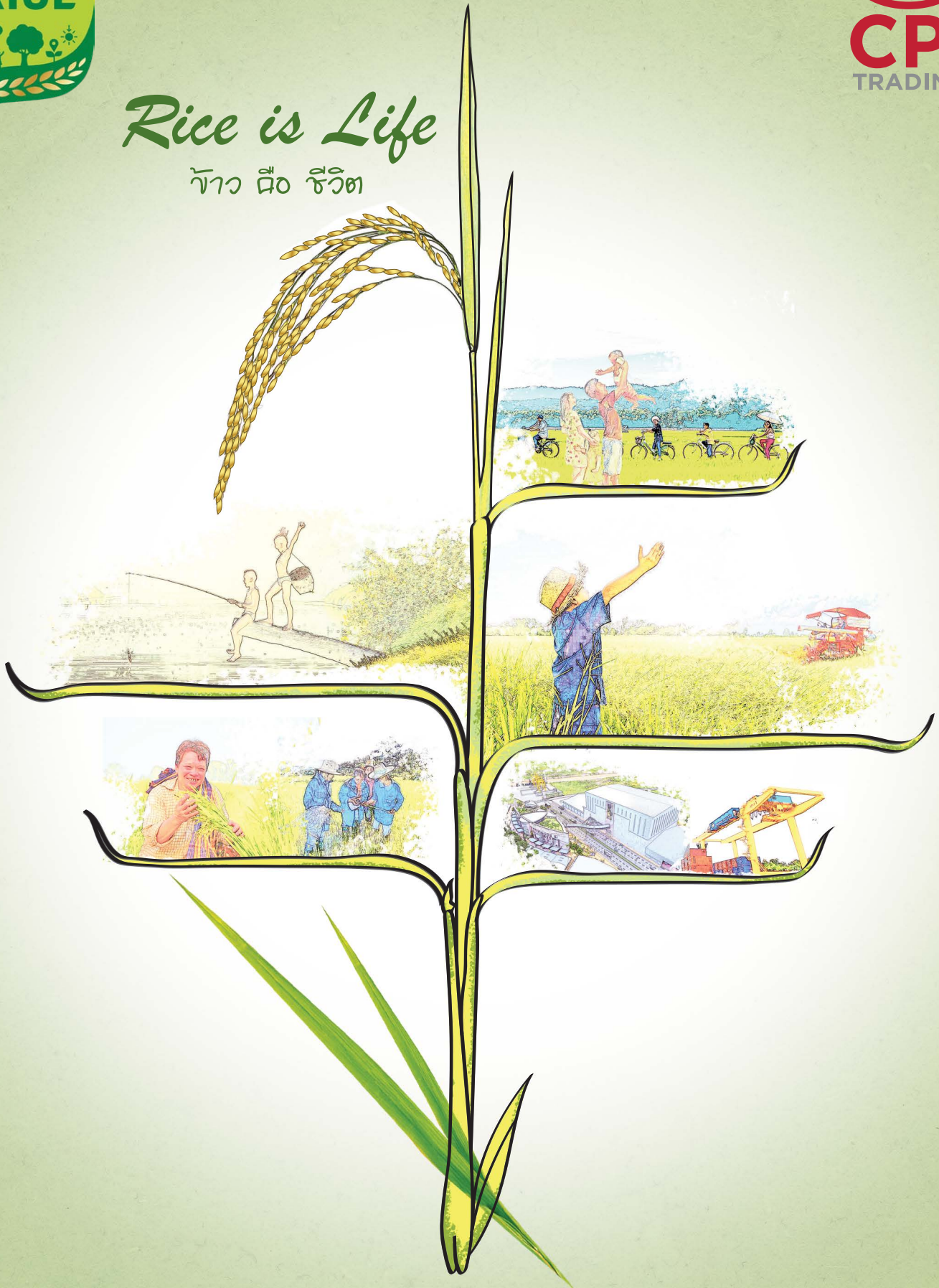




Rice is Life

ข้าว คือ ชีวิต



Sustainability
Report 2018

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Message from the Vice-Chairman



Mr. Eam Ngamdarnonk

Vice Chairman
International Trade Business Group
Charoen Pokphand Group

“

**In order to be grateful,
you must start with yourself
as a good person or not.
If a good person must be
grateful. If a good person can
not be grateful.**

”

Today I am very grateful to the organization. I will tell him what I received from the organization. How good. I must repay as much as I can to the best that I can. That is to say, it must be a good person first. What does a good person interpret? Diligence, patience, honesty, etc. are the things that make us behave as good people.

Message from the CEO



Mr. Sumeth Laomoraphorn

Chief Executive Officer, CP Intertrade Co., Ltd.

“Conducting business is similar to helping societies, creating better societies and environment. Under the Group’s “Three- Benefit Principle,” which states that the country must benefit, the people must benefit, and the Group should also benefit, we can create a common sustainable growth for all.”

What is your opinion about how rice is important in the future development of Thailand?

Rice cultivated in Thailand occupies approximately 50 million Rai. The total amount of agricultural land in Thailand is around 130 million Rai. Therefore, the area of rice cultivation constitutes a large percentage of the agriculture sector, and employs a large number of laborers. With the amount of space and people involved, it cannot be denied that rice products are associated with national security and essential nourishment for over 65 million Thai people, and this doesn't even count the number of tourists visiting the country. There are about three to four million people visiting Thailand per year. In addition, Thailand is also famous for its food, and it's difficult to think about Thai food without thinking of Thai rice. Thailand is the second largest rice exporter in the world and exports about 8 to 9 million tons of rice per year all over the world worth about 173 billion baht, making it important both the global food supply chain and the Thai economy. Any year in which the price of rice is low, Thai people will feel the impact.

How should our younger generations be educated about the importance of agricultural products like Thai rice?

Rice fields in Thailand covers an area of fifty million Rai. We should educate the children and young people in each generation to experience rice in a realistic context. The president of the Thai Rice Foundation under Royal Patronage, Dr. Sumet Tantivejkul, along with Dr. Kwanjai Komes, who is the Secretary General, has a training program for Thai youth farmers so that these descendants do not forget about the gratitude we have towards rice as this is our main food and is that which nourishes them as they grow up. In addition, students at various schools are encouraged to participate in rice planting and to experience rice farming in order to connect them with this national resource of Thailand. We must help protect this resource. The world economy is changing rapidly, especially as we transition into a digital world. We need to preserve the roots of our traditional culture, and Thai rice has an outstanding reputation throughout the world. More activities should be done to make Thai people, including the Thai youth, to be aware of the value of Thai rice. Ceremonies like the Royal Ploughing Ceremony to which the King is the patron

show that even the Thai kings of all eras realized how important rice is to Thai people, as well.

Royal Umbrella Rice, or Khao Trachat, is an industry that focuses on the development of Thailand.

What are your plans for organizing valuable activities for Thailand in the future?

The name and symbol of the brand is Royal Umbrella, in Thai as Trachat. We develop rice businesses to answer the three policy benefits of the C.P. Group. First is that Thailand must benefit as a whole, while the second is that farmers and consumers must also benefit. Finally, the company which is under the C.P. Group must also directly benefit. Since we are a private organization, we will provide financial assistance to help enable these three benefits to be actualized and to create a sustainable process. We must profit from rice production and from both the domestic and international sales of rice. This is a type of profit that is derived from honesty and which is partly paid to the government and partly used to fund important development in the Thai rice industry.

2018 Highlights

Business Performance

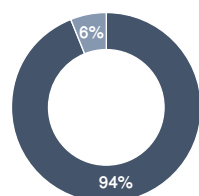
Total Sales Revenue

39,735

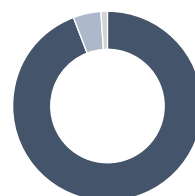
million Baht



Sales Revenue by Country and Business Line

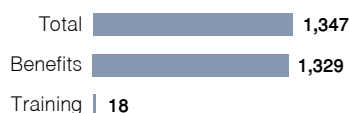


■ Rice Business
■ Others



■ Rice 35,000
■ Port 52
■ Logistic 1,700
■ Other 400

Employees' Benefits
(million Baht)



Tax Paid to Governments
(million Baht)

21.6

million Baht

Community and Social
Contribution (million Baht)

16.5

million Baht

HEART: LIVING RIGHT

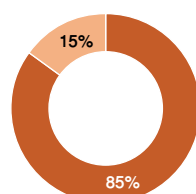
Number of Employees

2,522

persons



Percentage of Employees by Type



■ Employee
■ Contractor

65% : 35%

Employee Ratio
Male : Female

New employees

283

persons

Safety



0.39

Lost Time Injury Rate
(case per 200,000 hours
worked)

Business group-wide business
Code of Conduct and other
relevant policies

**“C.P. Trading Group
Code of Conduct -
Our Practices”**

Assessed and identified
Business human right
salient issues

5 Issues



Leadership Development

245

Persons who attended leadership
development programs at
Sustainable Workshop

Human Capital
Development

11.00

average training hours of
all employees (hour)



HEALTH: LIVING WELL

Supported farmers, SMEs, and people in vulnerable groups

6,654

persons



Farmers

6,279 persons



People in vulnerable groups

375 persons



3

Number of products which help promote health and well-being



Number of Innovator

64

persons



Supported access to education and knowledge to

23,187

persons

Cost Saving of project

86.39

million baht

Number of Patent

2

issues



HOME: LIVING TOGETHER

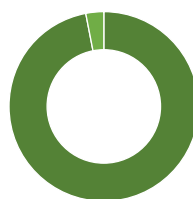
GHG Emissions
(Scope 1+2)

24,477.94

Ton CO₂e



Percentage of GHG Emission
by Scope

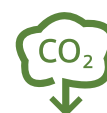


■ SCOPE1
■ SCOPE2

Registration of Carbon
Footprint Products

3

Products



Energy

Consumption

277,801

GJ



Water

Consumption

178,150

cubic meters



Waste

Generated

798.06

Tons



44%

ratio of renewable
energy

Operational
ECO-EFFICIENCY
(unit per 1 thousand
tons products)

364.16
GJ

Energy Consumption

32.08
tons CO₂e

GHG Emissions

32.35
cubic
meters

Water Consumption

1.04
tons

Waste Generated

Awards and Recognitions



CP Intertrade Co., Ltd. received the Prime Minister's Award. In 1995, 2005, 2011 and 2017

- Best Exporter
- Best Thai Brand



CP Intertrade Co., Ltd. received the award from Department of Export Promotion, Ministry of Commerce. We received the World Best Rice Award 2009 in Philippines from the World Rice Conference 2009.



CP Intertrade Co., Ltd. And Khao CP Co., Ltd.

received the "FDA Quality Award" in 2013 and 2018 which we becomes the only one operator of bagged rice in Thailand to receive this award.



They are the important force leading Royal Umbrella Rice to the highest point of rice business. We received a lot of awards such as the award of Super Brand in Singapore

- Trusted Brand Gold award 2010 - Singapore
- Superbrands Thailand 2005, 2006
- Superbrands Singapore 2003-2006

The Thailand Labor Management Excellence Award from Department of Labor Protection and Welfare, Thailand



Khao CP Co., Ltd.

- Wangdaeng Factory
- Nakornluang Factory
- Supanburi Ricemill Factory
- Kamphaeng Phet Ricemill Factory
- Buriram Ricemill Factory

**The Best Outstanding Model
Company of Safety ,
Occupational Health and
Working Environment Award**



Khao CP Co., Ltd.

- Wangdaeng Factory
- Nakornluang Factory
- Supanburi Ricemill Factory
- Kamphaeng Phet Ricemill Factory
- Buriram Ricemill Factory

**Thailand Energy Award
2011-Present received 12 Awards**

- Energy controlled factory.
- Transportation.
- Energy Executive.
- Person responsible for energy Management
- Energy conservation team.
- Private sector promotion unit.



**ASEAN Energy Award
Khao CP Co., Ltd. received
Award in 2014-present**



- Wangdaeng Factory
- Nakornluang Factory
- Supanburi Ricemill Factory

**CSR-DIW Continuous Award
From Department of
Industry Work, Thailand**



Khao CP Co., Ltd.

- Wangdaeng Factory Continued for 9 years
- Nakornluang Factory Continued for 7 years
- Supanburi Ricemill Factory Continued for 5 years
- Kamphaeng Phet Ricemill Factory Continued for 6 years
- Buriram Ricemill Factory Continued for 7 years

**Thailand 5S Award
Form Technology Promotion
Association (Thai Japan)**



Khao CP Co., Ltd.

- Year 2013 Wangdaeng Factory
- Year 2015 Nakornluang Factory
- Year 2015 Supanburi Ricemill Factory

**Green Industry Award
From Department of
Industry Work, Thailand**



Khao CP Co., Ltd.

- Wangdaeng Factory (Level 4)
- Nakornluang Factory (Level 3)
- Supanburi Ricemill Factory (Level 3)
- Kamphaeng Phet Ricemill Factory (Level 4)
- Buriram Ricemill Factory (Level 3)

International Standard



The Khao CP Co., Ltd. received the BRC (British Retail Consortium) certification. From SGS (Thailand)

- Wang Daeng Rice Factory (ISSUE 8)
- Nakhon Luang Rice Factory (ISSUE 8)
- Apsara Rice (Cambodia)



Khao CP Co., Ltd. (all 5 factories) Received the certification of quality standards ISO9001: 2015 by holistic management (Multisite) from Bureau Veritas Thailand and Apsara Rice (Cambodia) certified by SGS (Thailand).



The Khao CP Co., Ltd. has received FDA certification. Food and Drug Administration To build confidence for customers. the factory including

- Wangdaeng Factory
- Nakornluang Factory
- Supanburi Ricemill Factory
- Kamphaeng Phet Ricemill Factory
- Buriram Ricemill Factory



The Khao CP Co., Ltd. has been certified for the environmental management system ISO 14001: 2015 from Bureau Veritas Thailand, factories including

- Wangdaeng Factory
- Nakornluang Factory
- Buriram Ricemill Factory



The company has been certified GMP (Good Manufacturing Practice) from SGS (Thailand) covering all factories, including

- Wangdaeng Factory
- Nakornluang Factory
- Supanburi Ricemill Factory
- Kamphaeng Phet Ricemill Factory
- Buriram Ricemill Factory
- Apsara Rice (Cambodia)



The company has been certified HACCP (Hazard Analysis Critical Control Point) from SGS (Thailand), including

- Wangdaeng Factory
- Nakornluang Factory
- Supanburi Ricemill Factory
- Kamphaeng Phet Ricemill Factory
- Buriram Ricemill Factory
- Apsara Rice (Cambodia)

