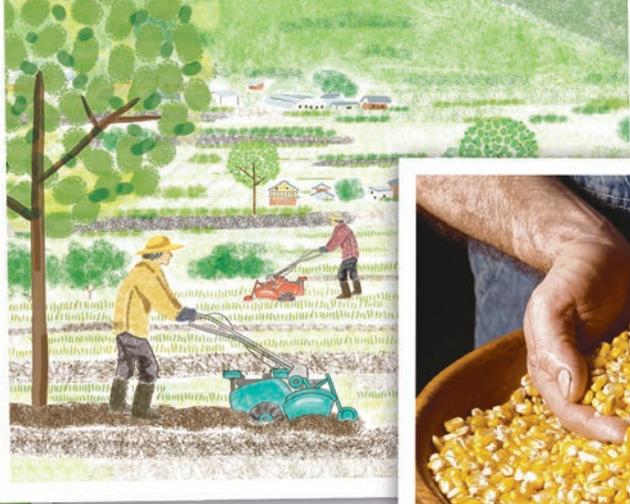


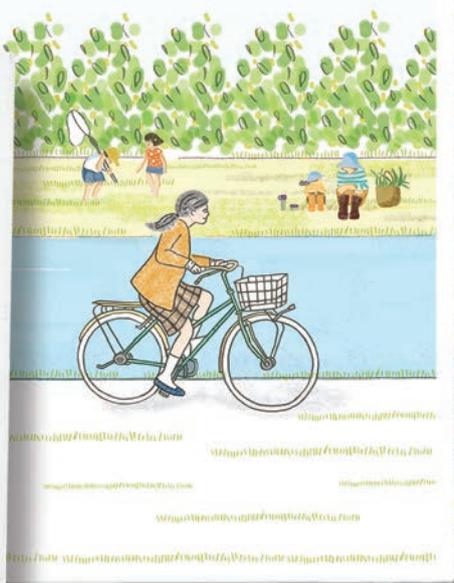
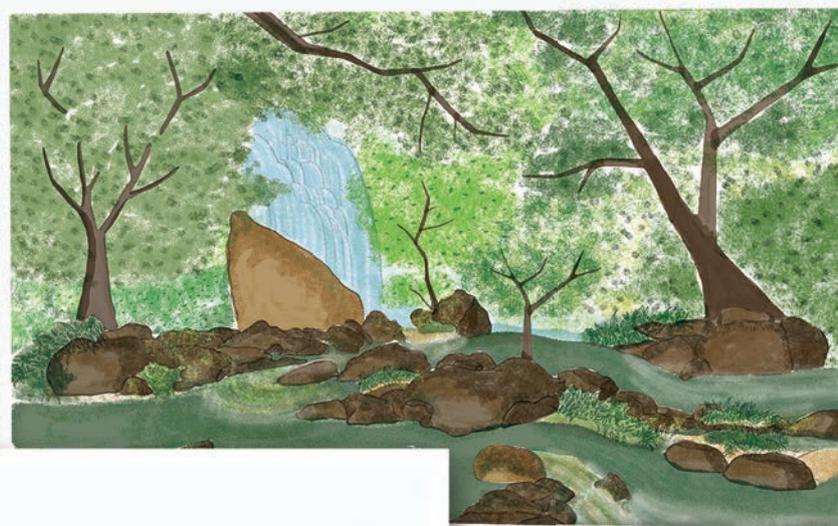
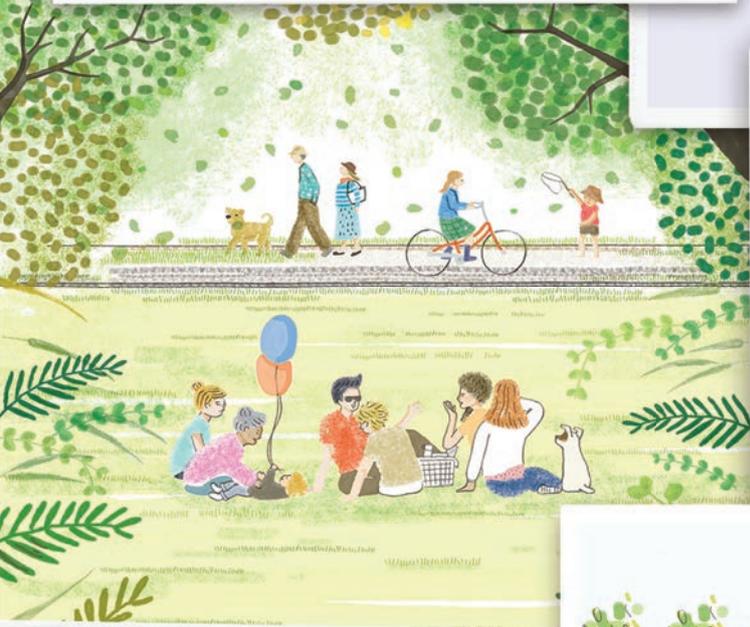


MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



*Every Mouthful
is Meaningful...
for Sustainable Life*

**Sustainability
Report 2017**





napapanatiling
Sustainable | Filipino
 (adj.) able to be maintained at a certain rate or level.



シェア
Share | Japanese
 (v.) have a portion of something with another or others.



sự tăng trưởng
Growth | Vietnamese
 (n.) the process of increasing, something that has grown or is growing.

CONTENTS

OVERVIEW

Our Business	8
Message from Executives	12
2017 Highlights	16
Awards, Recognition and Participation	18

SUSTAINABILITY AT CPF

Sustainability Strategy	22
2020 Targets and 2017 Performance	24
Sustainability Development Goals	26
Partnerships and Key Collaborations	28

FOUNDATION

Governance, Risk Management and Compliance	32
People Development	36

FOOD SECURITY

Enhancing Food Safety and Quality throughout the Chain	48
Improving Food Access	58

SELF-SUFFICIENT SOCIETY

Developing Win-Win Partnership	64
Supporting Community Livelihood	80

BALANCE OF NATURE

Reducing Environmental Footprints	90
Protecting Biodiversity	100

APPENDIXES

About this Report	108
Performance Summary	
• People	114
• Occupational Health and Safety	117
• Environment	118
GRI Content Index and UN Global Compact	121
Assurance Statement	129



забота
Care | Russian
 (n.) the provision of what is necessary of someone or something.



thoughtful
Thoughtful | English
 (adj.) showing consideration for the needs of other people.



kalite
Quality | Turkish
 (n.) general excellence of standard or level.



幸福
Happiness | Chinese
 (n.) the state of being happy.



la vie
Life | French
 (n.) living things and their activity.



ໄລ
Love | Lao
 (n.) an intense feeling of deep affection, a great interest and pleasure in something.

EVERY MOUTHFUL IS MEANINGFUL... FOR SUSTAINABLE LIFE



Every mouthful can create meaningful to every life. CPF strives to provide innovative food products for the society, with attention to quality and consideration on environmental and social impacts throughout the value chain. This is for the sustainability of our business and our stakeholders.



эffpeктивность
Efficiency | Russian
 (n.) the state or quality of being efficient.



penjagaan
Care | Malay
 (n.) the provision of what is necessary of someone or something.



มีความหมาย
Meaningful | Thai
 (adj.) having meaning.



家庭平衡
Family & Balance | Chinese
 (n.) Chinese, a group consisting of two parents and their children living together as a unit.
 (n.) condition in which different elements are equal or in the correct proportions.



köstlich
Delicious | German
 (adj.) having a very pleasant taste or smell.



odpowiedzialny
Responsible | Polish
 (adj.) having an obligation to do something, or care for someone.



आने वाला कल
Tomorrow | Hindi
 (adv.) in the future, especially the near future.



khuyến khích
Support | Vietnamese
 (n.) the action of supporting something or someone or the state of being supported.



ยั่งยืน

[yang-yeun]
 Language : Thai

“Sustainability” With our vision of “Kitchen of the World”, we not only provide high quality and safe products and services for our customers and consumers, but also take into consideration our responsibility for the society and the environment. We put in our effort to utilize our potential to support and drive sustainable development in economic, social and environmental aspects, on the foundation of good corporate governance and people development.



Happiness

[hap-pi-ness]

Language : English

"Happiness" People development is the integral part of our sustainability agenda. We are, therefore, committed to developing and retaining talents by enhancing their professionalism and helping them become international leaders, in the environment that fosters innovation.

kalite

[ka-li-te]

Language : Turkish

"Quality" Every second of our operation is concerned with safety and well-being of our consumers. Thus, we aim for providing quality products with nutrition, tastiness, safety and traceable.



hỗ trợ

[hỗ-trợ]

Language : Vietnamese

“Support” We believe that promoting growth, driving excellence, and establishing solid foundation need to be built on the basis of strong and self-reliant societies. Consequently, we place high emphasis on supporting quality of life and holistic participatory social development.



平衡

[píng-héng]

Language : Chinese

“Balance” We recognize the value and importance of natural resources and the environment, which are the sources and the foundation of agro-industrial and food business. As a result, we continuously innovate and develop for the environment, for the balance of nature as well as the economic and social equilibrium.

CPF AT A GLANCE

Charoen Pokphand Foods Public Company Limited or CPF operates integrated agro-industrial and food business, including livestock and aquaculture such as swine, broiler, layer, duck, shrimp and fish. The businesses are categorized into 3 categories, namely Feed, Farm and Food.

Our production process involves business partners, who supply us with raw materials, products, and services, as well as customers, consumers, and the society. It also follows international standards,

utilizes modern technology, and is under close monitoring to ensure the delivery of high quality, safe products and services that are friendly to the communities and environment.

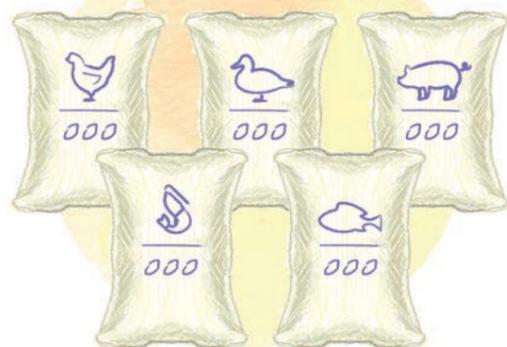
BUSINESS PARTNER

FEED BUSINESS

Feed Manufacturing and Distribution

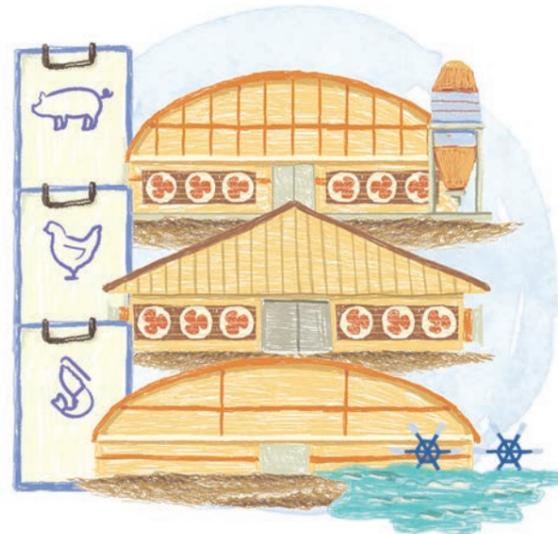


Feed Products



FARM BUSINESS

Breeding and Animal Farming



Primary Processed Products

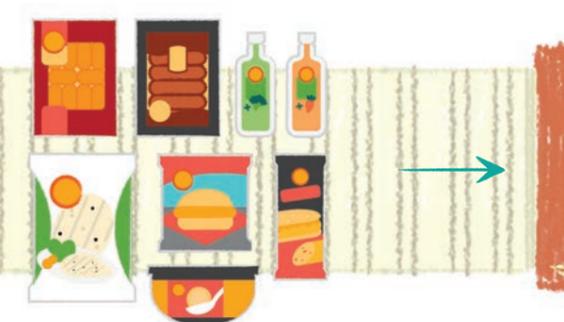


FOOD BUSINESS

Production of Processed and Ready Meal



Cooked and Ready Meal Products



FOOD RETAIL OUTLETS

Expansion of Distribution Channels



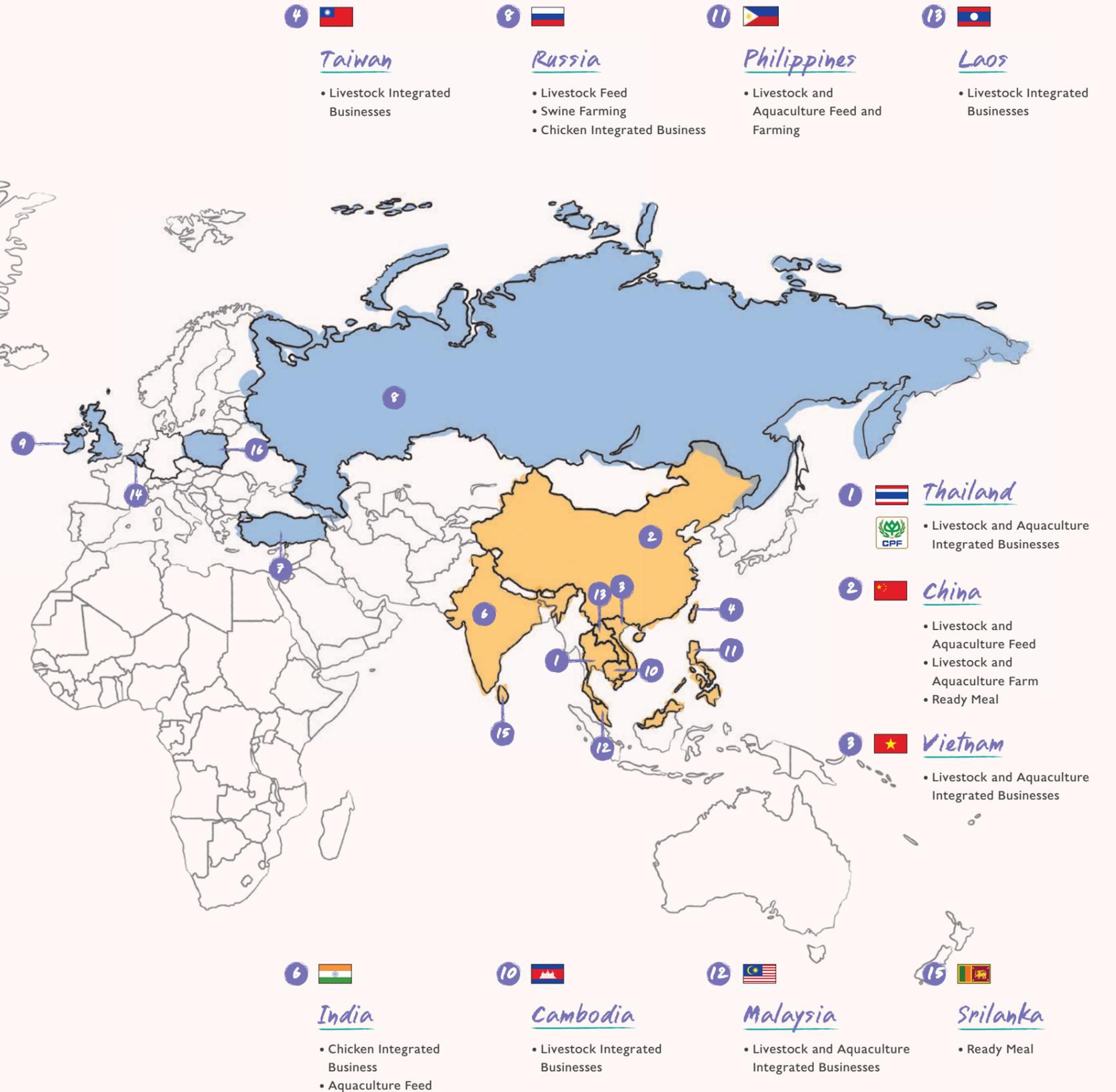
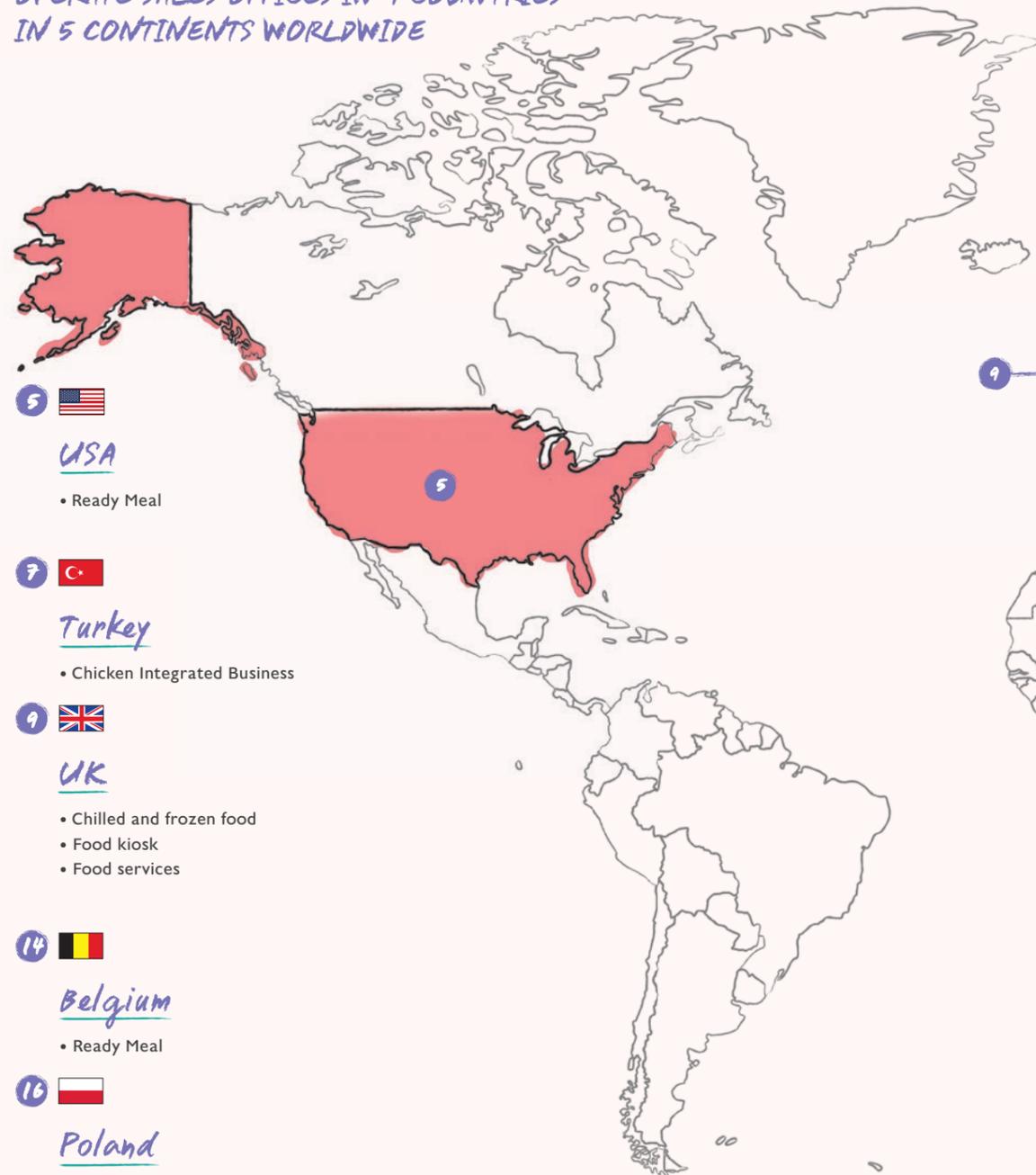
CUSTOMERS, CONSUMERS AND SOCIETIES

CPF... KITCHEN OF THE WORLD

As of 31st December 2017

CPF expands its businesses to other countries. The nature of businesses in each countries depends on opportunity and potential of industry at the time in which the Company invested.

COVER 16 COUNTRIES
EXPORT TO MORE THAN 30 COUNTRIES
OPERATE SALES OFFICES IN 9 COUNTRIES
IN 5 CONTINENTS WORLDWIDE



Remark: Countries are ranked by Revenue.

MESSAGE FROM EXECUTIVES



Mr. Sooksunt Jiumjaiswanglerg
Chief Executive Officer
Agro Industrial Business
and Co-President

Mr. Dhanin Chearavanont
Chairman
of the Board of Directors

Mr. Sukhawat Dansermsuk
Chief Executive Officer
Food Business
and Co-President

The dynamic of global economy and geosocial to the transformation to "New Normal" has been a challenging time for the Company to adapt to the rapid and complex changes of surrounding and competitive landscape.

We observe the shift of world economy from developed countries (G7) to emerging countries (E7), the change of population structure towards aging society, the proliferation of digital technology, the effects of climate change, and the change in consumption behavior and consumers' lifestyle. Hence, in order to drive business according to the strategy of "Sustainable Growth, Aiming for Excellence, and Building Solid Foundation", the Company places utmost importance to be "Innovative Organization" in process, products and services, organizational management, and business platform that is readily adaptable to technology and changing trends. At the same time, the Company prioritizes its business expansion to be in line with rising opportunities, human resource development and retention to support growth, and social investment that focuses on creating shared value.

The Company is the only company outside of the European Union to be certified with food quality and safety standard (QS Standard) from Germany.

In 2017, the Company successfully delivered business growth as planned, with revenue from sales of 501,507 million Baht, increased by 8% from 2016, and net profit of 15,259 million Baht. The improvement in performance was mainly attributed to overseas business expansion according to the expansion strategy to potential countries. However, the consumption demand in Asia did not meet the Company's expectation, which resulted in the oversupply of swine and the declining swine price particularly in Vietnam, Thailand and Cambodia. As a result, the profitability of farm business was lower than previous year.

The Board of Directors has passed its resolution to propose to the shareholders' Annual General Meeting of 2018, for shareholders' approval of 2017 dividend payment at 0.75 Baht per share (interim dividend already paid to shareholders at 0.50 Baht per share and annual dividend to be paid on 23 May 2018 at 0.25 Baht per share).

The Company operates its business on the principle of Corporate Social Responsibility towards Sustainability under 3 pillars - "Food Security, Self-Sufficient Society and Balance of Nature", which supports UN Global Compact principle and Sustainable Development Goals (SDGs). In 2017, the Company determined to uplift food quality and safety, resulting in the Company's broiler production being certified with food quality and safety standard (QS Standard) from Germany. The Company is the only company outside of the European Union to earn this stringent standard. At the same time, the Company has expanded its Supply Chain Sustainability to overseas operations such as Vietnam, India, the Philippines, supported job creation with stable income to farmers and small entrepreneurs, and promoted innovations to maximize resources efficiency as well as mitigate environmental impacts.

In addition, with determination to promote animal welfare, the Company announced its global vision for antimicrobial use and animal welfare policy, together with setting long term target for the expansion of breeder sow husbandry from individual crate to group gestation pen to cover Thailand operation by 2025 and to cover overseas operations by 2028. The Company is going to develop layer chicken husbandry in Thailand operation towards Cage-Free, so that swine and layer chicken are free to move and better express their natural behavior. Poultry Welfare Officers in broiler chicken business will be trained for operations in all countries by 2020, while all broiler chicken husbandry in Thailand has adopted international standard on animal welfare since year 2000.

As a result of driving business with principle of sustainable development under good corporate governance, in 2017, the Company have been a member of DJSI Emerging Markets for three consecutive years, and a member in FTSE4Good Emerging Index for the first year. The Company retained the Excellent rating for Corporate Governance from Thai Institute of Directors, and was ranked 191th Best Employer of 2,000 companies Worldwide by Forbes magazine.

We were accepted to be a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). In addition, we received CDP Hong Kong and South East Asia Awards 2017 in the category of Best Performance across programs from the excellent evaluation results from CDP Climate, CDP Water, and CDP Forest, in addition to the recognitions for labor, safety, and social responsibility at national and international level.

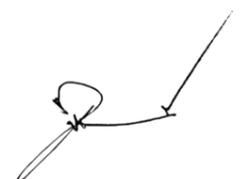
Finally, on behalf of the Board of Directors, executives, and all employees, we would like to thank you to shareholders, communities, business partners, suppliers, farmers, financial supporters, private organizations, government sectors, and all relevant stakeholders for your participation and support of the Company sustainable growth, so that it has continuously added economic value, benefited to society, and maintained balance of nature. The Company commits to conduct businesses under good corporate governance and balance of society and environment, to become a sustainable organization, standing side by side with the Country and people as "Kitchen of the World" going forward.



Mr. Sooksunt Jiumjaiswanglerg
Chief Executive Officer
Agro Industrial Business
and Co-President



Mr. Dhanin Chearavanont
Chairman
of the Board of Directors



Mr. Sukhawat Dansermasuk
Chief Executive Officer
Food Business
and Co-President

2017 HIGHLIGHTS

Strong operational results, distribution of economic value to stakeholders for sustainable growth.

SALES REVENUE

501,507

Million Baht

EBITDA

32,420

Million Baht

NET PROFIT

15,259

Million Baht



EARNINGS PER SHARE

1.91

Baht

DIVIDEND PAID TO SHAREHOLDERS¹

6,458

Million Baht



RETURN ON EQUITY (ROE)

10.12%

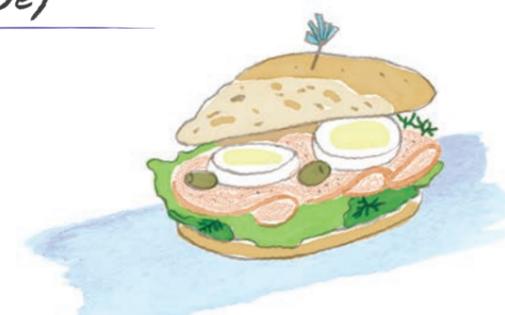
RETURN ON ASSETS (ROA)

2.60%

TAX TO GOVERNMENT²

1,186

Million Baht



INVESTMENT ON HUMAN CAPITAL

54,271

Million Baht

FINANCE COSTS

11,743

Million Baht

COMMUNITY AND SOCIAL INVESTMENT

456

Million Baht

Remarks: Data is from the Consolidated Financial Statement of Charoen Pokphand Foods PCL. (CPF) and its subsidiaries as of 31st December 2017, except:

- 1 Board of Directors Meeting on 23rd February 2018 arrived at a consensus at the 1/2018 Annual General Meeting, to propose a dividend payout for the Company's 2017 performance at 0.75 Baht per share or a total value of 6,458 million Baht to the shareholders.
- 2 Data is from the Consolidated Financial Statement of Charoen Pokphand Foods PCL. (CPF) and its subsidiaries in Thailand.

AWARDS, RECOGNITION AND PARTICIPATION

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

ROBECOSAM Sustainability Award Bronze Class 2018

Listed as a member of Dow Jones Sustainability Indices for the 3rd consecutive year for the 2017

DJSI Emerging Markets Index for FAO Food Products Industry, and recognized at Bronze level in the Food Products Industry in the Sustainability Yearbook 2018.

...from RobecoSAM and S&P Dow Jones Indices



Be a participant in the United Nations Global Compact

in accordance with its 10 Guiding Principles and one of 15 founding members of the Global Compact Network Thailand (GCNT).



Ranked 191th out of 2,000 best employers worldwide.

...from Forbes Magazine



Granted the "Thailand Sustainability Investment (THSI) for the 3rd consecutive year.

...from the Stock Exchange of Thailand (SET)

Also received the Sustainability Report Awards 2017 under Outstanding Awards categories

...from Thai Listed Companies Association, under the support of the Securities and Exchange Commission Thailand and Thaipat.



Received an "Excellent CG Scoring" rating in 2017 for our corporate governance performance.

...from the Thai Institute of Directors (IOD) under the support of the Stock Exchange of Thailand (SET)



Received the "Prime Minister's Export Award"

under the Best Thai Brand Award and the Best Green Innovation categories.

...from the Department of Internal Trade, Ministry of Commerce



Received CDP Hong Kong and South East Asia Awards 2017

under Best Performance Across Program and achieved the Leadership (A-) level for CDP Water, the Management (B) level for CDP Climate, and the Management (B) level for CDP Forest.

...from CDP which is an internationally recognized organization who assesses companies' environmental sustainability



FTSE4Good

Selected, for the first time, as a member of FTSE4Good Emerging Index

which measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

...from FTSE Russell

Received Thailand Energy Awards 2017

under the energy conservation in the Energy-controlled Factory category and being one of 24 companies to receive ASEAN Energy Awards 2017 under alternative energy category in the biofuel program.

...from the Department of Alternative Energy Development and Efficiency (DEDE), Ministry of Energy

Received CSR-DIW 2017

in total 28 awards from the Corporate Social Responsibility Department of Industrial Works (CSR-DIW) Program in 2017.

