraya Deon Thong Mountain Project Area


Orange Termite Fungus
T. aurantiacus


Termite Fungus
Termitomyces sp.


Hoo Noo Bang Fungus
A. thailandica


Cloud Ear Fungus
A. cornea


Black Mousedeer Fungus
T. clypeatus


Termite Fungus
T. indicus


Split-gill Fungus
Schizophyllum commune


Ice Apple Fungus
T. javanica

¹ Calculated using the Shanon-Wiener Index equation

² Research Report on Butterfly Species Diversity Comparisons Among Some Waterfalls in Dong Phrayayen -

Khao Yai Forest Complex World Heritage, Asst. Prof. Pongthep Suwanwaree and Sukanya Lapkratok, 2012

³ Species Diversity of Wild Mushrooms and Influence of Some Environmental Factors on their Occurrence in Sakaerat Environmental Research Station, Nakhon Ratchasima Province , Sutthinee Chaikaew, Tharnrat Kaewgrajang* and Uthaiwan Sangwanit , The Science and Technology Journal, Vol. 28 No. 11 November 2020

Fringed Earthstar in Phraya Deon Thong Mountain project area

Implemented reforestation, besides getting forest areas back, one thing that can indicate successfulness of reforestation is biodiversity of flora and fauna. As being a watershed forest, it is an important water reservoir for an ecological service to vegetations and animals in the area as well as an important water supply for surrounding communities. In 2023, the Company collaborated with the Faculty of Forestry, Kasetsart University to survey the water storage of the Phraya Doen Thong Mountain area after the conservation and restoration project was conducted. It found that more than 585,875 cubic meter of water was stored in the soil and water sources in the area which was equal to THB 12 million of ecosystem service value.

The conservation and reforestation were able to increase water storage in the forest in dry season higher than nearby degraded forest

45%



Green area in operation sequestered more than 4,900 tons of CO₂

Green Area in Operations

The Company committed to create employee engagement in taking care of the environment by increasing green area in operations both in Thailand and overseas operations. In Thailand operations, the Company provided knowledge through carbon sequestration measurement training course for the employees in farms and factories. In 2023, the Company received certificate of honor from the TGO under the Low Emission Support Scheme (LESS), forestry and agricultural projects category, from increasing green area in 57 farms and factories, sequestered more than 4,900 tons of CO₂.

CPF Green Sea We Share Project

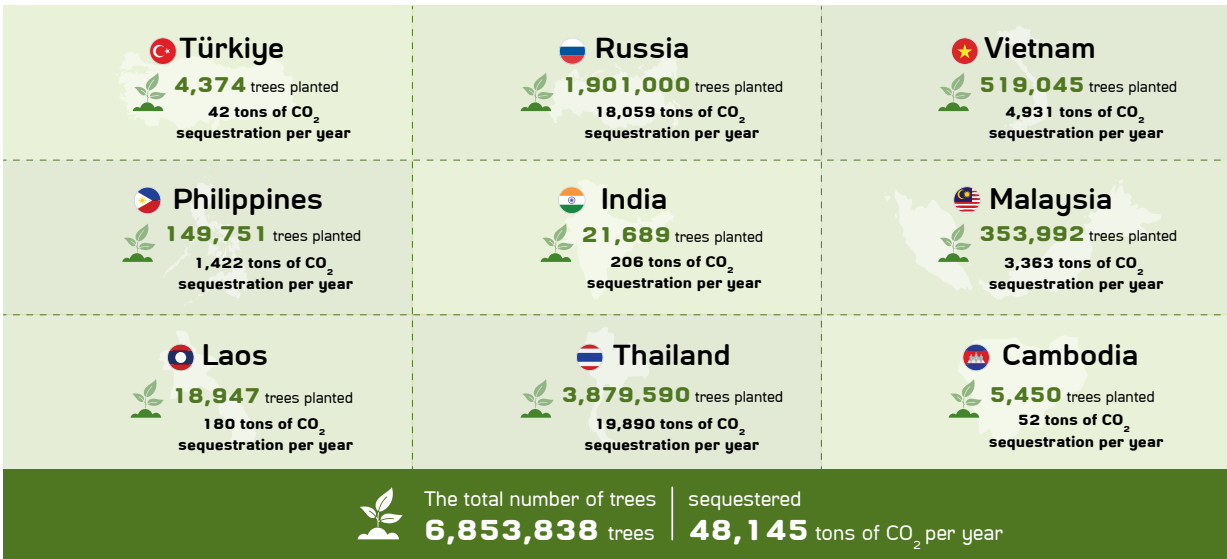
The Company conducts CPF Green Sea We Share Project to create awareness, foster nature-loving conscience among children and youth, increase engagement on conserving natural resources, take care of resources in their own area, become a united front in saving the world sustainably with the Company that has diverse environmental projects, and create network and drive the project with mutually relevant civil society. The target group is the schools located close to the Company's farms and factories.

In 2023, there were 6,231 students from 40 schools joining the project





Carbon Dioxide Sequestration from Conservation and Restoration of Forests (Terrestrial and Mangrove Forests) and Tree Plantation on Green Areas in the operations.



Remark: Carbon dioxide sequestration was calculated by multiplying the number of trees with the carbon stock of slow-growing native trees and mangroves. According to the Handbook on the Potential of Plant Species for Promotion under the Forest Sector Clean Development Mechanism Program, by Thailand Greenhouse Gas Management Organization (Public Organization) (TGO) and the Faculty of Forestry, Kasetsart University 2011

Stakeholder Engagement and Partnerships

SeaBOS

Eventhough the Company only sources raw materials from animal feed production from suppliers, and owns no fishing vessels, the Company proactively signed the Reaffirmation Statement as part of partnership network, comprising 9 largest seafood companies in the world to drive sustainable seafood production. The Company jointly develops targets and work plans whose details encompass biodiversity and ecosystem, antimicrobial resistance, as well as climate resilience.