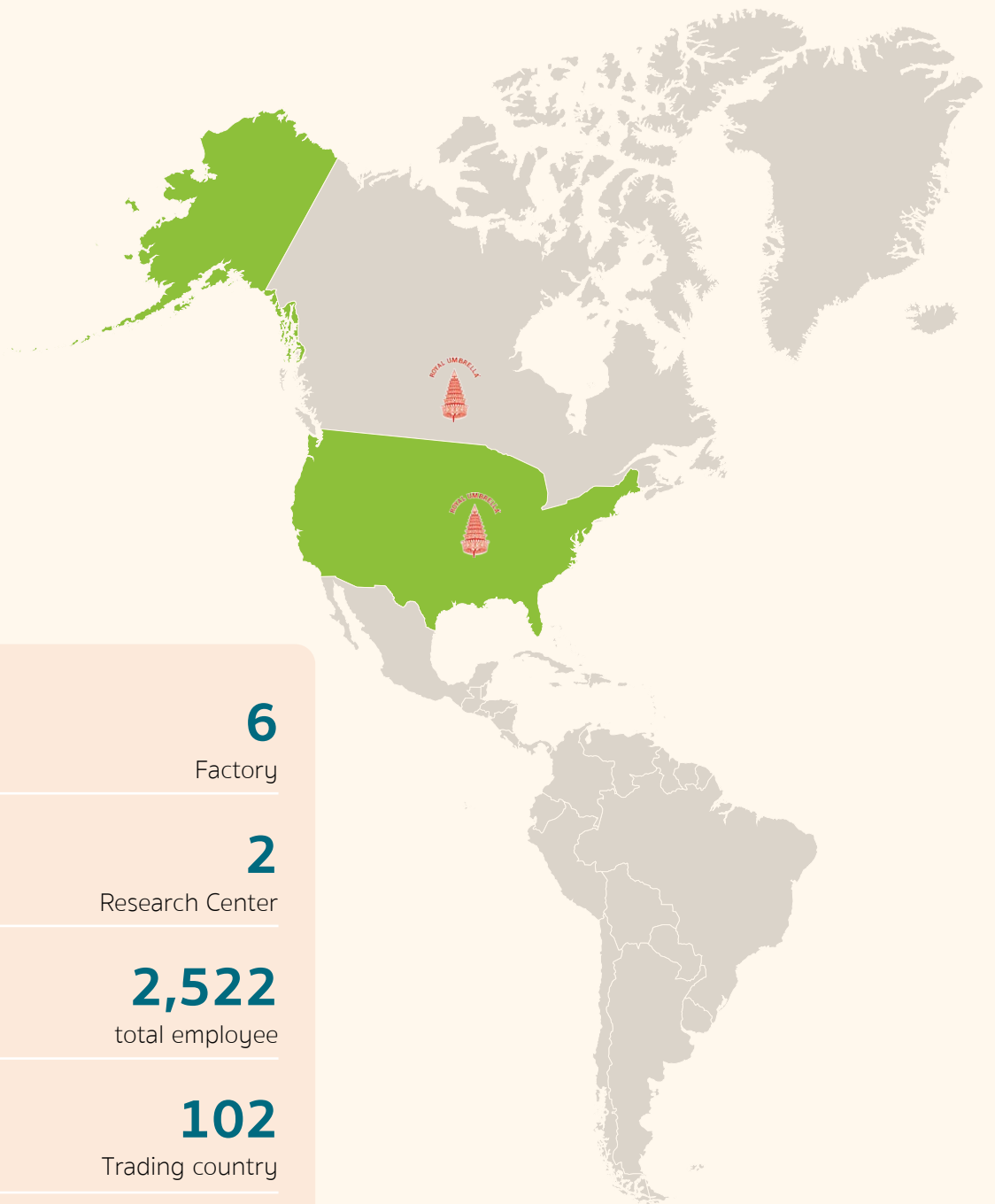


Khao CP Co., Ltd. received management system certification. "Enhancing Capacities of Thai Exporters and Supply Chains on Social Performance for European Market" from the Ministry of Commerce



CP Intertrade Co., Ltd. and Khao CP Co., Ltd. received the certification of the Export Standardized Authorized Economic Operator (AEOs) which has been certified by the customs of each country to comply with the WCO standard framework or other standards that Equivalent to security in the supply chain

Business base of CP Intertrade Co., Ltd. and Affiliated companies



6
Factory



2
Research Center



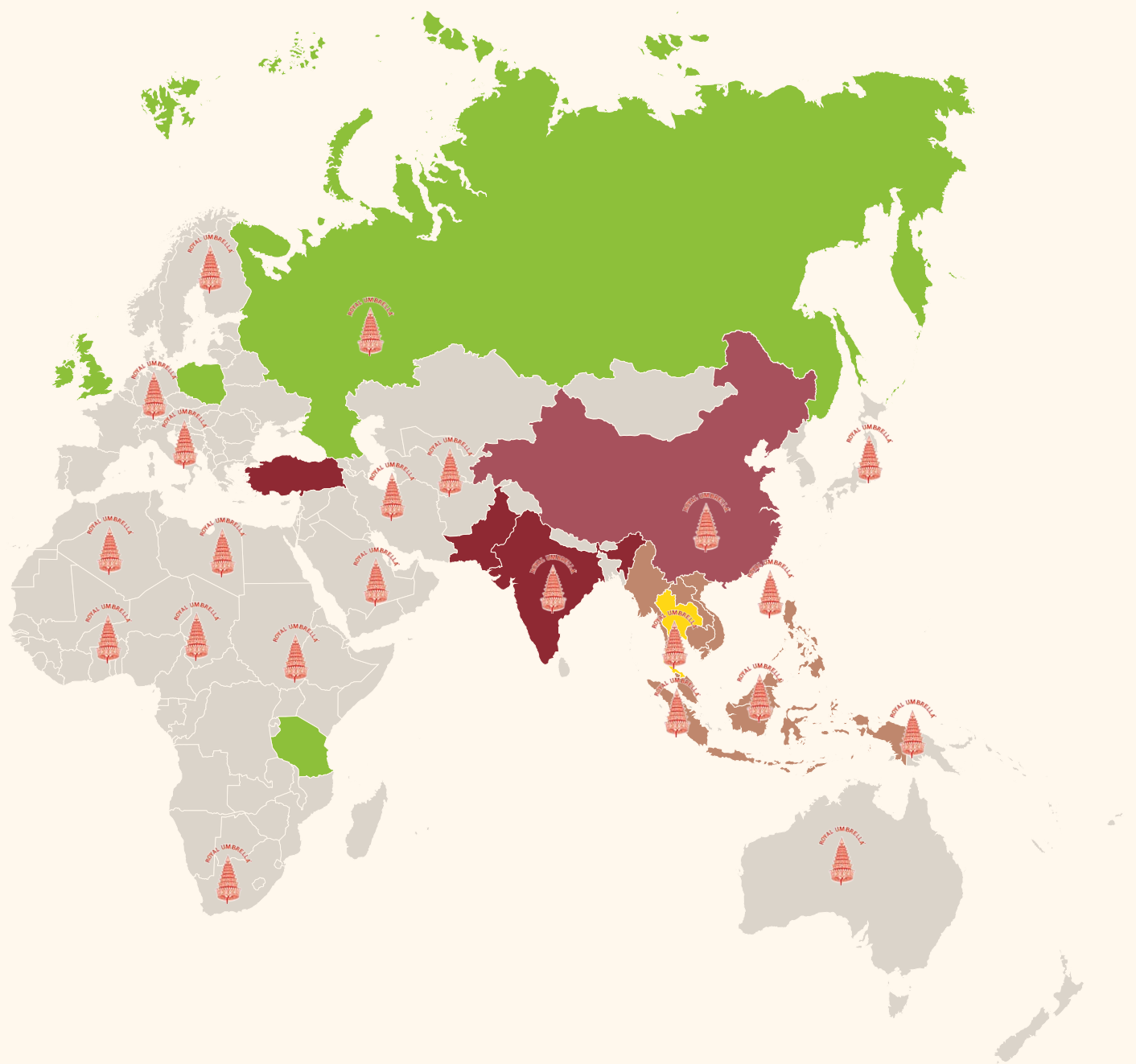
2,522
total employee



102
Trading country

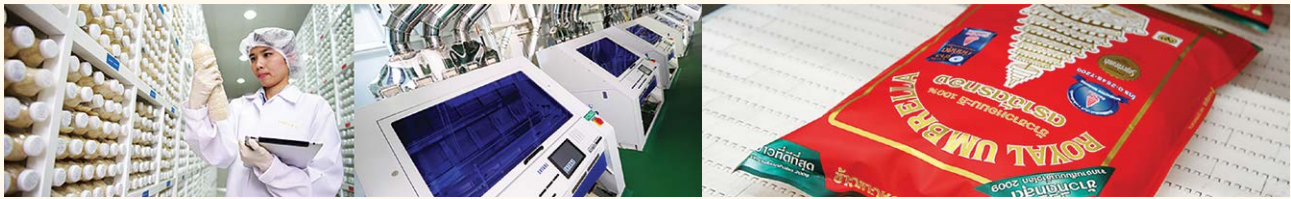


4,400
Population in
the supply chain



International Trading Business Group

Charoen Pokphand Group



Main Company

C.P. Intertrade Co., Ltd.	Thailand
C.P. Food Store Co., Ltd.	Thailand
Khao C.P. Co., Ltd.	Thailand
Ayutthaya Port & ICD Co., Ltd.	Thailand
Dynamic Transport Co., Ltd.	Thailand
Dynamic Intertransport Co., Ltd.	Thailand
APSARA RICE (Cambodia) Co., Ltd.	Cambodia

Main Business

Headed by C.P. Intertrade Co., Ltd., the International Trading Business Group comprises 2 main businesses, including rice and food, and integrated logistics. The first business focuses on rice integration, covering from rice cultivation, rice mills, rice processing plants, to rice manufacturing plants for domestic and international trading under the brand “Royal Umbrella.” Other businesses include crop and general food export, domestic and international logistics services, and ship transport services of goods in containers.

Business Opportunities and Challenges

Economic Dimension

- Governance and Business Ethics
- Customer Relationship Management
- Health & Well-Being
- Supply Chain Management
- Risk Management

Social Dimension

- Human Rights
- Occupational Health and Safety
- Logistics Management
- Social Impact on Community
- Human Capital Development
- Talent Attraction and Retention

Environmental Dimension

- Operational Eco-Efficiency
- Packaging
- Raw Material Sourcing
- Fuel Efficiency



From Past to Present



SIX CORE VALUES



CP Intertrade Co., Ltd. and Affiliated companies has nurtured relationships built on trust with stakeholders all around the world. We are committed to improving the quality of life for people living in every country in which we operate, supporting the growth of their economies, and the sustainability of their natural resources.

Our global operations and our approach to business are deeply rooted in the Six Core Values, which provide a solid foundation on which the Group can grow. They have been an intrinsic part of how we conduct business since our foundation and they have helped us to advance and grow our business sustainably with integrity.

1. Three Benefits

CP Intertrade Co., Ltd. and Affiliated companies has always operated our business by adhering to the Three-Benefit Principle. This states that our business should benefit not just our Company and our employees but also the communities we engage with and the countries we operate in.

Since our Company's foundation, this principle has guided how we have grown and also ensured that our operations both in Thailand and around the world benefit not just our business but society as a whole.

2. Speed with Quality

Modern businesses must be fast-moving, without compromising on quality. They must be able to adapt to new circumstances, adopt the latest technologies, respond to changing consumer tastes and preferences, all the while responding to evolving regulatory systems.

As a result, CP Intertrade Co., Ltd. and Affiliated companies places great importance on the efficiency and effectiveness of our business and of our employees.

3. Simplification

CP Intertrade Co., Ltd. and Affiliated companies holds investments in 2 countries and economies worldwide, operating through employing over 2,500 people.

We are therefore committed to implementing technology and innovation to streamline our systems and operations across the entire Business Group, which leads to improved efficiency and greater effectiveness.

4. Accept Change

Global businesses face circumstances that change daily, from political events and environmental issues through to consumer needs and technological development.

Our key strategy is to embrace change. This allows us to manage our response to evolving circumstances across all our markets. To ensure this, we encourage all our employees to stay informed about new opportunities so that we can deliver more to our customers

5. Innovate

Innovation is the force that drives every aspect of a business from process through to products. Businesses must constantly innovate to keep pace with a rapidly changing world.

We actively encourage innovation in our employees and our goal is to foster innovation across all our businesses to enable us to deliver the best products and services to our customers.

6. Integrity

Since the day we were founded, we have operated our business with integrity, and this applies to every action we take, whether large or small.

Even as we expand into new industries, integrity remains key pillars of our philosophy. We firmly believe that a business that focuses solely on enriching itself without regard to these values will ultimately erode the trust of all its stakeholders, and will not be able to operate in the long term.



OUR MILESTONES

“GROWING AND EXPANDING SUSTAINABILITY”



The Two Founders of Sustainable Growth

The Chia Tai Chung seed shop was founded in 1921 by siblings Mr. Chia Ek Chor and Mr. Chia Seow Hui (Choncharoen Chiaravanont) in the Song Wat neighborhood of Bangkok. Since the founding, the Chia brothers have emphasized “integrity and honesty” as the foundation of their business model. This foundation has served as the groundwork for other businesses, and is best represented by clearly stating expiration dates on vegetable seed packaging, and offering to exchange expired seeds for new seeds to reduce the financial burden on farmers and their families.

In addition, the Chia brothers came up with other innovative ideas such as replacing paper-based packaging with metallic containers that are more durable and can maintain seed quality for a longer period. Another idea was using an airplane, the most modern technology at the time, as a symbol or a “trademark” under the name “Airplane Brand Chia Tai Chung.” Today, the brand is known simply as “Airplane Brand.”

CP Intertrade, promoted by Thailand’s Board of Investment, is a direct importer and exporter. It is also an agent for buying, selling and marketing international brands, as well operating Management and Distribution, Finance and Insurance activities. Its import and export range extends from general produce such as corn cob meal, tapioca starch, tapioca pellets, food ingredients and food such as sauces, spices, seasoning, processed foods, ready to eat meals and confectionary to consumer and industrial goods such as plastic table set, furniture, Thai handicrafts and body care products.

It is the leader in the premium rice sector in Thailand, processing and packaging high quality rice for the domestic and overseas markets. The company’s present rice processing plants in Patumthani and Ayudhaya are capable of producing 360,000 tons a year.

CP Food Store is the local distributor of food products, responsible for retailing and brand marketing. It has 12 branches in all four region to gain more customer bases, efficient distribution and facilitate customer services.

In addition at the retail level, C & F Store has started a new concept called “food services” sources high quality fresh produce and food products provide to hotel, restaurants, cafeterias and food courts market.

Dynamic Inter transport handles all CP Group’s international transport business both air and sea freight, with annual shipments of more than 20,000 TEU. It runs LCL consolidation services and a shipping agency servicing more than 70 vessels annually, and charters ships for importing commodities in bulk.

Within Thailand, Dynamic Transport is CP’s third party transport provider with its own fleet of carriers handling more than 3,000 vehicles and 500,000 journeys every year. It carries four million tons of bulk cargo and 30 million cartons of retail products annually.

These services are backed by the network of Trade Related Services which ensure smooth running and cost - efficient performance. In addition to its responsibility for Safety and Environment management for the CP group, Trade related Services provide complete Import - Export Documentation, Cargo Insurance and Custom clearance for more than 1,000 trade transaction every month.

Today, CP Intertade has concentrated the thrust of its forward movement into trading role as a producer and distributor of food products to serve both domestic and international markets.



MILESTONES OF CPTG GROUP: THAILAND

1980

2000

2010

○ 1979

C.P. Intertrade Co.,Ltd. , established in 1979 as a company promoted by the board of investment of Thailand. C.P. Intertrade (CPI) have traded in all categories of products, from basic agricultural and industrial raw materials to high value add foodstuffs.

○ 1990

The business operated by the company the rice business under the brand of "Royal Umbrella". It is the product of the company whose quality is improved and is sold in more than 100 countries around the world under the same standard and the same brand. Being sold in foreign countries, the English name of the brand is used as "Royal Umbrella".



○ 1990

Dynamic Intertransport Co., Ltd. are a highly professional transport architect with comprehensive and worldwide services which enables us to fulfill our clients' ever growing and changing logistic needs.

○ 1999

Establishment of a quality rice processing plant Pathum Thani plant

○ 2002

Initiate and develop the development of rice quality processing factory (the Wang Daeng factory) With modern production technology

○ 2004

Start basic policies related to sustainability such as Occupational health and safety policies environment policy, energy management policy, labor policy, etc.

○ 2007

Expanded into a rice mill business by acquiring 3 rice mill businesses, namely Kamphaeng Phet Rice Mill, Suphan Buri Rice Mill And Buriram rice mill

○ 2007

Policy CP Sysnergy



○ 2012

Began the Nakhon Luang Rice Project, which comprised the largest and most modern rice quality improving facility in the world, and became a distribution port.



○ 2015

Apara Rice (Cambodia) Co.,Ltd. is register in Cambodia and is operated by C.P. Intertrade Co.,Ltd., and the Charoen Pokphand (C.P) Group. C.P. Intertrade Co.,Ltd. , 's experience and world-class facilities make it the world's Number 1 Thai Jasmine rice exporter, Using C.P modern technologies, international standards of quality control, and research and development, C.P is proud to introduce our unparalleled ROYAL MONGKUT rice.

○ 2015

Initiate sustainability policies and sustainability goals covering economics, society, environment



○ 2018

Join international organizations such as UNGC and SRP, moving sustainability operations.

SUSTAINABILITY MANAGEMENT

In addition to delivering value through quality products and services that meet the expectations of customers and consumers, C.P. Intertrade Co., Ltd., the International Trading Business Group C.P. Group believes that for a business to operate in a sustainable manner, it must be based upon social and environmental responsibility in accordance with the principle of Sufficiency Economy. This is illustrated through our Three-Benefit Principle, which aims to create benefits for the country, the people, and the company. We also apply the C.P. Excellence Management Approach to our business operations to consistently develop the Group's human resources.

Furthermore, the International Trading Business Group C.P. Group is committed to operating our businesses in a sustainable manner beyond compliance of rules and regulations, and standards of the countries in which we operate. This is achieved by complying with international sustainability guidelines, such as The Sustainability Rice Platform(SRP), the UN Global Compact, UN Guiding Principles on Business and Human Rights (UNGP), and UN Sustainable Development Goals (SDGs).