...from the Department of Industrial Works, Ministry of Industry

Received Outstanding Workplace for Safety, Occupational Health, and Environment Awards 2017

in total 22 awards

...from the Department of Labor Protection and Welfare, Ministry of Labor

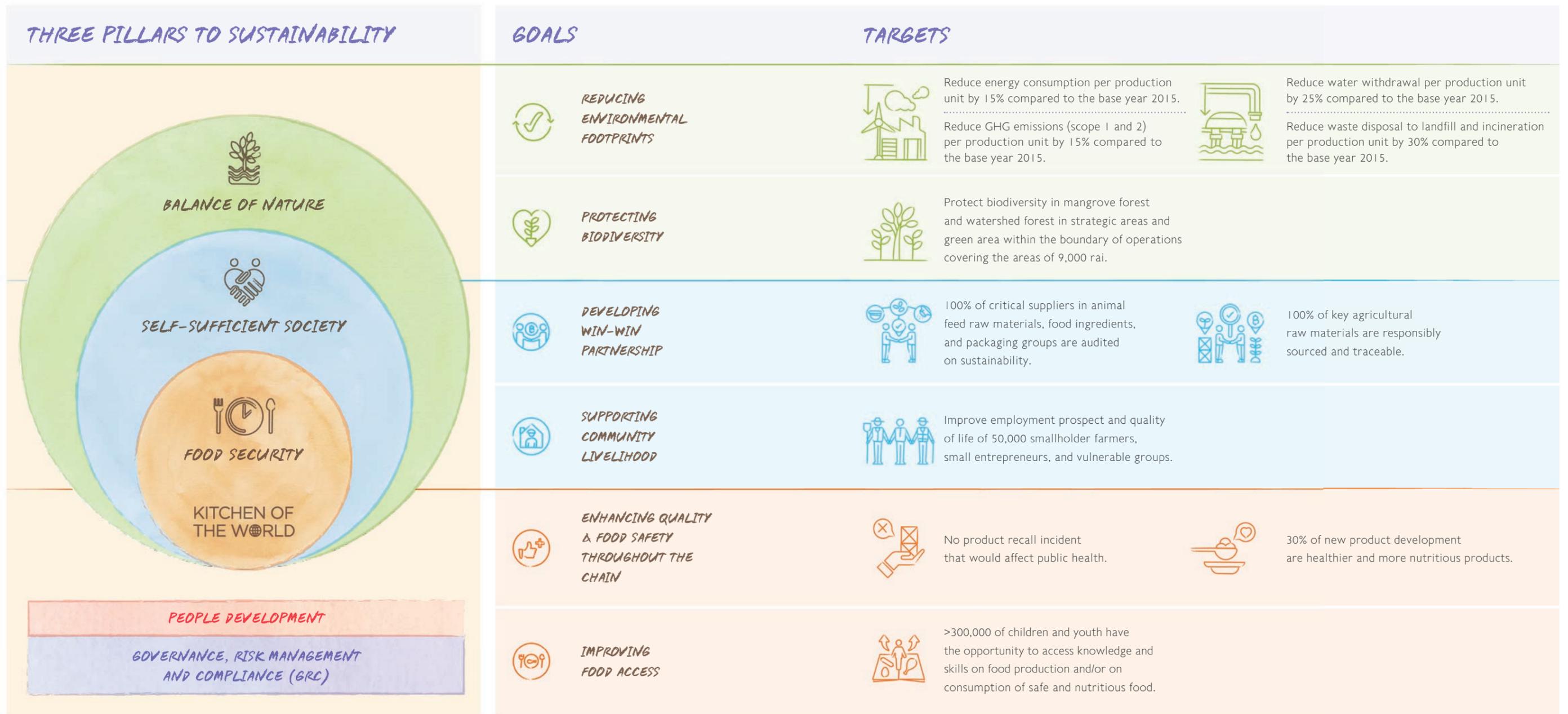


SUSTAINABILITY AT CPF

SUSTAINABILITY STRATEGY

As a leading agro-industrial and food conglomerate with the vision of “Kitchen of the World”, we recognize that it is our role, responsibility, and obligation not only to provide high quality and safe products and services, but also to operate in a socially and environmentally responsible and sustainable manner. Over the course of our operations, we utilize our full potential to foster changes so that sustainable development in economic, social, and environmental dimensions could be achieved. Our endeavor is on the foundation of good corporate governance and people development with the core philosophy of “Three Benefits to Sustainability (for the Country, the People, and the Company)”.

The Company drives the CSR to Sustainability Direction under the three pillars: “Food Security, Self-Sufficient Society and Balance of Nature”. The three pillars are based on the principle of good corporate governance and people development. Our objective is to ensure that the Company delivers appropriate benefits to shareholders, health and safety to consumers, as well as security and livelihood to our people, business partners, and communities. At the same time, we also consider the environmental impacts of our operation and take appropriate steps to sustainably conserve natural resources that are the capital of the current and future socio-economic development.



Remark: The Company adjusted energy, water and GHG emission targets.

2020 TARGETS AND 2017 PERFORMANCE

THREE PILLARS

2020 TARGETS

2017 PERFORMANCE



-  No product recall incident that would affect public health.

-  30% of new product development are healthier and more nutritious products.

-  >300,000 of children and youth have the opportunity to access knowledge and skills on food production and/or on consumption of safe and nutritious food.

-  The Company recalled a Prawn Wonton Ramen product, which was exported to Australia.

-  A total of 20.83% of new product development was healthier and more nutritious products.

-  >222,000 of children and youth have the opportunity to access knowledge and skills on food production and/or on consumption of safe and nutritious food.



-  100% of critical suppliers in animal feed raw materials, food ingredients, and packaging groups are audited on sustainability.

-  100% of key agricultural raw materials are responsibly sourced and traceable.

-  Improve employment prospect and quality of life of 50,000 smallholder farmers, small entrepreneurs, and vulnerable groups.

-  27% of critical suppliers in animal feed raw materials, food ingredients, and packaging groups are audited on sustainability.

-  64.5% of key agricultural raw materials are responsibly sourced and traceable.

-  Improve employment prospect and quality of life of 36,180 smallholder farmers, small entrepreneurs, and vulnerable groups.



-  Reduce energy consumption per production unit by 15% compared to the base year 2015.

-  Reduce GHG emissions (scope 1 and 2) per production unit by 15% compared to the base year 2015.

-  Reduce water withdrawal per production unit by 25% compared to the base year 2015.

-  Reduce waste disposal to landfill and incineration per production unit by 30% compared to the base year 2015.

-  Protect biodiversity in mangrove forest and watershed forest in strategic areas and green area within the boundary of operations covering the areas of 9,000 rai.

-  Reduce energy consumption per production unit by 11.6% compared to the base year 2015.

-  Reduce GHG scope 1 and 2 emissions per production unit by 6.97% compared to the base year 2015.

-  Reduce water withdrawal per production unit by 23.38% compared to the base year 2015.

-  Reduce waste disposal to landfill and incineration per production unit by 9.08% compared to the base year 2015.

-  Protect biodiversity in mangrove forest and watershed forest in strategic areas and green area within the boundary of operations covering the areas of 5,969 rai.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)



We are committed to applying our knowledge, capability, experience, and expertise to support 10 of 17 SDGs, which align with our capacity and potential to support sustainable and inclusive development.

2 ZERO HUNGER

Being part of hunger eradication by promoting food production skills and integrated learning process to children and youth, for their opportunity to access safe, nutritious and sufficient food, while building our own and our suppliers' capacity to increase productivity efficiently and environmentally-friendly, and climate change adaptation capacity for a sustainable food production system.

...More information in Food Security and Self-Sufficient Society chapters

3 GOOD HEALTH AND WELL-BEING

Continuing to research and develop product innovation that supports good health and reduces risks from Non-Communicable Diseases (NCDs), through quality and safe production process in accordance with international standards, as well as enhancing the knowledge and good nutrition in the wider society for balanced health and well-being.

...More information in Food Security chapter

6 CLEAN WATER AND SANITATION

Integratively managing water with water scarcity risk assessment, increasing water consumption efficiency, reusing treated water throughout the production process, and regularly monitoring and controlling wastewater quality.

...More information in Balance of Nature chapter

8 DECENT WORK AND ECONOMIC GROWTH

Supporting local employment and career security for 69,690 employees, while improving employment and income prospect for 36,180 farmers, small entrepreneurs, and vulnerable people on the basis of respect for human rights .

...More information in Foundation and Self-Sufficient Society chapters

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Supporting sustainable sourcing while managing natural resources efficiently and considering environmental impact mitigation throughout the product life cycle, via management process in alignment with regulations, CPF SHE&En standard, and international standards.

...More information in Self-Sufficient Society and Balance of Nature chapters

14 LIFE BELOW WATER

Helping make positive changes to marine resources by joining world-class partnerships to end illegal fishing and to support sustainable fishery practices, apart from our commitment to sourcing fishmeal from internationally certified sources, while conserving and restoring marine and coastal biodiversity in the national strategic areas and 22 coastal provinces.

...More information in Sustainability at CPF, Self-Sufficient Society and Balance of Nature chapters

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Operating our business with adherence to good corporate governance based on fairness, integrity, transparency and accountability, inclusion, responsibility, and worthiness, which is clearly stated in our 6 foundation values (CPF Way), and our Code of Conduct.

...More information in Foundation chapter

13 CLIMATE ACTION

Mitigating climate change impacts through efficient resource management and adapting to climate change, particularly the risks undermining security of agricultural raw material sourcing, by establishing strategic management guidelines for short-, medium-, and long terms.

...More information in Balance of Nature chapter

15 LIFE ON LAND

Supporting agricultural raw material sourcing from cultivated areas that do not encroach the forest and by efficient use of resources, as well as collaborating with communities and our alliance network on conservation and restoration of natural resources in our operations' boundary and the national strategic areas.

...More information in Self-Sufficient Society and Balance of Nature chapters

17 PARTNERSHIPS FOR THE GOALS

Supporting collaboration with all sectors, including public, private, and civil sectors, to apply the knowledge, expertise, and experience for balanced economic, social, and environmental development to mutually achieve SDGs.

...More information in Sustainability at CPF chapter

PARTNERSHIPS AND KEY COLLABORATIONS



SEAFOOD BUSINESS FOR OCEAN STEWARDSHIP

We are signatory to the Seafood Business for Ocean Stewardship Initiative or SeaBOS, an international collaboration, to protect the oceans, natural resources, and the marine ecosystem. The ambition is to achieve the goal of conserving the ecosystem and producing quality seafood with sustainable responsibility.

SeaBOS was initiated by Stockholm University in Sweden as well as the global leading seafood producers who recognize the importance of the security and abundance of marine resources. The participants in the Initiative also jointly signed and issued a statement to apply international laws throughout the supply chain. The aims include, but not limited to, to reduce IUU fishing, eliminate any form of modern slavery, and reduce the use of antibiotics and plastics as well as Greenhouse Gas emissions. It has been implemented through co-investment in research and development for sustainable fishery and aquaculture.

SEAFOOD TASK FORCE

We co-founded the Seafood Task Force in 2014, to drive the social and environmental changes across in the Thai seafood industry through a responsible, transparent and traceable supply chain. It is aimed at eliminating forced labor, human trafficking, and Illegal, Unreported and Unregulated Fishing (IUU).



To drive sustainable and positive changes across Thai seafood industry with the aim of eliminating forced labor, human trafficking and IUU fishing.



GLOBAL DIALOGUE ON SEAFOOD TRACEABILITY

The Dialogue is a global platform to set up a framework on implementing a traceability system through knowledge exchange across different sectors throughout the seafood industry supply chain. It puts high emphasis on seafood traceability, interoperable traceability systems and building trust within the industry.

Being signatory and consistently contributing to the Global Dialogue helps the Company to manage seafood traceability in a more sustainable and internationally recognized way.

FOOD REFORM FOR SUSTAINABILITY AND HEALTH

CPF, on behalf of Charoen Pokphand Group, has become one of 35 leading global companies to implement the "Food Reform for Sustainability and Health (FReSH) Program", led by the World Business Council for Sustainable Development (WBCSD) and EAT Foundation. The objective of this Program is to build the society where nutritious food is produced and consumed in a sustainable manner.

FReSH focuses on five work streams, which are Healthy and Sustainable Diets, Food Production, Food Consumption, Food Loss and Waste, as well as Performance Measurement and Reporting.



FOUNDATION



GOVERNANCE, RISK MANAGEMENT AND COMPLIANCE

We believe that good corporate governance is a significant foundation that drives an organization towards sustainable success and helps to create stakeholder confidence and public trust. Therefore, we are committed to operating our business with adherence to good corporate governance based on fairness, integrity, transparency and accountability, inclusion and worthiness. These values are reflected in our CPF Way and Code of Conduct. Our Board of Directors has major roles in overseeing corporate governance, being a good role model for employees, and regularly monitoring and assessing performance¹.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is the key to sustainable growth. CPF listens to stakeholders' feedback from a variety of channels. We analyze those feedback and suggestions to understand the needs and expectations of our stakeholders. The Company further responds them with our management approach that appropriately addresses the important to both the Company and the stakeholders².

SUSTAINABILITY GOVERNANCE

To drive the commitment to operating our business under the CSR to Sustainability Direction, the Board of Directors appointed the Corporate Social Responsibility and Sustainability Development Committee (CSR&SD Committee) with a direct reporting line to the Board of Directors. The Committee comprises two Independent Directors and two Executive Directors, to take a leading

"Recognizing the importance of good corporate governance and appropriate risk management, 69 of our Executives attended governance-related training programs including Director Certification Program (DCP), Risk Management Program for Corporate Leaders (RCL), and Corporate Governance for Executives (CGE) organized by the Thai Institute of Directors (IOD)."

role in establishing policies as well as managing and overseeing sustainability performance across the Company. The Committee also formed a CSR&SD Sub-committee composed of members from the Management level from all businesses. The Sub-committee has responsibilities to set targets and drive the implementation according to sustainability policies and strategic direction.

¹ For full details about Board of Directors and Committees, please refer to our Annual Report 2017

² For full details about stakeholder engagement, please refer to page 112

ANTI-CORRUPTION

CPF is against all forms of corruption as clearly stated in the Anti-Corruption Policy which has been translated into 10 languages. In 2017, the Company is one of the 264 companies that has participated in the Thailand's Private Sector Collective Action Coalition against Corruption (CAC). This demonstrates our strong commitment to driving anti-corruption practices throughout the organization.

To ensure that our employees would not neglect our commitment, we raise employee awareness on anti-corruption policy and practices through various channels including training, induction program, e-newsletter, CPF Connect mobile application, and other internal communication methods. In 2017, the Company launched an e-learning course on "Basic Corporate Governance" which includes Anti-corruption-CPF Way-Employee Code of Conduct. It was participated by 84 batches of employees, accounting for 87 percent of all employees. All new hires also attended this training program. We expect all employees to attend this program by 2018.

The Company provides communication channels for employees to report on inappropriate conducts and breaches of the Code of Conduct and listens to their suggestions. Employees who resist extortion and whistleblowers are protected against retaliation. In 2017, the Audit Committee received a total of 44 whistleblowing cases on suspected corruption and wrongdoing from a variety of channels. The result of the investigation shows that there were 9 confirmed cases involving minor breaches of company regulations or inappropriate conducts. However, there was no major breach that has an impact on the Company, either on reputation or financial performance. The Company applied appropriate disciplinary actions against the violated employees based on the Company's guidelines on disciplinary actions.

³ For full details about the Company's risk factors, please refer to our Annual Report 2017

RISK MANAGEMENT

Due to the constantly socio-economic and environmental changes, the Company puts emphasis on the effective risk and business continuity management. This helps the Company achieve our goals with success, and increase the ability to adapt and prepare for new challenges at all time.

We promoted risk culture by engaging the Management and employees in the management of risks that are relevant to their roles and responsibilities. In addition, the Company regularly provides internal training on risk management to reinforce risk awareness.

The Company manages enterprise risks by following the guidelines of COSO's Enterprise Risk Management (ERM). We annually assess potential risks and impacts to the Company on the short and long terms, determine actions to mitigate such risks, and raise awareness of risks among the Management and employees. The Company has established the Risk Management Sub-committee which reports to Executive Committee. The Sub-committee is responsible for consideration of risk factors and prescribes guidelines for risk management in collaboration with risk owners who are responsible for managing risks relevant to them³.

RESPECT FOR HUMAN RIGHTS

We are committed to managing human rights issues according to our Human Rights Policy⁴ based on international principles. We, therefore, began to develop the Human Rights Due Diligence Process in 2016. The Process comprises analyzing and assessing human rights risks, managing those risks, and continuously monitoring and reporting our performances, which covers all the business units in Thailand.

We identified three salient human rights issues as follows:

- Forced labor in the supply chain;
- Migrant labor in the supply chain; and
- Health, safety, and well-being of employees and contractors within the operations

To ensure that these salient human rights issues are properly managed, the Company issued the Statement on Slavery and Human Trafficking in 2017, and continues to promote forced labor ending and fair treatment of migrant labor in the supply chain through communicating the Sustainable Sourcing Policy and Supplier Guiding Principle. We also provide trainings for our business partners, encourage critical suppliers to conduct a sustainability self-assessment, carry out sustainability audit on critical suppliers, and ensure that we source our key agricultural raw materials from responsible sources⁵. Meanwhile, our Occupational Health and Safety Policy lays out our commitment to promoting health and safety among our employees in compliance with laws and regulations so that our employees and contractors can work happily and safely⁶.

⁴ For full details about our Human Rights Policy, please visit <https://www.cpfworldwide.com/th/sustainability/policy>

⁵ For full details about promoting sustainability within our supply chain, please refer to page 64

⁶ For full details about our labor practice and health and safety management, please refer to page 36

⁷ For full details about our Statement on Slavery and Human Trafficking, please visit <https://www.cpfworldwide.com/th/sustainability/policy>

CPF RESPECTS HUMAN RIGHTS IN ACCORDANCE WITH:

- ✓ International Labour Organization: ILO
- ✓ UN Global Compact
- ✓ UN Guiding Principles on Business and Human Rights: UNGP

Globally, attention has been paid on modern slavery and human trafficking, and collaboration from all parties to combat such issues are expected. As we are an agro-industrial and food conglomerate with presence in various regions worldwide, we recognize the importance of our participation in the mitigation, prevention, and resolution of slavery and human trafficking issues. In 2017, we issued **the Statement on Slavery and Human Trafficking**⁷ to stress our condemnation on all forms of slavery and human trafficking. The Statement aligns with the Company's policies and is in compliance with international human rights laws and standards including the UK Modern Slavery Act 2015.

COMPLIANCE WITH LAWS AND INTERNATIONAL STANDARDS

We conduct our business in compliance with applicable laws of every country in which we operate. We also strive to comply with international voluntary standards which are beyond national requirements.

THE COMPANY APPLIES AND/OR IS CERTIFIED WITH INTERNATIONAL STANDARDS AS FOLLOWS:

OCCUPATIONAL HEALTH AND SAFETY, AND ENVIRONMENT

- CPF Safety, Health, Environment and Energy Standard (CPF SHE&En Standard)
- OHSAS 18001: Occupational Health and Safety Management
- ISO 14001: Environmental Management
- ISO 50001: Energy Management
- ASEAN Energy Manager Accreditation Scheme (AEMAS)
- Code of Conduct (CoC) for Responsible Shrimp Aquaculture
- ISO 14040, ISO 14044 and ISO 14046: Life Cycle Assessment

SUSTAINABILITY

- IFFO Responsible Sourcing (IFFO RS)
- GMP+ Feed Certification Scheme
- Best Aquaculture Practice (BAP)

LABOR

- Thai Labor Standard 8001-2010
- Good Labor Practice (GLP)

ANIMAL WELFARE

- Animal Welfare Standard, the European Union
- Genesis Standards, the United Kingdom
- Agricultural Labeling Ordinance (ALO), Switzerland

QUALITY

- ISO 9001: Quality Management Systems
- ISO 29990: Learning Service for Non-formal Education and Training
- ISO/IEC 17025: General Requirements for the Competence of Testing and Calibration Laboratories
- Good Manufacturing Practice (GMP)
- Hazard Analysis and Critical Control Point (HACCP)
- Good Agricultural Practice (GAP)
- Global Good Agricultural Practice (Global G.A.P.)
- British Retail Consortium (BRC)
- International Food Standard (IFS)
- QS Quality Scheme for Food (QS)
- CPF Food Standard
- CEN TS 16555: Innovation Management Standards

PEOPLE DEVELOPMENT

Employees are the integral part of our competitive advantage and our sustainability agenda. The Company is, therefore, committed to becoming a Learning Organization where employees can enhance their capability and continue their learning in the environment that fosters innovation. Our aims are to become a "Leadership and Professional Organization" and a "Home of Happiness".

THE CHALLENGE

Amidst the rapidly changing technologies and a highly competitive business environment, organizations need to be constantly prepared to adapt themselves to any situations they encounter. In addition to having highly capable talents that are willing to learn and able to manage changes, organizations need to be able to attract and retain people that suit the changing structure and business situation. Organizations also

need to manage internal knowledge for business continuity and sustainable growth.

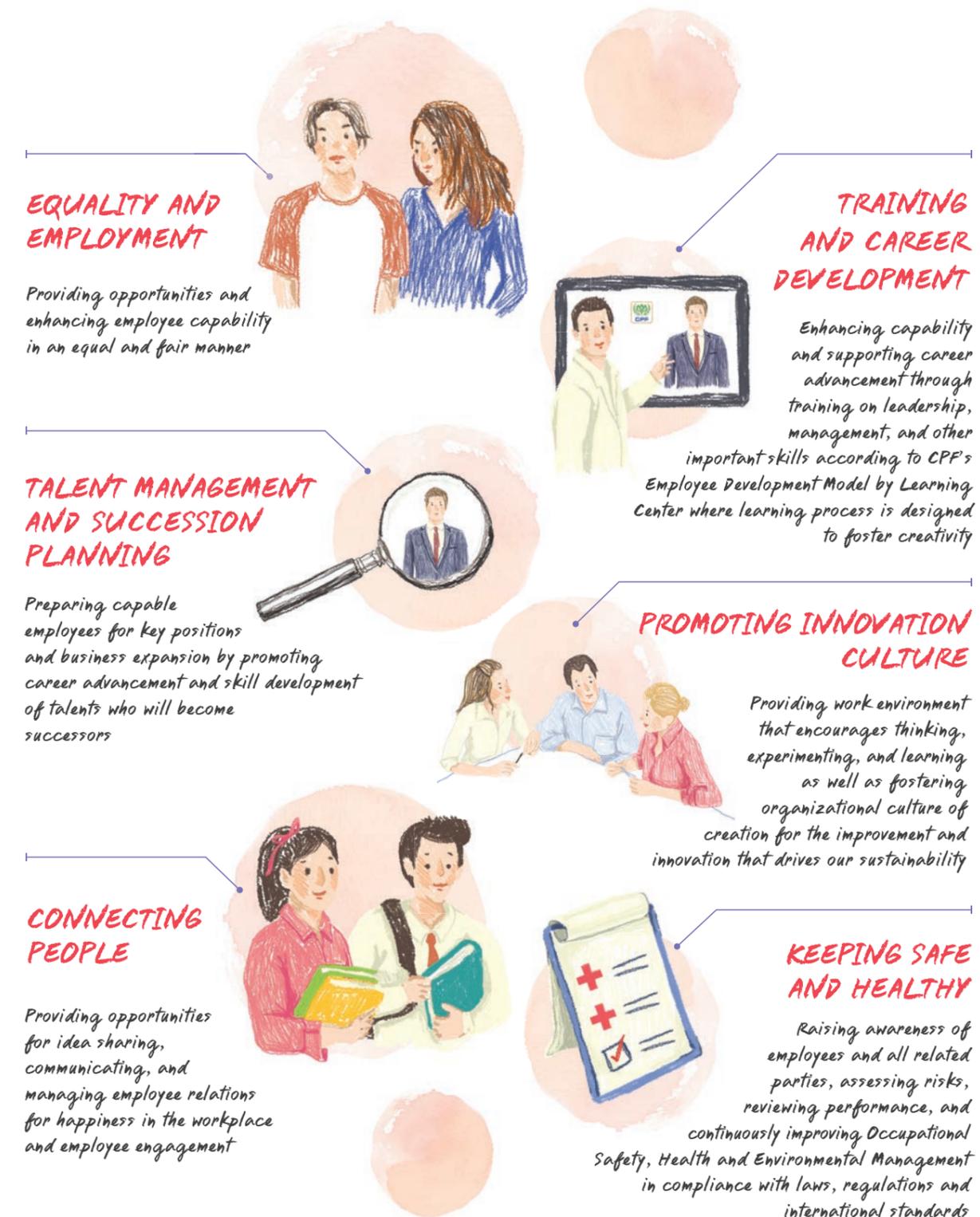
Other challenges in human resource management include management of generational differences and employee engagement. Organizations have to manage diverse expectations and address the needs of employees equally, fairly and trendily.



MANAGEMENT APPROACH

To manage and retain great talents, the Company focuses on developing knowledge and skills, providing opportunities for life-long learning, promoting career advancement, and preparing employees for changes.

We provide inclusive workplace where diversity is respected as we want our people to be happy and become competitive at the international level under the vision "People Excel-Business Exceeds"



PERFORMANCE

PROMOTING EQUALITY AND INCREASING CAPABILITY

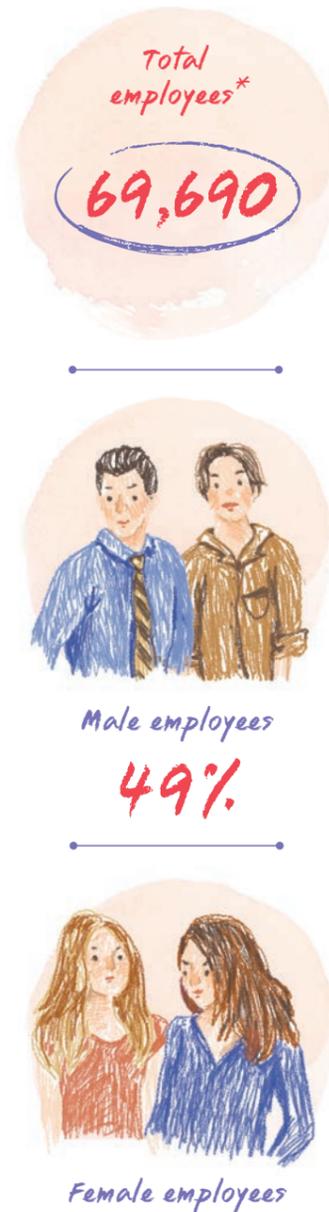
Recognizing that every person has inherent worth and equal dignity, the Company is committed to taking care of our people and treating them on the basis of respect to human rights. We do not discriminate with respect to all aspects of the employment, including recruitment, compensation, training, assignment, promotion, benefits arrangement and safety. We promote employee inclusion and value diversity, thus enabling our people to have a sense of their own worth and reach their full potential.

In 2017, the Company has a total of 69,690 employees in Thailand. The ratio of male to female employees was 49:51.

Moreover, we have a policy to encourage every employee to participate in the Welfare Committee. The Committee is considered as a mechanism which allows employees to have rights to negotiate with their company, in terms of benefits, working conditions, grievance, and management of inappropriate labor practices. Currently, members of CPF's Welfare Committee, accounting for 72.3%, are representing the voice of our employees.

In addition, the Company also promotes equal rights and believes that every disabled person is capable in their own ways. The society virtually plays an important part in respecting diversity and supporting disabled people in realizing their full potential, creating their own happiness and success, and contributing to the society.

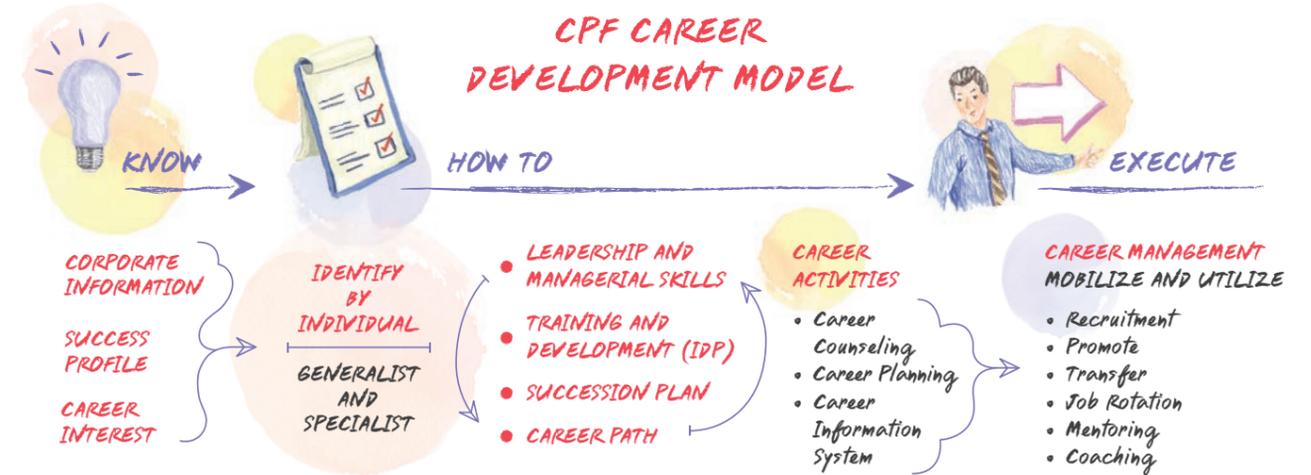
In 2017, we hired and promoted employment prospect of 744 disabled people. This was higher than required by law where companies are to hire one disabled person for every 100 employee hired. Our approaches to promoting employment of disabled people are direct employment, either within our operations or in community work/public organizations, and provision of concession in our operations.



ENHANCING CAPABILITIES AND PROMOTING CAREER ADVANCEMENT

We recognize that career growth is a very important part of the employee working life. This is why we place high emphasis on developing job skills and professionalism to enhance employee capabilities and promote career advancement. Our CPF Training Center (CPFTC) was established to provide training and development programs to our people at all levels in all career paths so that they are simultaneously good at work, good at people, and good at business.

CPFTC was the first company in Thailand to be certified by ISO 9001:2015 for its quality advisory services on the design and development of learning courses, learning services management, and the provision of electronic learning materials. The Center was also previously certified by ISO 29990:2010. The Center provides online training and development programs regularly.