The Company also joined the executive meeting in South Korea. The meeting approved and endorsed 2 Keystone Projects, namely, West Coast Africa Fishery Project, whose location suffers severe which has problem of overfishing and forced labours; as well as Antimicrobial Resistance - AMR Keystone Project. The Company joins forces with Thai Union Group PCL as key responsible persons for AMR Project.

Suppliers

To protect biodiversity and ecosystems, the Company has been cooperating with Nichirei Fresh Inc., the Japanese frozen seafood producer, our business partner, to plant over 2,000 trees in the mangrove forest in Tha Phrik Subdistrict, Trat Province, Thailand and the Company’s shrimp farming area in Bac Lieu Province, Vietnam in order to restore and protect natural resources, which are the source of food security.



Thai Sustainable Fisheries Roundtable (TSFR)

The Company only procures raw materials for animal feed production from suppliers and owns no fishing vessels. The Company is committed to promoting sustainable fishing. Furthermore, as the lead facilitator in the working group for Thai fishery products and production system improvement under Thai Feed Mill Association, the Company has conducted “Fishery Improvement Project (FIP)” Project since 2017. Presently, the project has advanced to the step of Fishery Action Plan. The plan has already been approved by MarinTrust evaluation panel. Currently, the plans are being implemented for tangible results.

The project to develop a guidance for fishing trawl in the Gulf of Thailand, in alignment with international practices, is the development of multispecies fishery. It is an important source of aquatic feed raw materials, leading to socially and environmentally responsible production of aquatic feed raw materials. It is the first project in the world to be certified by MarinTrust, a globally recognized organization with standards for sustainable aquatic feed raw materials procured from the sea. There are evaluation criteria considering biodiversity, aquatic species richness assessment, conservation of endangered species and threatened species, as well as consolidating and analyzing data on aquatic catches in the Gulf of Thailand. This information helps MarinTrust to develop certification criteria for aquatic feed raw materials from multispecies areas, serving as a role model for other countries.

In addition to Thailand operations, since 2019, the Company has operations in Vietnam and India. A success case in Vietnam operations have also been announced for Vung Tau Multispecies Trawl Fishery Improvement Project. Notably, the fish meal production plants, who are also the Company’s suppliers, have already been certified by MarinTrust.

Stakeholders

Restore the Ocean Project

The Company cooperated with external stakeholders to solve ocean plastic problem that impacted on coastal biodiversity, abundance of natural and biodiversity through conducting projects in 2023 as follows;

Trap the Sea Trash Project

CPF established a partnership with a local community in Bang Ya Praek Sub-District, Samut Sakhon Province an area located on Tha Chin River Estuary and connected to the Gulf of Thailand to build community engagement and collaboratively reduce waste and improve waste storage and sorting processes. This initiative aims to align local waste management practices with the 3R principles and reduce waste volume in canals.

In addition, CPF joined hands with Precious Plastic Bangkok and provided support through sharing our knowledge and resources. The Company worked closely with local communities to produce the upcycled product reflect identity of the local community, and the revenue generated went directly to the communities. The project generated additional income for the community for more than THB 120,000 and reduced plastic waste from the source by up to 1,000 kilograms

Coastal Cleanup Project

The Company intended to raise awareness and participation in ocean and coastal protection among employees, communities surrounding the operational sites, local government agencies and civil society organizations. The Company supported beach and mangrove clean-up activities in seven provinces, including Samut Sakhon, Rayong, Trat, Chumphon, Nakhon Si Thammarat, Songkhla, and Phang Nga. In total, this initiative had the participation of over 3,000 people and over 100 organizations, altogether collected over 9,500 kilograms of waste.





About This Report

Charoen Pokphand Foods PCL has continuously prepared sustainability report since 2011 to communicate the Company's commitments to conduct business sustainably and report impacts across all dimensions: economic, social, environmental, and human rights, as occurred from the Company's operations to stakeholders.

Reporting Period

This 2023 sustainability report's accounting period is from 1 January to 31 December 2023.

Reporting Framework

This report discloses the Company's sustainability performance in accordance with the following international guidelines.

- GRI** This report was prepared in accordance with Global Reporting Initiatives Standard 2021 (GRI Standards 2021) and GRI 13 Agriculture, Aquaculture and Fishing Sectors (GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022)
- UNGC** Communication on Progress (CoP) according to United Nations Global Compact (UN Global Compact) at Advanced Level
- SDGs** Sustainable Development Goals (SDGs)
- TCFD** Recommendation of the Task Force on Climate-Related Financial Disclosures (TCFD)

Reporting Frequency

Annual

Third Party Assurance

For the information disclosed this report, the Company has prepared in accordance with GRI Standards 2021 and GRI 13, according to the scope of indicators specified in the Assurance Statement in the limited assurance level by LQRA (Thailand) Limited. The financial performance was reviewed by KPMG Poomchai Audit Ltd., per details specified in the auditor's report in the Company's Annual Report 2023.

Additional Documents for this Report, as follows:

- Performance Data
 - [People](#)
 - [Occupational health and safety](#)
 - [Environment](#)
- [Report Boundary](#)
- [GRI Content Index](#)
- [Communication on Progress – UN Global Compact](#)
- [Sustainable Development Goals \(SDGs\) Index](#)
- [Task Force on Climate-related Financial Disclosures \(TCFD\)](#)
- [Assurance Statement](#)

Contact Point



For additional information or inquiries on this report, please contact us at:

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