Sustainability
Strategy



Sustainability
Governance



Materiality
Assessment



About this Report

SUSTAINABILITY STRATEGY





C.P. Group abides by the 'Three-Benefit Principle', which aims to create benefits for the country, the people and the Group itself, within the framework of the C.P. Excellence Management System. To that end, we are committed to operating sustainably based on good governance and accountability, in accordance with the rules, regulations and standards of each country in which we operate.

Three Benefits

Sufficiency Economy	C.P. Excellence Principles	The 10 UNGC Principles 17 UN SDGs & UNGP	Domestic & International Regulations & Std.
 Heart : Living Right	 Health : Living Well	 Home : Living Together	
Corporate Governance	Social Impact	Climate Change Management	
Human Rights & Labor Practices	Health & Well Being	Water Stewardship	
Leadership & Human Capital Development	Education	Ecosystem & Biodiversity Protection	
Stakeholder Engagement	Innovation	Responsible Supply Chain Management	

In 2016, C.P. Group and C.P. Intertrade Co., Ltd., the International Trading Business Group developed the Sustainability Strategy and the 2020 Goals under the 3Hs Framework, which includes HEART - Commitment to Sustainable Business, HEALTH - Commitment to Sustainable Society, and HOME - Commitment to Sustainable Environment. The Sustainability Strategy is based on the 4 elements which are reflected from the "Three-Benefit Principle," the core of our businesses and our sustainability foundation. The Principle aims to create benefits toward the country, the people, and the company. The first element is Sufficiency Economy which can be integrated into our whole supply chain. It emphasizes that businesses must acknowledge and understand their own competency, and operate adequately and sufficiently. The second element is the C.P. Excellence Management Approach which aims at transitioning the organization through internal synergy between business, people, and mind. The third

element refers to international guidelines related to sustainable business operations, including UN Global Compact, UN Guiding Principles on Business and Human Rights (UNGPs), and UN Sustainable Development Goals (SDGs). C.P. Group is committed to operating in accordance with such international guidelines, and supporting all of the 17 SDGs. The last element is rules and regulations, and standards of the countries in which we operate. Strict compliance with such rules and regulations, and standards are fundamental to our businesses.

More importantly, the Group focuses on operating our businesses based on good governance, transparency, accountability, and social and environmental responsibility, which is demonstrated throughout our operations. The goal is for long-term sustainability, and the highest benefits for all stakeholders.

STRATEGIC FRAMEWORK

ECONOMICS: HEART

SOCIAL: HEALTH

Corporate Governance	Human Rights and Labor Practices	Leadership & Human Capital Development	Stakeholder Engagement	Social Impact	Health & Well-Being
100% of businesses within CPTG publicly disclose their corporate governance and sustainability performance through the Group's Report.	100% of businesses within CPTG conducts human rights due diligence.	All leaders and employees are provided with the training necessary to create business sustainability.	100% of Business Line within CPTG will develop a stakeholder engagement process.	Improve employment prospects and quality of life for 5,000 farmers, SMEs, and vulnerable groups.	30% of new products will help promote health and well-being.
Corporate Governance	Human Rights	Leadership Development	Stakeholder Engagement	Local Community Development	Food Security
Risk Management	Labor Practices	Human Capital Development		Inclusive Businesses	Health & Nutrition
Compliance Management	Diversity and Inclusion	Talent Attraction and Retention		Supporting Vulnerable Groups	Product Safety and Quality
Anti-Corruption	Occupational Health and Safety			Community Investments and Contributions	Product Labelling

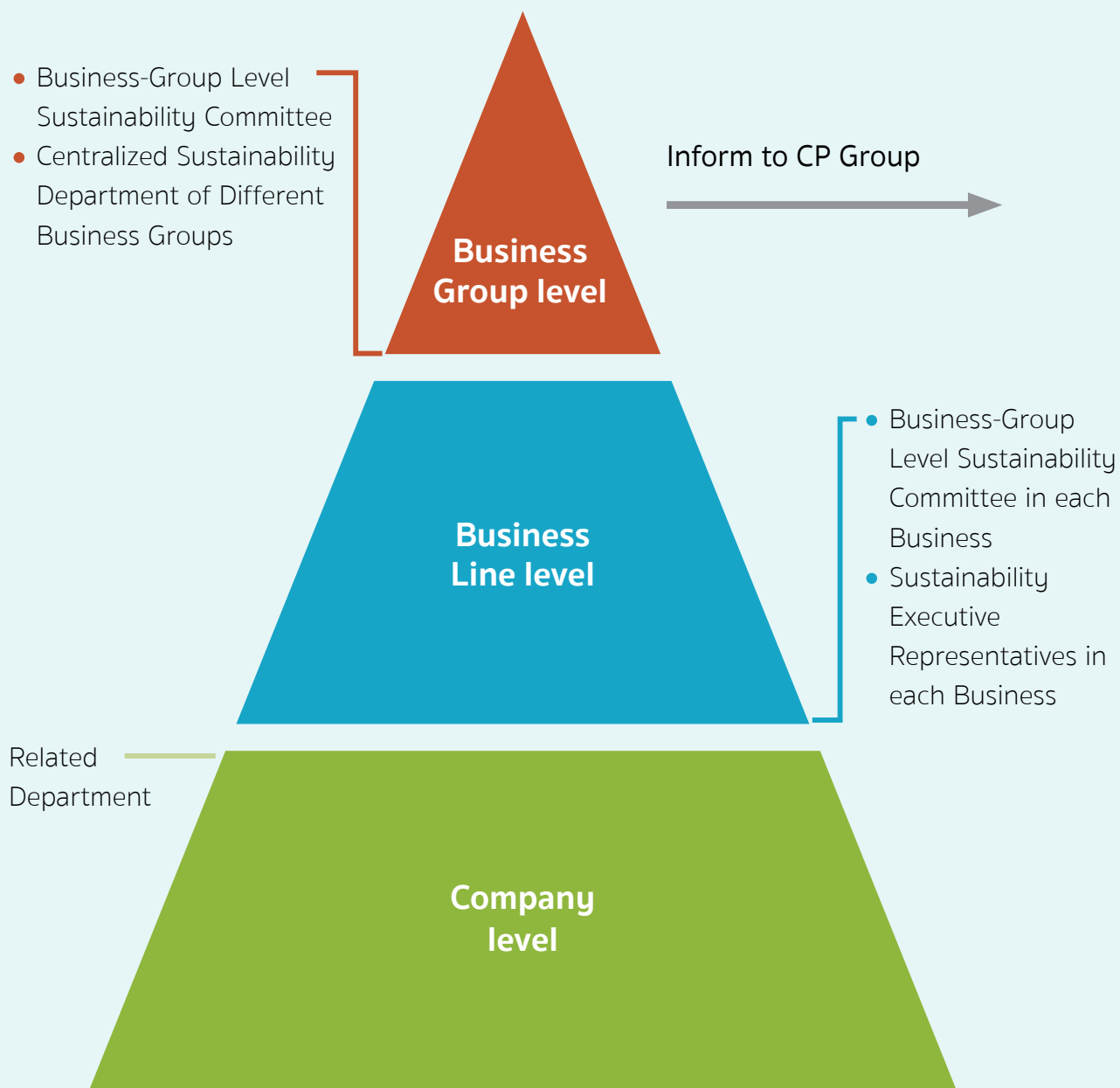
Environment: HOME

Education	Innovation	Climate Change Management	Water Stewardship	Ecosystem & Biodiversity Protection	Responsible Supply Chain Management
30,000 children, youth, and adults will be provided with access to education and necessary skills development by 2020.	Increase value of product and process innovation by 50%, compared to the 2016 baseline.	Reduce greenhouse gas emissions (Scopes 1 and 2) per unit of revenue by 10% by 2020, compared to the 2015 baseline.	Reduce water withdrawal per unit of revenue by 10%, compared to the 2015 baseline.	100% of key raw materials comes from responsible sources without contributing to the depletion of forests and marine resources.	100% of critical suppliers has been assessed for sustainability.
Access to Quality Education	Research and Development	Greenhouse Gas (GHG) Emissions Reduction	Water-Related Risks	Ecosystem & Biodiversity Impact Prevention	Ethical Supplier Code of Conduct Standards
Access to Knowledge	Open Innovation	Energy Management and Efficiency	Water Efficiency	Raw Material Sourcing and Traceability	Sustainable Supply Chain Management
	Product and Service Innovation	Renewable Energy	Water Recycling and Circular Water Management	Ecosystem Protection and Restoration	Supplier Capacity Building
	Process Innovation	Climate-Smart Agriculture	Water Quality		
		Waste Management			

SUSTAINABILITY ROADMAP

DETAIL	Build	Integrate		Scale	
	2016	2017	2018	2019	2020
Sustainability Strategy					
• CPTG Group Sustainability Strategy and 2020 Goals	▶				
• CPTG Group Sustainability Strategy and 2025 and 2030 Goals					▶
Sustainability Strategy Performance					
• CPTG Group Main Businesses in Thailand	▶	▶	▶	▶	▶
• CPTG Group Main Businesses in Thailand and Overseas		▶	▶	▶	▶
Sustainability Reporting					
Reporting Boundary					
• CPTG Group Main Businesses in Thailand	▶				
• CPTG Group Main Businesses in Thailand and Overseas		▶	▶	▶	▶
Report					
• GRI G4 (Core Option)	▶				
• GRI Standards (Core Option)		▶	▶	▶	▶
UN Global Compact Communication On Progress					
• GC Active CoPs	▶				
• GC Advanced CoPs		▶	▶	▶	▶
3rd-Party Assurance Boundary					
• Thailand	▶	▶	▶	▶	
• Thailand and Overseas					▶
Data Verified by 3rd-Party Assurer					
• Water Withdrawal (GRI 303-1)	▶	▶	▶	▶	▶
• Indirect GHG Emissions (Scope 2) (GRI 305-2)	▶	▶	▶	▶	▶
• Direct GHG Emissions (Scope1) (GRI 305-1)	▶	▶	▶	▶	▶
• Occupational Health and Safety (GRI 403-2)	▶	▶	▶	▶	▶
• Energy Consumption (GRI 302-1)	▶	▶	▶	▶	▶
• Waste (GRI 306-2)	▶	▶	▶	▶	▶

SUSTAINABILITY GOVERNANCE



Materiality Assessment Process

The objective of this Sustainability Report 2019 is to disclose C.P. Intertrade Co., Ltd., the International Trading Business Group C.P. Group's performance across economic, social and environmental dimensions in relation to issues that are material to our business and stakeholders. The Group takes into account material sustainability issues from internal and external factors in accordance with the Global Reporting Initiatives (GRI) and its 4 principles which include Sustainability Context, Materiality, Completeness and Stakeholder Inclusiveness. Our Materiality Assessment was conducted through the following 4 steps adapted from the GRI Standards:

1. Identification

Identify sustainability issues that are relevant to our business by taking into consideration the scope expansion of this Report to our global operations across different industries relevant to ours. The Identification process went through different stages as shown below.

- 1.1 Reviewing C.P. Intertrade Co., Ltd., the International Trading Business Group and C.P. Group's 2016 and 2017 key material issues;
- 1.2 Benchmarking material issues with peers that are involved in the same industries with the Group's 8 Business Lines;
- 1.3 Analyzing global sustainability standards including: The United Nations Global Compact (UN Global Compact) - Advanced level; UN Sustainable Development Goals (SDGs)
- 1.4 Identifying our material sustainability issues from the previous stages, our business direction, and internal discussion within the Sustainability Committee and Governance Risk and Compliance (GRC) Committee.

2. Prioritization

Prioritized our material issues that were identified in Step 1 by our internal and external stakeholders. The Prioritization process went through different stages as shown below.

- 2.1 Conducting the online Materiality Prioritization Survey to seek opinions and views from executives across all Operation, Business Groups and representatives from various stakeholder groups;
- 2.2 Consolidating the results of materiality assessment in 2018 from our subsidiaries and integrating them into the result of the online Survey;
- 2.3 Assigning weighting of our Business lines and Our Company in accordance with their revenue;
- 2.4 Calculating scores of the material issues prioritized according to importance to business and stakeholders;
- 2.5 Formulating Materiality Matrix

3. Validation

Validated sustainability reporting process in line with the GRI Standards, and its 4 principles. The Validation process went through different stages as shown below.

- Interviewing external stakeholders with regard to material issues of the Group, feedback and opinion to improve our sustainability reporting process;
- Considering and approving the prioritized materiality issues by executives
- Verifying and assuring the accuracy and completeness of our sustainability reporting process by an independent third party.

4. Continuous Improvement

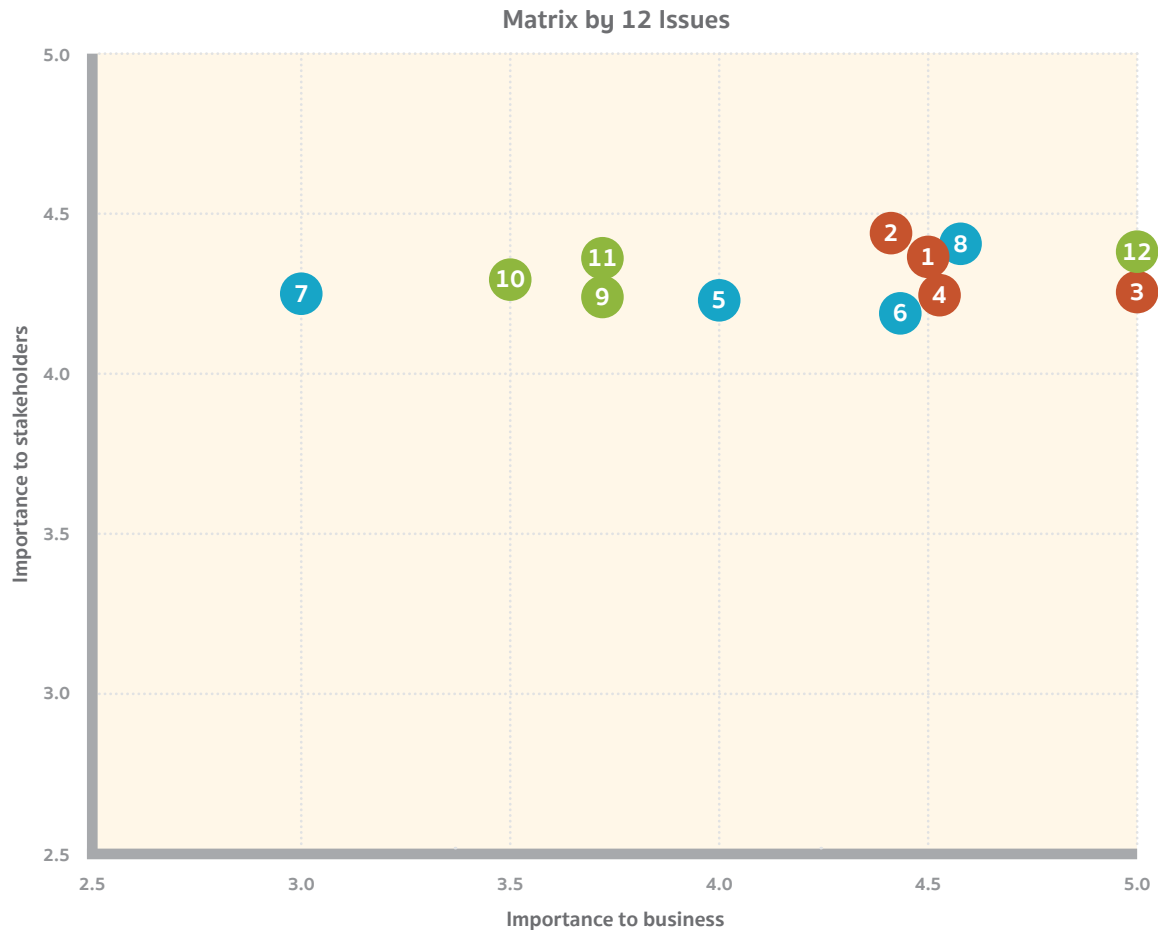
C.P. Intertrade Co., Ltd., the International Trading Business Group C.P. Group is open to feedback and suggestions from all, to continuously improve our future Sustainability Reports to meet the expectations of all stakeholders, through various communication channels