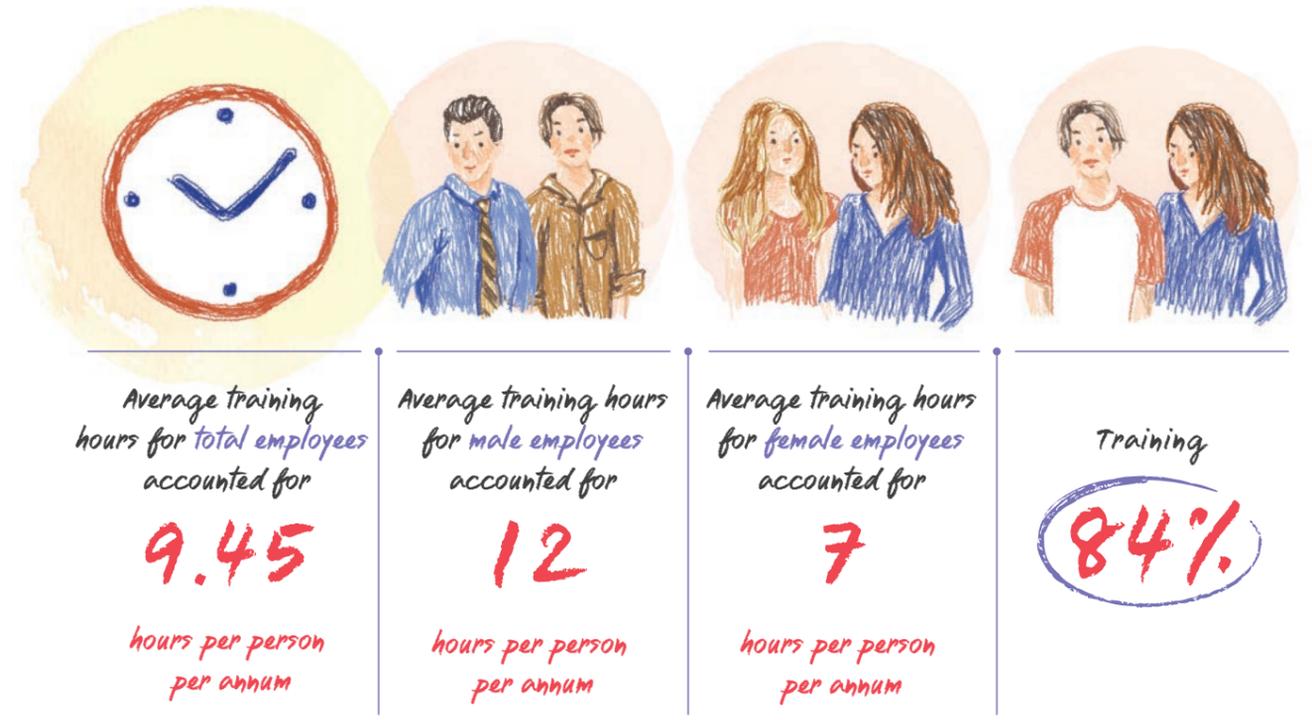
In 2017, the Company provided 4,613 lifelong-learning and development programs. The average hours of training for our 69,690 employees were 9.45 hours per person per annum. The ratio of training hours for male and female workforce was 12:7.

EMPOWERING DISABLED PEOPLE CREATING OPPORTUNITIES AND EQUALITY

The Company hired **744** Disabled people in 2017



Direct Employment	Concession
<p>26% Employment in the operations</p> <ul style="list-style-type: none"> Accounting Planning e.g. Demand Planning Industrial hygiene related work Warehouse Units e.g. ready-to-eat products warehouses 	<p>46% Employment in community work/public organizations</p> <ul style="list-style-type: none"> Agriculture e.g. vegetable and animal farming Cleaning services Other services e.g. plumbing, carpentry, cement work, and maintenance services
	<p>28% Provide concession to sell food products within the Company facilities</p>



Remark: Total employees excluded Full Time Equivalent. For details about total workforce, please refer to page 114

PARTS OF OUR COMMITMENT TO BUILD EMPLOYEE CAPABILITIES

Chairman Vision Cascade

Eligibility: Top Executives

Number of employees trained in 2017

286 employees

Total number of employees trained

1,077 employees

Cost saved in 2017 909 million Baht

Revenue generated in 2017 542 million Baht



Lean Six Sigma

Eligibility: Executives

Number of employees trained in 2017

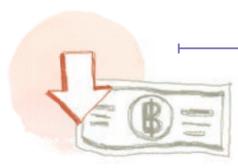
56 employees

Total number of employees trained

667 employees

Cost saved in 2017

53.3 million Baht



The 7 Habits of Highly Effective Leaders®

Eligibility: Employees at all levels

Number of employees trained in 2017

341 employees

Total number of employees trained

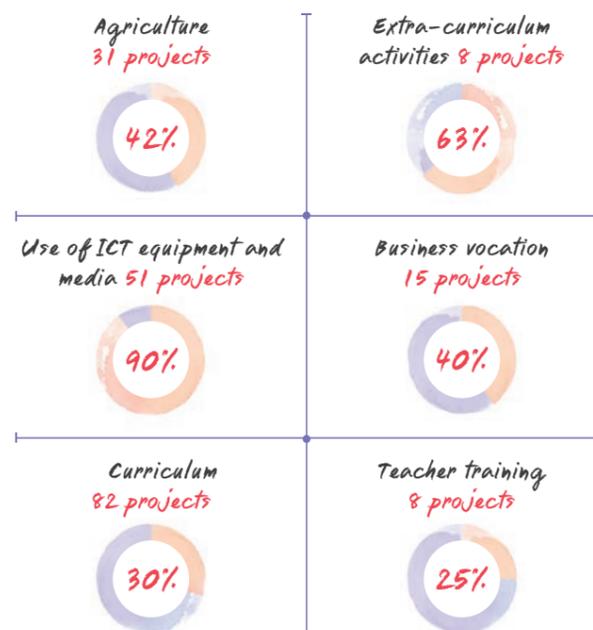
1,602 employees

DEVELOPING LEADERS FOR SUSTAINABLE EDUCATION THROUGH "CONNEXT ED"

The Company not only emphasizes internal leadership development, but also places great importance on developing a network of new-generation leaders who would play an important role in driving sustainable education in Thailand through the CONNEXT ED Project. The project is a part of the "Pracharath" public-private project for education development. The objective of the project is to develop leaders who will help enhance teachers' skills and knowledge of students. Indirectly, the project helps prepare for future career choices while also enabling community engagement.

CONNEXT ED is a program that enables competent young professionals from the private sector to participate in propelling the country's basic educational development. The Company's 65 young professionals act as School Partners and work in collaboration with 195 schools in Nakhon Ratchasima, Buriram, and Chaiyaphum provinces.

2017 PROGRESS 195 PROJECTS...FOR DEVELOPING LEADERS FOR SUSTAINABLE EDUCATION



All projects are expected to be completed by 2018

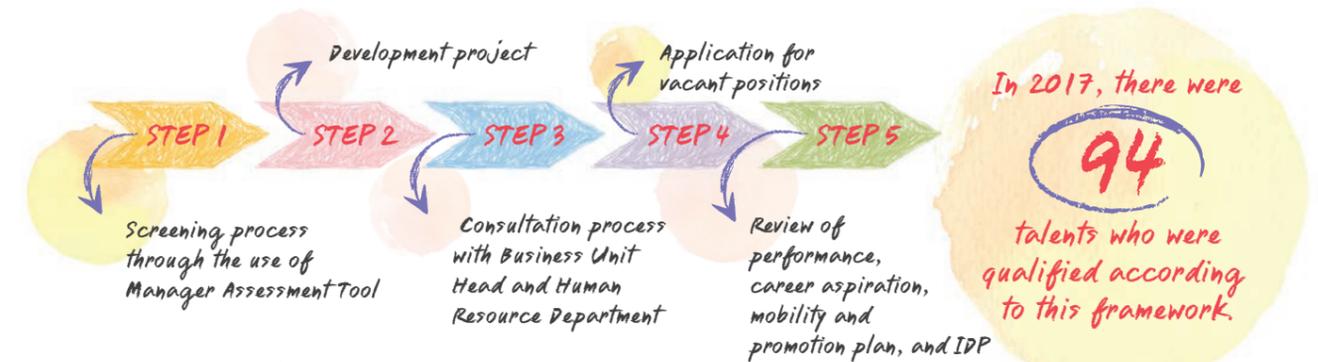
MANAGING TALENT AND PLANNING FOR SUCCESSION

In order to attract and retain high-potential talents in preparation for future changes and growth, the Company clearly defined Talent Management Framework and Succession Management Framework. We have categorized and developed talents, and successfully completed succession planning for all key positions which could be vacant in the future.

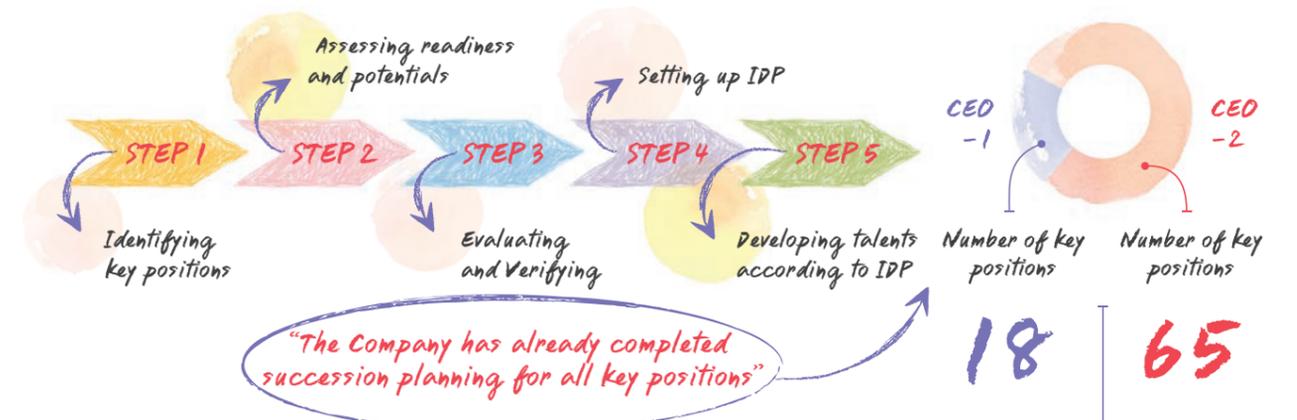


"Once successors are identified, their Individual Development Plan (IDP) will be developed and their performance will be regularly reviewed."

TALENT MANAGEMENT FRAMEWORK



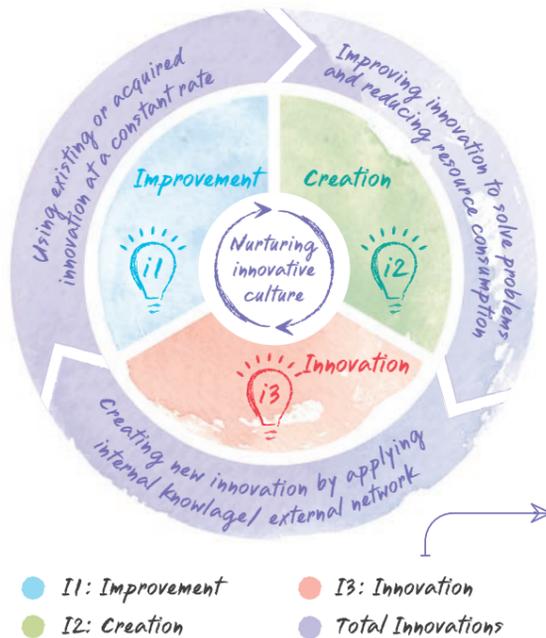
SUCCESSION MANAGEMENT FRAMEWORK



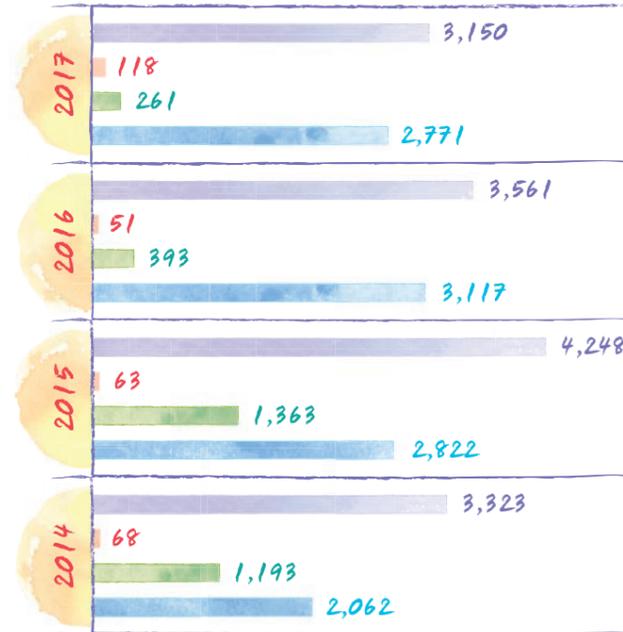
PROMOTING INNOVATIVE CULTURE

Innovation is an integral part for a business growth and a key to sustainability. We continually promote creativity and innovation among our people at all

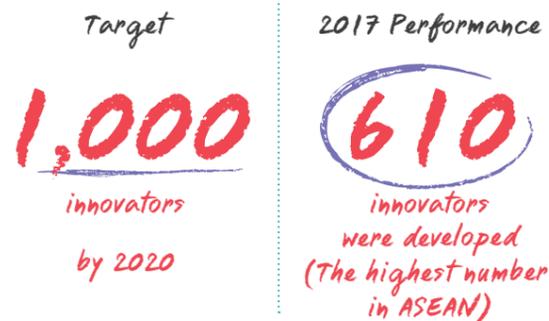
levels through building suitable working environment and opportunities. In 2017, our employees created a total of 3,150 product, service and process innovations.



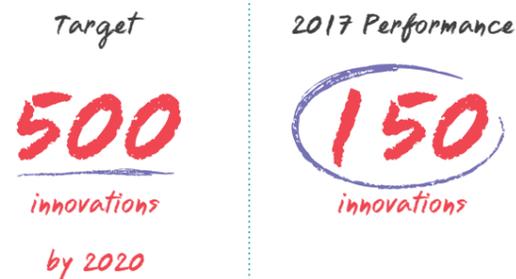
TOTAL INNOVATIONS



DEVELOPING INNOVATORS ACCORDING TO TRIZ GUIDELINE



REGISTRATION OF PATENTS AND PETTY PATENTS

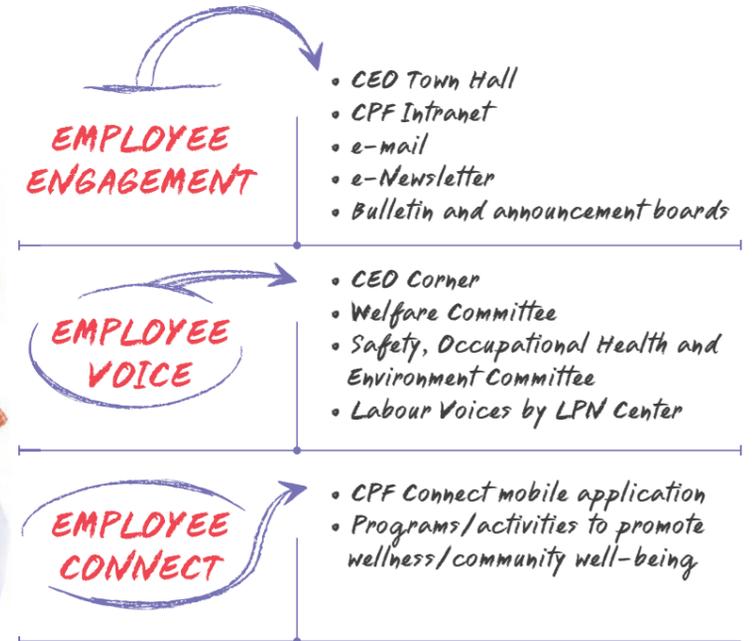


CONNECTING OUR PEOPLE

The Company recognizes the importance of communication to improve employee relations so that they are engaged and happy at work. This would encourage employees to “say” positively about the organization, concentrate on working and “stay” longer with the organization, and “strive” to continually

improve performance of the organization. To achieve these objectives, we designed and developed communication channels and initiatives to promote employee engagement which allow employees to freely express their opinions and exchange ideas at any time.

INTERNAL CONNECT



JERHIGH DOG FOOD

Received the **BEST GREEN INNOVATION AWARD FROM 2017 PRIME MINISTER'S EXPORT AWARD**



ENVIRONMENTALLY-FRIENDLY SWINE FEED

The animal feeds formulation technique, and the use of synthetic amino acids produced via biotechnology, enabled the innovation of our swine feed. This feed helps reducing not only production cost, but also the amount of Nitrogen that swine excrete (N-excretion) by as much as 20-30 percent, or reduce of Nitrogen in ammonia form by approximately 24,000 ton/year, equivalent to reforestation approximately 100,000 rai/year

In 2017, the Company collaborated with the Labour Right Promotion Network (LPN) in establishing the **Labour Voices by LPN Center** which provides the opportunities for all employees at all levels in any nationality to express both negative and positive feedback, provide suggestions, file complaints and grievances, or request assistance through an independent organization. This is an effective approach which helps improve employee's quality of life.

Through this collaboration, we also conduct training on labor rights for employees. This helps the Company to manage risks regarding labor issues with transparency and fairness.

ENSURING WORKPLACE SAFETY AND HEALTH

The Company places great emphasis on both personal and process safety to ensure that all employees, workers, business partners, and contractors go back home safely. We comply with laws and regulations as well as with nationally and internationally recognized standards. We also have our own policies and requirements to prevent occupational health and safety risks.

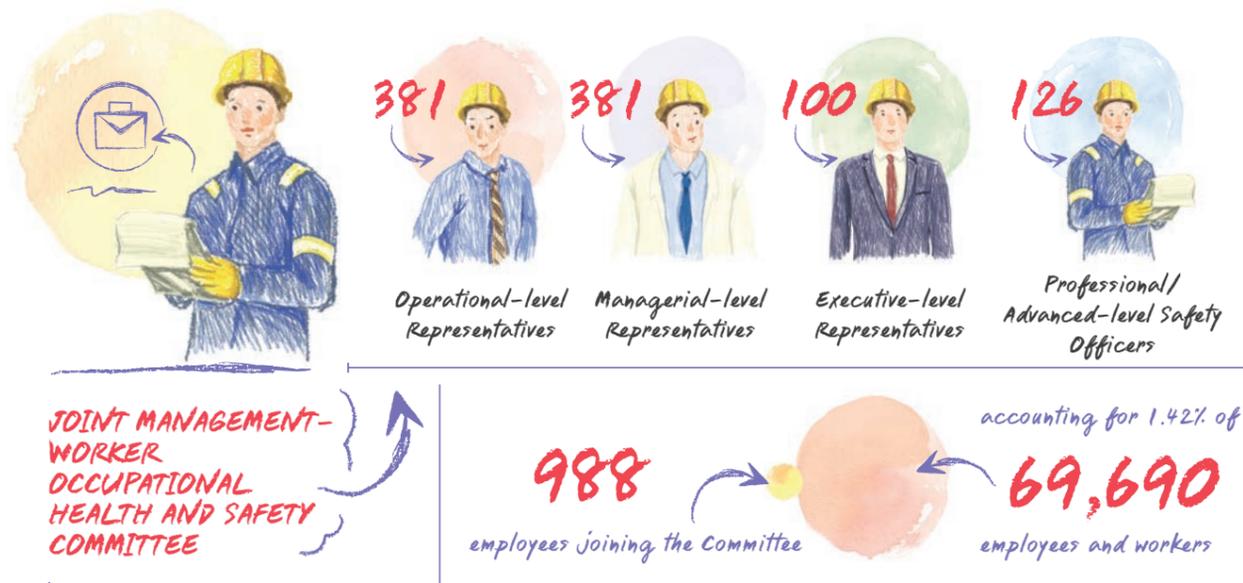
To drive the Company towards zero accident, we require all business units to comply with our CPF SHE&En Standard. The CPF SHE&En Management Committee, composed of the representatives from

Collaborated with LPN in establishing the Labour Voices Center to support employee's quality of life



Top Executive level, has an oversight on implementation and alignment with targets and plans. In addition, Joint Management-worker Occupational Health and Safety Committee was established to effectively manage health and safety issues in compliance with laws and regulations.

We track and analyze our performance on occupational health and safety through several key performance indicators including Lost Time Injury Rate (LTIR), Lost Day Injury Rate (LDIR), and Injury Rate (IR). These indicators enable us to improve our health and safety management throughout our operations.



CREATING SAFETY CULTURE

The Company fosters safety culture throughout the organization through a series of health and safety training programs for employees at all levels. In 2017, we conducted 105 health and safety training programs with the aim to provide employees with a greater understanding of the CPF SHE&En Standard and management of critical safety risks including prevention of electrical hazards, falling from heights, confined space, and hazardous chemicals. We also

We have the deepest sympathies for the accident on 23rd June 2017 which led to the deaths of four employees and a visiting veterinarian student who fell into a wastewater treatment pond at our Bangna poultry processing factory. The CPF SHE&En Management Committee immediately conducted a review on each and every one of our health and safety procedures and initiate additional corrective actions and improvements of **HARDWARE – SOFTWARE – PEOPLEWARE** to reoccurrence of similar incidents.



- Providing more appropriate personal protective and life-saving equipments
- Improving the safety of working areas and equipment by
 - Installing railing and barricade which could only be accessed by authorized persons to prevent risks of accidents
 - Installing machines or equipments outside of the treatment pond to reduce risks from entering into the area to undertake the maintenance and changing access route to prevent risks of falling
 - Installing Closed-circuit Televisions (CCTV) and appointing officers to undertake 24-hour monitoring in order to prevent unauthorized access to the area

provided specific training on health and safety management for safety officers in compliance with laws and regulations.

Furthermore, the application of CPF SHE&En Standard, which was developed from CPF SHE&En Management System in 2015, has already covered 56% of all business units.



- Increasing effectiveness of risk management by requiring all business units to review their existing risk assessment and to improve their risk control measures
- Improving safety risk assessment by setting up proactive safety measures for visitors, observers and interns covered all business units



- Organizing additional workshops for onsite emergency response teams at each operation to ensure the ability to respond rapidly and effectively to unexpected events relating to critical safety risks
- Providing additional training for operators at each site to raise awareness on danger from assisting casualties in emergency cases, and to enhance knowledge and understanding of appropriate first-aid procedures



**FOOD
SECURITY**

FOOD SECURITY

Food security is a challenge that draws global attention. It has been at the top of the regional and global agenda to ensure that the world's population gets access to adequate, safe, and nutritious foods for their health and well-being¹. As the leading agro-industrial and food conglomerate, CPF recognizes the role we could play in achieving food security. Our aims are to "Enhance Quality and Food Safety throughout the Chain" and to "Improve Food Access" for health and well-being of the consumers as well as for relieving hunger and malnutrition in the wider society.

ENHANCING QUALITY AND FOOD SAFETY THROUGHOUT THE CHAIN

THE CHALLENGE

The world's population is projected to reach 9.7 billion by 2050². This will influence how we will be able to get access to adequate and balanced nutrition. In addition, the report from the World Health Organization indicates that the world is facing the burden of Non-Communicable Diseases (NCDs). Each year, 15 million people die from NCDs between the ages of 30 and 70 years old. Recent statistics show that global deaths from NCDs increase by 70%.

In Thailand, NCDs caused 393,000 deaths, accounting for 71% of all deaths in Thailand³.

In addition, consumers around the world are more concerned about food safety and pay more attention to the products that could help them improve their health and enhance beauty. Apart from taste, variety, and convenience, consumers also prefer to consume fresh foods with the least additives.

1 Definition of Food Security was defined by the World Food Summit, Rome, Italy (1996)
 2 The Future of Food and Agriculture Trends and Challenges, Food and Agriculture Organization of the United Nations (2017)
 3 Non-communicable Diseases Progress Monitor, World Health Organization (2017)

MANAGEMENT APPROACH

The abovementioned trends are both the opportunity and challenge that foster CPF's continuous improvement to address the changes. The Company is dedicated to investing in research and development,

applying the international standards, and ensuring quality throughout the value chain. At the same time, we also contribute to public education on health and nutrition.



PERFORMANCE

2020 TARGET

No product recall incident that would affect public health.

2017 PERFORMANCE

As consumer safety is our first priority, on 18th May 2017 the Company recalled its Prawn Wonton Ramen product (batch code 6003002), which was exported to Australia, due to the fact that the product did not meet the Company's production standard. Following the incident, we investigated it fully, identified the root cause, and immediately developed proactive measures to prevent a recurrence⁴.



EXAMINING CHICKEN BONE BY USING X-RAY MACHINE

The current production process does not allow complete separation of chicken bones from the chicken products. Fully aware such foreign body as chicken bone could have an impact on consumer safety, the Company had developed the system to monitor the quality and safety standard of food products to ensure no foreign object contamination.

After the piloted phase was carried out, in 2017, we fully utilized special X-Ray technology that allows us to identify chicken bone by measuring the density of calcium in the bone which was not possible to check with naked eye. The X-Ray machine also helps us to collect information into online database which enables us to analyze and assess the performance more efficiently.



CPF FOOD STANDARD

In 2017, the Company collaborated with the British Standards Institution (BSI) to initiate the CPF Food Standard project in order to enhance food quality and safety standards throughout the global value chain. The Project integrated various quality and food safety standards including ISO 9001, GMP, HACCP, BRC, and QS. We began piloting CPF Food Standard in our poultry business with the aim to expand to all business units in Thailand by 2018 and to overseas operations by 2020. Through this Project, we expect to improve the effectiveness of risk management in quality and food safety.

CPF VALUE CHAIN TRACEABILITY

With the aim to implement product traceability system throughout the Company's value chain, we developed a digital traceability system in 2014. The system enabled a much faster and more precise traceability of products throughout the value chain, from animal feed production, animal farming, and food production, to product distribution. In 2017, we applied the digital traceability system to the broiler business unit; while also expanding it to other business units including shrimp, swine, fish, egg and ready meal products. We plan to apply the digital traceability system throughout our Thailand operations by 2018, along with further global implementation in the future.

COMPLAINT MANAGEMENT

We set the levels of complaints and expected response time in three levels to ensure that we can respond to our consumers in a timely and efficient manner. The process is managed by the CPF Consumer Center which is responsible for coordinating with different business units to monitor and resolve complaints.



INTERNATIONAL FOOD QUALITY STANDARDS

1 FEED BUSINESS	2 FARM BUSINESS	3 FOOD BUSINESS
<p>100% of Livestock Feedmills are certified with:</p> <ul style="list-style-type: none"> ✓ GMP ✓ HACCP ✓ ISO 9001 	<p>100% of Layer, Broiler, Swine, and Duck Farms are certified with:</p> <ul style="list-style-type: none"> ✓ GAP 	<p>100% of Food Processing plants are certified with:</p> <ul style="list-style-type: none"> ✓ GMP ✓ HACCP
<p>100% of Aquatic Feedmills are certified with:</p> <ul style="list-style-type: none"> ✓ GMP ✓ HACCP ✓ BAP (for Shrimp Feedmills) 	<p>100% of Exporting Broiler Farms are certified with:</p> <ul style="list-style-type: none"> ✓ GAP ✓ Genesis GAP 	<p>100% of Exporting Chicken Processing plants are certified with:</p> <ul style="list-style-type: none"> ✓ GMP ✓ BRC ✓ HACCP ✓ Genesis GAP
	<p>100% 100% of Shrimp Farms are certified with:</p> <ul style="list-style-type: none"> ✓ GAP/CoC, Department of Fisheries ✓ BAP (for Exporting Farms) 	<p>90% of Food Processing plants are certified with:</p> <ul style="list-style-type: none"> ✓ ISO 9001

4 For full details, please visit <https://www.productsafety.gov.au/recall/cp-merchandising-co-ltd-cp-authentic-asia-prawn-wonton-ramen-with-green-choy-sum>

Remark: Food Processing plants cover all processes including basic meat processing, semi-cooked and cooked processed meat products manufacturing, and processed products or ready meal products manufacturing.

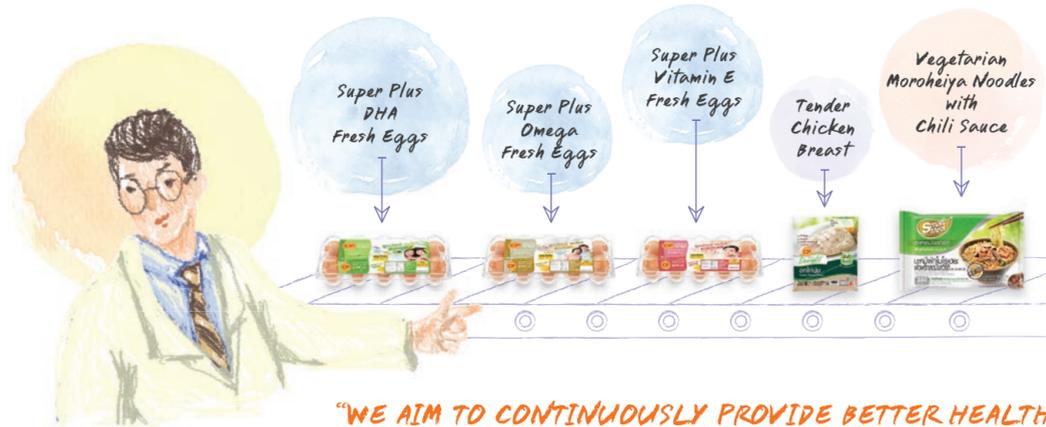
PERFORMANCE

2020 TARGET

30% of New Product Development (NPD) are healthier and more nutritious products.

2017 PERFORMANCE

A total of 20.83% of the Company's new product development was healthier and more nutritious products.



