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# STATEMENT ON SLAVERY AND HUMAN TRAFFICKING (2017-2018)





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**CHAROEN POKPHAND FOODS PCL.**  
**STATEMENT ON SLAVERY AND HUMAN TRAFFICKING**  
**(2017-2018)**

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**Charoen Pokphand Foods PCL.** or **CPF**<sup>1</sup> operates as an agro-industrial business and food conglomerate across 16 countries with net annual sales of 501,507 Million Baht<sup>2</sup> and currently has more than 110,000 employees.

The Company operates multiple businesses including feed production, farming, food processing and retail & food outlets located across Asia, Europe, and America.

We are committed to the respect and non-violation of human rights. Slavery and human trafficking, in all its forms, for instance, forced labour, child labour or debt bondage, is prohibited within the Company and its business relationships, and full cooperation from all stakeholders is required in order to prevent such activities.

As a leading Thai and multinational company, we recognize the importance of our active participation in the mitigation, prevention, and resolution of any slavery and human trafficking in our businesses and supply chain, which can be seen from our policies and business management systems.

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<sup>1</sup> When we use the terms of "CPF", the "Company", "we", "us", and "our", we mean Charoen Pokphand Foods PCL.

<sup>2</sup> The net annual sales is available here : [https://www.cpfworldwide.com/contents/investors/download/annual-report/CPF\\_Annual\\_Report\\_2017\\_ENG.pdf](https://www.cpfworldwide.com/contents/investors/download/annual-report/CPF_Annual_Report_2017_ENG.pdf)



## POLICY

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We are committed to sustainable development. Human rights are one of our core sustainability priorities and are addressed by our policy<sup>3</sup> which is applicable across our entire group structure, including all subsidiaries incorporated in Thailand and the rest of the world. In addition, promoting the participation of all parties involved in our supply chains is also prioritized as fundamental in addressing human rights issues most effectively.

We will not tolerate the abuse of human rights within any part of our business or its supply chains and we take any allegations that human rights have not been properly respected seriously.

We also promote the respect of human rights as stipulated in the United Nations Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

The importance we place on respect for human rights in our management policies and practices are clearly reflected in, for example, our Corporate Governance Policy, Code of Conduct, Corporate Social Responsibility Towards Sustainability Policy, Employment and Labour Management Policy, Diversity and Inclusion Policy, Discrimination and Harassment Policy, Foreign Labour Direct Hiring Practice, Safety, Health, Environment and Energy Policy, Sustainable Sourcing Policy and Supplier Guiding Principle.

The full implementation of our Human Rights Policies (as referred to above<sup>4</sup>) helps us promote respect for human rights. For instance, we seek to ensure that all aspects of slavery and human trafficking are addressed in the policies applicable to, and practices expected of, both employees and all persons with roles and responsibilities in our supply chains, including through the Employment and Labour Management Policy or Sustainable Sourcing Policy and Supplier Guiding Principle. All critical suppliers are required to sign a supplier acknowledgement form which stipulates that the relevant supplier has read the CPF Sustainable Sourcing Policy and Supplier Guiding Principle and will implement its requirements as regards their own business and activities. Furthermore, in our efforts to eradicate bonded labour in accordance with our Foreign Worker Hiring Practice, we aim to hire international workers directly from the country of origin, through the system specified in the memorandum of understanding (MOU) that Thailand has signed with its neighbouring countries. This seeks to ensure that workers recruited to work in our facilities have not been charged recruitment fees, in order to free them from the risk of debt bondage and ensure their human rights are respected.

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<sup>3</sup> Our Human Rights policy is available here: [https://www.cpfworldwide.com/en/sustainability/policy/human\\_rights\\_policy.pdf](https://www.cpfworldwide.com/en/sustainability/policy/human_rights_policy.pdf)

<sup>4</sup> Our policies are all available here: <https://www.cpfworldwide.com/en/sustainability/policy>



## **DUE DILIGENCE**

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Our risk identification is based on the World Report of Human Rights Watch, a ranking of countries at risk of slave labour according to the Global Slavery Index, and addresses issues associated with other companies in the same industry. We continually promote human rights issues in our supply chain through active communication of the Sustainable Sourcing Policy and Guiding Principle. We also provide training for our business partners and encourage contractors and critical suppliers to adopt a similar stance towards human rights.