Material Issues and Topics relevant to Our Business Lines

Material Issue	Topic	Business Line						
		Rice Business	Domestic Trading	International Trading	Domestic Logistic	Port	Cambodia Rice	Rice Processin
Corporate Governance	Governance and Business Ethics	●	●	●	●	●	●	●
	Risk and Crisis Management	●	●	●	●	●	●	●
	Information Security & Cybersecurity	●	●	●	●	●	●	●
Human Rights & Labor Practices	Labor Practices and Human Rights (excluding Health & Safety)	●	●	●	●	●	●	●
	Occupational Health and Safety and Well-being	●	●	●	●	●	●	●
Leadership & Human Capital Development	Human Resource Management	●	●	●	●	●	●	●
Stakeholder Engagement	Stakeholder Engagement	●	●	●	●	●	●	●
	Customer Relationship Management	●	●	●	●	●	●	●
Social Impact	Corporate Citizenship and Philanthropy (excluding education activities)	●	●	●	●	●	●	●
	Social Impacts from Operations, Products, and Services	●	●	●	●	●	●	●
Health & Well-being	Health and Well-being	●	●	●	●	●	●	●
	Animal Welfare	●	●	●	●	●	●	●
Education	Social Inclusion in Education	●	●	●	●	●	●	●
Innovation	Innovation Management	●	●	●	●	●	●	●
Climate Change Management	Climate Change Impact	●	●	●	●	●	●	●
	Energy Management	●	●	●	●	●	●	●
	Effluent and Waste Management	●	●	●	●	●	●	●
	Resource Efficiency	●	●	●	●	●	●	●
Water Stewardship	Water Management	●	●	●	●	●	●	●
Ecosystem & Biodiversity Protection	Raw Material Sourcing / Biodiversity and Ecosystems	●	●	●	●	●	●	●
	Packaging	●	●	●	●	●	●	●
Responsible Supply Chain Management	Responsible Supply Chain Management	●	●	●	●	●	●	●



Materiality Assessment Results of CPTG Group



HEART

- 1. Corporate Governance
- 2. Human Rights and Labor Practices
- 3. Leadership and Human Capital Development
- 4. Stakeholder Engagement



HEALTH

- 5. Social Impact
- 6. Health and Well-Being
- 7. Education
- 8. Innovation



HOME

- 9. Climate Change Management
- 10. Water Stewardship
- 11. Ecosystem & Biodiversity Protection
- 12. Responsible Supply Chain Management

ABOUT THIS REPORT

Sustainability Reporting

C.P. Intertrade Co., Ltd., the International Trading Business Group, C.P. Group has published our Sustainability Report for the first Sustainability Report 2018 which was published in July 2019. The Sustainability Report will be published annually.

Objective of this Report

The objective of this report is to communicate the C.P. Intertrade Co., Ltd., the International Trading Business Group, C.P. Group's commitments to driving our business toward economic, social and environmental sustainability.

Reporting Scope

This report discloses overall performances of our 7 Business Lines domestically and internationally, from 1st January to 31st December 2018.

Reporting Framework

This report has been prepared in accordance with the GRI Standards: Core option.

Third-party Assurance

Accuracy and completeness of our data in this Sustainability Report was verified by TÜV NORD (Thailand) Ltd., a reliable and internationally recognized independent assurer. Data validated include GRI 303-1, GRI 305-1, GRI 305-2 and GRI 403-2. (Details can be found on page 147-150)

Communication On Progress (CoP)

Communication on Progress to the United Nations Global Compact (UN Global Compact) has been reported consecutively since 2018. In 2018, the Group enhanced our transparency by committing to the 21 Principles of the UN Global Compact at the Advanced level.

UN Sustainable Development Goals (SDGs)

The C.P. Intertrade Co., Ltd. and the International Trading Business Group, C.P. Group is committed to consistently operating our business in accordance with the 17 Sustainable Development Goals (SDGs). (Details can be found on page 146)

Reporting Boundary

Human resources data cover 100% of The C.P. Intertrade Co., Ltd., the International Trading Business Group, C.P. Group. Data on energy, water, waste, air quality, and occupational health and safety cover 6 operation across all business line under C.P. Intertrade Co., Ltd., the International Trading Business Group, C.P. Group.

Contact Us

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Website: <https://www.khaotrachat.com/>

HEART



Corporate governance is an important foundation for achieving sustainable growth in a business. C.P. Intertrade Co., Ltd., the International Trading Business Group C.P. Group has implemented a corporate governance system to promote and ensure compliance in the following areas: Corporate Governance Principles, Business Code of Conduct, policies and ethical best practices, and Supplier Code of Conduct, all of which are related to laws, social norms, and corporate regulations.

Furthermore, C.P. Intertrade Co., Ltd., the International Trading Business Group C.P. Group also has a system of corporate governance principles to ensure business practices that are socially responsible, ethical, and honest throughout

the entire value chain. These principles also respect human rights and labor practices within our organization. We also focus on human capital and leadership development, as well as stakeholder engagement to promote efficiency within our organization. Such activities are crucial to our success and for continually building the level of trust in C.P. Intertrade Co., Ltd., the International Trading Business Group C.P. Group.

consisted of,

- 1) Corporate Governance
- 2) Human Rights and Labor Practices
- 3) Leadership and Human Capital Development
- 4) Stakeholder Engagement



CORPORATE GOVERNANCE



**SUSTAINABLE
DEVELOPMENT
GOALS**

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



Key Performance in 2018



All Company
within CPTG Group
have publicly disclosed
their corporate
governance and
sustainability
performance through
the Group's Report

Business Group has
announced the
**Anti-Bribery &
Anti-Corruption
Policy**
and Guidelines at the group level



Challenges

The Board of Directors believes that good corporate governance is a significant aspect to increasing C.P. Intertrade Co., Ltd., the International Trading Business Group C.P. Group's competitiveness and to ensure long-term sustainable growth, as well as to add value for stakeholders over the long term. Having good corporate governance is reflective of an efficient, transparent, and accountable management system that has the ability to build stakeholder trust across the value chain. However, to achieve these substantial results, corporate governance ultimately relies on the determination and cooperation of employees at all levels.

The challenge is the way disruptive technologies have raised corporate governance standards. C.P. Intertrade Co., Ltd., the International Trading Business Group C.P. Group's multinational corporation status makes it more imperative that the organization take responsibility throughout the entire value chain, ensuring that ethical standards are being met and that the Group's activities are transparent and accountable.

Performance against Goal

2020 Goal (Thailand)

All businesses within CPTG Group will publicly disclose their corporate governance and sustainability performance through the Group's Report.

Progress in 2018

- Corporate governance
- Risk management
- Anti-corruption
- Compliance with rules and regulations
- Whistle-blowing system development

Year-on-year Progress in Thailand

	2016	2018	2020
Number of Business Lines	2	7	7
Number of Company	2	7	7

Corporate Governance

Corporate governance is the system of rules, practices, and processes by which a firm is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders. Since corporate governance' C.P. Intertrade Co., Ltd. and the International Trading Business Group ,C.P. Group also provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

C.P. Intertrade Co., Ltd., the International Trading Business Group C.P. Group adheres to Corporate Governance Principles in our business conduct with fair treatment of all stakeholders. the Group improved upon our Corporate Governance Principles and announced the use of various policies and guidelines. Including organized various training sessions and activities.

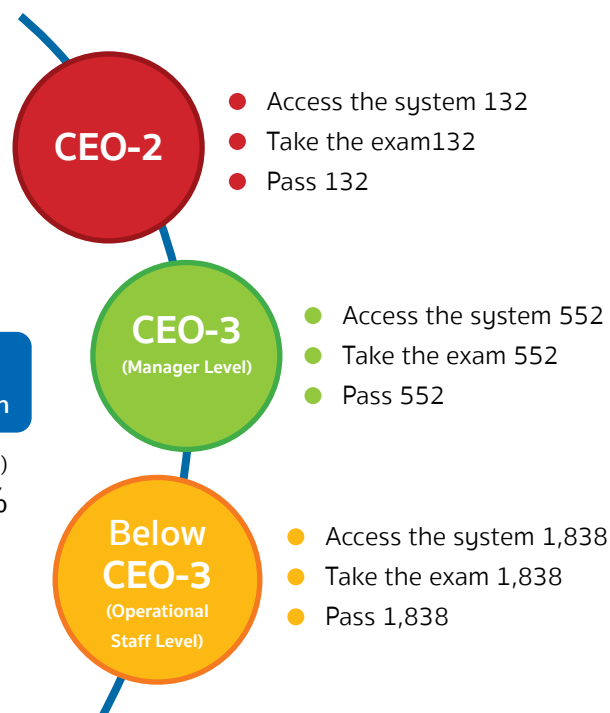


Governance Traing Results

CPTG Group Company

All Employees	Pass	Un-pass
2,522 persons	2,522 persons	0 person

Number of Employee (passed)
100%





Risk And Compliance 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.

The Company has prescribed its enterprise risk management framework for use in operation by referring to international standards.

CPTG Risk Management Framework

2018 Significant Risks and risk management strategies

1. EMERGING RISKS (Disruptive Innovation: Dust Control)

At present, the technological advancements and creative thoughts have created innovations all the time, including new business models or new patterns of goods which can meet consumers' requirements; whereas, modern consumers have been ready for changes or trial of new things; therefore, new businesses or goods had more opportunities of sale; and these innovations may affect business models or quantities of needs of goods manufactured by the Company.

The Company has been aware of trends of consumers' behavior changes and has envisaged consumers' readiness for changes and trial of new things; therefore, the Company expected that there would be increasing competitions on innovation of manufacturing of goods in markets, and has been prepared by:

- Implanting the corporate value of Innovativeness for improvement, creation and invention of innovation for sustainability in terms of development of procedures, goods and services;
- Promoting the working atmospheres which urged thinking, experimenting and learning;
- Providing special projects so that personnel with knowledge and abilities shall participate in developing new businesses and experimenting for outcomes before launching to markets;
- Establishing the Food Research Department to apply the research results for extension to food development;
- Establishing a unit for development of goods such as meats and products from animals and foods for diversification of goods and alternatives for consumers;
- Organizing personnel training for understanding of disruptive changes as foundation for extension of new ideas.

2. STRATEGIC RISKS (Human Rights in the Supply Chain : Legal Compliance, Social Standard)

Respects of human rights, non-use of slave labour, forced labour and labour from human trafficking have still been issues to which all activities in the supply chain shall give importance and shall comply in accordance with the universal principles; but the supply chain in the production and distribution of goods and services to

consumers involved a lot of parties such as farmers, raw material trading partners, manufacturers of rice and distributors, etc.; whereas, some of the related parties may not comply with the principles of human rights and may affect reputations and images, including distribution of goods of the Company.

Forced labour and foreign workers in the supply chain, health, safety and well-being of employees and contractors in workplaces are salient human rights issues. Therefore, the Company had been committed to managing such issues continuously throughout the supply chain, starting from:

- Promulgation of human rights policy;
- Human rights due diligence process;
- Transfer of Sustainable Sourcing Policy and Supplier Guiding Principle for business partners, as well as training, educating and supporting of business partners for self-assessment on sustainability;
- Conducting assessment of main business partners on sustainability and supplying agricultural raw materials from responsible sources;
- Taking care of health, safety and environment in workplaces according to the laws and standards;
- Promoting employees with participatory operation and respects for difference and treatment to employees and workers on the basis of equality and fairness.

3. Financial RISKS (Investment and Operation: Cash, RM Value)

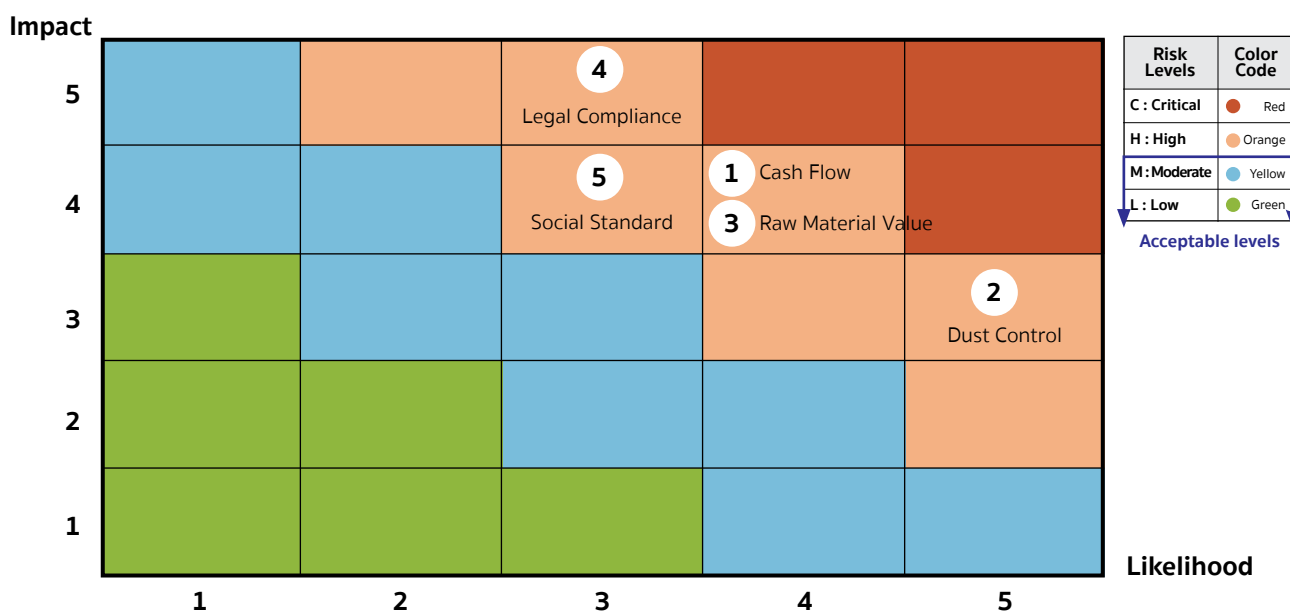
During the past few years, the Company has mainly emphasized the expansion of overseas investment in businesses of manufacturing of Rice Mill and business of production of foods for consumption with objectives of expansion of production base and reduction of problems on rules and regulations of trading partner countries towards Thailand, which was the main production base in the food business of the Company; therefore, for the sake of challenging as from the investment decision making until generation of incomes and benefits of the business which may have different factors affecting the decision-making on investment or failure to receive the expected compensation such as economic condition, policy changes of the public sector, intense marketing competition, etc.

The investment decision making of the Company shall be filtered by a committee prior to the decision making for operation based on the connection or conformity with existing businesses of the Company, worthiness of investment, appropriateness of periods of time, sources of investments, including laws of such countries; and in case of merger and aquisition, there would be additional due diligence processes to provide in-depth audit in various aspects such as laws, accounting and finance, and business value of the Company for use as supporting data for decision making.

ERM Self assessment



Risk Matrix OVERVIEW



Anti-Corruption Policy

C.P. Intertrade Co., Ltd. and the International Trading Business Group ,C.P. Group has a strict zero-tolerance policy against fraudulent activity, bribery and corruption, whilst operating at all levels with honesty, transparency and upholding the highest global ethical standards of business conduct.

C.P. Intertrade Co., Ltd. and the International Trading Business Group ,C.P. Group has communicated its policy throughout the organization and instilled within the corporate culture that all forms of corruption are prohibited and unacceptable. C.P. Intertrade Co., Ltd. and the International Trading Business Group ,C.P. Group mandates that all personnel and subsidiaries, including directors, executives and employees, shall not accept any forms of corruption (whether directly or indirectly, for the benefits of themselves, families, friends or acquaintances) and adhere to this policy and applicable laws, as well as dealing with counterparties and government agencies in a transparent manner, in order to maintain C.P. Group's firm stance against corruption and all its forms.

C.P. Intertrade Co., Ltd. and the International Trading Business Group ,C.P. Group will implement that the assessment by the Governance Audit Office (Sustainability, Good Governance and Corporate Communication) is conducted regularly and annually.

C.P. Intertrade Co., Ltd. and the International Trading Business Group ,C.P. Group provide protection for any whistleblower and complainant, ensure fairness and protection of employees or any other persons to give evidence of corruption within C.P. Intertrade Co., Ltd. and the International Trading Business Group ,C.P. Group, as well as the staff who is denying corruption allegations. These C.P. Group (Charoen Pokphand Group) measures protect the whistleblower and/or whoever cooperates in reporting corruption, as defined in the Whistleblowing Policy and Practices.

C.P. Intertrade Co., Ltd. and the International Trading Business Group ,C.P. Group have a training curriculum with modern and relevant content for directors, executives, and personnel to gain knowledge and a better understanding of the importance of anti-corruption in order to achieve sustainable growth.