"WE AIM TO CONTINUOUSLY PROVIDE BETTER HEALTH AND WELL-BEING THROUGH OUR PRODUCTS"

DEVELOPMENT OF PRODUCTS FOR BETTER HEALTH AND WELL-BEING

Good health starts with the right nutrition. For this reason, the Company is dedicated to innovating and creating products to promote better health and well-being of consumers, as well as responding to the needs of consumers of all ages.

In 2017, we announced **CPF Healthier Choice Principles**, which is aligned with the CPF Health and Nutrition Policy adopted since 2016⁵. The Principles serve as a guideline for advancing our development of healthier food. The objective is to provide consumers alternative choices for high standards, fresh, hygienic, safe, and nutritious products to meet the needs of each consumer group. We also work hard to promote better understanding on healthier and more nutritious products.



5 For CPF Health and Nutrition Policy, please visit <https://www.cpfworldwide.com/th/sustainability/policy>

CONTINUING TO DEVELOP FOOD INNOVATION FOR GOOD HEALTH AND WELL-BEING

CP BALANCE



READY MEALS

"Lo in what is Not, Hi in what is Right"
Lowering cholesterol, saturated fat, and sodium while increasing fibers and essential vitamins to balance a nutritious diet and to prevent risks of 3 NCDs which includes hypertension, hyperlipidemia and diabetes.

CP Delight



SNACK AND READY MEALS THAT ENABLE CONTROL OF CALORIES INTAKE

Reaching the needs of health lovers and those who want to control the amount of calorie intake.
"High Proteins Low Calories"
Making each meal delightful, delicious and healthy.

Smart Meal



READY MEALS AND BEVERAGES

- 3 choices for good health
- Smart meals i.e. vegetarian food
 - Smart soup i.e. soup for children, the elderly and patients
 - Smart drinks i.e. healthy and beauty drinks
- Selecting natural raw materials from nature
- ✓ Using fleur de sel that gives naturally salty taste to the products
 - ✓ Using coconut sugar that appropriately sweeten the products
 - ✓ Using coconut oil, a saturated fat that is faster metabolized.

CARING THE WELL-BEING OF ANIMALS... SUPPORTING ONE HEALTH

The Company adheres to the business principle which takes into consideration welfare of the animals directly related to the quality and safety of the food. Moreover, we place high emphasis on ethical livestock farming where animals should be raised properly in order for them to have well-being and live their lives without any suffering throughout the raising period according to animals' rights, which is an important element of Responsible Farming and Food Production.

COMMITMENT TO ACTION

ADHERING TO THE ANIMAL WELFARE PRINCIPLES THROUGHOUT OUR PROTEIN FOOD CHAIN

PROGRESS IN ANIMAL WELFARE IN 2017

GOVERNANCE ASPECT: Established the Animal Welfare Committee which consists of Top Executives from all animal farming businesses and related support units to set policies, goals, and plans to govern and monitor performance.

POLICY ASPECT: Announced the Global Vision for Antimicrobial Use Stewardship in Food Animals which covers all countries in which we have invested, as well as the Animal Welfare Policy which aligns with the internationally recognized 'Five Freedoms'.

OPERATIONAL ASPECT: Set the long-term animal welfare targets.

ANIMAL WELFARE TARGETS

SWINE

100% of the pregnant breeding sow farms are progressing towards the group gestation pen by 2025 for Thailand operations and by 2028 for international operations.

100% of the newly established farms for pregnant breeding sows will use the group gestation pen from 2017 for Thailand operations and from 2018 for international operations.

2017 PERFORMANCE

24% of the pregnant breeding sow farms in Thailand have switched to the group gestation pen in which the Company has studied and developed since 2000.

100% of the newly established farms for pregnant breeding sows in Thailand use the group gestation pen.

POULTRY

100% of the Company-owned layer farms in Thailand will be developed towards the cage free system.

100% of the broiler farms in every country we operate in will have Poultry Welfare Officers (PWO) by 2020.

To allow the animals to move freely and express natural behaviors.

100% of the broiler farms in Thailand have developed Poultry Welfare Officers in collaboration with Bristol University in England since 2009. Furthermore, every poultry farm in Thailand adheres to the international animal welfare practices or 'Five Freedoms' since 2000.

EMPLOYEE

100% of employees involved in animal raising, transporting, and meat processing to be trained annually regarding animal welfare.

NO GENETIC ENGINEERING

NO ANTIBIOTIC RESIDUES

NO GROWTH HORMONE

2. ANIMAL FARMING

We raise animals in the computerized evaporative cooling system with automatic feeding, and suitable lighting and temperature-control systems, while providing appropriate treatment by veterinarians for animals in need of health care.

1. RESEARCH AND DEVELOPMENT OF ANIMAL BREEDING

We do not use genetic engineering or cloning technologies in our breeding program and production lines. All the genetic improvement in our animal products is achieved by traditional selection methods. We also continually ensure that suppliers who supply us with breeder grandparent and parent stocks use breeding program that is based on traditional and natural methods of selecting particular traits.

3. LIVESTOCK TRANSPORTATION

We control animal transport distance not to exceed 200 km or less, in compliance with international certification.

5. FREEDOMS

Freedom from hunger and thirst

Freedom from discomfort

Freedom from pain, injury or disease

Freedom to express normal behavior

Freedom from fear and distress

4. SLAUGHTER

We render an animal unconscious before slaughtering. All of animals are stunned with internationally accepted methods.

5. VERIFICATION AND CERTIFICATION

All our farms and contracted farms are audited at least once a year and received livestock standard certification by the Department of Livestock Development.

In addition, our broiler business is the first of its kind in Thailand received QS standard certified by SGS Germany and Global G.A.P. certified by Control Union Certifications, Netherlands.

SHARED VALUE IN ACTION

PROMOTING ANIMAL WELFARE IN THE SUPPLY CHAIN AND THE INDUSTRY

ENCOURAGE

our contracted farms to comply with the Company's Animal Welfare Policy and practices.

COLLABORATE

with Working Group of the Department of Livestock Development to leverage animal welfare practices in Thailand.

RAISE AWARENESS

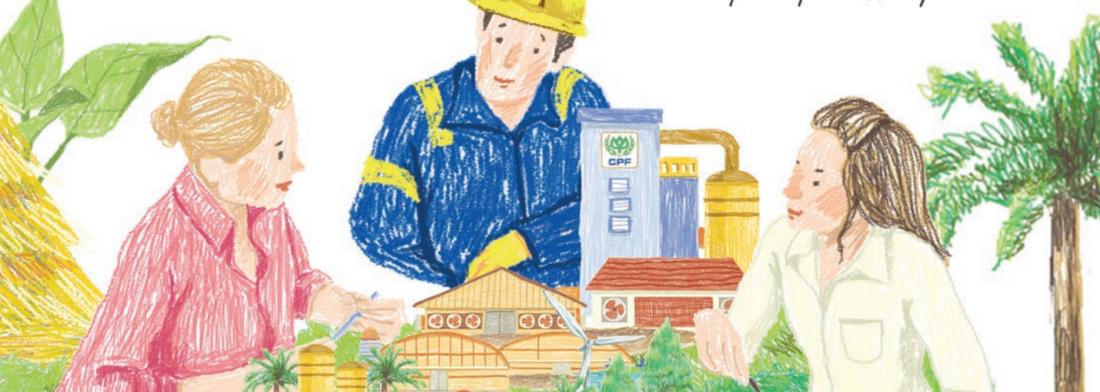
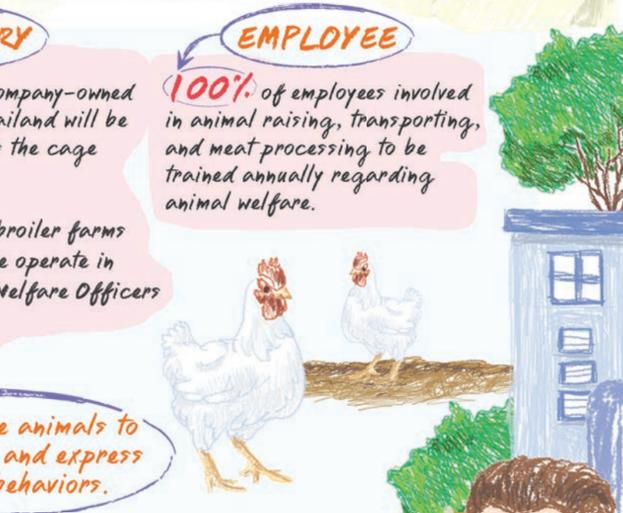
of the importance of animal welfare through farm/plant visit programs in which more than 10,000 customers, academia, independent organizations, and other interested parties participate annually.

FOOD SAFETY AND ANIMAL WELFARE ARE OUR TOP PRIORITIES

We are constantly adapting ourselves and always preparing for changes for the better life quality of our consumers.

Even though those changes may take up to 5-10 years, we will attain One Health approach in order to protect health of humans, animals, and our environment.

MR. SOMKUAN CHODWATANAPAKORN
Chief Operating Officer and Chairman of Animal Welfare Committee



IMPROVING FOOD ACCESS

THE CHALLENGE

Although a great deal of effort has been put in the management of malnutrition that continuously occurs worldwide, recent statistics show that 815 million people, or one out of nine people around the world still suffer from malnutrition⁶. From this, over 155 million children around the world are facing dwarfism due to long-term malnutrition⁷ and more than 45% of the children deaths worldwide are caused by malnutrition⁸. These are the challenges for the public, private and corporate sectors to take part in promoting good nutrition in children and youth.



6 Global Nutrition Report 2017 and World Food Program: <http://www.wfp.org/zero-hunger>
 7 2017 The State of Food Security and Nutrition in the World
 8 World Health Organization: <http://www.who.int/mediacentre/factsheets/malnutrition/en/>

MANAGEMENT APPROACH

We encourage children and youth to be able to have sustainable access to food, by sharing our knowledge and expertise in food production to promote well-rounded skills and learning process. We also educate them with consumption of safe and nutritious food for children and youth, to help reducing malnutrition.

KNOWLEDGE MANAGEMENT BASED COMPETENCY DEVELOPMENT

Developing competency through support in knowledge and skills in food production and food hygiene.



COLLABORATIVE PARTNERSHIPS

Engaging with communities and collaborating with public and private sectors, academic institutions, as well as independent organizations.



MANAGEMENT SKILLS SUPPORT

Supporting in management skills in data recording for accounting, marketing and reporting.



PERFORMANCE

2020 TARGET

>300,000 of children and youth have the opportunity to access knowledge and skills on food production and/or on consumption of safe and nutritious food.



In 2017, we escalated the implementation of the CPF Growing Happiness, Growing Futures Project by developing schools as learning centers in 5 components, consisting of 1. Management 2. Food production, 3. Nutrition, 4. Health, and 5. Sustainable implementation capability. With the cooperation from the Office of the Basic Education Commission, Ministry of Education, National Electronics and Computer Technology Center and Rural Lives Development Foundation, two potential schools namely Banmai Samrong School in Nakhon Ratchasima province, and Ban Khlong Khayaeng School in Kamphaeng Phet province were evaluated and selected to be the prototype learning centers for food and nutrition for both within schools and surrounding communities. The evaluation and selection was made to promote food consumption with quality, safety and nutrition, as well as stimulating continuous knowledge sharing.

“FEEDBACK FROM STUDENTS, TEACHERS AND THE COMMUNITIES INVOLVED”

“By developing schools as learning centers, students are able to build the skills they need to succeed in their future careers. The school itself also has raw materials to make clean and safe lunch enough for our students”

Ms. Nuchrada Nilsoongnoen
Grade 7-9 Teacher
Responsible person for activities at Ban Mai Samrong School Learning Center

2017 PERFORMANCE

The Company supported more than 222,000 children and youth to have the opportunity to access knowledge and skills on food production and/or on consumption of safe and nutritious food through the **Raising Layer for Student’s Lunch Project, Open the World of Learning Project, and CPF Growing Happiness, Growing Futures Project.** In 2017, we could promote approximately 30,000 children and youth.

“Students learn the process, methods, and dependence on the Learning Center that are mutually beneficial according to the Sufficiency Economy Philosophy. The Project provides students with sufficient food to consume and enable them to learn more effectively”

Mr. Thiti Watcharapat
School Principal, Ban Khlong Khayaeng School

“It is our good fortune that CPF helps broaden the knowledge for the Banmai Samrong school and the Ban Don Wua community. The students apply their knowledge gained from the CPF Growing Happiness, Growing Futures Project learned to their hometown such as raising layers and growing mushroom. This could further bring extra income for their family. The villagers who attended the training from the Learning Center could also use their knowledge to build on their career, and make an average income of 600 - 700 Baht per day.”

Mr. Wiboon Rudchantuk
Ban Don Wua Village Head,
one of the participants at the Learning Center

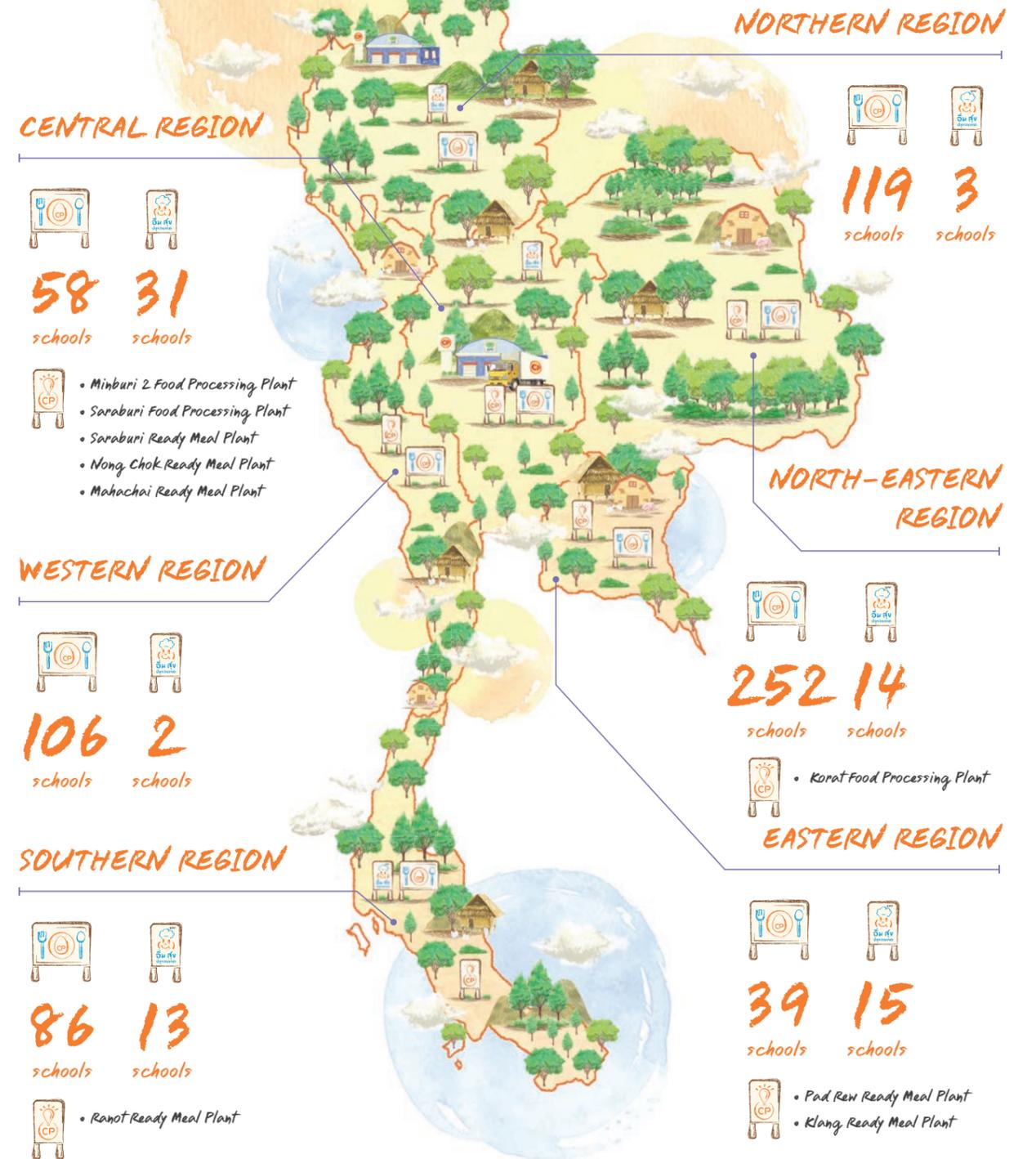
“I am proud that the work we contributed helps promote our school to be well-known, so that we could spread the knowledge and skills to people who are interested to apply accordingly. This is also another way to develop knowledge, ability and skills for students to become future leaders”

Ms. Kanlaya Lhapia, Grade 9 Student
Responsible person for activities at Ban Mai Samrong School Learning Center

PROMOTING FOOD ACCESS

for more than **222,000** children

-  Raising Layer for Student’s Lunch Project
-  CPF Growing Happiness, Growing Futures Project
-  Open the World of Learning Project



SELF-SUFFICIENT SOCIETY



SELF-SUFFICIENT SOCIETY

One of the key success factors for ensuring food security and maintaining environmental balance is that businesses have to recognize their roles in tackling social and environmental issues. This is why CPF is committed to holistic participatory social development which focuses on enhancing knowledge and necessary skills, creating responsible economic growth, and supporting quality of life. Our objectives are to “Develop Win-Win Partnership” and “Support Community Livelihood” so that our business partners and communities have the ability to address the current and future challenges.

DEVELOPING WIN-WIN PARTNERSHIP

THE CHALLENGE

In 30-40 years from now, agricultural and food industry must find ways to double food production to meet demand of the world’s growing population despite the limited resources.

This challenge has led to increasing attention on responsible production standards throughout the agricultural and food supply chain. Consumers and civil society organizations expect food companies

to develop innovation and technology to increase efficiency in a sustainable manner. Companies are also expected to be responsible for addressing human rights issues in their supply chain namely, child labor, forced labor, migrant labor, as well as managing environmental issues namely, soil degradation, water scarcity, and forest encroachment, in the companies’ agricultural and food supply chain.

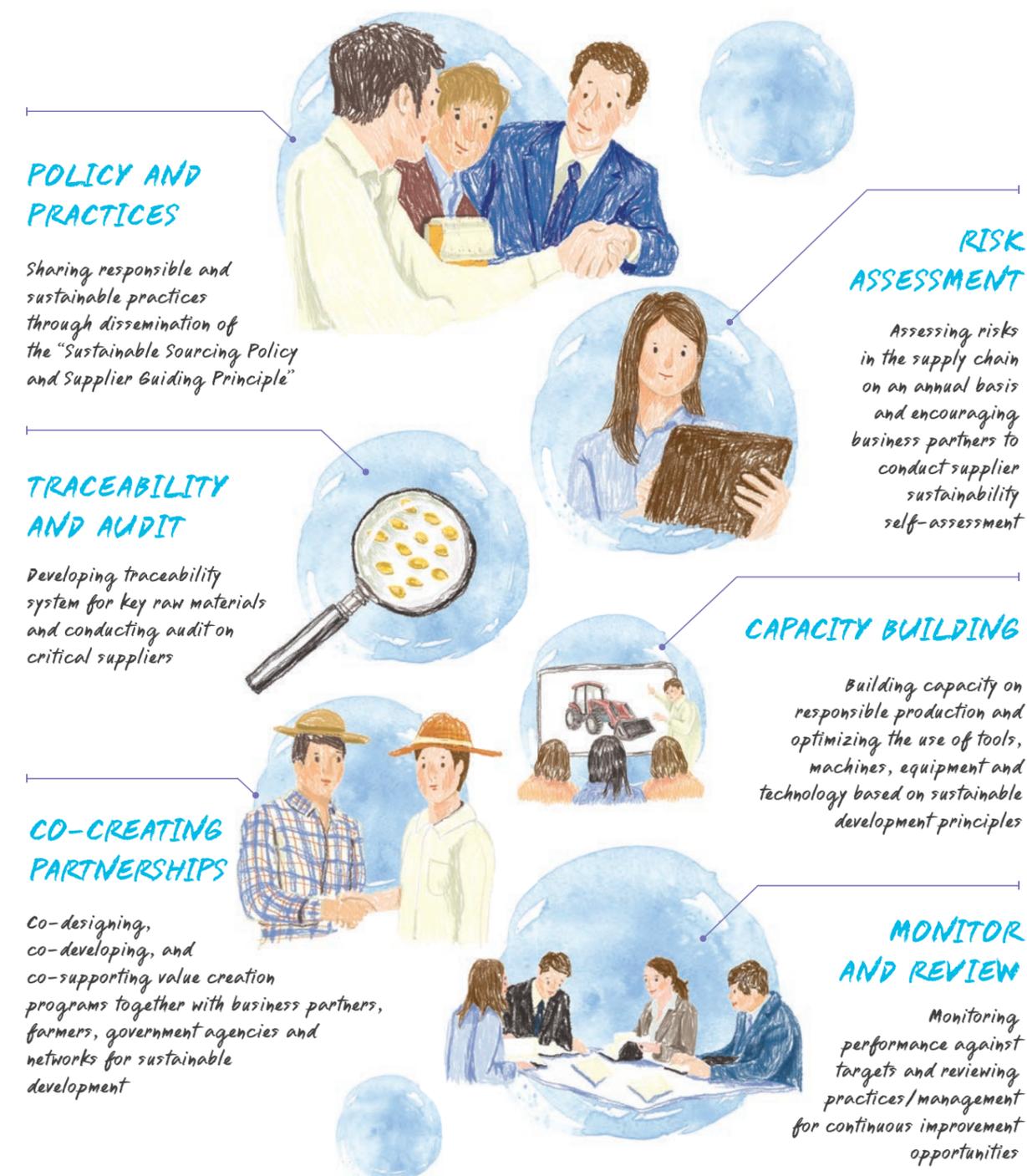
To support the responsible production standards throughout the far-reaching and complex agricultural and food supply chain, we need a shared commitment and collaborative networks to lead the supply chain towards concrete long-term positive changes.



MANAGEMENT APPROACH

The Company believes that in order to achieve our strategic directions in creating growth, driving excellence, and laying the strong foundation in line with the vision to become “Kitchen of the World”, we need to integrate the management of environmental, social, and governance (ESG) aspects into business conducts of the Company and our business partners.

We, therefore, have been driving sustainability in the supply chain through knowledge transfer and experience exchange with our business partners. Our objectives are to build capacity in responsible production and enhance sustainability of agricultural and food supply chain which would eventually contribute to food security and balance of nature.



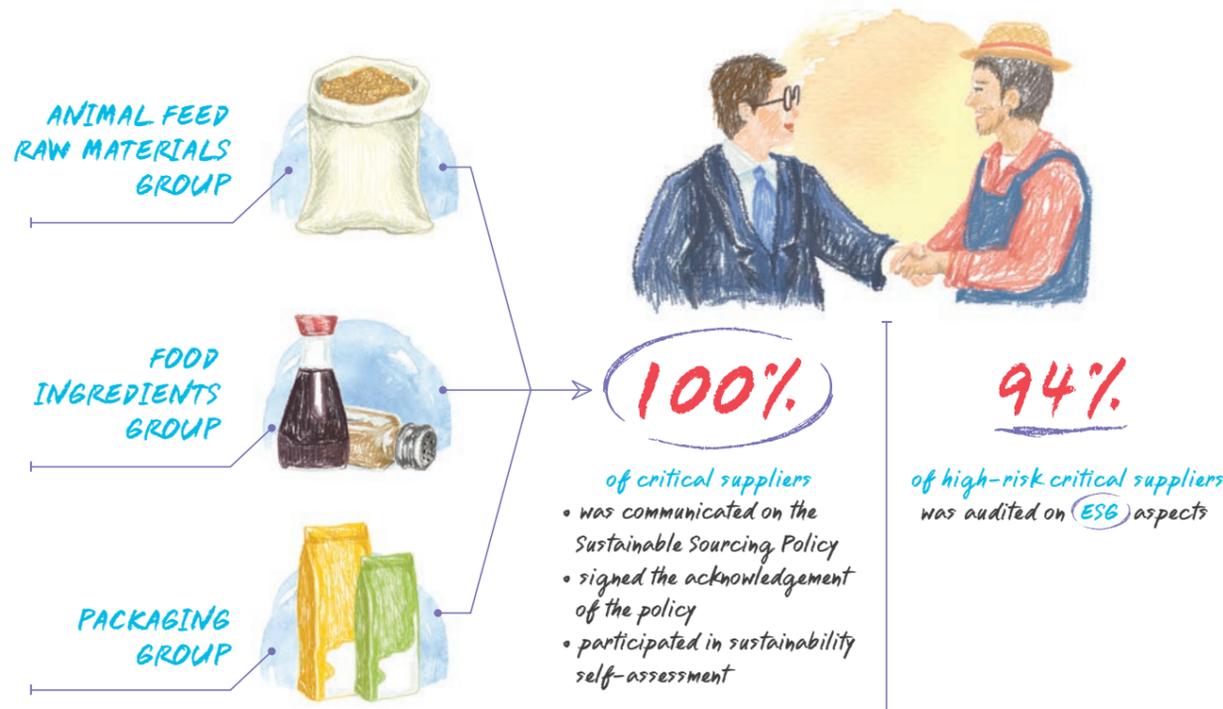
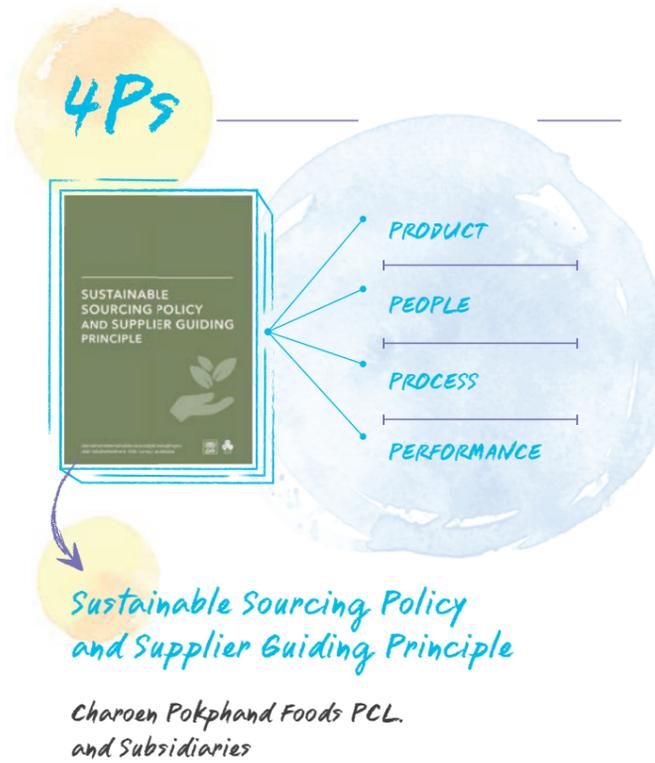
PERFORMANCE

2020 TARGET

100% of critical suppliers in animal feed raw materials, food ingredients, and packaging groups are audited on sustainability

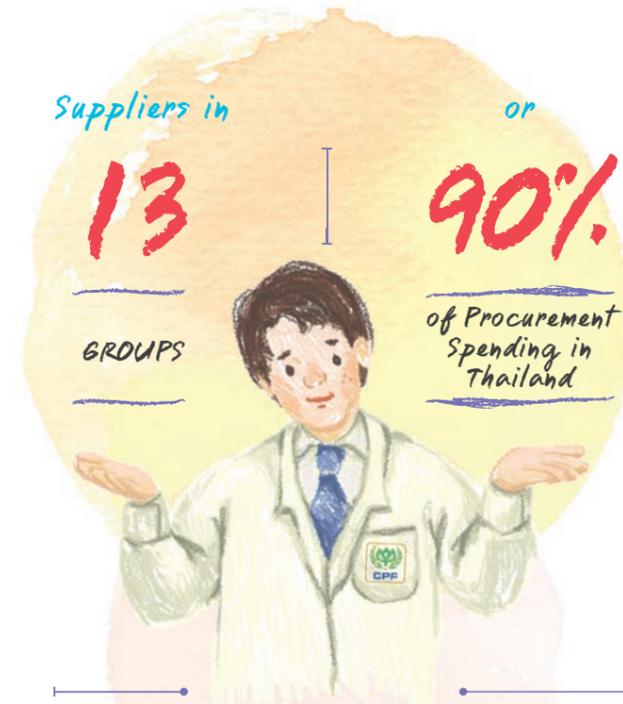
2017 PERFORMANCE

A total of 27 percent of critical suppliers in animal feed raw materials, food ingredients, and packaging groups was audited on sustainability by independent third party and/or internal auditors in compliance with our Sustainable Sourcing Policy and Supplier Guiding Principle. Of these, a total of 94 percent of critical high-risk suppliers identified from a Supplier Sustainability Self-Assessment was already audited on ESG aspects.



