

LR Independent Assurance Statement

Relating to Charoen Pokphand Foods Public Company Limited's Sustainability Report for the calendar year 2019

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 Limited (LR) was commissioned by Charoen Pokphand Foods Public Company Limited (CPF) to provide independent assurance on its Sustainability Report 2019 ("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 LR's verification procedure. LR's verification procedure is based on current best practice, is in accordance with ISAE 3000 and uses the following principles of - inclusivity, materiality, responsiveness and reliability of performance data.

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's Standard and core option
 - GRI's Food Processing Sector Disclosure
- Evaluating the reliability of data and information for only the selected indicators listed below:
 - GRI 203-2 Significant indirect economic impacts: 2016
 - GRI 302-1 Energy consumption within the organization: 2016
 - GRI 302-3 Energy intensity: 2016
 - GRI 303-1 Water withdrawal by source: 2016
 - GRI 303-3 Water recycled and reused: 2016
 - GRI 305-1 Direct (Scope 1) GHG emissions: 2016 ⁽¹⁾
 - GRI 305-2 Energy indirect (Scope 2) GHG emissions: 2016
 - GRI 306-1 Water discharge by quality and destination: 2016
 - GRI 306-2 Waste by type and disposal method: 2016
 - GRI 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

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

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, wholesale 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.

LR's responsibility is only to CPF. LR 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.

LR's Opinion

Based on LR's approach nothing has come to our attention that would cause us to believe that CPF has not, in all material respects:

- Met the requirements above
- Disclosed reliable performance data and information for 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. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LR's approach

LR'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.
- Visiting CPF's sites at:
 - Sankamphaeng Complex in Chiang Mai Province
 - Kanchanadit Shrimp Farm in Surat Thani Province
 - Saraburi Poultry Food Processing Plant in Saraburi Province
 - Phraputtabat Swine Farm in Saraburi Province
 - Ban Phru Aquature Feedmill in Songkhla Province
 - Hatyai Feedmill in Songkhla Province

to verify the documentary evidence and data made available for the selected specific standard disclosures.

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. CPF has adopted various methods and tools for consolidating results from stakeholder engagement done by business units into corporate level. CPF's sustainability strategy, and the content of this report, has been informed by the views and expectation 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 established extensive criteria for determining which issues are material by consideration of factors such as stakeholders' concerns, global trend analysis and its peer's

significant issues resulting from their materiality review. These issues have then been prioritised and also influenced CPF's sustainable strategy and performance disclosures.

- **Responsiveness:**
CPF has 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, the reporting scope of direct GHG emission should be extended to cover all direct GHG emission sources as currently the reporting scope is limited to combustion sources only. Complete reporting of direct GHG emissions will enhance the responsiveness of CPF's contribution for addressing this global material issue.
- **Reliability:**
Data management systems are established and centralized for the data and information collection and calculation associated with the selected specific standard disclosures listed above. However, it was noted that the frequency of analysing the discharge to water varies from business to business. Increasing the frequency of analysis would improve the reliability of reported BOD and Nitrogen load.
We also believe that more vigorous and systematic internal verification by each business unit will improve the reliability of reported data and information and would prevent those errors identified at corporate level.

LR's standards, competence and independence

LR 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.

LR reviews CPF's SHE & EN Standard to ensure that it was developed based on the risk management principles in accordance with ISO 14001:2015, ISO 45001:2018 and ISO 5001:2015. The verification and certification assessments, are the only work undertaken by LR for CPF and as such does not compromise our independence or impartiality



Paveena Hengsriratwat
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Dated: 26 February 2020

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