HUMAN RIGHTS AND LABOR PRACTICES



**SUSTAINABLE
DEVELOPMENT
GOALS**



Key Performance in 2018



**All Company
Impact Assessment
of Human Right**

**Identified salient
human rights
issues at the Business
Group level**



**Business Group has
announced the
Human Right
and Labor
practice Policy
and Guidelines at the group level**



Challenges

Problems concerning human rights violations are significant causes of conflict in many areas including economic, social, and political. Such problems stem particularly from the fact that most of the population is considered low- to medium-income earners, and from the existing social inequalities and development imbalances in society. Therefore, sustainable development must integrate the principles of respect for human rights in order to be considered “sustainable,” and must be driven by equal participation and inclusion of society as a whole. This commitment has been agreed upon by the global community through the agenda of the United Nations Sustainable Development Goals (SDGs) to “Leave No One Behind,” and is a commitment to which Thailand is also a part.

We are also well aware that it is a challenge to manage human rights efficiently and in a way that encompasses all countries, economic areas, and industries across our entire supply chain. For this reason, the C.P. Intertrade Co., Ltd. and the International Trading Business Group ,C.P. Group is determined to push forth measures and long-term plans to manage human rights risks covering the many aspects of human rights, in all areas where the Group has a presence in management or operations.

Performance against Goal

**Performance against Goal
2020 Goal (Thailand)**

100% of businesses within C.P. Group conduct human rights due diligence

Progress in 2018

- Identified material human rights issues in Thailand
- Assessed human rights impacts
- Developed human rights risk management approaches and protection measures
- Conducted safety audits
- Managed occupational health and safety

Year-on-year Progress in Thailand

	2016	2018	2020
Number of Business lines assessed with human rights risks	2	2	7
Number of Company assessed with human rights risks	2	7	7

Governance of Respect for Human Rights

C.P. Intertrade Co., Ltd. and the International Trading Business Group, C.P. Group is committed to ensuring that we respect human rights, including labour practices, and aims for continuous improvements in how we raise awareness, review monitor and address potential human right risks that may occurred link to our operations.

C.P. Intertrade Co., Ltd. and the International Trading Business Group, C.P. Group recognises our responsibility to uphold the International Bill of Human Rights, including the Universal Declaration of Human Rights, and is currently working to align our policies and process to the UN Guiding Principles on

Business and Human Rights. In addition, as a member of UN Global Compact, we aim to uphold the relevant principles for human rights (Principles 1 and 2) and labour practices (Principles 3, 4,5, 6). Specifically for labour practices, CPG aims to ensure to act in accordance to the following International Labour Organisation (ILO) Conventions Revision of human rights and labour policies to strengthen our policy commitment and to align with the UN Guiding Principles on Business and Human Rights (UNGP) and other relevant international standards with consultations with key stakeholders and relevant experts prior to finalisation



Defining Salient Issues

Provision of human rights awareness training to employees, business and supply chain partners and other key stakeholders;

Establish a human rights due diligence process for the group and each business unit that is meets the recommendations by the UNGP. This includes the identification of human rights risks through conducting human rights impact assessments and planning for their mitigation, including setting up a human rights grievance mechanism and provision of support to possible victims;

Communicate our human rights performance As we aim to execute these action steps towards strengthening our human rights and labour practices commitments, C.P. Intertrade Co., Ltd. and the International Trading Business Group, C.P. Group update on our progress as according to the Sustainability reporting framework



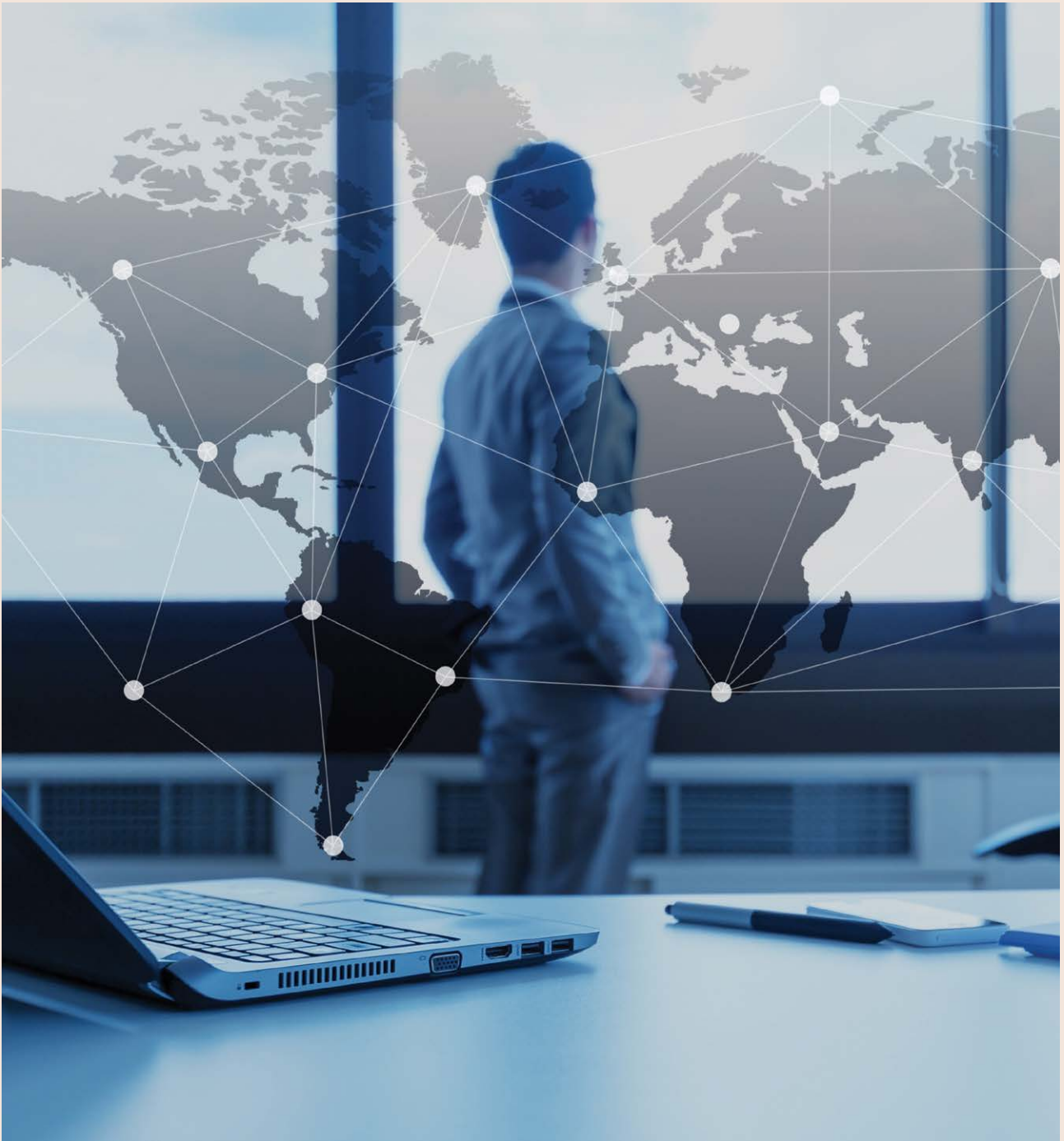
Improving SHEEn and CSR Management System Standards and Safety Management Audits

C.P. Intertrade Co., Ltd. and the International Trading Business Group, C.P. Group is committed to safeguarding the well-being of all directors, management, staff and all related persons in our workplace. Managing safety, occupational health and workplace practices is not only essential to achieving sustainable growth, but also in improving overall work efficiency.

To achieve the goal of zero accidents in the workplace by promoting and supporting safe and hygienic workplace practices, in addition to protecting and preventing employees, other stakeholders and business partners in its supply chains at risk from contracting potential occupational diseases in accordance with related policies, laws, regulations and international standards in order to continuously improve the management system as SHEEn and CSR Management System Standards.



Leadership and Human Capital Development



Key Performance in 2018



2,522 employees
completed trainings at
the Sustainability Training
and SHE Training Program

245 leaders
participated in
Sustainability
Workshop in 2018



Challenges

With the diversity of cultures and expertise among our employees, we strive to help them develop their capabilities and prepare them to be new generation leaders despite their differences. These new generation leaders will be good, competent, knowledgeable, and equipped with the skills necessary to drive the business forward and tackle changes efficiently. C.P. Intertrade Co., Ltd. and the International Trading Business Group, C.P. Group emphasize top management participation in transferring their knowledge and experience to the new generation leaders at every level of the “Leader Developing Leader” model. In turn, this builds sustainable business growth, contributes to Thailand and other countries C.P. Intertrade Co., Ltd. and the International Trading Business Group, C.P. Group have invested in, and covers the economic, social, and environmental dimensions according to our ‘Three-Benefit Principle.’

Year-on-year Progress in Thailand

2020 Goal (Thailand)

All leaders and employees are provided with the training necessary to create business sustainability.

Progress in 2018

- Leadership development for business sustainability
- New generation leader development
- Human resource development

Year-on-year Progress in Thailand

	2016	2018	2020
Number of employees will pass the sustainability knowledge training	2,106	2,522	3,000
Leader in Sustainability Workshop	106	245	1000

Human Resources Development and C.P. Leadership Institute

Developing future skills for employees in a way that aligns with the Group's core values is critical for building a successful business in a technologically-driven era. Human resources development in each of our business groups will factor in two key principles. The first involves identifying the necessary skills for learning, and planning and developing employees' skills quickly and efficiently. This may involve teaming up with global experts. The second principle is that any skills promotion should cover all employees within the Group to ensure their equal participation and advancement. As well as their skills in various other aspects, for living life in the digital era.

The C.P. Intertrade Co., Ltd. and the International Trading Business Group, C.P. Group and C.P. Leadership Institute serves as the focal point for leadership-building efforts at all levels. It helps current leaders build future leaders by focusing on real-life applications and real business problem-solving.

Top-level executives all have a part to play in promoting educational innovations within the organization by operating under the vision, "Joining forces, Creating leaders, Driving business." This vision is achieved through annually rotating seminars, training sessions, and the Action Learning Program. Ultimately, our top executives are responsible to share the Group's vision and strategy, promote knowledge-sharing, and foster cross-functional experiences between different business groups in Thailand and overseas. This will develop the organization and strengthen the business in all areas.

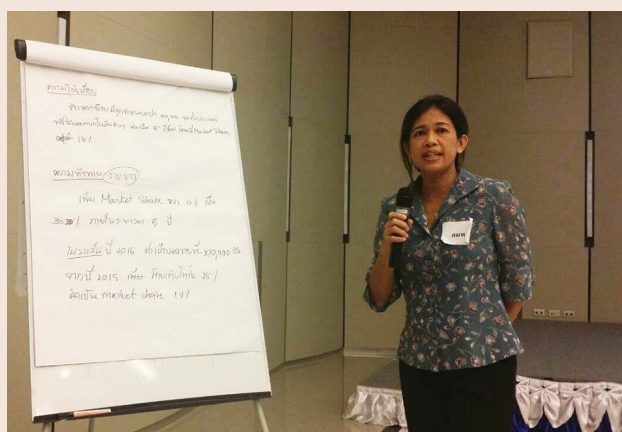
Due to the company recognizes the importance of human resource development to make our team more efficient and higher quality. Therefore, the high knowledge and experience of our teamwork in rice business is well equipped to handle a wide range of products and services to client in terms of consultation, design, product development and so on



Supply Chain Training Program and Audit

Global context has changed and society expects businesses to take the responsibility or participate in the welfare of the community, the overall environment, the working environment of the employees, and human rights throughout the supply chain. Accordingly, leaders in organizations are faced with increasingly high expectations from investors, customers, and employees to be socially responsible. Leaders must understand the variety of challenges occurring throughout society and the environment that may have an impact on the business, and use that information to develop strategies in response to those different challenges.

The Corporate Sustainability Training Workshop is part of the CPI Sustainability Training Programme (STP). It focuses on nurturing and training Manager and Officer on Corporate Sustainability matters and to look at it as a prospective career to help shape the national sustainability agenda in the private sector. Through the internship programme, we aim to create a pool of young sustainability professionals that is ready for the workforce.



Sustainability Workshop Program

Global context has changed and society expects businesses to take the responsibility or participate in the welfare of the community, the overall environment, the working environment of the employees, and human rights throughout the supply chain. Accordingly, leaders in organizations are faced with increasingly high expectations from investors, customers, and employees to be socially responsible. Leaders must understand the variety of challenges occurring throughout society and the environment that may have an impact on the business, and use that information to develop strategies in response to those different challenges.

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SHE Training Development

EDUCATION AND TRAINING are important tools for informing workers and managers about hazards and controls so they can work more safely and be more productive. Another role of education and training, however, is to provide workers and managers with a greater understanding of the safety and health program itself, so that they can contribute to its development and implementation.

EDUCATION AND TRAINING provides employers (owners and executives), managers, supervisors, and workers with:

- Knowledge and skills needed to do their work safely and avoid creating hazards that could place themselves or others at risk.
- Awareness and understanding of hazards and how to identify, report, and control them. Specialized training, when their work involves unique hazards.

SHE Training Development Covers planning for job training, including educating in employee wellness, increasing knowledge and skills, and raising practices awareness in executives, employees and contractors to achieve operational effectiveness.

Effective training and education can be provided outside a formal classroom setting. Peer-to-peer training, on-the-job training, daily toolbox talks, and worksite demonstrations can be effective in conveying safety concepts, ensuring understanding of hazards and their controls, and promoting good work practices





STAKEHOLDER ENGAGEMENT



Key Performance in 2018



**Compiled topics
of stakeholders'
needs** from 7 Business
Lines in 2 countries

**In-depth
engagement
survey** with
stakeholders within
Thailand



Challenges

Stakeholder engagement is at the heart of our business. Companies within C.P. Group inclusively emphasize this value by continuously and passionately considering the stakeholders' needs in developing the organization's strategies. This ensures the balance between our operations and the expectations of our stakeholders. Furthermore, we always look to build close, substantial, and sustainable relationships with all our stakeholder groups through the C.P. Excellence Management Approach.

With the advantage of having our businesses located throughout Thailand and other countries, we are able to build comprehensive and holistic stakeholder engagement that covers a number of stakeholders. This has affected our business operations positively as we are constantly mindful of creating and delivering value from our products and services by complying with regulations and addressing the needs of different stakeholder groups.

Performance against Goal

2020 Goal (Thailand)

100% of Business Lines within CPTG Business Group will develop a stakeholder engagement process.

Progress in 2018

- Extended the scope of stakeholder engagement to Business Groups overseas
- Conducted an in-depth engagement survey with stakeholders within Thailand
- Collaborated with partners to drive sustainable development

Year-on-year Progress in Thailand

	2016	2018	2020
Number of Business Lines	2	7	7
Number of Company	2	7	7

Stakeholder Engagement Framework

Applying the AA1000 standard, CPTG and Charoen Pokphand Group operates the stakeholder engagement process through the Stakeholder Engagement Framework. This enables the organization to respond to the needs and expectations of every stakeholder group and to integrate stakeholder engagement into our corporate governance, strategies, and work process. The Group has identified 14 stakeholder groups similar as before with a slight modification: The shareholders, investors, and creditors are now categorized in the same group. Farmers, no longer part of the business partner group, now belong in a separate group due to the need for a specific stakeholder engagement process.

For the 2018 sustainability report, CPI and CPTG has collected issues and opinions regarding stakeholders from across the economic, social, and environmental areas. C.P. Group also seeks to prioritize the issues as mentioned above. Furthermore, Business Groups within C.P. Group also conducted interviews with stakeholder group representatives concerning their perspectives on the sustainable development of the Company. Important issues have been incorporated into the direction in which the Company responds to stakeholder needs and ensure a consistent stakeholder engagement throughout the organization.



Participating as a member in international organizations And in collaboration with the associatio Sustainable Rice Platform (SRP)

CP Intertrade and Khao CP joined as a member organization And join the stage for Sustainable Rice Platform (SRP). SRP is a multi-stakeholder platform of the United Nations Environment Programme (UNEP) and IRRI to promote sustainable rice cultivation. It was established in 2011 to promote resource efficiency and sustainability in the global rice sector's trade flows, production and consumption operations, and supply chains.

The SRP has grown rapidly since its inception in 2011, and now comprises over 90 institutional members spanning a wide range of actors both within and outside the value chain.