APPROACH TO ACTION...CONTINUOUS COMMITMENT

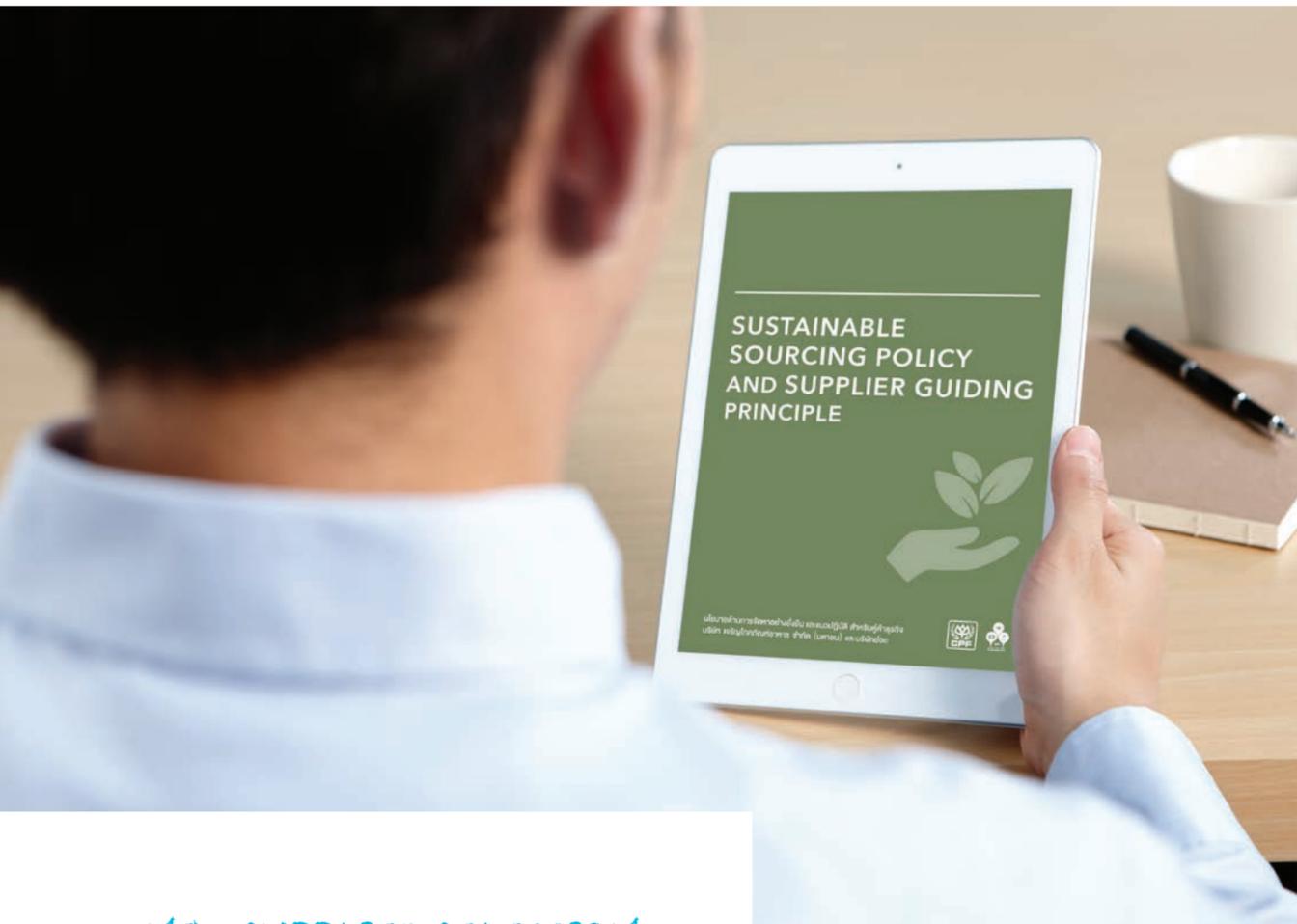
The Company recognizes our opportunity and responsibility to improve the lives of people in the society by creating mutual growth with our business partners. Since 2014, the Company has been working to promote responsible and sustainable supply chain management based on collaboration.



In September 2017, the Company expanded the dissemination of the Sustainable Sourcing Policy and Supplier Guiding Principle to business partners in Vietnam by arranging the **CPV Supply Chain Sustainability Conference 2017**, under the **Partnership for Mutual Growth** concept. The objective of the conference was to communicate the policy and raise awareness on sustainability among critical suppliers in animal feed raw materials, food ingredients, and packaging groups. We also set a target to conduct a sustainability audit on all critical suppliers in these three groups by 2020. The audit will cover environmental, human rights, and labor issues.



Sustainability audit of critical suppliers in Vietnam will be completed by 2020.



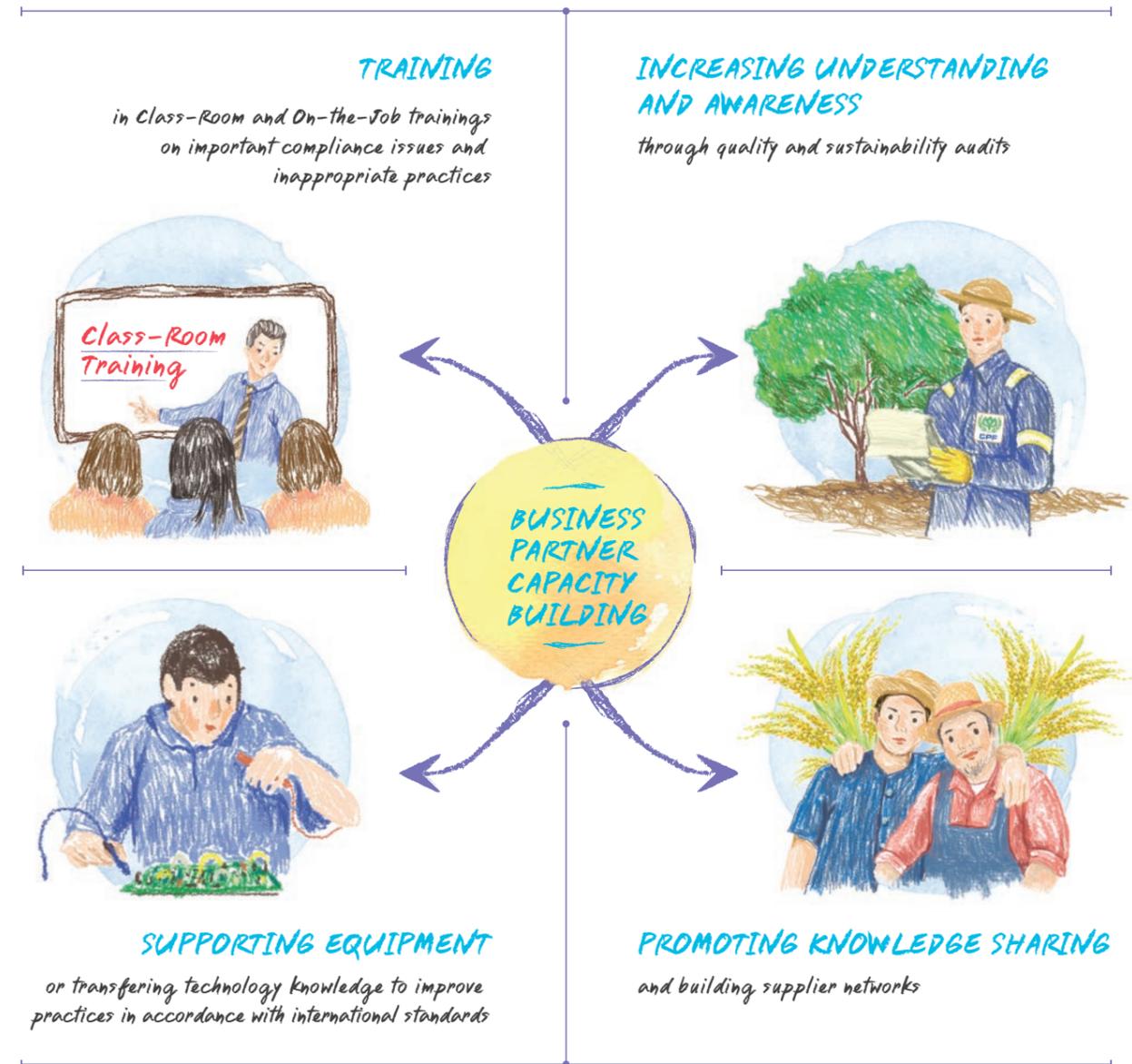
NEW SUPPLIER SELECTION



To manage risks at the starting point of our procurement process

In 2017, we also implemented the Online Supplier Sustainability Self-Assessment and used the result of the assessment as part of our new supplier selection criteria in order to manage risks at the starting point of our procurement process by piloting in animal feed raw material suppliers.

Recognizing socio-economic and environmental dynamics, we continue to focus on building capacity of our business partners. In 2017, we provided knowledge on food safety and good labor and environmental practices. We developed traceability system and promoted the adoption and/or certification of GMP+ Feed Certification Scheme, Hazard Analysis and Critical Control Point (HACCP), and IFFO Responsible Supply Standard (IFFO RS) among suppliers of fishmeal, animal feed corn, animal feed lime, as well as water transportation service providers.





PERFORMANCE

2020 TARGET

100% of key agricultural raw materials are responsibly sourced and traceable

2017 PERFORMANCE

A total of 64.5% of key agricultural raw materials for animal feed production including fishmeal, corn, soybean, cassava, and palm oil was from traceable and responsible sources.

“Regardless of how far our business can be grown and our supply chain can be expanded, we are still committed, with strong determination, to responsible and sustainable sourcing of key agricultural raw materials. We promote participation of business partners and support collaboration among government agencies, private sector, communities, and NGOs.”



CORN

100% of corn used in animal feed production in Thailand has been sourced using the Corn Traceability System which we developed in 2016. The system helps to ensure that all corns are grown on land with legal title deed and not in forest areas.



SOYBEAN

23.4% of soybean used in animal feed production in Thailand has come from responsible sources. In 2016, we have collaborated with AG Processing Inc. (AGP), the leading agricultural cooperative in the US, to develop the Sustainable Soybean Sourcing System.



FISHMEAL

Since 2015, 100% of fishmeal sourced and used for our Thailand operations has come from sources certified by the IFFO Responsible Sourcing (IFFO RS) standard which is currently the best international standard on sustainable fishmeal and fish oil.



PALM OIL

We are in the process of developing the Palm Oil Traceability System which is expected to be implemented in 2018.

Currently, 89% of palm oil used in our food business has been Roundtable for Sustainable Palm Oil (RSPO) certified.



CASSAVA

We are in the process of developing cassava traceability system which is expected to be implemented in 2018.

MANAGING ON RESPONSIBLE SUPPLY CHAIN PROMOTING ON SUSTAINABLE INDUSTRY

Since 2013, not only our commitment on supply chain management has been implemented to our own supply chain, but also we have aimed to take part in improving the supply chain of the whole industry. We place great emphasis on “Animal Feed Corn” and “Fishmeal” supply chain for long-term food security, community resilience, and environmental sustainability.

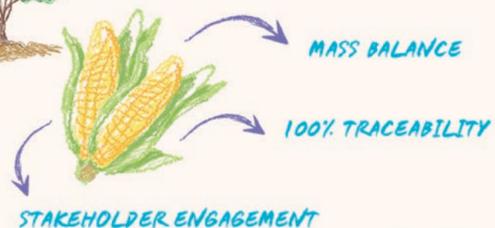
CONNECTING POLICY TO PRACTICES



CPF CORN PURCHASING POLICY

The Company only purchases corn for animal feed production from business partners and farmers that grow their products on land with legal title deed and are registered in our online traceability system.

CPF CORN TRACEABILITY



STAKEHOLDER ENGAGEMENT
Through engagement with various stakeholder groups including business partners, farmers, academia, the government and civil society.

SELF-SUFFICIENT FARMERS, SUSTAINABLE CORN PROJECT

In collaboration with Agricultural Land Reform Office, business partners and network farmers.

23 provinces in the north, middle and northeast regions.
(For more information, see page 76)



SOP KHUN MODEL - COFFEE GROWS FOREST

- Providing coffee seedlings
- Improving soil, irrigation, and base fertilizers, and preventing plant diseases
- Providing knowledge by experts

"Creating SMART FARMER...Developing SOCIAL ENTERPRISE"

SUPPORTING

The Putting Hat on the Mountain, Giving Shoes to the Foothill Project
Ban Rai, Pua District

Forest for Water Project, Digging Up Rice Field for Forest Project, Forest for Alternative Profession Project
Mueang Chang, Phu Phiang District,

The Pracharath Project to Rehabilitate Watershed Forest
Nabong, Bo Kluea District

PROMOTING SUSTAINABLE "ANIMAL FEED CORN" AND "SEAFOOD" INDUSTRIES

BUILDING CAPACITY OF BUSINESS PARTNERS

Class-Room Training
On-the-Job Training
Technology Transfer
Networking



HACCP
GMP+
IFFO RS
GLP

CPF "FISHMEAL" PURCHASING POLICY

BY-PRODUCT

We only purchase the by-product fishmeal which is traceable and sourced from processing plants certified by the IFFO Responsible Sourcing (IFFO RS) or the IFFO RS Improvers Programme (IFFO RS IP). Otherwise the by-product fishmeal must not include species at risk from extinction as defined by the World Conservation Union: IUCN Red List of Threatened Species and be traceable by third party.

BY-CATCH

The by-catch fishmeal we source must come from suppliers which have been certified according to international standards or legally examined by various parties including officials and representatives of the Department of Fisheries, traders, consumers and academia.

100% of fishmeal purchased for our Thailand operations is certified by the IFFO Responsible Sourcing (IFFO RS).

CREATING VALUE THROUGH COLLABORATION

Having supported and collaborated in:
The work of "Thai Sustainable Fisheries Roundtable" or TSFR since 2013 to develop the Fishery Improvement Plan (FIP) in the Gulf of Thailand and the Andaman sea.

The "Seafood Task Force" since 2014 to develop and promote the implementation of traceability system and fair labor practices according to international standards throughout the Thai seafood supply chain.

The "Fishermen's Life Enhancement Center (FLEC)" since 2015 to eliminate illegal labor in fishing vessels by improving quality of workers' and their families lives as well as developing community leaders and providing training.

Multi-stakeholder Initiatives by 35 producers in Thailand and retailers in the US and Europe
17 International independent organizations



22 COASTAL PROVINCES

- Promoting coastal fishery jobs
- Developing learning centers and promoting knowledge sharing on resource conservation
- Supporting researches e.g. usage of fishmeal for sustainable marine resource conservation



Establishing crab banks and marine specimen bank
Releasing marine species
Building artificial coral reefs

Planting seagrass

CONTRIBUTING TO THE CONSERVATION AND RESTORATION OF WATERSHED FORESTS AND THAI SEAS, AND SUPPORTING SELF-SUFFICIENT COMMUNITIES



SUPPORTING “SELF-SUFFICIENT FARMERS, SUSTAINABLE CORN PROJECT”

Through the successful “Self-Sufficient Farmers, Sustainable Corn Projects” in collaboration with Agricultural Land Reform Office, which began in 2014, we have provided training for farmers in the proximity with legal title deed. This is in accordance with Thai Agricultural Standard–TAS4402–2010, Good Agricultural Practices for Maize. Between 2014–2017, there were over 7,700 farmers participating in the training, covering over 195,500 rai of farming areas across 23 provinces.

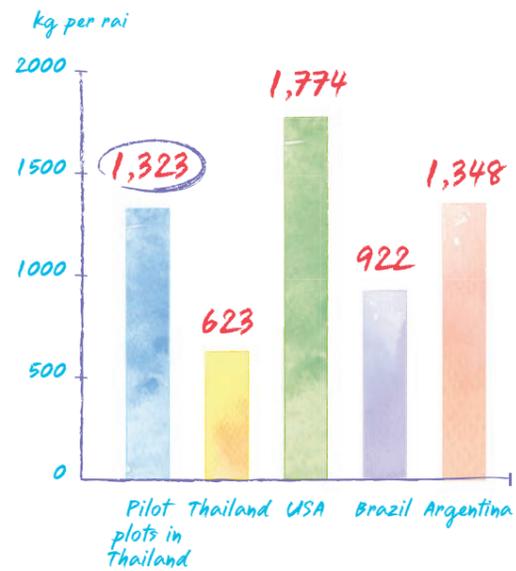
In 2017, we further expanded the scope to cover the entire supply chain from production to selling, by collaborating with Banlang sub-district Municipality and Nonthai district Agricultural Extension Office in Nakhon Ratchasima province, to develop agricultural efficiency both in the productivity and capital cost aspects. This was achieved through implementation of modern agricultural technology, promoting farmer conglomeration for leveraging smaller agricultural plots to larger agricultural plots, via demonstration of pilot agricultural plots using modern technology, under the “Self-Sufficient Farmers, Sustainable Corn Projects (Banlang Model)” at Banlang sub-district, Nonthai district, Nakhon Ratchasima province. This is to enable competitiveness at a global level, and drive towards sustainable corn plantation.

PILOT AGRICULTURAL PLOTS USING MODERN TECHNOLOGY

Upon the implementation of agricultural knowledge and modern technology by the Company and the Network Alliance, as well as demonstration of pilot agricultural plots, it appears that the yields in the pilot plots were as high as 1,323 kg per rai.

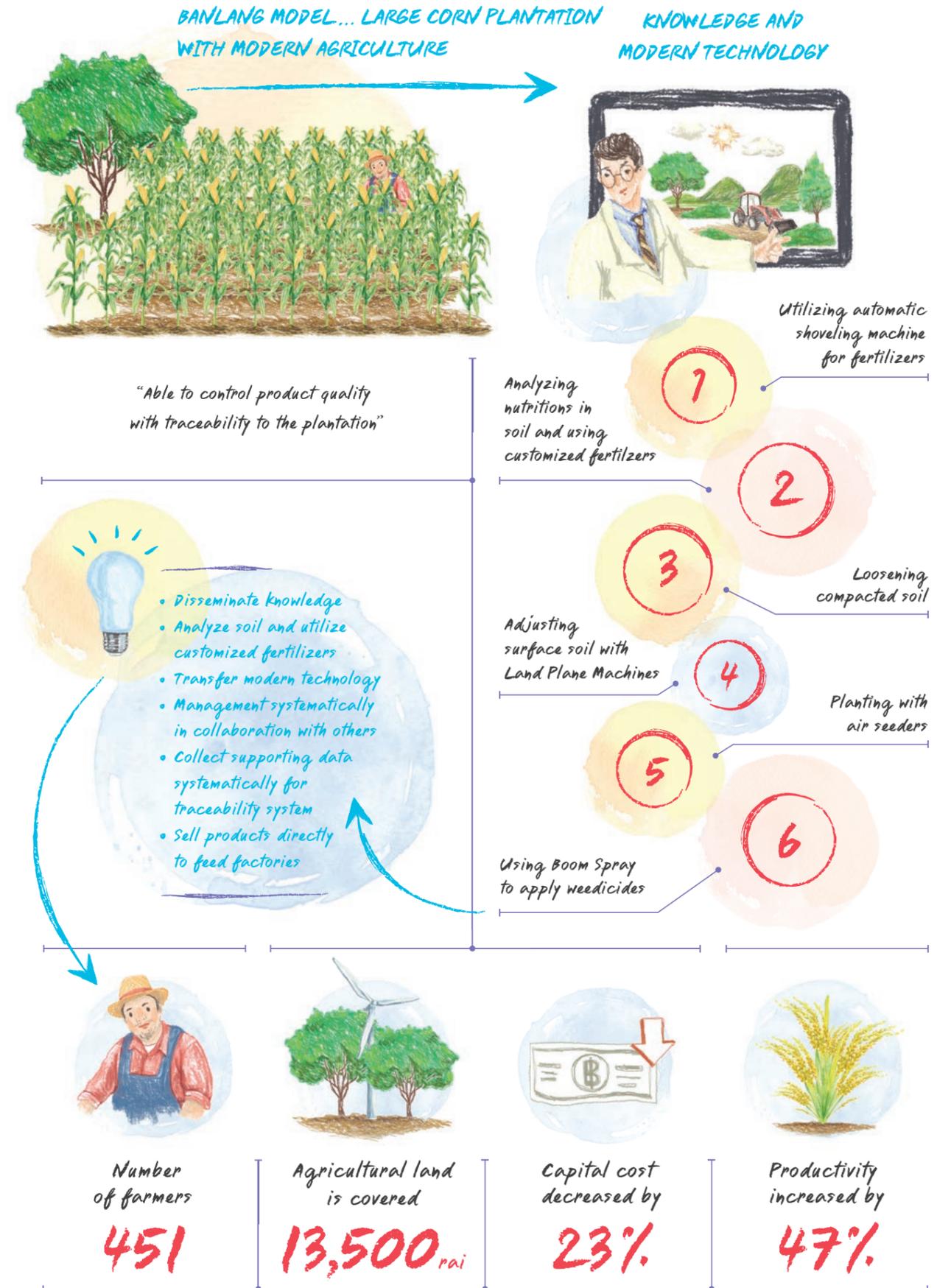
This demonstrates that application of suitable knowledge and modern technology could enable Thai farmers to have competing yields on par with global level competitors. Following the monitoring effort of participating farmers in the Project, who apply the knowledge, it was revealed that the yields per rai increased on average by 47%, whereas the capital cost decreases by 23% compared to the previous year. As a result we will promote and distribute the approach of animal feed corn from the pilot agricultural plots to a wider group of farmers in the future.

PRODUCTION YIELD IN THE PILOT PLOTS IN THAILAND COMPARING TO PRODUCTION YIELD IN OTHER COUNTRIES



PROMOTING FARMER CONGLOMERATION FOR LARGE AGRICULTURAL PLOTS

As part of our commitment to promote professional security for Thai farmers growing animal feed corn, we also promote farmers to come together as a group, to enlarge agricultural plots and elevate the management efficiency throughout the supply chain. This was achieved by providing support to farmers in the areas to plan their plantation together, manage the harvest systematically, and encourage farmers in the Project to sell their products to the animal feed factories directly. In 2017, there were 451 farmers of Banlang sub-district, Nonthai district in Nakhon Ratchasima province and its vicinity, interested in participating in the Project, equivalent to as many as 13,500 rai of agricultural land.



CO-DRIVING SEAFOOD TASK FORCE... TOWARDS THE SUSTAINABLE SEAFOOD SUPPLY CHAIN

As world's leading animal feed producer and the founding member of the Seafood Task Force (STF), we promote collaboration of all parties to address social and environmental issues in the complex seafood supply chain for a more sustainable future. We believe that no one can address this big challenge single-handedly.



For more than three years, the Company has shared information and knowledge, and provided resources to support the work of the Seafood Task Force. Our representative serves as one of the members of the Board of Directors and is the leader of the Sub Group#4 Vessel Behavior Monitoring. Among all nine sub groups, the Sub Group#4 has an important role in driving supply chain management by utilizing technology to monitor vessel behavior. We contributed to and supported the government agencies in developing an effective Vessel Monitoring System (VMS) for monitoring, control, and surveillance (MCS) of Illegal, Unreported and Unregulated Fishing (IUU fishing).



SEAFOOD TASK FORCE SUB GROUP#4

“Improving and developing sustainable Thai fishery is important and requires resources and participation. So that, the efforts of the government agencies, the private sector, and civil society will be proved by “Time”. CPF is ready to support and drive a change for a better future.”

Until now, Seafood Task Force has successfully developed the traceability model and practice Code of Conduct, with continuous collaboration with the Thai Government. This is due to the commitment to raise the traceability and monitoring system of Thai fishing boats to meet with international expectation. Notably, multiple projects are currently in progress more information of which can be found on the Progress Report at www.seafoodtaskforce.global

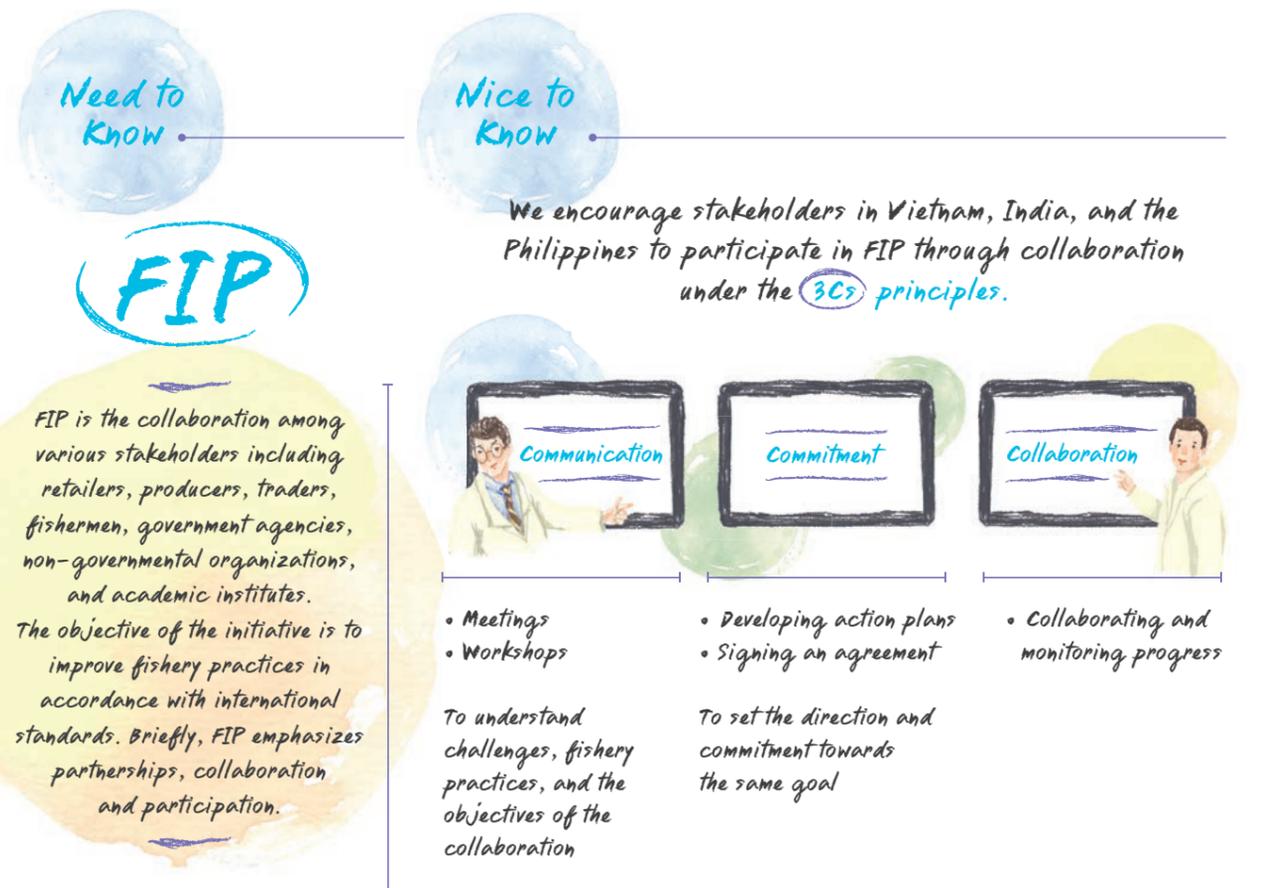
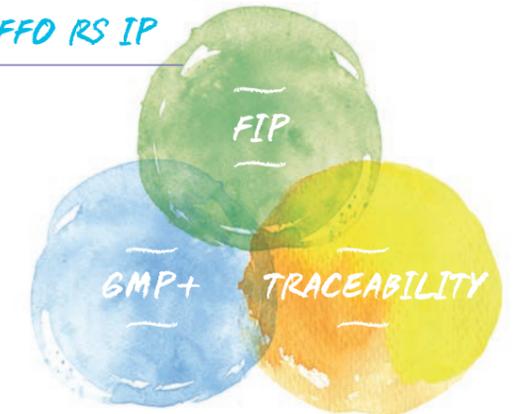
PROMOTING SUSTAINABLE FISHERY... DRIVING FISHMEAL SUPPLY CHAIN TOWARDS IFFO RS IMPROVERS PROGRAMME

From our fishmeal purchasing policy to strictly purchase by-product fishmeal from processing plants certified by the IFFO Responsible Sourcing (IFFO RS) or the IFFO RS Improvers Programme (IFFO RS IP), and by-catch fishmeal from suppliers which have been certified according to international standards or legally examined, the Company was able to work and exchange knowledge more closely with business partners and relevant parties in the supply chain.

During the past 2-3 years, we placed great importance on building capacity of business partners on Good Manufacturing Practice + Feed Certification Scheme (GMP+) and effective traceability system. This enabled our business partners to apply for IFFO certification. In 2017, we also expanded the scope of the Fishery Improvement Plan (FIP) from Thailand to cover Vietnam, India, and the Philippines to drive

our business partners towards IFFO RS IP. This also promoted participation of relevant parties for the development of sustainable fishmeal supply chain. Our target is to purchase fishmeal in four countries under the IFFO RS IP by 2018.

COMPONENTS OF IFFO RS IP



SUPPORTING COMMUNITY LIVELIHOOD

THE CHALLENGE

Poverty or economic insecurity which is caused by unemployment, increasing population, slow economic growth, and social inequality is still a challenge that impacts the quality of life of people in the society, as well as the economy and the country in general. Moreover, as Thailand and the world are entering

into the ageing society, greater burden is placed on the working population as they have to take care of the elderly.

Supports for basic needs namely, health, education, income generation, housing, and value of life are, thus, the missions that all segments of the society have to collaboratively carry out in order to progress towards a strong and secured future together.



MANAGEMENT APPROACH

Recognizing that employment and income security contribute to the livelihood of the community, economic security of the country, and food security, we place great emphasis on promoting employment that generates regular income for smallholder farmers and small entrepreneurs. At the same time, we continually carry out projects to enhance the quality of life of community and vulnerable groups. Our work follows the “4Cs to Sustainability: Competency + Creation + Collaboration + (Connection)” framework.