In 2017, 27 percent of our critical tier-1 suppliers in animal feed raw materials, food ingredients, and packaging groups were audited on sustainability issues such as human rights by a third party and/or internal auditors in compliance with our Sustainable Sourcing and Guiding Principle. Of these, 94 percent of critical tier-1 high-risk suppliers were already audited on ESG aspects. For our operations, compliance with health and safety laws and regulations is promoted among our employees.



## **ASSESSING AND MANAGING RISK**

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

For more than three years, we have 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 Behaviour 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 behaviour. We contributed to and supported the government agencies in developing an effective Vessel Monitoring System (VMS) for monitoring, control, and surveillance (MCS) of IUU. Until now, the Seafood Task Force has successfully developed the traceability model and labour Code of Conduct, with continuous collaboration with the Thai Government. This is due to the commitment to increase the traceability and improve the monitoring system of Thai fishing boats to meet with international expectation. Notably, multiple projects are currently in progress, in relation to which more information can be found in the Progress Report at [www.seafoodtaskforce.global](http://www.seafoodtaskforce.global).



## **TRAINING, ASSESSMENT AND AUDIT**

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We attach importance to the promotion of respect for human rights in our supply chain as described in our Sustainable Sourcing Policy and Supplier Guiding Principle and conduct training and workshops in order to build the knowledge of purchasing officers and the relevant individuals in the Company. Following our Critical Supplier Risk Assessment, all of our critical suppliers were required to submit to us our Supplier Sustainability Self-Assessment. Results of our Critical Supplier Risk Assessment informed the implementation of our Critical Supplier Sustainability Audits, in order to prevent slavery and human trafficking issues in our supply chains, and to encourage suppliers to treat their workers fairly and consistently with applicable law.

Moreover, we approached the Labour Rights Promotion Network Foundation (LPN) in early 2017 to engage in preparatory discussions on what workers grievance mechanism should be in place in order to improve labour practices and the working environment. On 14 November 2017, CPF signed a Memorandum of Understanding (MOU) with LPN to launch the Labour Voices Hotline as a tool allowing CPF workers to voice their concerns to LPN as a neutral party. Through the dedicated Labour

Voice Hotline, CPF's employees and workers nationwide, regardless of position or nationality, are encouraged to freely express their opinions, recommendations, and complaints. This seeks to establish trust among workers and should enable us to obtain honest feedback on actual working conditions and to promptly tackle all concerns.

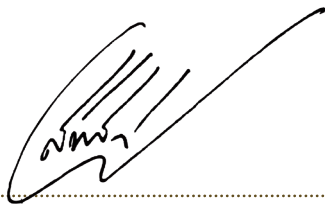
Throughout an initial one-year project, LPN will also organize the training on human rights, Thai labour laws and occupational health & safety, which will be provided to both Thai and international workers. The training for supervisors is also provided under this partnership. This seeks to help us properly manage potential labour risks with transparent and fair practices.

Since our Sustainable Sourcing Policy and Supplier Guiding Principle was introduced in 2014 and disseminated at an early stage to all of the critical suppliers in animal feed raw materials, food ingredients, and packaging groups, 7,300 suppliers, representing 90% of CPF's procurement spending in Thailand, have engaged with this policy. We are currently in the final stage of developing an online supplier sustainability self-assessment tool. The tool should be ready for existing and new suppliers by the end of 2018.

CPF aims to audit all critical tier-1 suppliers of animal feed raw materials, food ingredients, and packaging groups in Thailand for sustainability risks by the year 2020. All 7,300 suppliers are assessed against sustainability risks, including labour, health and safety, environment and governance considerations, using a self-assessment tool developed by Environmental Resources Management (<https://www.erm.com/>).

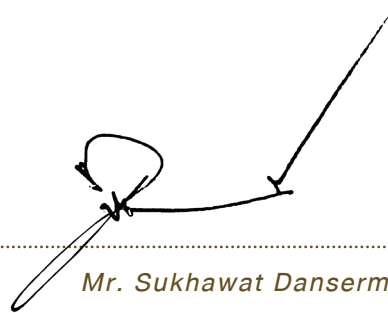
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*This statement has been approved by  
the board of directors of Charoen Pokphand Foods PCL.  
and will be reviewed annually.*



**Mr. Sooksunt Jiumjaiswanglerg**

*Chief Executive Officer  
Co-President and Authorized Director*



**Mr. Sukhawat Dansermasuk**

*Chief Executive Officer  
Co-President and Authorized Director*