SRP's current membership includes government agencies and research institutes, rice traders and environmental and social NGOs. CP Intertrade and Khao CP contribute to more than

one Working Group. The groups deliver on the mandate as approved by the plenary and the Board.

CP Intertrade and Khao CP commit themselves to:

- Support the mission, objectives, and activities of the SRP;
- Contribute financially and/or in kind according to their resources and institutional capacity;
- Develop and implement within their own organizations plans of action to support the SRP's mission and objectives;
- Actively and constructively communicate and support the SRP's process and implementation of projects, while adhering to SRP visibility guidelines;



Stakeholder Interviews

C.P. Intertrade Co., Ltd. and the International Trading Business Group, C.P. Group has collected issues and opinions regarding stakeholders from across the economic, social, and environmental areas. C.P. Intertrade Co., Ltd. and the International Trading Business Group, C.P. Group also seeks to prioritize the issues as mentioned above. Furthermore, Business Lines within the International Trading Business Group, C.P. Group also conducted interviews with stakeholder group representatives concerning their perspectives on the sustainable development of the Company.



Public Hearing



Social Survey



Partner Engagement



Customer Engagement

HEALTH



C.P. Group and CPTG are committed to driving society toward sustainability through innovations that help promote good health for consumers. In addition, we implement projects aimed at improving the quality of life and health of people through our shared experiences and knowledge with a focus on comprehensive development in economic, social and environmental aspects. We also join forces with many organizations to push

forward changes at the national level, in line with our core values founded on the “Three-Benefit Principle.”

- 1) Social Impact
- 2) Health and Well-Being
- 3) Education
- 4) Innovation



Social Impact



SUSTAINABLE
DEVELOPMENT
GOALS



Key Performance in 2018



**6,279 farmers
received
support**

**375 vulnerable
persons' employment
prospects and quality
of life were improved**



Challenges

Many organizations from the public and private sectors provide assistance toward alleviation of poverty, which remains a key global challenge. A significant amount of research, particularly in developing countries, has revealed that agricultural occupations are by far the most difficult to escape from poverty. The reason is that most farmers do not own land of their own; therefore, land must be rented, which often lead to debt. In addition, their financial difficulty is aggravated by the high volatility of agricultural produce prices, as well as the lack of knowledge and necessary skills in agricultural technology and marketing to create a competitive advantage.

Performance against Goal

2020 Goal (Thailand)

Improve employment prospects and quality of life for 5,000 farmers and vulnerable groups.

Progress in 2018

- Improved the livelihood of farmers in developing countries and emerging economies
- Supported small entrepreneurs
- Integrated people with disabilities into society
- Improved the quality of life for the elderly

Year-on-year Progress in Thailand

	2016	2018	2020
Farmer	1,274	6,279	10,000
vulnerable persons'	-	375	1,000

Management Approach

Farmer Support

CPTG and C.P. Group is aware that social and economic issues have a large impact on business operations. As a result, we actively seek to support and integrate farmers, SMEs, and vulnerable groups in our businesses. We provide financial support, encourage their participation, create shared value, and help generate income. Recognizing the importance of addressing social issues, C.P. Group continues its commitment to improving the quality of life of communities and vulnerable groups so that they can access basic social necessities and become self-sufficient.

Supporting Famers

Cultivation Encouragement

The mission of C.P. Rice Co., Ltd. is to bring the Traceability and GAP Plus (GAP+) standards to transform targeted area to be the best rice farm which offers the best quality by GAO (Good Agriculture Practices) framework growing techniques. Moreover, this also the solution for farmers to reduce price volatility an promote sustainability within the market. This provides a safe for rice farming and reducing cost, while raising income. At the same time, the project also maintain Thai Hom Mali rice as one of the world's



Key Performance in 2018

Total Agricultural Support

1. The Rice farmer buying

- RD43 : Price guarantee 12,000 Bath/ton(dry)
- Thai Hom Mali Rice +Increase from market price Bath/ton(wet)
- Pathum Thani 1 + +Increase from market price Bath/ton(wet)

2. Promotion area total 177,884 rai

- RD43 4,829 rai
- Thai Hom Mali Rice 153,527 rai
- Pathum Thani 1 19,528 rai

3. Farmer 6279 Persons



CASE STUDY 2

GAP Plus

The project on Promotion of Hom Mali Rice Production is not only participated by the farmers' network in Si Sa Ket and Yasothon provinces, the farmers' network is also extended to Surin, Buriram, Roi Et and Phayao provinces.

The project aims to promote Agriculture Practice under GAP PLUS (Good Agriculture Practice Plus). The system is certified by the Rice Department, the Ministry of Agriculture and Cooperative. It has also been recognized for Quality Control, Food Safety, and Greenhouse gas emission reduction.

1. To develop and increase knowledge of rice producing to farmer participating in the project.
2. To encourage and motivate farmers. To allow farmers the opportunity to be certified GAP system.
3. To pass on the knowledge to farmers in others provinces.

THE COOPERATION

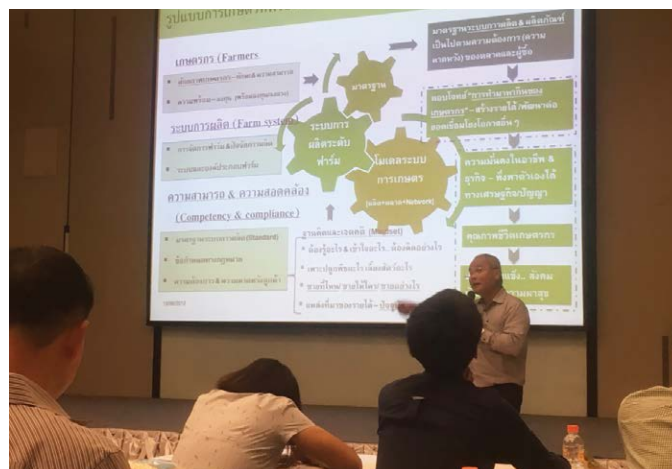
1. THE COOPERATION OF KHAO C.P. CO.,LTD.,
2. DEPARTMENT OF AGRICULTURAL EXTENSION, RICE
3. DEPARTMENT AND BANK FOR AGRICULTURE AND AGRICULTURAL COOPERATIVES



Product of Farmer



Sustainability Community Awards from C.P. Group



Sustainability Agriculture Training



Sustainability Agriculture Activity

CASE STUDY 3

Rice Mega Farm

“Mega Farm” is a project under the Agriculture and Cooperatives Ministry which the government is committed to provide soft loan, machinery and agriculture equipment for farmers in order to reduce production cost and raise productivity. The Rice Mega Farm scheme has been operated since 2017 and will cover 1.05 million rai (1,680 million sq. m.) of related farmland.

Rice Mega Farm scheme entails participating farmers pooling their rice farmland together into one large plot. The initiated idea is to act as a group so it will improve economy of scale, from planning to farming and from marketing to distribution. The integration of knowledge and resources under Mega Farm aims to solve problem and to improve better strategic plan, to increase the bargaining power and develop farming efficiency. But Thai government does have requirements for establishment of Mega Farm. First, the minimum members are 50. Second, the total amount of rice farm should integrate at the same area and minimum area is 1000 rai.

Performance 2018 (RD 43)

Number of areas that have been developed for producing quality rice

4,829 Rai

Target 2019 (RD 43)

Number of areas that have been developed for producing quality rice

16,000 Rai

Target 2020 (RD 43)

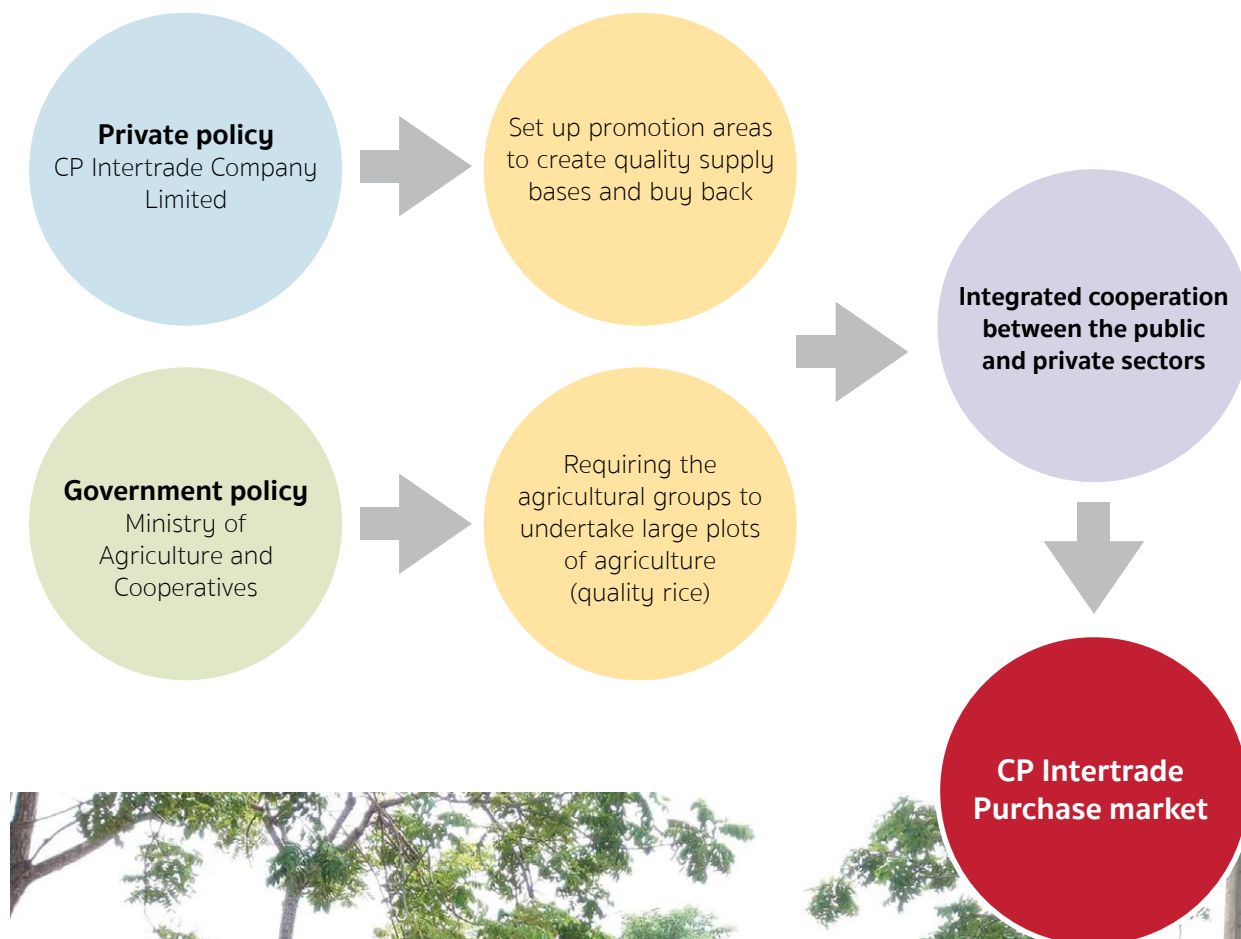
Number of areas that have been developed for producing quality rice

25,000 Rai



The area of cultivation promotion

Policy consistency and cooperation between public and private sectors



CASE STUDY 4

Organic rice agriculture support

Among the world's various strains of rice, Thai Horn Mali Rice enjoys a world famous reputation, being widely accepted for its quality and nutritional benefits including vitamins B1 and B2, niacin, carbohydrates, protein, and minerals such as iron, calcium and phosphorous. In Thailand it is more commonly known as Horn Mali rice: 'Hom' refers to its aromatic fragrance apparent during cooking, and 'Mali' refers to its white, jasmine-like color.

The company participated in the project to connect the organic rice market and GAP rice, which is a comprehensive policy of the government by the Ministry of Agriculture and Cooperatives as a supporting market. Under the project to produce organic rice and GAP rice, which is part of the improvement of agricultural product standards To increase the value of rice products protect the environment And meet the needs of consumers

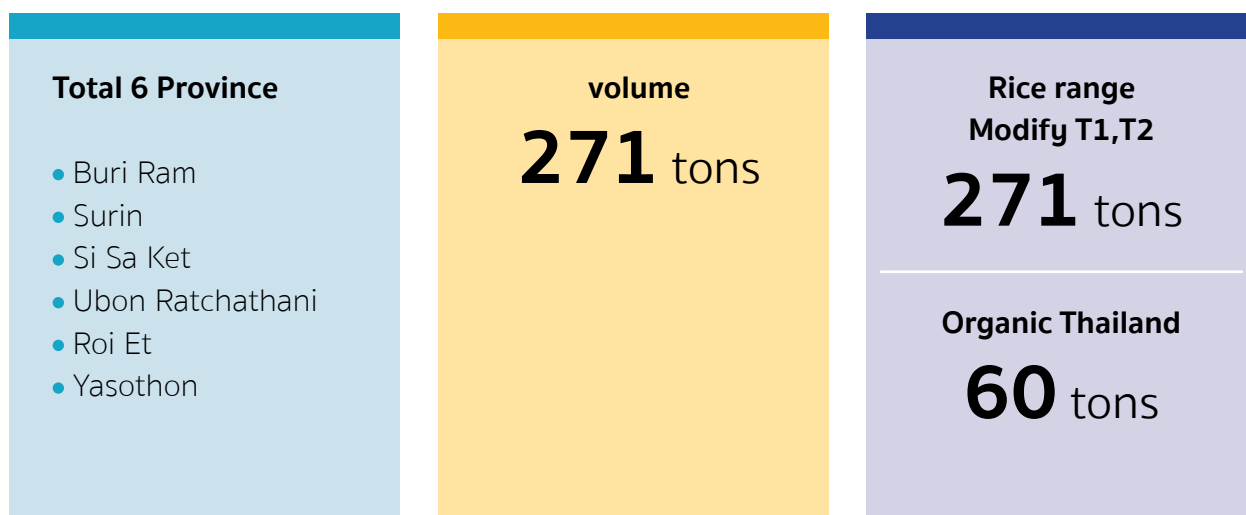
In 2018, the company has been allocated a quota of rice exports to the European Union (EU).

Organic rice,
120 tons

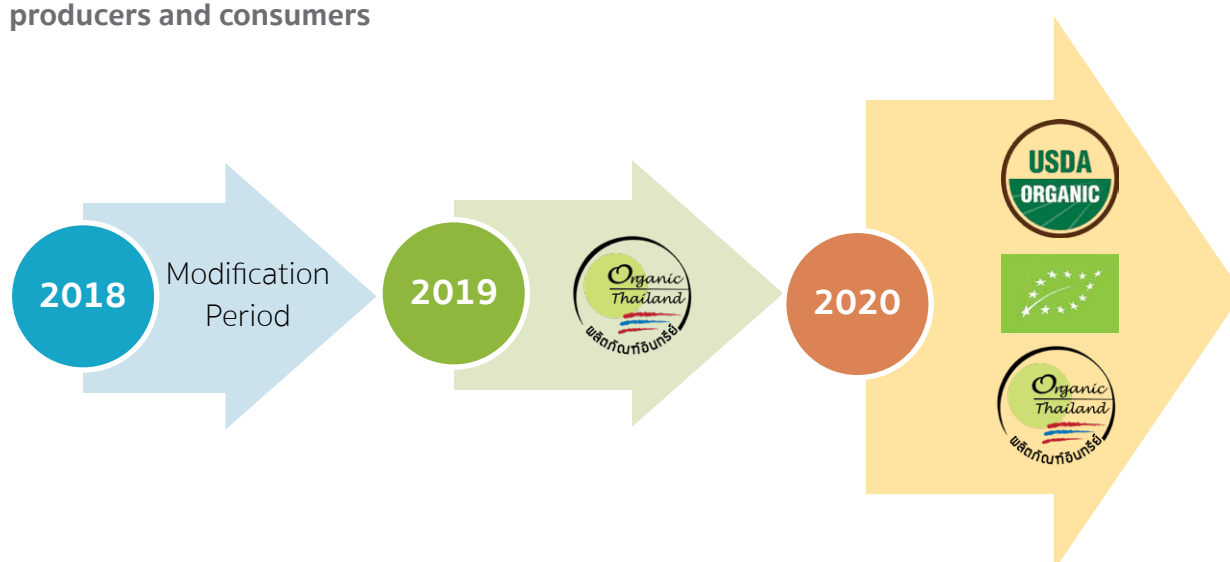
or
30%



Year 2018 Purchase of organic rice according to the Agreement (MOU)



The goal of expanding the organic rice production project to request certification of international organic agricultural products. To build market confidence for farmers, producers and consumers



Certification period for standards

Supporting the Vulnerable group

To improve the quality of life for vulnerable groups, Charoen Pokphand Group has initiated projects to support the disabled, the elderly, children, and the underprivileged. Furthermore, C.P. Group has provided career support, capability and skill training, and knowledge. We also have provided sustainable career opportunities to vulnerable groups by cooperating with various associations, which together lead to a sustainable community and society development.