COMPETENCY

Utilizing the Company's competency to create positive impacts and reduce negative impacts on the society



COLLABORATION

Collaborating between the Company, employees, and all relevant parties



CREATION

Creating and sharing ideas or innovation for responsible operation



CONNECTION

Connecting with networks for efficiency and effectiveness of implementation in long-term



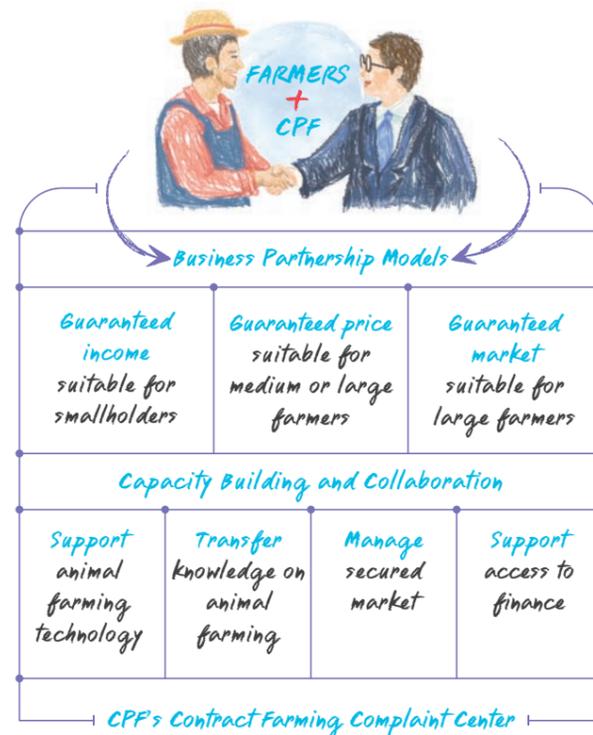
PERFORMANCE

2020 TARGET

Improve employment prospect and quality of life of 50,000 smallholder farmers, small entrepreneurs, and vulnerable groups

2017 PERFORMANCE

The Company improved employment prospect and promoted quality of life of more than 36,180 smallholder farmers and small entrepreneurs as well as people from vulnerable groups through our Contract Farming Scheme, Five Star Business, CP Community Refrigerator, CP Pork Shop Business, Self-Sufficient Farmers, Sustainable Corn Project, as well as other programs to improve the quality of life of communities surrounding the operations, and to support smallholder farmers.



SUPPORTING LIVESTOCK FOR FARMERS IN CONTRACT FARMING SCHEME

The Company has been working closely with farmers in "Contract Farming" scheme since 1975 with the aim to promote employment and support income generation among Thai farmers. The essence of the scheme is the guarantee of secured market and the assurance that contract farms are operated under the same standards as our own farms. This ultimately benefits the farmers by securing their income and our consumers by providing safe and high-quality food.

With the management system that aligns with international standards and fair business practices for mutual growth in 2017, the Food and Agriculture Organization of the United Nations (FAO) conducted a study visit for participants to learn about our scheme for their improvement for three consecutive years. Participants were from seven countries including Vietnam, Cambodia, Laos, Myanmar, the Philippines, Nepal and Bhutan.

Developed contracts using the guideline from UNIDROIT who is the most well-known independent intergovernmental organization on universal laws

In accordance with the "Partnership towards Kitchen of the World" concept to create mutual business success, we emphasize capacity building of farmers on effective farm management and

socially and environmentally responsible business practices. In 2017, we organized a total of 117 groups and one-on-one training programs for more than 5,900 farmers within the Contract Farming Scheme.



TRAINING FORMAT	
Group Training <ul style="list-style-type: none"> Meeting Seminar Workshop 	Individual Training <ul style="list-style-type: none"> Group discussion Site visit Weekly site visit and provision of guidance on farm practices Consultation
2017 TRAINING CURRICULUM	
Quality <ul style="list-style-type: none"> Good Agricultural Practice (GAP) Animal disease and its prevention 	Animal Welfare <ul style="list-style-type: none"> Importance and animal welfare principles Laws and regulations on animal welfare
Efficiency <ul style="list-style-type: none"> Cost management and production efficiency Innovation in swine farming Guidance on improvement of animal sheds Income, tax, and savings 	Social and Environmental Issues <ul style="list-style-type: none"> Fair labor practices Environmental management and living in harmony with the community Reduction of energy consumption through biogas Farm safety

"The Company has paid attention to and taken good care of my farm. They regularly send vets and animal caretakers to provide training on animal husbandry techniques. Participating in CPF Contract Farming Scheme enabled my family to have regular income. This helps me to support my children's tuition fees. Now my two children already graduated and they came back to learn about broiler husbandry to ensure that the business will be successfully passed onto them."

Mrs. Samruay Kongsukneung

The farmer who has participated in CPF Broiler Farming Program for 16 years

CP PORK SHOP... ALTERNATIVE WAY FOR BETTER QUALITY OF LIFE

With our commitment to improving the quality of life of people in the society, in 2017, we further expanded the roll out of the CP Pork Shop Project which was initiated in 2016. The Project provides an alternative income generation for small entrepreneurs and helps to enhance the safety standard of pork products under the Livestock OK Standard. The business model focuses on two forms – CP Community Fridge for Fresh Pork and CP Pork Shop. We also expanded the piloted business model from fresh pork retails to quality processed pork products such as grilled pork, fried pork, pork sausage and pork ball.

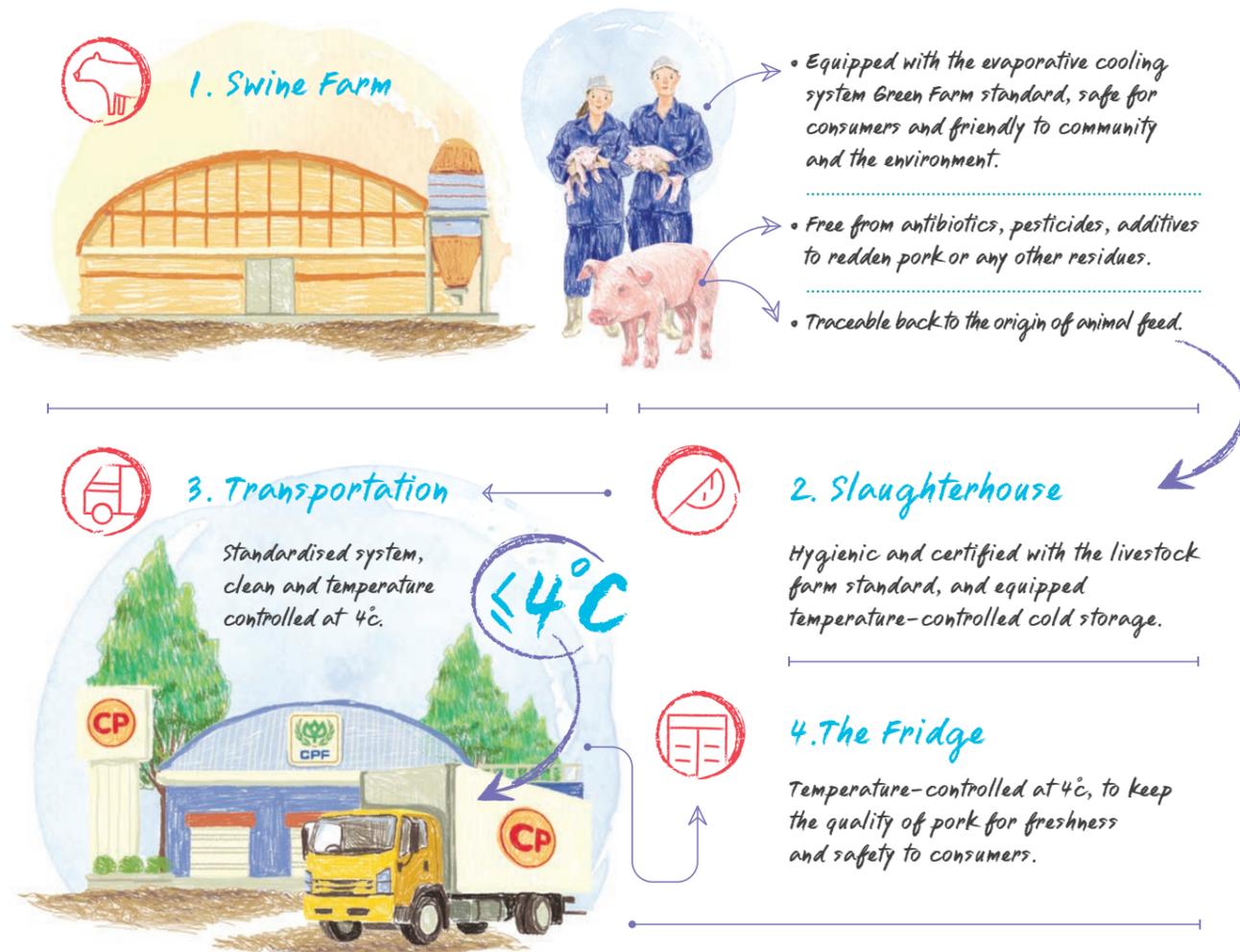


To help small entrepreneurs to become successful, we provide assistance on location selection, fridge lending and installation, marketing materials, and training on pork sales and developing value-added product. In 2017, 2,060 of small entrepreneurs have participated in the Project.

IMPROVE PORK SAFETY STANDARDS

Through standardized slaughterhouses, control of temperature during transportation to the selling points, and traceability system throughout the pork production chain.

We encouraged butchers to participate in the Department of Livestock Development's Livestock OK Standard. In 2017, there was about 52 percent of butchers who were assessed and certified. We also have the target to reach 100 percent of certified butchers by 2018.



INCREASE EMPLOYMENT IN COMMUNITIES

CP Community Fridge for Fresh Pork

- Only 17,000 Baht investment
- We support fridges and marketing materials worth 50,000 Baht
- Expected revenue of 15,000 Baht/ fridge/ month

CP Pork Shop

- 50,000–100,000 Baht investment
- We support fridges and marketing materials worth 180,000 Baht
- Expected revenue of 35,000 Baht/ shop/ month

INCREASE EMPLOYMENT OPPORTUNITIES FOR VULNERABLE GROUPS, INCLUDING PUBLIC SERVANTS, POLICE-MILITARY AND FAMILIES

The Company has supported the Department of Corrections in carrying out “Vocational Training Program for Small Pork Butchery Business: Mr.Clean Sells Pork” to increase employability opportunities for prisoners following the “One Person, One Skill” concept. This helps prisoners to develop their knowledge and skills (at least one skill per person) to meet the needs of the job market after completing their prison term.

In 2017, we helped to open provision shops in collaboration with four prisons including Klong Prem Central Prison, Samut Prakan Central Prison, Minburi Remand Prison, and Thanyaburi District Prison. A total of 80 prisoners participated in a two-day program which was provided with the following topics:

- Attitude and job motivation
- Strategy for small business management
- Accounting and financial planning

- Selling and marketing techniques
- Site preparation and business readiness
- Personality and hygiene

Since the opening in June 2017, each provision shop has generated approximately 5,000-5,300 Baht per day.

In addition, the Company also collaborated with Provincial Police Region 2 to support the opening of provision shops under the **Santirat Family Project** at Bang Lamung district, Chonburi province. The shops generate 6,000-8,000 Baht of revenue per day. We also expanded the Project scope to the First Army Area at the 21st Infantry Regiment, Queen's Guard at Camp Navamin, Muang district, Chonburi province. The shops at this army camp generate 3,000-5,000 Baht of revenue per day. This helps families of police officers and soldiers to generate alternative income and reduce living cost while also providing the surrounding communities with access to safe food.

PROMOTING QUALITY OF LIFE OF THE COMMUNITIES SURROUNDING THE OPERATIONS

To align our activities in promoting quality of life with the lifestyle and specific needs of the communities, all factories and farms have collaborated with communities by visiting and learning about the needs of communities surrounding the operations, and identifying community impacts prior to initiating projects/activities. In 2017, we supported around 500 communities through more than 400 projects/activities.

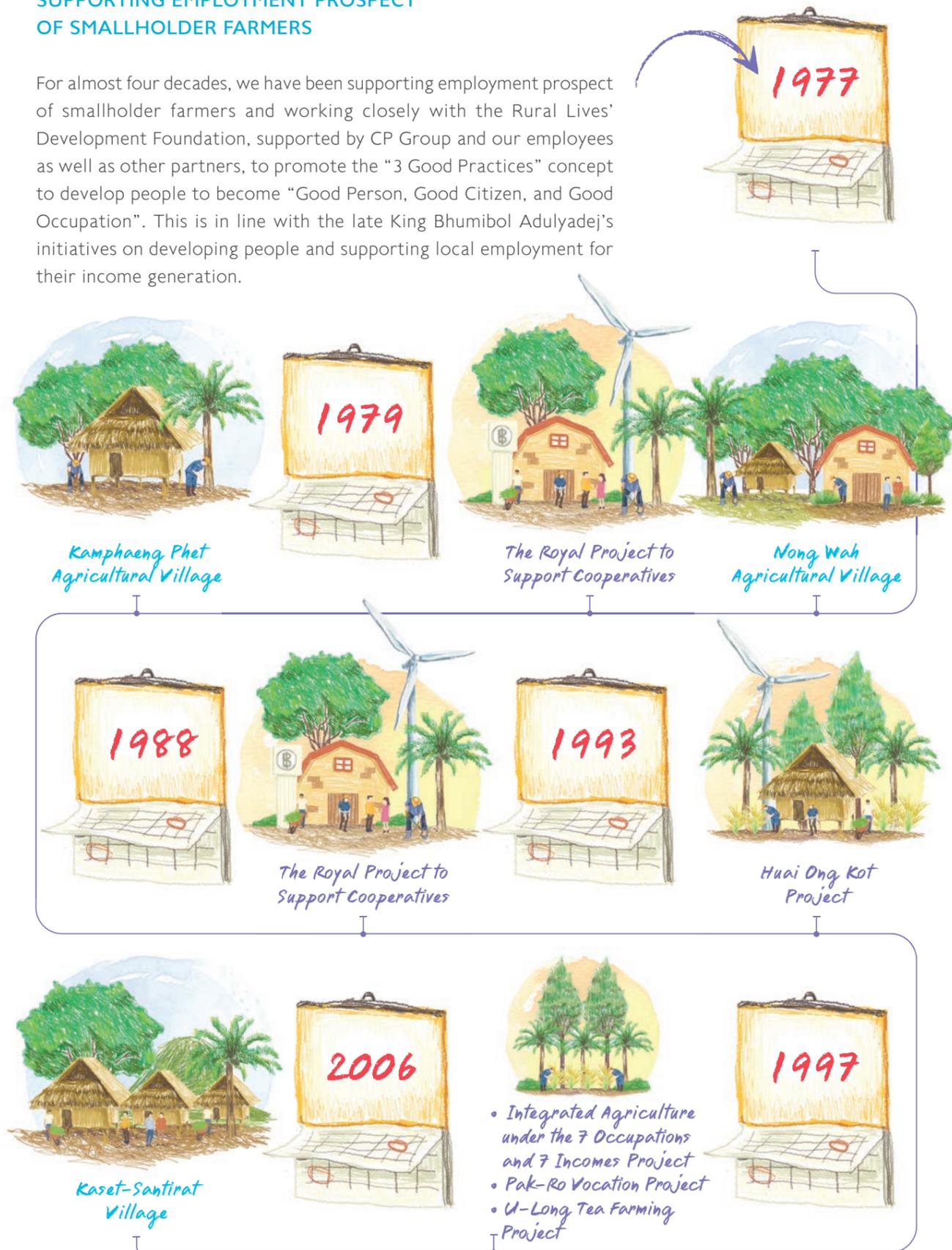
In addition, as statistics show that Thailand would become an ageing society by 2024-2025, we have provided supports through the CPF Funds for the Elderly for disadvantaged, impoverished, neglected, unaided, or disabled surrounding the factories and farms as well as the areas within our animal farming program since 2011. In 2017, we helped a total of 534 elderly people through our funds.



In 2017, we helped a total of 534 elderly people to live independently and happily.

SUPPORTING EMPLOYMENT PROSPECT OF SMALLHOLDER FARMERS

For almost four decades, we have been supporting employment prospect of smallholder farmers and working closely with the Rural Lives' Development Foundation, supported by CP Group and our employees as well as other partners, to promote the "3 Good Practices" concept to develop people to become "Good Person, Good Citizen, and Good Occupation". This is in line with the late King Bhumibol Adulyadej's initiatives on developing people and supporting local employment for their income generation.



● Carried out by the Company and Communities

● Carried out by the Company, Communities and Rural Lives Development Foundation

In 2017, the Company and the Foundation continued to support more than 10,260 smallholder farmers so that they could have a secure job and sufficient income. We helped generate economic value of more than 894 million Baht in 2017, or a total of 6,130 million Baht between 2012-2017.





**BALANCE OF
NATURE**

BALANCE OF NATURE

Crises and changes in natural resources and the environment have become increasingly intense and frequent. This has both direct and indirect impacts on food security, people's quality of life, as well as business continuity. For this reason, we are committed to conducting our business with considerations to environmental impacts throughout the entire value chain, in addition to implementing sustainable and positive impact initiatives. This is in accordance with our goals of "Reducing Environmental Footprints", along with "Protecting Biodiversity", to enhance quality of the environment and maintain ecological balance.

REDUCING ENVIRONMENTAL FOOTPRINTS

THE CHALLENGE

Agricultural and food industries are inevitably challenged by crises of natural resources and the environment. This includes, but not limited to, loss of natural prosperity, pollution, and climate change. The primary causes are population growth, economic expansion, and technological advancement, all of which affect the quantity and quality of agricultural products.

Additionally, the average global temperature has a tendency to increase. In 2017, the average global temperature became the second highest ever, after 2016¹. The water crisis has also been ranked as a top three global risks consecutively since 2014², while the amount of waste generated accounts for over 3.5 million tons per year³.

"Environmental impact mitigation requires innovation and consideration, throughout the value chain, ranging from raw material sourcing, production, transportation, consumption, to waste disposal."

1 Global Surface Temperature Data, Nasa (1964-2017)
 2 The Global Risks Report, World Economic Forum (2014-2017)
 3 World Bank Group (2014)

MANAGEMENT APPROACH

We are well aware that efficient use of natural resources is key to driving economic and social development. We, therefore, constantly assess, improve, enhance, and develop our performance throughout the value chain, in order to optimize limited resources. This is achieved simultaneously with knowledge exchange and collaboration with both national and international organizations, to

elevate the industry and society for sustainable growth. We assign the CPF SHE&En Management Committee, chaired by Corporate Operating Officer with top executives from each business units as members, to oversee and manage our operations to be in accordance with the established standards and targets.



PERFORMANCE

2020 TARGET

Reduce energy consumption per production unit by 15% compared to the base year 2015

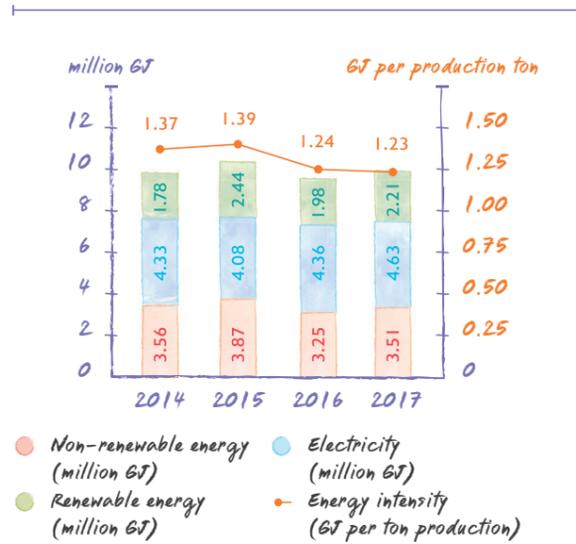
Reduce GHG emissions (scopes 1 and 2) per production unit by 15% compared to the base year 2015

2017 PERFORMANCE

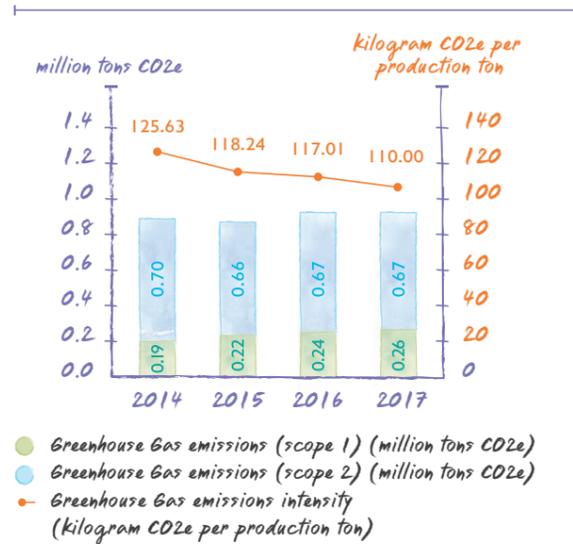
We reduced the energy consumption per production unit by 11.60% compared to the base year 2015. We also reduced Greenhouse Gas (GHG) emissions (scopes 1 and 2) per production unit by 6.97% compared to the base year 2015. These were achieved through our continuous efforts in the development and implementation of energy saving

and energy efficiency projects. In 2017, 59 new projects were initiated, including Cooling and Air Conditioning System Efficiency Improvement Project, and Highly Efficient Motor Project (more details can be found on page 97). It was projected that upon their implementation, they could reduce energy consumption by 41,760 GJ per annum, while GHG emissions would be reduced by 16,658 tons CO₂e annually, with cost savings of 47.58 million Baht yearly. Moreover, with our determination to increase energy efficiency as previously mentioned, as well as our efforts to reduce fossil fuel consumption and to increase renewable energy use, in addition to the decrease in the emission factors of GHG emissions from Thailand's electricity generation in 2017, the proportion of GHG emissions per production ton reduced by 5.99% compared to 2016.

ENERGY CONSUMPTION



GREENHOUSE GAS EMISSIONS (SCOPE 1 AND 2)



OUR INITIATIVES ON ENERGY EFFICIENCY AND GHG REDUCTION

Year	Number of projects	Energy saving (GJ)	Greenhouse Gas emission reduction (ton CO ₂ e)	Cost saving (million Baht)
2017	59	41,760	16,658	47.58
2016	104	80,000	7,200	50.60
2015	21	12,000	3,250	19

SUPPORTING THE LOW EMISSION SUPPORT SCHEME (LESS)

Since 2015, we have participated in the Low Emission Support Scheme (LESS) carried out by Thailand Greenhouse Gas Management (Public Organization) or TGO. We have implemented activities for energy consumption reduction, energy efficiency, waste management, as well as conservation and restoration of forests and green spaces, registered with LESS, to support and raise awareness of GHG emission reduction activities in Thailand.

Year	Number of operations	Greenhouse Gas emission reduction (ton CO ₂ e)	Greenhouse Gas stored (ton CO ₂ e)
2017	121	715,561	4,665
2016	47	3,294	9,084
2015	58	5,095	17,945

DEVELOPING PRODUCT SUSTAINABILITY

The Company has implemented CPF's Product Sustainability Project since 2012, by applying the assessment of product life cycle and operational eco-efficiency to the design, development and management of production throughout the value chain. This is to create sustainable products with an emphasis on four dimensions; economy, environment, society, as well as food quality and safety. In 2013, DNV-GL, a global certification body, certified our chicken product as the first sustainable chicken products in the world. Additionally, we have also undertaken Carbon Footprint Label Project since 2008, and Carbon Footprint Reduction Label Project since 2015 until present.

In 2017, we implemented CPF Green Revenue Project with the aim of measuring our revenue generated from green product groups. It is included products under Product Sustainability as well as products with Carbon Footprint, Carbon Footprint Reduction, and Water Footprint labels certified by TGO.

PREPARING... FOR CLIMATE CHANGE

Apart from the efforts in mitigating climate change impacts, we also place great emphasis on the adaptation of any incoming changes, especially of risks that may affect the security of agricultural sourcing for our production. Strategic management guideline has been established, for short, medium, and long terms to increase the adaptation capacity to climate change as followed:

- **Short term** - monitoring the balance of demand and supply, exploring sources for our critical raw materials, and utilizing satellite information to support the analysis on the likelihood of past climate, to aid the forecasts of future external factors that may impact current raw material sourcing.
- **Medium term** - conducting research and development on alternative materials that may substitute critical raw materials, particularly those with the risks of being affected by climate change.
- **Long term** - building capacity of agricultural suppliers through dissemination of knowledge and technology to enable them to adapt and become self-sufficient amidst climate change.

In 2017, the revenue generated from GREEN PRODUCTS was 21,978 million Baht, or equivalent to 12.32% of Thailand's revenue

PERFORMANCE

2020 TARGET

Reduce water withdrawal per production unit by 25% compared to the base year 2015

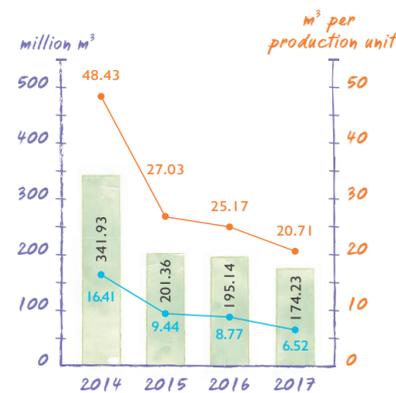
2017 PERFORMANCE

We reduced water withdrawal per production unit by 23.38% compared to the base year 2015. This was due to the fact that our Aquaculture business, consumed water up to 77.40% of all the business units, continuously improve disease management in our shrimp farming. Sufficient

space was arranged, with the nursing method adjusted by increasing the pumped air rate, and by reusing treated water. This resulted in reduction of water withdrawal in the Aquaculture business unit by 14.78% compared to 2016. This effort helped reduce the Company's total water withdrawal per production unit significantly in 2017.

Furthermore, we also focus on the efficient use of water in swine and broiler farming businesses, as well as recycling water to decrease wastewater volume.

TOTAL WATER WITHDRAWAL



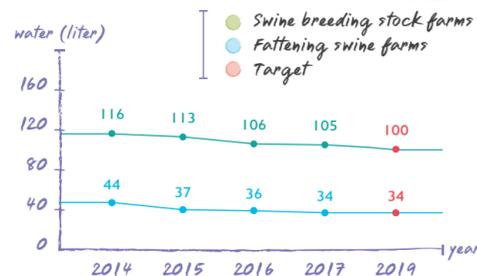
Reused treated water in non-production process

13.86%

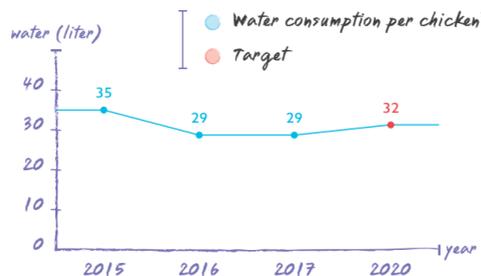
- Total water consumption (million m³)
- Water withdrawal per production unit (m³ per production unit)
- Freshwater withdrawal per production unit (m³ per production unit)

Remark: Freshwater means water containing TDS < 1,000 mg/L according to WHO standard

WATER CONSUMPTION PER SWINE PER DAY



WATER CONSUMPTION PER CHICKEN



Remark: Average weight of chicken approx. 2.5 kg

WATER SCARCITY RISK ASSESSMENT

We recognize the importance of water resource to our agricultural and food integrated business continuity whereas are well aware of the increasingly severe drought. We, therefore, place emphasis on location selection of our operational sites, based on risk management of fundamental public utility. This is also done simultaneously with promotion and development of effective water consumption, particularly in our Animal Farming business which is a water-intensive business higher than other businesses.

Moreover, we also have a proactive water management approach, through water stress area assessment for both the locations of our operational sites, and our suppliers' sites, specifically on those with high annual water consumption volume. WBCSD's Global Water Tool, a water risk assessment tool, is utilized to help us identify areas with the water scarcity risks. The identified data can then be used to analyze and establish appropriate and sufficient water

management, as well as allowing collaboration with suppliers at risk, through setting certain measures to mitigate water scarcity risks.

In 2017, the result from assessment of sites in Thailand, both of the Company's and our suppliers' in water-intensive businesses, reveals that 0.9% and 25% are located in areas of extreme scarcity, respectively. In response to this, we have water risk-related management plan in place, along with engaging with communities to listen to their concerns regarding water consumption. In addition, a staff has been allocated to provide knowledge and to support suppliers in setting up a water scarcity risk response plan. All of these efforts not only reduce the operational risks of both the Company's and the suppliers', but can also reduce impacts that may incur to the surrounding communities when water is scarce, which could happen at present or in the future.

PERFORMANCE

2020 TARGET

Reduce waste disposal to landfill and incineration per production unit by 30% compared to the base year 2015

2017 PERFORMANCE

We successfully reduced waste disposal to landfill and incineration per production unit by 9.08% compared to the baseline year of 2015, due to the application of 4Rs principle to the waste disposal reduction, such as recycling sediments from wastewater system as fertilizers instead of landfilling. However, as per production, the amount of waste increased from 3.36 kilograms in 2016 to 3.67 kilograms in 2017, resulting from demolition of a production building at a livestock feedmill and the general municipal waste of the animal feed business accumulated in 2016.



- Waste disposal to landfill (thousand tons)
- Waste disposal by incineration (thousand tons)
- Waste disposal to landfill and incineration per production unit (kilogram per production unit)

CREATING GREEN INNOVATION THROUGHOUT THE VALUE CHAIN

"Green innovation and technology" not only help us overcome limitations, and increase business efficiency, but also aid in elevating quality of life of the society, as well as maintaining balance of nature and ecosystem. The Company, therefore, continuously innovates and develops process and product innovation for the environment, to maintain the economic, social and environmental equilibrium progressively.

PART OF THE ENVIRONMENTAL INNOVATION THROUGHOUT CPF'S VALUE CHAIN IN 2017

1 RAW MATERIAL SOURCING
Transferred knowledge and technology in increasing production efficiency and capacity building, in water and fertilizer management, which helps reducing GHG emissions.

2 ANIMAL FEED PRODUCTION
59% of the animal feed production replaced feed plastic bags with Bulk Feed Tanks.

- helped reducing plastic bag usage by **8,755** tons.
- was equivalent to GHG reduction of **17,000** tons CO₂e.

3 ANIMAL FARMING
Swine manure from every swine farm is used to produce electricity.

- saved electricity bill by **53%**.
- was equivalent to GHG reduction of **284,005** tons CO₂e.

- Electricity generation from biogas is expanded to chicken manure.
- reduced electricity consumption by **6.99** million MJ.
- was equivalent to GHG reduction of **13,087** tons CO₂e.

Pathiew Shrimp Genetic Improvement Center* used Reverse Osmosis (RO) process in wastewater treatment to obtain freshwater and seawater.

- reduced freshwater consumption by **0.18** million m³.
- reduced seawater consumption from natural sources by **0.44** million m³.

Remark: based on natural methods.

BIOGAS SYSTEM



4 FOOD PRODUCTION
Collaborated with Department of Alternative Energy Development and Efficiency, Ministry of Energy, to pilot and modify equipment, including machines in the cooling and air conditioning systems in **11 business units**

- was projected to reduce electricity consumption by **30.49** million kwh per year.
- was equivalent to GHG reduction of **4,606** tons CO₂e per year.

Replaced Water Chillers with Air Chillers to reduce the remaining chicken temperature for the first time in Thailand since 2011 at Korat Poultry Further Processing Plant

- reduced water consumption by **521,472** m³.
- reduced energy consumption by **1.82** million MJ.
- was equivalent to GHG reduction of **3,403** tons CO₂e.

Chicken meat, live chickens, chicks, and CP Shrimp wontons products received Carbon Footprint Reduction labels

5 DISTRIBUTION
Bang Nam Prieo Distribution Center (DC), Chachoengsao province, is the first automatic DC in Thailand and in Southeast Asia to be certified by LEED (Leadership in Energy and Environmental Design) at the **Gold** level. It was designed to

- reduce water consumption by **40%** per year.
- is equivalent to GHG reduction of **1,300** tons CO₂e per year.
- reduce energy consumption by **24%**.

6 CONSUMPTION
Ready meals require no energy for heating, which helps reduce GHG emissions. They include CP Delight's Tender Chicken Breast, Garlic and Pepper Tender Chicken Breast, and Tender Chicken Breast with Chilies.

7 DISPOSAL
Aimed to design our packaging with considerations to environmental impacts. In 2017, paper and plastic usage was reduced by **185** tons, or over **2,315** tons since 2007.

Reduced usage of petroleum-based plastic "Polyethylene Terephthalate (PET)", by using plant-based and biodegradable packaging "Polylactic Acid (PLA)" in food products for the first time in Thailand

- was equivalent to GHG reduction of **131,361** kg CO₂e.



PROTECTING BIODIVERSITY



THE CHALLENGE

Between 1970 and 2016, the Living Planet Index (LPI) has demonstrated the decreasing tendency by 58%⁴. Biodiversity state in Thailand, considering as one of the highest in the world, is seriously concerned. This is due to the increase in natural resource utilization according to the drastically increased demand in consumption, as well as illegal deforestation, residential expansion, and various anthropogenic activities. These happen regardless of the limited natural resources, resulting in rapidly declining biodiversity.



MANAGEMENT APPROACH

We are fully aware that an ecosystem can flourish from the intertwined food chain of flora and fauna which are complex and diverse in nature. Such an ecosystem is also the source of fresh air, clean water and fertile soil. With this in mind, we, therefore, give great priority to protection of biodiversity. This goes beyond the Company's territories, rather

it starts from raw material sourcing, production, to responsible and environmentally-friendly distribution. We also take part in restoration and preservation of watershed areas, for the sake of natural resource's security, which will in turn facilitate the balance and sustainable way of lives and business operations.

RESPONSIBLE SOURCING

Implementing the Sustainable Sourcing Policy which requires all sourcing activities to be done with no relation to deforestation or violation to marine resources⁵



ECO-FRIENDLY MANUFACTURING AND FARMING

Conducting our feed, farm and food businesses in an environmentally-friendly manner. All business units are required to comply with the applicable laws and regulations as well as our CPF SHEAEn Standard while the assessment of the impact that may occur from business operations should also be carried out regularly⁶

SITE SELECTION AND SCREENING

Selecting appropriate locations which must be outside conservation areas, in accordance with regulations and international agreements



RESTORATION

Collaborating with the public and civil society sectors, to conserve and restore green areas, both within and around our operations, as well as upstream forests and mangrove forests

⁴ Living Planet Report 2016, World Wildlife Fund for Nature (WWF)

⁵ Details on Management Approach and Performance of "Responsible Sourcing", please refer to page 70

⁶ Details on Management Approach and Performance of "Environmental Footprint Reduction", please refer to page 90



PERFORMANCE

2020 TARGET

Protect biodiversity in mangrove forest and watershed forest in strategic areas and within the boundary of operations covering the areas of 9,000 rai

2017 PERFORMANCE

We played our part in protecting biodiversity in mangrove forest and watershed forest in the country's strategic areas, as well as green areas within our operations, which covered a total of 5,969 rai through "CPF Grow-Share-Protect Mangrove Forestation" and "CPF Rak Ni-Ves" Projects.

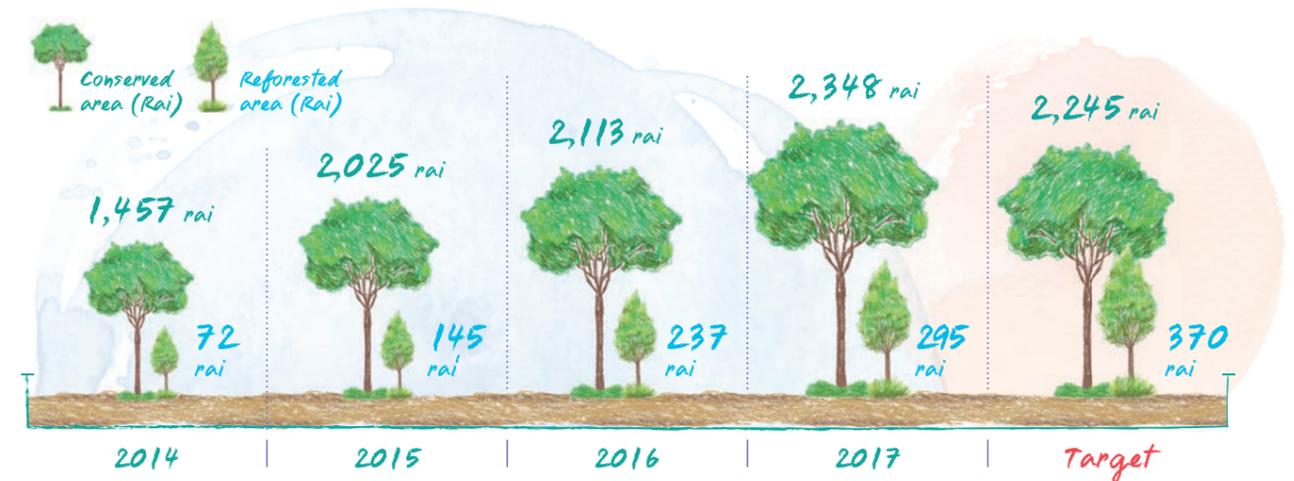
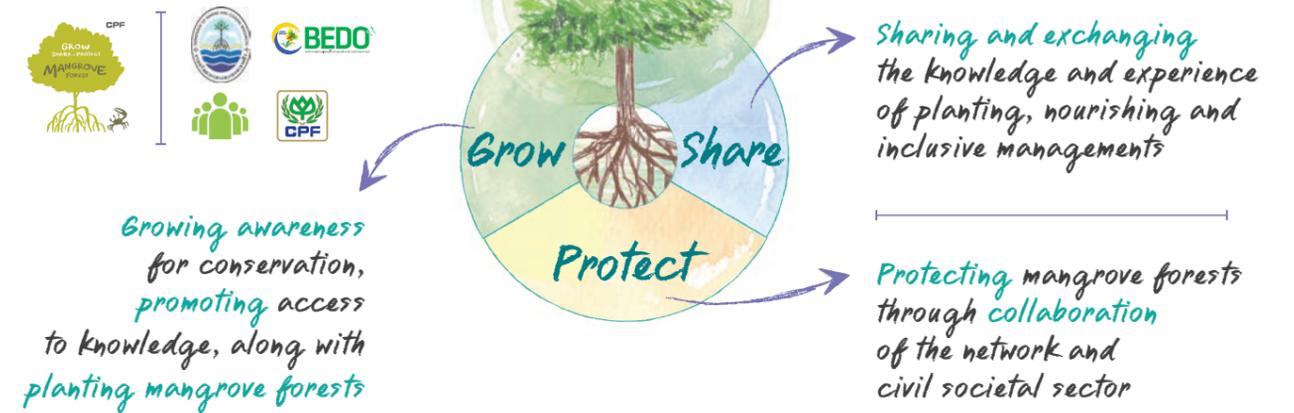


We recognize the importance of coastal seawater quality which is beneficial to marine resource conservation and our Aquaculture business. In addition, mangrove forests are food sources of various aquatic lives, hatching and haven areas for young aquatic lives, the sources of food and income for humans, as well as the sources of woods for construction, fuel and other purposes. They also have capacity to absorb and store pollutions from agricultural, industrial, and household activities. Taking all of these factors into consideration, we, therefore, have continuously collaborated with our

alliance network to implement the "CPF Grow-Share-Protect Forestation Project", in accordance to our five-year Mangrove Forest Strategic Plan (2014-2018), in five strategic areas which are in Chumphon, Rayong, Samut Sakhon, Songkhla, and Phang Nga provinces.

In 2017, the 4th year of the Project implementation, we achieved our goal of conserving 2,245 rai and reforesting 316 rai of mangrove forest. Moreover, we have piloted the Ecotourism routes in 2 provinces, Samut Sakhon and Rayong.

CPF GROW-SHARE-PROTECT MANGROVE FORESTATION PROJECT



SOCIAL INNOVATION AND CAREER SUPPORT FOR A BETTER LIVELIHOOD



SAMUT SAKHON PROVINCE

INCOME-GENERATING BIO-CHARCOAL (BIOCHAR)

Transferring the production knowledge of biochar, produced from applying suitable amount of heat to branches, leaves, barks, fruits, pieces of plants. The heat would destroy chemical bonds and leave only charcoals with carbon dioxide. This biochar could be used for fertilizers and development of odor absorbers. Revenue generated from the sales could be returned to the Villagers' Fund for further sustainable management of mangrove forests.

CHUMPHON PROVINCE

CHUMCO MANGROVE FORESTATION LEARNING SPACE

Being selected as one of the 9 tourist destinations in Chumco sub-district, Pathiew district. Tourists can enjoy rowing to observe the ecosystem of fruitful forests and their biodiversity. The Learning Space was established through the collaboration of the alliance network in their earnest growing and maintaining.

PHANG NGA PROVINCE

THALASSINA, AN ENDANGERED ANIMAL
Collaborating with the Faculty of Forestry, Kasetsart University in research and study on factors affecting Mae Hob's biodiversity was conducted. Thalassina is an aquatic animal with an appearance akin to that of shrimps and crabs. It favors tilting the soil from the lower layer to pile up on top, until it becomes similar to termite mounds. It helps restore the soil surface to become porous, providing more air in the soil.



RAYONG PROVINCE

ENVIRONMENTALLY-CONSCIOUS JUNIOR GUIDES

Entailing development of over 30 youths so that they can provide a tour guide around the CPF Grow-Share-Protect Mangrove Forestation Learning Center, Pra Sae Riverbasin, as well as provision of knowledge to those interested parties. There are over 550 visitors each year.

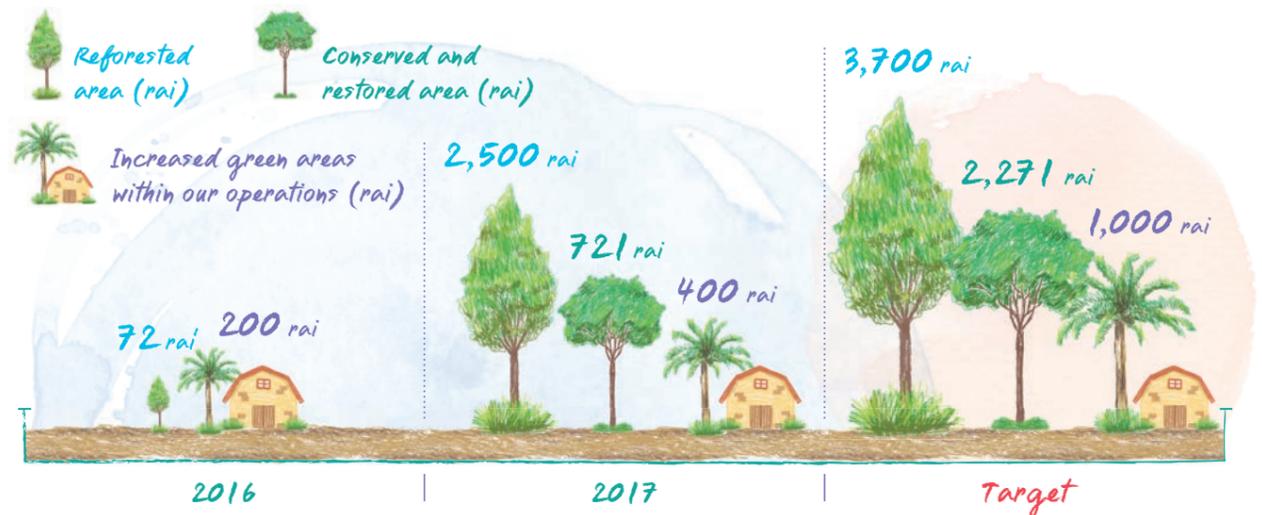
SONGKHLA PROVINCE

STINGLESS BEES CONSERVING OF MANGROVE FORESTS

Supporting communities in the surrounding of the Project's areas, to raise "stingless bees", which are environmentally-important small insects acting as the pollinators for plants to bear fruits. Part of the income from selling stingless bee combs would be augmented to the Fund for mangrove forest maintenance, so that the forest can be served as a learning center, and to ensure the sustainable mangrove forest.

CPF RAK NI-VES PROJECT AT PASAK WATERSHED KHAO PHRAYA DOEN TONG, LOPBURI PROVINCE

The Pasak watershed is a critical water source for agricultural and industrial uses in 5 provinces, which are Leoi, Petchabun, Lopburi, Saraburi, and Phra Nakhon Si Ayutthaya. It is also of significance to our Feed, Farm, and Food businesses. Consequently, we have joined hands with our alliance network to implement the CPF Rak Ni-Ves Project at Pasak watershed - Khao Phraya Doen Tong, Lopburi province, with a five-year strategic plan (2016-2021) to ascertain biodiversity conservation and restoration at the Pasak watershed. The Watershed covers the area of 5,900 rai across Khao Phraya Doen Tong. The implementation of this project also supports the EU's 2020 Biodiversity Targets.



As a result of our consistent commitment to protecting biodiversity, we received Thailand PES Award from the Biodiversity-based Economy Development Office (Public Organization), or BEDO, in recognition of great services to the ecosystem in accordance to the Payment for Ecosystem Services (PES) Principle⁷. The three areas recognized by the award comprise CPF Grow-Share-Protect Mangrove Forestation Project in Chumphon and Samut Sakhon

provinces, which won consecutively in 2015 and 2016 respectively. Another area awarded in 2017 was CPF Rak Ni-Ves Project at Pasak watershed - Khao Phraya Doen Tong, Lopburi province. Selection criteria for the Award are the project that locates in concrete areas and enables to build network in order to exchange knowledge and develop the project implementation in accordance with international standards.

⁷ Crux of the mechanism is stakeholder engagement. Beneficiaries of the ecosystem provide remuneration for those in conservation roles, enabling economic development for communities. (Source: Office of the National Economic and Social Development Board)

APPENDIX



Thurs 28th - Sun 1st

Every one meal of the night & flight 7:45 am (with dinner at 11) and find minutes to check in to the hotel and find some place near the hotel for company (1.2 hrs) at 11 am this is back to hotel at 6 pm

Day 2 -

Try to collect some and buy the stuff at 5 pm, (at 10 pm) by change company info. Tracking stuff at 11:30 pm (1.2 hrs) walk through the forest. Let compare and have some info

- factory (Kadisi)
- at work/meal at 10:00 am
- at 11:00 am at 11:00 am
- at 11:30 am at 11:30 am
- at 12:00 pm at 12:00 pm

Day 1 -

at 11:30 am at 11:30 am (1.2 hrs) at 11:30 am (1.2 hrs) at 11:30 am (1.2 hrs)

Day 4 -

at 11:30 am at 11:30 am (1.2 hrs) at 11:30 am (1.2 hrs)

G4-22, G4-28, G4-32, G4-33

ABOUT THIS REPORT

Choroen Pokphand Foods PCL., also known as CPF, has established our Sustainability Report 2017, to communicate our continuous commitment on economic, social, environmental, and corporate governance responsibilities. This report discloses our sustainable performance from 1st January to 31st December 2017 of CPF and our subsidiaries in Thailand, referred to as “the Company”, as indicated in the table below.

The report adheres to the Global Reporting Initiative version 4 (GRI G4) and additional disclosure guideline for Food Processing Sector Supplement (FPSS). In addition, this report includes a Communication on

Progress (COP) at the Advance level in compliance with United Nations Global Compact (UN Global Compact). We also supports the Sustainable Development Goals (SDGs).

The report conforms to GRI guidelines in accordance with core option and is also subjected to independent third party assurance by Lloyd Register’s Quality Assurance Ltd., (LRQA) for environmental, and occupational health and safety performances as shown in page 129. The financial performance is reviewed by KPMG Poomchai Audit Ltd., and details are shown in the Auditor’s Report in the 2017 Annual Report.

G4-17

COMPANIES WITHIN THE SCOPE OF THIS REPORT

Business/ Company	Environmental Performance				Social Performance	
	Energy	Water	Waste	Emission	Occupational Health and Safety	Human Resource
1. Charoen Pokphand Foods PCL.	•	•	•	•	•	•
2. CPF Thailand PCL.	•	•	•	•	•	•
3. Bangkok Produce Merchandising PCL.	-	-	-	-	-	•
4. Chester’s Food Co., Ltd.	•	•	•	•	•	•
5. CPF Trading Co., Ltd.	•	•	•	•	•	•
6. CP Merchandising Co., Ltd.	-	-	-	-	-	•
7. CPF Training Center Co., Ltd.	-	-	-	-	-	•
8. CPF IT Center Co., Ltd.	-	-	-	-	-	•
9. CPF Research & Development Center Co., Ltd.	-	-	-	-	-	•

Remarks:

- Economic performance and its reporting boundary can be found in the Company’s Annual report. This report presents only some parts of the summarized information on pages 16.
- Environmental and Occupational Health and Safety performances cover all manufacturing plants, as well as some of retail and food outlet businesses including Five Star, Chester’s, CP Fresh Mart but excluding headquarters, offices, CP Kitchen and CP Food World.
- CPF Research & Development Center is under construction.



G4-18

PROCESS FOR DEFINING REPORT CONTENT

The material sustainability aspects presented within this report are assessed from both of the Company’s internal and external issues. The Company abides by the four principles of GRI G4 including Sustainability Context, Materiality, Completeness and Stakeholder Inclusiveness. The process for assessing the material sustainability aspects is as follows:

STEP 1 IDENTIFICATION

The Company identified material aspects based on the internal and external factors of the Organization, such as CPF Strategic Direction, CPF Sustainability Direction, CPF’s risks, CPF’s material aspects identified in 2016, material aspects benchmarked against industry peers, and global sustainability trends identified from international sustainability standards. In the meantime, the Company gathered the stakeholder’s opinions and views from stakeholder engagement surveys.

STEP 2 PRIORITIZATION

Executives/ Heads of relevant Departments and eight groups of stakeholders prioritized the aspects identified in Step 1 through an online assessment platform based on two conditions: significance to CPF’s business and to our stakeholders.

STEP 3 VALIDATION OF IDENTIFIED ASPECTS

The Company’s CSR&SD Department primarily validated the identified material aspects, along with conducting interviews with external stakeholders which are a Capital Market Developer, a Business Partner and a Non-governmental Organization, to gather their opinions on aspects that are significant to the sustainability of an Agro-industry and Food business. The information regarding stakeholders’ focus on the management of those aspects was also collected from this interview.

The validated material aspects were then presented to the CSR&SD Sub-Committee to approve and confirm that they are under the boundary of the organization’s internal and external impacts. Additionally, an external party was employed to verify and validate our sustainability reporting process based on GRI G4, and to evaluate the reliability of the selected data set.

STEP 4 DEVELOPMENT AND CONTINUOUS IMPROVEMENT

The Company provides channel for feedback, views, and suggestions in order to development and improve the contents for the next year’s report. We continue to adhere to the Stakeholder Engagement and Sustainability Context Principles.

G4-19

OUTCOMES OF THE MATERIALITY ASSESSMENT 2017



G4-20 to G4-21

IMPACT BOUNDARY

Topic	Material Aspects	GRI Aspects	Within the Organization					Outside the Organization		
			Feed Business	Farm Business	Food Business	Retail Business	Others i.e. Services/ Investment & Trading	Business Partner	Customer/ Consumer	Society
Corporate Governance, Risk Management and Compliance	• Governance and Business Ethics	• Anti-Corruption	•	•	•	•	•	•	•	
	• Human Rights and Labor Practices	• Human Rights Assessment • Supplier Human Rights Assessment	•	•	•	•	•	•	•	

Topic	Material Aspects	GRI Aspects	Within the Organization					Outside the Organization		
			Feed Business	Farm Business	Food Business	Retail Business	Others i.e. Services/ Investment & Trading	Business Partner	Customer/ Consumer	Society
People Development	• Human Capital Development	• Training and Education	•	•	•	•	•	NA	NA	NA
	• Innovation Management	• Numbers of Innovations and Innovators*	•	•	•	•	•	•	•	•
	• Human Rights and Labor Practices	• Employment • Diversity and Equal Opportunity • Labor Practices • Grievance Mechanisms	•	•	•	•	•	•	NA	NA
	• Occupational Health and Safety	• Occupational Health and Safety	•	•	•	•	NA	•	NA	NA
Food Security	• Food Quality & Safety	• Consumer Health and Safety	•	•	•	•	•	•	•	•
	• Animal Welfare	• Animal Welfare	•	•	•	NA	NA	•	•	NA
	• Health and Nutrition	• Healthy and Affordable Food	•	•	•	•	NA	•	•	•
	• Product Labeling	• Product and Service Labeling	NA	NA	•	•	NA	•	•	•
Self-Sufficient Society	• Responsible Sourcing	• Supplier Assessment for Labor Practices • Supplier Human Rights Assessment • Supplier Environmental Assessment	•	•	•	•	•	•	NA	NA
	• Social Impact on Community	• Local Communities	•	•	•	•	NA	•	NA	•
Balance of Nature	• Energy Management	• Energy	•	•	•	•	NA	•	NA	•
	• Climate Change and GHG Emissions	• Emissions • Water • Effluents and Waste	•	•	•	•	•	•	NA	•
	• Water Management	• Biodiversity	•	•	•	•	NA	•	NA	•
	• Waste Management		•	•	•	•	NA	•	NA	•
	• Product Packaging Management		•	•	•	•	NA	•	•	•
	• Biodiversity Protection		•	•	•	•	•	NA	NA	•

Remarks:

- NA = not applicable
- Numbers of Innovations and Innovators are the Company's Key Performance Indicators for Innovation Management

G4-24 to G4-27

STAKEHOLDER ENGAGEMENT

The Company believes that stakeholder engagement is a critical foundation to becoming a sustainable organization. We define stakeholders as all persons or organizations that are affected by our business activities.

We continuously conduct an analysis to identify stakeholders and emphasize on engagement through a variety of activities and communication channels. The frequency of communication with each stakeholder group is different depending on the Company's work plan and our understanding of stakeholders' needs, opinions, concerns, and suggestions. They will be valuable inputs for improvement of business approach

to be in line with fair and appropriate sustainability practices.

As a process for 2017 sustainability reporting, the Company combined stakeholders' feedback covering economic, social, and environmental aspects and hence pre-screened priorities. We also conducted one-on-one interviews with representatives from stakeholder groups including a Capital Market Developer, a Business Partner and a Non-governmental Organization to gather their views on the Company's sustainability. The feedback from these external stakeholders is also used to shape the report content.



G4-5, G4-31

CONTACT POINT

For additional information or inquiries on this report, please contact us at Office of Corporate Social Responsibility and Sustainable Development

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PEOPLE PERFORMANCE DURING 2014-2017

GRI	Performance	Unit	2014		2015		2016		2017		
			Male	Female	Male	Female	Male	Female	Male	Female	
G4-10	Total workforce	persons	62,209		62,820		66,087		71,131		
			28,952	33,257	31,202	31,618	32,480	33,607	35,027	36,104	
	By employment contract										
	- Employees	persons	12,706	7,429	12,085	7,664	11,787	7,602	12,401	8,384	
	- Workers	persons	16,246	25,828	18,821	23,933	20,361	25,932	21,473	27,432	
	- Supervised workers (Full Time Equivalent)	persons	ND	ND	296	21	332	73	1,153	288	
G4-LA12	EMPLOYEE DIVERSITY										
	By level										
	- Top management	persons	348	62	372	73	370	77	364	79	
			percent	0.56	0.10	0.59	0.12	0.56	0.12	0.51	0.11
	- Middle management	persons	1,315	535	1,314	566	1,311	549	1,399	574	
			percent	2.11	0.86	2.09	0.90	1.98	0.83	1.97	0.81
	- Management	persons	1,927	987	1,987	1,090	2,107	1,121	2,151	1,145	
			percent	3.10	1.59	3.16	1.74	3.19	1.70	3.02	1.61
	- Staff	persons	9,116	5,845	8,412	5,935	7,999	5,855	8,487	6,586	
			percent	14.65	9.40	13.39	9.45	12.10	8.86	11.93	9.26
	- Worker	persons	16,246	25,828	18,821	23,933	20,361	25,932	21,473	27,432	
			percent	26.12	41.52	29.96	38.10	30.81	39.24	30.19	38.57
		By age									
		- Under 30 years old	persons	8,127	8,155	11,229	9,964	11,885	10,994	12,362	11,966
				percent	13.06	13.11	17.87	15.86	17.98	16.64	17.38
		- 30-50 years old	persons	18,590	21,767	18,255	19,688	18,787	20,397	20,459	21,293
				percent	29.88	34.99	29.06	31.34	28.43	30.86	28.76
		- Over 50 years old	persons	2,235	3,335	1,718	1,966	1,808	2,216	2,206	2,845
				percent	3.59	5.36	2.73	3.13	2.74	3.35	3.10
	G4-LA1	NEW HIRES									
Employee											
Number of new hires		persons	1,468		1,281		922		1,835		
			839	629	706	575	521	401	1,001	834	
Rate of new hires		percent	7.32		6.42		4.71		9.14		
	4.18		3.14	3.54	2.88	2.66	2.05	4.98	4.15		

GRI	Performance	Unit	2014		2015		2016		2017	
			Male	Female	Male	Female	Male	Female	Male	Female
G4-LA1	By age									
	- Under 30 years old	persons	656	508	544	464	417	334	765	707
			percent	3.27	2.53	2.73	2.33	2.13	1.71	3.81
	- 30-50 years old	persons	178	119	160	109	97	65	160	94
			percent	0.89	0.59	0.80	0.55	0.50	0.33	0.80
	- Over 50 years old	persons	5	2	2	2	7	2	76	33
			percent	0.02	0.01	0.01	0.01	0.04	0.01	0.38
	Worker									
	Number of new hires	persons	25,557		10,505		15,425		26,639	
			11,815	13,742	5,277	5,228	7,341	8,084	12,296	14,343
Rate of new hires	percent	60.26		24.77		34.64		55.97		
		27.86	32.40	12.44	12.33	16.49	18.16	25.83	30.13	
	By age									
- Under 30 years old	persons	8,091	9,155	2,532	1,888	4,849	4,906	8,568	9,438	
		percent	19.08	21.59	5.97	4.45	10.89	11.02	18.00	19.83
- 30-50 years old	persons	3,686	4,538	2,701	3,302	2,409	3,101	3,598	4,667	
		percent	8.69	10.70	6.37	7.79	5.41	6.96	7.56	9.80
- Over 50 years old	persons	38	49	44	38	83	77	130	238	
		percent	0.09	0.12	0.10	0.09	0.19	0.17	0.27	0.50
TURNOVER										
Employee										
Number of turnover	persons	1,893		2,007		1,941		1,627		
		1,141	752	1,185	822	1,148	793	910	717	
Rate of turnover	percent	9.44		10.06		9.92		8.10		
		5.69	3.75	6.00	4.07	5.87	4.05	4.53	3.57	
	By age									
- Under 30 years old	persons	489	358	503	471	484	405	369	376	
		percent	2.44	1.79	2.52	2.36	2.47	2.07	1.84	1.87
- 30-50 years old	persons	438	336	442	267	382	274	370	258	
		percent	2.18	1.68	2.22	1.34	1.95	1.40	1.84	1.28
- Over 50 years old	persons	194	78	251	73	282	114	171	83	
		percent	0.97	0.39	1.26	0.37	1.44	0.58	0.85	0.41

GRI	Performance	Unit	2014		2015		2016		2017	
			Male	Female	Male	Female	Male	Female	Male	Female
G4-LA1	Worker									
	Number of turnover	persons	11,732		12,248		11,983		12,521	
			5,213	6,519	5,493	6,755	5,298	6,685	5,439	7,082
	Rate of turnover	percent	27.66		28.88		26.91		26.31	
			12.29	15.37	12.95	15.93	11.90	15.01	11.43	14.88
	By age									
	- Under 30 years old	persons	3,316		4,265		3,516		4,340	
			3,463	4,221	3,561	4,397				
		percent	7.82		10.06		8.29		10.23	
			7.78	9.48	17.73	21.89				
	- 30-50 years old	persons	1,789		1,939		1,841		2,029	
			1,685	2,007	1,737	2,264				
		percent	4.22		4.57		4.34		4.78	
			3.78	4.51	8.65	11.27				
	- Over 50 years old	persons	108		315		136		386	
			150	457	141	421				
		percent	0.25		0.74		0.32		0.91	
			0.34	1.03	0.70	2.10				
G4-LA9	EMPLOYEE TRAINING AND DEVELOPMENT									
	Average hours of training for all employees	hour/person/year	11		18		15		9	
			13	9	19	16	17	12	12	7
	By level									
	- Top Management	hour/person/year	34		36		54		26	
			ND	ND	ND	ND	ND	ND	26	24
	- Middle Management	hour/person/year	32		42		41		26	
			ND	ND	ND	ND	ND	ND	26	24
	- Entry-level Management	hour/person/year	34		43		46		31	
			ND	ND	ND	ND	ND	ND	31	30
	- Officer	hour/person/year	21		30		27		19	
			ND	ND	ND	ND	ND	ND	22	15
	- Worker	hour/person/year	5		10		7		4	
			ND	ND	ND	ND	ND	ND	4	4

Remarks:

- ND = No data
- In 2015, the Company adjusted the calculation of supervised workers (Full Time Equivalent) (G4-10).
- Average hours of training neither include the Master's and Doctoral Education supported by the Company, nor the training courses that continue during 2014-2015 (G4-LA9).
- In 2017, the company started collecting data of employee training and development by level and gender (G4-LA9).

OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE DURING 2015-2017

GRI	Performance	Unit	2015		2016		2017	
			Male	Female	Male	Female	Male	Female
G4-LA6	Loss Time Injury Rate: LTIR							
	Employees, workers and supervised workers	case/200,000 hours worked	0.25		0.35		0.36	
			0.29	0.23	0.39	0.33	0.43	0.30
	Independent contractors	case/200,000 hours worked	0.01		0.01		0.00	
			0.01	0.00	0.01	0.00	0.00	0.00
	Lost Day Injury Rate: LDIR							
	Employees, workers and supervised workers	lost day/200,000 hours worked	2.07		2.93		2.96	
			2.54	1.76	3.39	2.50	3.62	2.39
	Independent contractors	lost day/200,000 hours worked	0.04		0.15		0.00	
			0.05	0.00	0.18	0.00	0.00	0.00
	Injury Rate: IR							
	Employees, workers and supervised workers	case/200,000 hours worked	3.51		7.52		8.19	
			3.69	3.39	6.45	8.51	7.135	9.10
	Independent contractors	case/200,000 hours worked	0.02		0.03		0.01	
			0.03	0.00	6.45	8.51	0.01	0.00
	Absentee Rate							
	Employees, workers and supervised workers	percent	1.29		1.30		1.78	
			0.95	1.62	1.10	1.70	1.43	2.11
	Independent contractors	percent	ND		ND		ND	
			ND	ND	ND	ND	ND	ND
	Occupational Disease Rate: ODR							
	Employees, workers and supervised workers	case/200,000 hours worked	0.00		0.00		0.00	
			0.00	0.00	0.00	0.00	0.00	0.00
	Independent contractors	case/200,000 hours worked	0.00		0.00		0.00	
			0.00	0.00	0.00	0.00	0.00	0.00

Remarks:

- ND = No data
- In 2017, there were six fatalities, five employees/supervised and one independent contractor (G4-LA6).
- Number of occupational disease is referred to the report by Workmen's Compensation Fund or according to medical certificate from occupational physician (G4-LA6)
 - Days mean scheduled work days
 - Injury means work-related injury from first-aid level to lost-day level (from 1 day)
 - Lost Time Injury means injury that causes lost-day from one day on (calculating from the day after the incident)
 - Lost Day is calculated from the day after the incident.
- In 2017, the Company revised the absentee rate formula and excluded employees who worked at offices from the formula (G4-LA6).

ENVIRONMENTAL PERFORMANCE DURING 2014-2017

GRI	Performance	Unit	2014	2015	2016	2017
ENERGY						
G4-EN3	Total energy consumption within the organization	million GJ	9.67	10.38	9.59	10.35
	Non-renewable energy	million GJ	3.56	3.87	3.25	3.51
	- Coal	million GJ	0.78	0.90	0.82	0.89
	- Fuel oil	million GJ	0.56	0.49	0.55	0.55
	- Diesel	million GJ	0.36	0.34	0.32	0.35
	- Gasoline	million GJ	0.02	0.02	0.02	0.02
	- LPG	million GJ	0.33	0.28	0.27	0.30
	- Natural gas	million GJ	1.51	1.83	1.27	1.40
	Renewable energy	million GJ	1.78	2.44	1.98	2.21
	- Biodiesel	million GJ	0.00	0.00	0.00	0.00
	- Rice husk	million GJ	0.00	0.00	0.00	0.00
	- Corn cob	million GJ	0.24	0.21	0.18	0.18
	- Pal kernel shells	million GJ	0.08	0.03	0.02	0.02
	- Fire wood/ scrap wood/ woodchips	million GJ	0.97	1.03	0.99	1.18
	- Sawdust	million GJ	0.07	0.06	0.09	0.13
	- Charcoal	million GJ	0.00	0.03	0.01	0.00
	- Cashew nutshell	million GJ	0.03	0.03	0.02	0.01
	- Biogas	million GJ	0.36	0.49	0.61	0.59
	- Others	million GJ	0.03	0.56	0.05	0.07
	Electricity purchased	million kWh	1,203	1,134	1,212	1,285
		million GJ	4.33	4.08	4.36	4.63
G4-EN5	Energy intensity	GJ per production ton	1.37	1.39	1.24	1.23

GREENHOUSE GAS EMISSIONS

-	Total greenhouse gas emissions (scope 1 + scope 2)	million tons of CO ₂ e	0.89	0.88	0.91	0.92
G4-EN15	Direct greenhouse gas emissions (scope 1)	million tons of CO ₂ e	0.19	0.22	0.24	0.26
G4-EN16	Energy Indirect greenhouse gas emissions (scope 2)	million tons of CO ₂ e	0.70	0.66	0.67	0.67
G4-EN18	Greenhouse gas emission intensity	kilogram of CO ₂ e	125.63	118.24	117.01	110.00
-	Biogenic CO ₂ emissions	million tons of CO ₂ e	ND	ND	0.18	0.20

WATER

G4-EN8	Total water withdrawal	million m ³	341.93	201.36	195.14	174.20
	- Municipal water supply	million m ³	16.74	6.38	6.57	6.49

GRI	Performance	Unit	2014	2015	2016	2017
G4-EN8	- Seawater	million m ³	70.62	42.22	44.38	28.20
	- River	million m ³	13.24	16.96	17.50	18.66
	- Canal	million m ³	166.54	85.37	76.54	86.29
	- Groundwater	million m ³	16.60	15.08	16.51	15.98
	- Rainwater	million m ³	27.29	20.62	27.11	10.85
	- Other surface water sources	million m ³	8.24	13.16	4.76	4.76
	- Purchased water (excluding drinking water)	million m ³	22.66	1.56	1.77	2.97
	- Wastewater from outside	million m ³	0.00	0.00	0.00	0.00
G4-EN10	Recycled and reused water	million m ³	82.69	34.59	24.16	24.15
		percentage of total water consumption	24.18	17.18	12.38	13.86

WASTEWATER

G4-EN22	Water discharge					
	Total water discharge	million m ³	115.35	81.88	94.41	100.87
	- Sea	million m ³	34.07	25.75	29.60	27.00
	- River	million m ³	6.67	5.76	7.16	8.24
	- Canal	million m ³	68.38	45.56	51.32	56.23
	- Public waterway	million m ³	3.59	3.69	4.34	8.40
	- Others	million m ³	2.62	1.12	1.99	0.99
	Quality of discharged water					
	- BOD value	mg/L	19.81	19.68	16.04	19.83
	- Nitrogen value	mg/L	41.31	43.12	35.42	26.44
	- BOD quantity	thousand tons	2.28	0.61	0.58	1.18
	- Nitrogen quantity	thousand tons	4.76	0.58	0.49	0.55

WASTE

G4-EN23	Total waste generated	million tons	0.44	0.44	0.44	0.51
	Total non-hazardous waste generated	million tons	0.44	0.44	0.44	0.51
	Disposed non-hazardous waste	thousand tons	417.55	399.39	428.23	494.95
	- Landfill	thousand tons	ND	26.66	23.22	28.38
	- Composting	thousand tons	ND	282.23	333.22	367.10
	- Incineration	thousand tons	ND	3.30	2.62	2.07
	- Reused	thousand tons	ND	0.24	1.14	2.81
	- Recycled	thousand tons	ND	31.04	13.73	20.49
	- Others	thousand tons	ND	55.92	54.32	74.09
	Non-hazardous waste stored within the organization	thousand tons	32.23	72.98	83.56	101.75

GRI	Performance	Unit	2014	2015	2016	2017
G4-EN23	Total hazardous waste generated	thousand tons	0.70	0.67	1.16	1.80
	Hazardous waste disposed authorized organization	thousand tons	0.44	0.54	1.11	1.40
	- Landfill	thousand tons	ND	0.11	0.13	0.37
	- Incineration	thousand tons	ND	0.02	0.07	0.07
	- Reused	thousand tons	ND	0.02	0.27	0.28
	- Recycled	thousand tons	ND	0.39	0.64	0.69
	Hazardous waste stored within the organization	thousand tons	0.25	0.38	0.43	0.84

Remarks:

- ND=No Data
- The calculation is in accordance with CPF SHE&En Key Performance Indices (CPF SHE&EN KPI) (G4-EN3)
 - Total fuel consumption = the sum of (the consumption of each fuel type X heating value) Unit: GJ per month (the conversion factor is based on Department of Alternative Energy Development and Efficacy's annual report)
 - Electricity consumption = the sum of electricity consumption (in kWh) X 3.6 Unit: GJ per month
 - Total energy consumption = total fuel consumption + total electricity consumption Unit: GJ per month.
- Energy types included in the calculation of intensity per production ton are non-renewables including coal, fuel oil, diesel, gasoline, LPG, and natural gas as well as renewables including biomass (such as rice husk, corn cob, pal kernel shells, fire wood/ scrap wood/ woodchips, sawdust, charcoal and cashew nutshell) and biogas, and electricity within the organization (G4-EN5).
- The chosen consolidation approach for greenhouse gas emissions is operational control.
- Gases included in the calculation are CO₂, CH₄, and N₂O. The Global Warming Potential (GWP) used in the calculation is referred to IPCC, while the emission factor referred to information from Greenhouse Gas Management Organization (Public Organization), and Energy Policy and Planning Office, Ministry of Energy (G4-EN15, G4-EN16, and G4-EN18).
- Reporting scope of GHG intensity includes only GHG scopes 1 and 2. However, GHG scope 1 includes GHG emission from fuel combustion sources only, but excludes biogas combustion from flaring (G4-EN18).
- Total water consumption is calculated using data from water meters, water bills, flow rates of water pumps, and average volume of rainwater from Meteorological Department (G4-EN8).
- Total reused / recycled water volume is calculated using the data from water meters and flow rates of water pumps (G4-EN10).
- Biochemical Oxygen Demand (BOD) value measures the amount of oxygen required or consumed for the microbiological decomposition of organic material in water, used for measuring water quality (G4-EN22).
- BOD and Total Kjeldahl Nitrogen (TKN) values are derived from the results from sources of wastewater, analyzed by a laboratory certified by ISO/IEC 17025 (G4-EN22).
- BOD quantity = volume of discharged water x average BOD intensity (G4-EN22).
- TKN quantity = volume of discharged water x average nitrogen intensity (G4-EN22).
- Water discharge to others is defined as discharged water from swine farms used in farmers' agricultural areas.
- Wastewater data is collected from water meters for business units with Online BOD installed, and from wastewater volume assessment from the efficiency of wastewater pumps, for business units without water meters.
- Approaches to treating wastewater include: (G4-EN22)
 - In Feed business, wastewater from aquatic feed mills is treated using activated sludge process
 - In Farm business, wastewater from swine farms is treated by an anaerobic process, followed by in oxidation ponds, while wastewater from aquatic animal farms is treated in oxidation ponds
 - In Food business, wastewater from food factories is treated using activated sludge process.
- Non-hazardous and hazardous waste stored within the organization was cumulative sum from previous years (G4-EN23).
- Total waste generated was the sum of total non-hazardous and hazardous waste generated during the year. Amount of waste stored within the organization during the year = cumulative waste stored during the current year – cumulative waste stored during the previous year (G4-EN23).
- Waste disposal information was obtained from disposal method or waste manifest provided by waste disposer (G4-EN23).
- Waste disposal using other methods cover 441.84 tons of waste stored in packaging containers to be disposed of, 73,333.62 tons of waste used as animal feed, 268.38 tons of waste used as composite materials, and 51.62 tons of waste stored in business units (G4-EN23).

G4-32

GRI CONTENT INDEX**General Standard Disclosures**

	General Standard Disclosures	Page/ Website/ Note	External Assurance
Strategy and Analysis			
G4-1	Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Page 12-15	-
Organizational Profile			
G4-3	Report the name of the organization.	Page 8	-
G4-4	Report the primary brands, products and services.	Page 8-9	-
G4-5	Report the location of the organization's headquarters.	Page 113	-
G4-6	Report the number of countries where the organization operates, and name of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Page 10-11	-
G4-7	Report the nature of ownership and legal form.	Annual Report 2017 (Business overview), Page 6-23, (Securities and shareholders information), Page 1-11	-
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Page 10-11 Annual Report 2017 (Nature of business operations), Page 1-11	-
G4-9	Report the scale of the organization.	Page 10-11 www.cpfworldwide.com/en/product www.cpbandsite.com/product	-
G4-10	Report the total number of employees by categories.	Page 114 - The Company does not have temporary contract employee. - All employees are full-time employees. - All work is performed mainly by employees, supervised worker and workers. - There was no significant variation in employment numbers during the reporting period.	-
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	CPF does not have a trade union.	-
G4-12	Describe the organization's supply chain.	Page 8-9	-
G4-13	Report the significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Annual Report 2017 (Business overview), Page 1-5 - There was no material change in the location of suppliers and structure of supply chain.	-
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Page 95	-

	General Standard Disclosures	Page/ Website/ Note	External Assurance
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Page 35	-
G4-16	List memberships of associations and national or international advocacy organizations.	Page 18-19, 26-29	-
Identified Material Aspects and Boundaries			
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents and report whether any entity is not covered by the report.	Page 108 Annual Report 2017 (Business overview), Page 6-23	Page 129-131
G4-18	Explain the process for defining the report content and the Aspect Boundaries and how the organization has implemented the Reporting Principles for Defining Report Content.	Page 109	Page 129-131
G4-19	List all the material Aspects identified in the process for defining report content.	Page 110	Page 129-131
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	Page 110-111	Page 129-131
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	Page 110-111	Page 129-131
G4-22	Report the effect of any restatements of information provided in previous reports and the reasons for such restatements.	Page 23-24, 92, 94, 117	Page 129-131
G4-23	Report significant change from previous reporting periods in the Scope and Aspect Boundaries.	There was no significant change in the Scope and Aspect Boundaries.	Page 129-131
Stakeholder Engagement			
G4-24	Provide a list of stakeholder groups engaged by the organization.	Page 112-113	Page 129-131
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Page 112	Page 129-131
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Page 112-113	Page 129-131
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Page 112-113	Page 129-131

	General Standard Disclosures	Page/ Website/ Note	External Assurance
Report Profile			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Page 108	-
G4-29	Date of the most recent previous report (if any).	Our latest Sustainability Report was published on April 2017.	-
G4-30	Reporting cycle (such as annual, biennial).	Our Sustainability Report is published on an annual basis.	-
G4-31	Provide the contact point for questions regarding the report of its contents.	Page 113	-
G4-32	Report the 'in accordance' option the organization has chosen, the GRI Content Index, and the reference to the External Assurance Report.	Page 108	-
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report, the scope and basis of the external assurance, the relationship between the organization and the assurance providers, and report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	Page 108, 129-131	-
Governance			
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Annual Report 2017 (Management), Page 1-4 www.cpfworldwide.com/en/about/leadership/sub-committee/corporate-governance	-
Ethics and Integrity			
G4-56	Describe the organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	www.cpfworldwide.com/en/about/commitment	-

Specific Standard Disclosures

	Specific Standard Disclosures	Page/ Website	Omission/ Note	External Assurance
Economic Performance				
G4-DMA	Disclosure on Management Approach	Annual Report 2017 (Business overview), Page 1	-	-
G4-EC1	Direct economic value generated and distributed	Page 16-17	-	-

	Specific Standard Disclosures	Page/ Website	Omission/ Note	External Assurance
Energy				
G4-DMA	Disclosure on Management Approach	Page 90-91	-	-
G4-EN3	Energy consumption within the organization	Page 92, 118	-	Page 129-131
G4-EN5	Energy intensity	Page 92, 118	-	Page 129-131
Water				
G4-DMA	Disclosure on Management Approach	Page 90-91	-	-
G4-EN8	Total water withdrawal by source	Page 94, 118-119	-	Page 129-131
G4-EN10	Percentage and total volume of water recycled and reused	Page 94, 119	-	-
Biodiversity				
G4-DMA	Disclosure on Management Approach	Page 100-101	-	-
G4-EN13	Habitats protected or restored	Page 102-105	-	-
Emissions				
G4-DMA	Disclosure on Management Approach	Page 90-93	-	-
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Page 92, 118	Reporting scope of GHG scope 1 includes GHG emission from fuel combustion sources only, but excludes biogas combustion from flaring.	Page 129-131
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Page 92, 118	-	Page 129-131
G4-EN18	Greenhouse gas (GHG) emissions intensity	Page 92, 118	Reporting scope of GHG intensity includes GHG scope 1 and scope 2. However, GHG scope 1 includes GHG emission from fuel combustion sources only, but excludes biogas combustion from flaring.	-
Effluents and Wastes				
G4-DMA	Disclosure on Management Approach	Page 90-91, 99	-	-
G4-EN22	Total water discharge by quality and destination	Page 119	-	Page 129-131
G4-EN23	Total weight of waste by type and disposal method	Page 119	-	Page 129-131
Supplier Environmental Assessment				
G4-DMA	Disclosure on Management Approach	Page 64-66, 72-75	-	-

	Specific Standard Disclosures	Page/ Website	Omission/ Note	External Assurance
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Page 66-69	100% of corn for animal feed and fishmeal that were sourced and used in Thailand were screened using the traceability criteria which helped prevent environmental degradation. Other new suppliers has started online supplier self-assessment since Q4 of 2017.	-
Employment				
G4-DMA	Disclosure on Management Approach	Page 36-37	-	-
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Page 114-116	Reporting number of employees by region is not applicable since this report only covers operations in Thailand.	-
Occupational Health and Safety				
G4-DMA	Disclosure on Management Approach	Page 36-37, 44-45	-	-
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Page 44	-	-
G4-LA6	Type of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Page 117	Reporting the data by region is not applicable since this report only covers operations in Thailand. This indicator does not include absentee rate of independent contractor.	Page 129-131
Training and Education				
G4-DMA	Disclosure on Management Approach	Page 36-37, 39-41	-	-
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Page 39, 116	-	-
Diversity and Equal Opportunity				
G4-DMA	Disclosure on Management Approach	Page 37-38	-	-
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Page 38, 114 Annual Report 2017 (Management), Page 2	CPF breaks down the composition of the Board of Directors by gender. Refer to our Annual Report 2017.	-

	Specific Standard Disclosures	Page/ Website	Omission/ Note	External Assurance
Supplier Assessment for Labor Practices				
G4-DMA	Disclosure on Management Approach	Page 64-65, 72-75	-	-
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Page 28-29, 66-69	Our supplier audit program has been implemented. We are currently in the process of review the results. The results of the program including impacts for labor practices in supply chain and actions taken will be reported in Sustainability Report 2018.	-
Labor Practices Grievance Mechanisms				
G4-DMA	Disclosure on Management Approach	Page 36-37	-	-
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Page 44	There were no employee's labor grievances reported in 2017. Formal grievance mechanism can be refer to https://www.cpfworldwide.com/en/contact	-
Assessment				
G4-DMA	Disclosure on Management Approach	Page 34	-	-
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	Page 34	Assessment on human rights impact was conducted using risk profiles at the country level. The assessment covered CPF business of all nature in Thailand.	-
Supplier Human Rights Assessment				
G4-DMA	Disclosure on Management Approach	Page 64-66, 72-75	-	-
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Page 64-66, 72-75	Our supplier audit program has been implemented. We are currently in the process of review the results. The results of the program including impacts for human rights impact in supply chain and actions taken will be reported in Sustainability Report 2018.	-
Local Communities				
G4-DMA	Disclosure on Management Approach	Page 80-81	-	-
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Page 85	All operations are subject to impact assessment if required by law.	-

	Specific Standard Disclosures	Page/ Website	Omission/ Note	External Assurance
Anti-corruption				
G4-DMA	Disclosure on Management Approach	Page 33	-	-
G4-SO5	Confirmed incidents of corruption and actions taken	Page 33	-	-
Product and Service Labeling				
G4-DMA	Disclosure on Management Approach	Page 48-49	-	-
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Page 50 www.cpfworldwide.com/en/sustainability/commitment	-	-
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	Fostering Effective Communication with Consumers topic in weblink: www.cpfworldwide.com/en/sustainability/commitment	-	-
Healthy and Affordable Food				
G4-DMA	Disclosure on Management Approach	Page 48-49, 58-59	-	-
Customer Health and Safety				
G4-DMA	Disclosure on Management Approach	Page 48-49	-	-
G4-FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	Page 51	-	-
Animal Welfare				
G4-DMA	Disclosure on Management Approach	Page 54-57	-	-
G4-FP11	Percentage and total of animals raised and/ or processed, by species and breed type, per housing type	Page 55-57	-	-
Innovation				
G4-DMA	Disclosure on Management Approach	Page 36-37	-	-
CPF Own Indicator	Number of innovations and innovators	Page 42	-	-

UNITED NATIONS GLOBAL COMPACT (UN GLOBAL COMPACT)

Communication on Progress – Advanced Level

Criterion	Description	Page
1	The COP describes mainstreaming into corporate functions and business units	Page 32-35
2	The COP describes value chain implementation	Page 54-57, 64-79, 96-99
3	The COP describes robust commitments, strategies or policies in the area of human rights	Page 34, 37-38, 74-75
4	The COP describes effective management systems to integrate the human rights principles	Page 34, 37-38, 74-75
5	The COP describes effective monitoring and evaluation mechanisms of human rights integration	Page 34, 37-38, 74-75
6	The COP describes robust commitments, strategies or policies in the area of labor	Page 22-29, 34, 37-45, 66, 69-79
7	The COP describes effective management systems to integrate the labor principles	Page 22-29, 34, 37-45, 66, 69-79
8	The COP describes effective monitoring and evaluation mechanisms of labor principles integration	Page 22-29, 34, 37-45, 66, 69-79
9	The COP describes robust commitments, strategies or policies in the area of environmental stewardship	Page 90-105
10	The COP describes effective management systems to integrate the environmental principles	Page 90-105
11	The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	Page 90-105
12	The COP describes robust commitments, strategies or policies in the area of anti-corruption	Page 32-33
13	The COP describes effective management systems to integrate the anti-corruption principle	Page 32-33
14	The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	Page 32-33
15	The COP describes core business contributions to UN goals and issues	Page 26-27
16	The COP describes strategic social investments and philanthropy	Page 17, 58-61, 80-87
17	The COP describes advocacy and public policy engagement	Page 26-29
18	The COP describes partnerships and collective action	Page 26-29, 40, 44, 73-87, 93, 102-105
19	The COP describes CEO commitment and leadership	Page 12-15
20	The COP describes Board adoption and oversight	Page 32
21	The COP describes stakeholder engagement	Page 112-113



LRQA Assurance Statement Relating to Charoen Pokphand Foods Public Company Limited's Sustainability Report for the calendar year 2017

This Assurance Statement has been prepared for Charoen Pokphand Foods Public Company Limited in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Charoen Pokphand Foods Public Company Limited (CPF) to provide independent assurance on its Sustainability Report 2017 ("the report") against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using LRQA's verification approach. LRQA's verification approach is based on current best practise and uses the principles of AA1000AS (2008) - inclusivity, materiality, responsiveness and reliability of performance data and processes defined in ISAE3000.

Our assurance engagement covered CPF's and their subsidiaries' operations and activities in Thailand and specifically the following requirements:

- Confirming that the Report is in accordance with:
 - GRI G4's reporting guidelines and core option
 - GRI G4's Food Processing Sector Disclosure
- Evaluating the reliability of data and information for only the selected indicators listed below:
 - G4-EN3 (Energy consumption within the organization)
 - G4-EN5 (Energy intensity)
 - G4-EN8 (Total water withdrawal by source)
 - G4-EN15 (Direct greenhouse gas (GHG) emissions (Scope1))⁽¹⁾
 - G4-EN16 (Energy indirect greenhouse gas (GHG) emissions (Scope 2))
 - G4-EN22 (Total water discharge by quality and destination)
 - G4-EN23 (Total weight of waste by type and disposal method)
 - G4-LA6 (Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender)⁽²⁾

Notes:

- (1) Reporting scope of Direct GHG emission includes emission from sources of fuel combustion only but exclude direct GHG emission from flaring of biogas and other sources of direct GHG emission
- (2) Our verification engagement of LA6 excludes verification of data related to occupational disease of contractor

Our assurance engagement excluded the data and information of CPF's operations and activities outside of Thailand and its associated and jointly-controlled entities both in Thailand and overseas. Our assurance engagement also excluded the safety, occupational health and environmental (SHE) indicators of its head offices, other offices and other business units apart from feed, farm, food processing, whole sale and retail food products and restaurant in Thailand. Our engagement of SHE indicators for restaurant in Thailand also excluded CP Kitchen and CP Food World.

LRQA's responsibility is only to CPF. LRQA disclaims any liability or responsibility to others as explained in the end footnote. CPF's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of CPF.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that CPF has not:

- Met the requirements above.
- Disclosed accurate and reliable performance data and information as no errors or omissions were detected within the selected specific standard disclosures.
- Covered all the issues that are important to the stakeholders and readers of this Report.

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

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites.



LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing CPF's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through reviewing documents and associated records.
- Reviewing CPF's process for identifying and determining material issues to confirm that the right issues were included in their Report. We did this by benchmarking reports written by CPF and its peers to ensure that sector specific issues were included for comparability. We also tested the filters used in determining material issues to evaluate whether CPF makes informed business decisions that may create opportunities that contribute towards sustainable development.
- Auditing CPF's data management systems to confirm that there were no significant errors, omissions or mis-statements in the Report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the Report.
- Visited sites of Chaiyaphum Swine Farm in Chaiyaphum Province, Khonkaen Feed mill in Khonkaen province, Thap Kwang Broiler farm in Saraburi Province, Nakorn Shrimp Farm in Nakornsri thammarat Province, Pakpanang 1 Shrimp farm -Nakornsri thammarat Province, and Bangna Food processing plant in Bangkok to sample evidence for the selected specific standard disclosures to confirm their reliability.

Note: LRQA did not verify the data back to its original sources, nor did it assess the accuracy and completeness of the data reported by individual locations

Observations

Further observations and findings, made during the assurance engagement, are:

- **Stakeholder inclusivity:**
We are not aware of any key stakeholder groups that have been excluded from CPF's stakeholder engagement process. The Report content, as well as CPF's visions for addressing sustainability development, has then been informed by the views and expectations of these stakeholders.
- **Materiality:**
We are not aware of any material issues concerning CPF's sustainability performance that have been excluded from the Report. It should be noted that CPF has processes for identifying and determining their material aspects; the evaluation process considers factors such as stakeholder concerns, potential impact to economic, social and environment by consideration of global trend analysis from international standard/ approach, media analysis, business risk and issues addressed by peers. These aspects have then been prioritised and influenced CPF's performance disclosures and that these criteria are not biased to CPF's management.
- **Responsiveness:**
CPF and its subsidiaries have processes for responding to concerns from various stakeholder groups. We believe that these communication processes are effective in explaining CPF's aim in contributing towards sustainable development.
However, even though animal welfare has not been prioritised as a high ranked material topic, but a medium one, CPF has disclosed their management approach on this issue. Likewise, most of the information required for G4-FP11 has been disclosed; though for CPF to truly be a pioneer in the food processing sector they should disclose all information required. i.e.
- Report by species and breed type, each type of housing system used and the percentage and total of animals raised and/or processed from each type of housing system
Note: G4-FP11 is an indicator under animal welfare aspect of food processing sector disclosures.
- **Reliability:**
Data management systems are considered to be properly defined and centralized for the data and information collection and calculation associated with the selected specific standard disclosures listed above. CPF also has process for internal data verification to ensure the quality of its reported data and information. We believe that more systematic and periodic implementation of internal verification within CPF's subsidiaries will further improve the reliability of its data and information and would prevent those errors identified at corporate level. We are also of the opinion that when calculating energy consumption for those facilities with a renewable energy source, biomass should be expressed in terms of dry weight (for both quantity of fuel and for heating value conversion factors).



LRQA's competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA has not provided any kind of services except this sustainability report verification to CPF. The verification assessments, is the only work undertaken by LRQA for CPF and as such does not compromise our independence or impartiality.

Signed
Paveena Hengsitawat

Dated: 27 February 2018

LRQA Lead Verifier
On behalf of Lloyd's Register Quality Assurance Ltd.
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