Key Performance in 2018



**vulnerable persons' employment prospects
and quality of life were improved**

375
Persons

CASE STUDY 5

Support Prosthetic Workshop In Thailand

The Prostheses Foundation has started the mobile unit service in 1992 to fulfill the initiative of H.R.H. Srinagarindra the Princess Mother and H.R.H. Princess Galayani Vadhana Kromluang Naradhiwas Rajanagarindra to provide prostheses for amputees across the country. Amputees, especially with financial difficulties in remote areas, cannot travel and/or afford costs of services at provincial hospitals which they are required to visit the hospitals several times to complete their prostheses. Since 2016 CP Intertrade has consistently supported operations.



Health and Well-Being



SUSTAINABLE
DEVELOPMENT
GOALS



Key Performance in 2018



**34%
New products**
promote better
health and well-being

3 new products
will help promote
health and well-being



Challenges

Technological advancement and economic growth enable better public health, better access to hospitals, and more inclusive transportation. Globally, people have improved their quality of life by having better access to good nutrition, becoming more educated, and having good personal hygiene. At the same time, medical breakthroughs have resulted in better treatment and prevention of diseases. These factors have contributed tremendously to the decrease in illnesses and fatalities during the past few decades. However, there is still a small percentage of the population that is suffering from hunger and has no access to healthcare.

Performance against Goal

2020 Goal (Thailand)

30% of new products will help promote health and well-being

Progress in 2018

- Launched healthy products
- Focused on quality and safety of the production process
- Raised consumer awareness on food safety and traceability
- Promoted animal welfare
- Promoted health and well-being

Year-on-year Progress in Thailand

	2016	2018	2020
Number of products aiming to promote better health and well-being	2	3	10
Percentage of Healthy Product (of total products)	45	34	30

Management Approach

Promoting health and well-being for all people is a common priority for all countries. CPTG views this as an opportunity to develop products and services using our expertise in agribusiness and food, retail and distribution, and pharmaceuticals.

The Group is committed to investing in research and development, operating according to international standards, controlling and monitoring quality throughout the value chain, and promoting understanding of good nutrition for society as a whole. We focus on increasing the capacity of our employees (People), developing processes based on international standards (Process), offering products for promote good health and well-being (Product), and promote understanding of health issues (Promotion of Health) by providing product information and initiatives.

Health products in 2018



Fresh Milling rice



RD 43 rice

Developing Healthy Products

1. The agricultural promotion system grows rice based on adjacent territories.
2. Integration between organizations
3. Create farmer leaders Upgrade to manager
 - Responsible for area management and joint operation
 - Upstream Raw Material Development(URD) staff

The promotion model of Upstream Raw Material Development



1. Recruiting members through the URD system



2. Determine cultivation plan, monitor rice growth, GAP evaluation



3. Plan harvest



4. Market to buy products

Provide training for the transfer of appropriate technology



Meeting to clarify the project



Soil preparation



Planting methods (sprayers)



Spraying weed



harvest maturity harvest



Cutting off mixed rice



Spray method



Fertilizer application

- Group together for harvest at the same time. (Easy to handle)
- Group together to negotiate the purchase of factors (cost reduction)
- Integrate building machine service teams to increase efficiency and reduce costs.

Managing innovation for healthy products of rice RD43

Royal Umbrella Rice is the number 1 rice brand in Thailand and Singapore, exporting to over 100 countries around the globe. Do you know the secret behind our rice quality?

The heart of Royal Umbrella lies in its supply chain sustainability.

With GAP(Good Agricultural Practice), Royal Umbrella has uplifted farmer families well-being and farming standard. We

secure the best crops from upstream and process them in cutting-edge world-class factories, ensuring friendliness to the environment. Consumers can trace back to the origin of each bag of rice online at a touch of a finger. We are proud to make rice - the main ingredient of your everyday meals safer, healthy choice and more delicious.

RD 43 is Healthy choice for a healthy lifestyle. Soft and tasty with 21% less sugar comparing to Thai Jasmine rice.

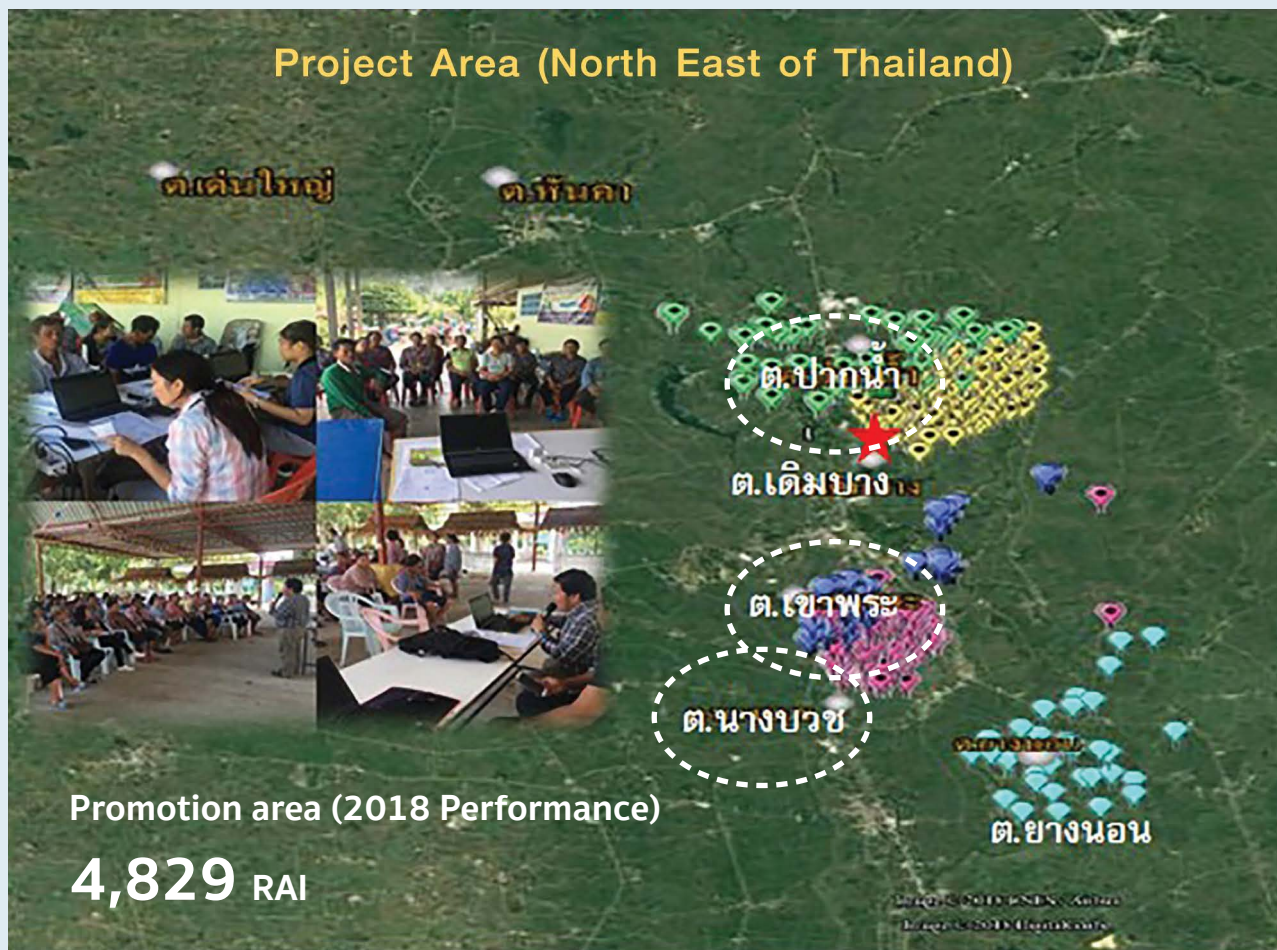


	Jasmine rice	RD43 rice	Brown rice	Riceberry
Calories (kcal/100 g)	352	357	360	366
Sugar (g/100 g)	Not Detected*	0.68	1.19	3.36

Note : Not Detected* is not detected at LOD = 0.33 g / 100g (ie the sugar content is less than 0.33g / 100g) which the scales cannot measure.

	Jasmine rice	RD43 rice	Brown rice	Riceberry
Glycemic Index (GI)	73 (High)	57.5 (Medium)	59 (Medium)	62 (Medium)
Easy to eat	High	High	Medium	Medium

Healthy Rice Promotion Project RD43



CASE STUDY 6

RD 43

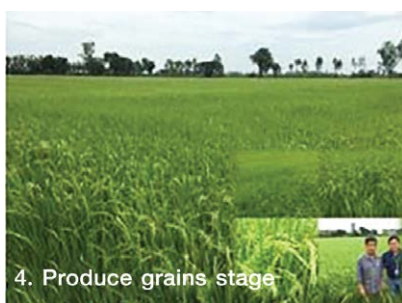
GI is known as glycemic index, the glycemic index represents the rise in a person's blood sugar level after consumption of the food. The glycemic effects of foods depend on a number of factors, such as the type of carbohydrate, physical entrapment of the carbohydrate molecules within the food.

Food with High GI is very dangerous for people with diabetes problem, it rises blood sugar level too fast then you got the problem. In this case rice which is one of the most important carbohydrate source of the world is the way out. Medium to low GI rice is a good friend to person with diabetes but why? It is because once the Medium to low GI rice is digested it releases its energy slowly keeping blood sugar levels more stable, which is a crucial part of diabetes management.

Now in Thailand, CP intergrade have the new type of rice called RD43 which is medium GI rice and it is very good for people with diabetes problem and also whoever is health conscious. RD43 rice come with very good texture and taste, easier to eat than brown rice. Name is RU lite.



Follow-up evaluation of the rice plant: The Department of Upstream Raw Materials Development

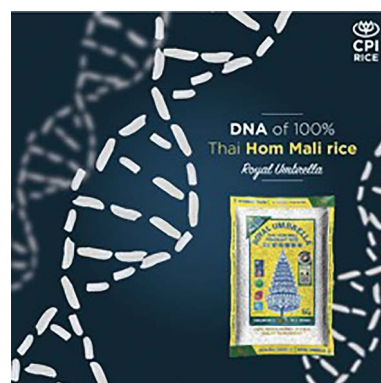


Upstream Material Development Officer (URD)

- Plan the cultivation with the members.
- Periodically monitor paddy fields and track growth.
- Suggesting the amount of fertilizer used and the appropriate fertilizer period.
- Recommend methods for preventing pests
- Plan harvest and assess ripening.
- Every process is traceable.

Development of cultivation standards in rice fields

- Certified by GAP standard (Department of Rice)
- Certified standard Pure rice (Department of Rice)
- Receive a certificate Agricultural sustainability (UNILEVER)

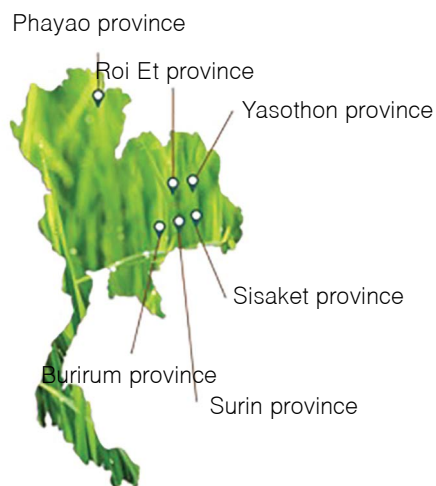


Filled in every of our rice packages is 100% pure Jasmine rice. With a DNA tested symbol, we are ensured to pass to you a perfect grain of rice with aromatic fragrance. Experience the delectable flavor and tenderness that only the rice comes from Royal Umbrella at your next meal.

CASE STUDY 7

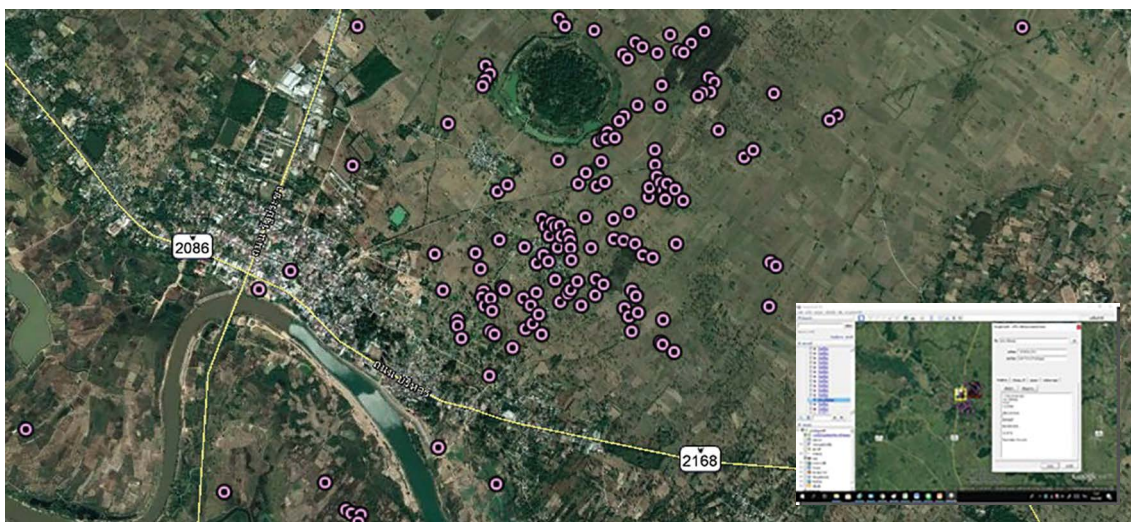
Sustainable rice from Thai farmer by Royal Umbrella Rice Verification of sustainable rice plantations

It is for promoting quality of life and sustainability of the one and only community and its farmers who grow Hom Mali Rice. These farmers practice Sustainable Agriculture, Smart Farmer, and Environmental friendly and Sustainable Supply Chain Management principles.



Royal Umbrella Rice is confident that every single grain of our rice in this bag, can be traced back for safety issues and the production of the farmers registered with the Program. These farmers have a happy life with their families, and they continue to grow sustainably. All this helps the consumers to trust in choosing Royal Umbrella Rice for taste, cleanness, safety and being environmentally friendly

Farm level of Traceability System



Attentively chosen with our heart, the best-quality ingredient is collected from the land with abundant natural resources of Thailand. Open your mind to Royal Umbrella and you will fall in love deeper with the beautiful Jasmine Rice



CASE STUDY 8

Blood donation

For executives and employees to join in creating charitable causes Help fellow humans With a group of doctors and nurses from the Office of the Red Cross in Phra Nakhon Si Ayutthaya province set up blood donation points to import blood banks. And reserve blood to help patients in an emergency. There are also activities to donate eyes, organs and body to build merit for the donors And donors In this activity, receiving a total blood volume of over 100,000 cc



Year	Number of participants	Number of donors	Number of units (CC)
2017	179	118	46,610
2018	173	122	48,190

CASE STUDY 9

Assisting the community in the event of a flood

The problem of disaster is increasing. Causing damage to property and affecting the lives. It is very necessary to provide quick assistance. Commitment to the aspiration of 3 benefits of the Charoen Pokphand Group. Business operations in all areas must see the importance of benefits to the nation. First come first

Started in the year 2011 by entering the donation area Ready to serve omelette rice Regularly at each affected area Including entering the area after the disaster Resolve to rehabilitate the public, damage the benefits to be able to re-use and continue to rehabilitate the affected school. Until being able to complete the teaching and learning



CASE STUDY 10

Sports support

CP intergrade remain committed to the concept of ‘Khaothai-Dekthai Soo Vetheeloke’ (Thai rice and Thai youth to the world stage) in our support for Thai sports. Our support has now extended to the Thailand Ladies Golf Association, which has been playing a big part in the development of female golf players for 41 years. We want to see the next generation of female golfers following the footsteps of the country’s leading players including the Jutanugarn sisters, Ariya and Moriya. At present, ‘Jeen’ Atthaya Thitikul, 16, is among the rising stars under the guidance of the association and she has already won many titles in recent years. We hope our support would encourage Atthaya and other young golfers to work harder and put on

a great performance Royal Umbrella , We are proud to be sponsors of Badminton with Baan Thongyod. May your healthy body and powerful mind be always with you through out your life and competition. We hope you succeed in your life.

Royal Umbrella , We are proud to be sponsors of HSBC Women’s World Championship Boasting one of the strongest fields in women’s golf outside of the five Major Championships, the HSBC Women’s World Championship will see 63 of the top women players battle it out at Sento-sa Golf Club’s New Tanjong Course.



CASE STUDY 11

Supporting patients and the elderly

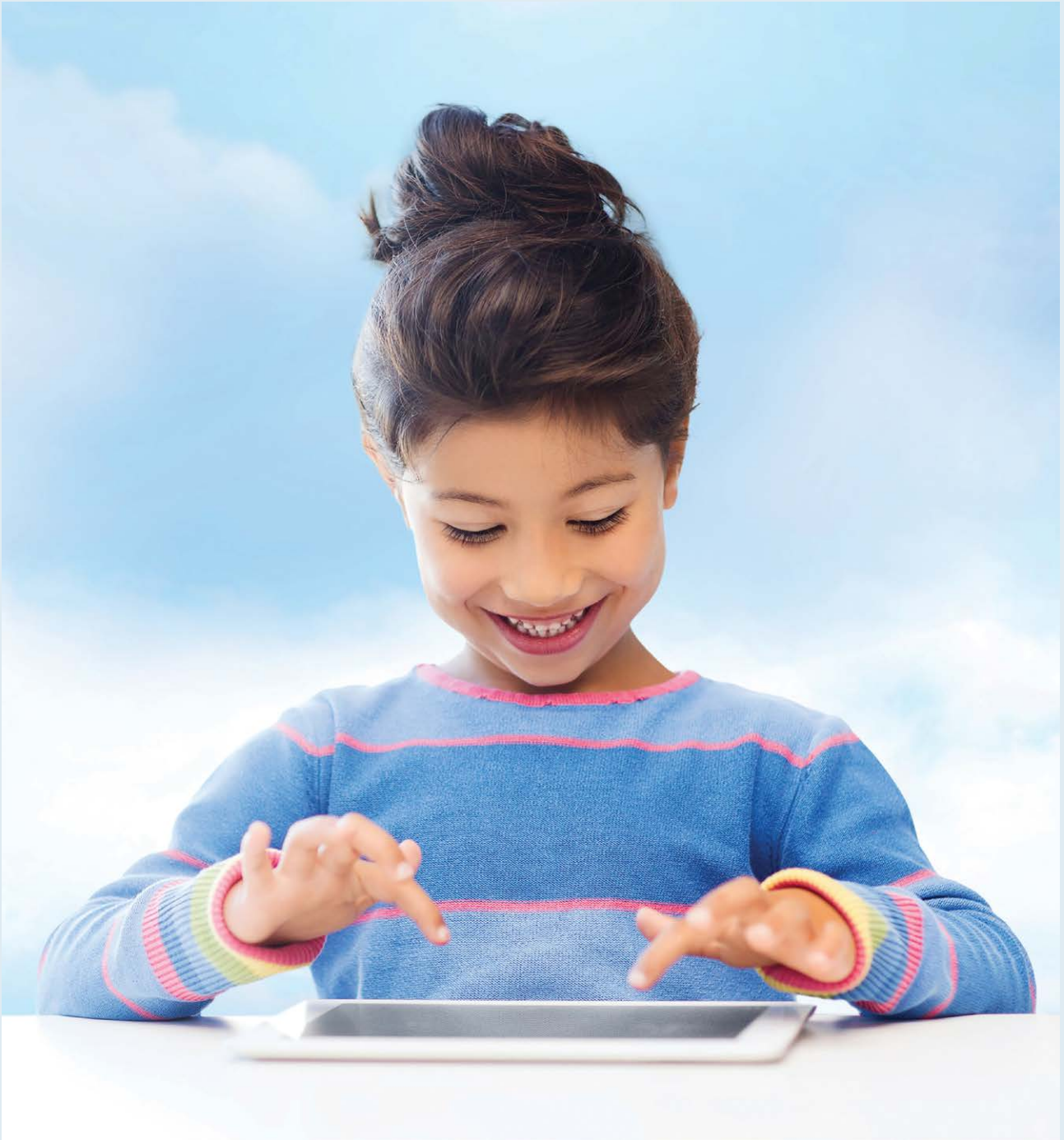
With the Thai society starting to enter the state “Elderly society” since 2009, due to the growing proportion of the elderly population and the average life expectancy of the elderly has increased, therefore, the number of abandoned elderly people is steadily increasing

Therefore carried out the project Creating continuous happiness for the elderly since 2012 to the present

In order to create happiness and smile for the elderly. Also allowing executives and employees to participate in activities Create good awareness in helping society. To be proud with socially responsible organizations. And with the appreciation and importance of the elderly Along with encouragement to continue living happily.



EDUCATION



SUSTAINABLE
DEVELOPMENT
GOALS



Key Performance in 2018



28,187 children, youths and adults have been provided with access to education and necessary skills development

Over 41 schools have been provided with Sustainability youth program



Challenges

Education is one of the main issues that needs to be addressed urgently and continuously to further develop world population and support societal change. In digital transformation era, multifaceted changes will have a significant impact on the lives of people, society, and the modern economy. As working conditions have now changed, universities and their graduates might have difficulty catching up with the business and industrial sectors. Therefore, developing people with the knowledge, abilities, and skills as required by the sectors has now become more challenging. These challenges, however, can be seen as opportunities as new technologies have emerged, the internet has become more accessible, technology has adapted to enhance effective learning, education expenses have decreased, and there is now more support for educational development. C.P. Group recognizes the challenges and opportunities to support and develop education, as well as the competitiveness of both domestic and international human capital.

Performance against Goal

2020 Goal (Thailand)

30,000 of children, youths, and adults will be provided with access to education and necessary skills development by 2020.

Progress in 2018

- Promoted and developed a basic education structure
- Granted C.P. Group Scholarships and Scholarships for Employees' children
- Co-founded the Connex ED: Leadership Program for Sustainable Education Development

Year-on-year Progress in Thailand

	2016	2018	2020
Education Support (persons)	-	23,187	30,000
School Support	-	41	100

Management Approach

Group is committed to creating opportunities for our target groups (early childhood, vocational, and adult) to have access to education and necessary skills development in Thailand and other countries in which we operate by collaborating with networks and partnering with educational institutions. The Group has implemented this by developing and transferring knowledge and skills, preparing them for the digital transformation era, and creating opportunities to access knowledge by forming a network that encourages continuous learning. The objective is to develop the capabilities of youths

and adults of all ages so that they can adapt to a range of challenges and help advance Thai and global societies in the future.

The company creates and supports education through important projects at the national level, including continuously supporting the Academic Olympics for 16 years, the Youth Development to Sustainability Project, the goal is to be a role model organization for young people to have the opportunity to learn and develop.



CASE STUDY 12

Academic Olympic Support Program

CP Intertrade Company Limited and companies in the rice and food business International trade group Charoen Pokphand Group Have supported education By collaborating and supporting the Institute for the Promotion of Teaching Science and Technology which is a regulatory agency of the Ministry of Education Delivering a representative from Thailand Go to the mathematical science competition International olympics Annually

Beginning the year 2004 -

Present more than

15 years

With a total value of over

17
million baht supported

CP Intertrade Company Limited and companies in the rice and food business International trade group Charoen Pokphand Group Or Chat brand rice Is the main sponsor The project to send representatives of Thailand to compete in the International Mathematical Science Olympiad. (Academic Olympics Project), the only private company that has supported the project continuously for a period of 16 years.

The company wants to be a part of promoting and developing youth to be ready with academic ability. Through the Academic Olympics Program Which is considered as another activity that will help fulfill dreams for Thai children Develop the potential of Thai children



CASE STUDY 13

Support education Under the project “Thai rice, Thai children” Project to support the essay “Thai Rice, Thai Children”

CP Intertrade Company Limited and companies in the rice and food business International trade group Charoen Pokphand Group Together with the Thai Rice Foundation In the royal patronage of the project “Thai Rice, Thai Children Essay Championship Thailand” compete for royal plaques HRH Princess Sirindhorn

By organizing an essay competition Together with the Thai Rice Foundation In the royal patronage up to 4 times, more than 100,000 youth submissions were submitted.

In order to campaign for Thai children to realize the value And the importance of “Thai rice” and campaigning for Thai children Practiced communication skills using Thai correctly Because Thai language is the heart of the nation



CASE STUDY 14

Youth for Sustainability Project

With the determination to develop the country, starting from the importance of education, which is the first foundation for development and driving the country to progress and be able to compete on the world stage. Therefore having educational programs which are

1. Sustainable Agricultural Young Development Project
2. Sustainable Leadership Youth Development Project
3. Novice Ordination Project

Sustainable Agricultural Young Development Project

In order to bring the knowledge of modern agriculture to the youth to have the opportunity to learn the methods and methods of doing

Diverse agriculture Can be adjusted correctly and appropriately

Laying the foundation for creating a new generation of farmers to return to develop the farmer profession which is important to the country's economic development.



Sustainable Youth Leadership Development Project

To create a group of young people who are interested in social and environmental development To exchange between universities Ready to include knowledge and sustainable development. SDGs have been trained by the speakers and activities.

There is still support for giving rice to the tiered rice. Students who volunteer at a volunteer camp during the semester break. Continuously for over 12 years

To encourage Be a part of the push for Thai youth to grow alongside the development of both the potential and the mind. Sharing spirit Helping the underprivileged in the society



CASE STUDY 15

Study tour and Site Visits of Nakhon Luang factory

Royal Umbrella Rice emphasizes a lot on the standard and quality starting from the selection of raw materials of high quality. We have three rice mills and more than 30 alliance rice mills. Moreover, we also have two plants for rice quality improvement factory which consist of the advanced technology with the global standard. Our factory is also certified under GMP, HACCP and ISO 9001: 2008. There are 5 productivities with the total volume of 1.66 million tons of rice per year

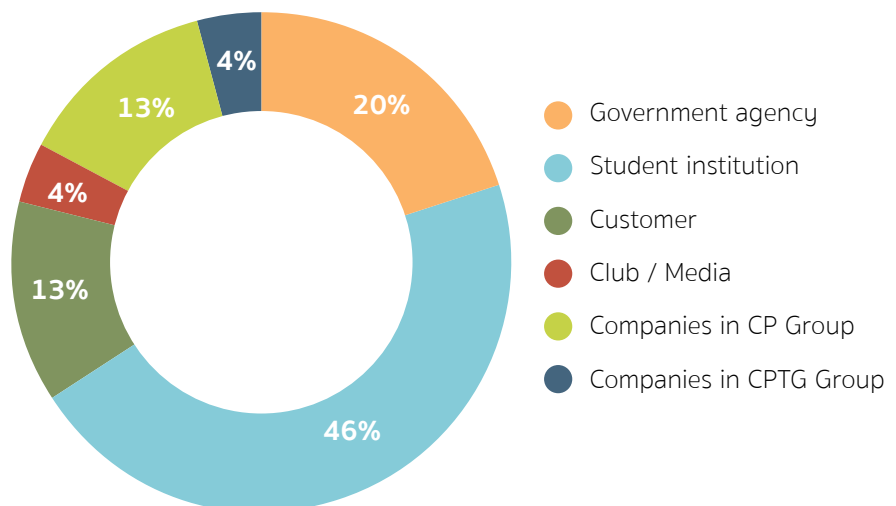


Action:

During the year 2012-2018,
there were

23,187 people

visiting Nakhon Luang project.





INNOVATION



SUSTAINABLE
DEVELOPMENT
GOALS



8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE

Key Performance in 2018



Cost Saving of project
86.39
million baht

**2 patents and
petty patents**
have been granted



Challenges

For almost a century, C.P. Group has highly emphasized research and innovation development to ensure seamless consistency with rapid global changes. Particularly for business operations, continuous innovation is essential as it serves as a driving force for advancement at all levels of business operations, including concepts, methods, processes, products, and services. Further research and development in innovation and technology throughout the entire value chain will bring about the best-in-class products and services for both domestic and international consumers. Therefore, the Group will be able to keep up with global changes, and will become an innovative organization in response to the Thailand 4.0 Economic Strategy, where the economic structure has shifted its focus to be innovation-driven.

Along with the Group's vision to become an innovative organization that aims to provide economic, social, and environmental benefits to elevate the quality of lives of people around the world, we realize that employees at all levels must have the right attitude and mindset. They must also recognize the importance of driving forward, supporting, sharing, and synergizing toward innovation. Innovation is not only fostered by scientists, but also by our people. More importantly, innovation is not one singular issue. There needs to be a link between the different business processes, including human capital development and production. Therefore, it is crucial that development opportunities are substantially identified in every step of the production process in order to produce quality products that meet the expectations and needs of consumers.

Performance Against Goal

2020 Goal (Thailand)

Increase value of product and process innovation by 50%, compared to the 2016 baseline.

Progress in 2018

- Built an innovative organization
- Organized innovation expositions at a Business-line level, both in Thailand and overseas, and a Company level
- Stimulated innovation domestically and internationally
- Encouraged innovation through research and development
- Promoted open innovation

Year-on-year Progress in Thailand

	2016	2018	2020
Number of Innovater	-	52	100
patents and petty patents	1	2	10

Management Approach

In order to prepare for challenges in the emerging digital age of the 4.0 era, C.P. Intertrade believes that innovation is an important tool that will enable us to keep pace with current megatrends. As such, C.P. Group has developed and implemented an Innovation Management Framework, which includes platform creation (Platform), personnel development and organizational culture (People), process development (Process), and open innovation and intellectual property management (Pipeline). Technology has been leveraged as a foundation to systematically drive innovation and continuous improvement, paving the way to an innovation-centric organization

The company believes that everyone in the organization plays an important role in driving the policy and developing innovation, so the company promotes and encourages the creation of innovation work. It instills the employees to accept the change and participate in innovation. Forming corporate culture Which will drive the creation of an innovative organization. The company has organized a continuous contest for innovation projects every 2 years

In order to share knowledge and exchange experiences for employees in the company. In addition, the company also promotes innovation by creating incentives for rewarding And the scoring system that passed the rounds of the Bua Ban Innovation Expo to become personal reward points for employees and to become innovators at various levels of the group as well.



2018 Performance

Number of innovators
2018 amount

2.43%

CASE STUDY 16

Outstanding Project on Innovation

Innovation project that received the Chairman Award

1. Environmental Friendly Paddy Rice
2. Seal Packaging
3. Fresh Milling rice



Innovative Project with PD Award

1. Multiple transportation processes to reduce greenhouse gases
2. Increase packaging roll size (For automatic rice packing machine)
3. Increase the capacity to store rice into the silo, raw material tank 120 tons / hour



CASE STUDY 17

Robot development in the Rice industry

The factory with high standard

Royal Umbrella Rice emphasizes a lot on the standard and quality starting from the selection of raw materials of high quality. We have three rice mills and more than 30 alliance rice mills. Moreover, we also have two plants for rice quality improvement factory which consist of the advanced technology with the global standard. Our factory is also certified under GMP, HACCP and ISO 9001: 2008. There are 5 productivities with the total volume of 1.66 million tons of rice per year

For the organization to grow and prosper, we will not only employ essential training systems, but also invest in the most cutting-edge technologies. These technologies include: automation, robotics, artificial intelligence (AI), cloud technologies and analytics, and intelligence war room.



CASE STUDY 18

Bran oil research and development project Noodles and confectionery products from RI-O Brand

The company considers research and development as an important process and Creating an idea about a new product (Idea generation) of the company. At this stage, creating new product ideas by The sources of information that will be used to create new products are divided into 2 sources, which are Sources within the organization are Salespersons, R&D Specialists, Top Management.

And outside the organization. Customers are considered important sources of information. Because the product

That the company will offer for sale It is important to meet the needs of customers primarily, members in the distribution channel (Channel Members) is another source of information.

One that is aware of the needs of customers such as wholesalers, retailers, distributors, etc. And competitors (Competitors) competition movement Including competitors' strategies



HOME



A healthy environment, teeming with natural resources, is the source of all food and sustenance for all living beings, which allows them to co-exist in harmony. It is our responsibility to conserve and protect these natural resources for future generations. CPTG and C.P. Group is deeply aware of the importance of environmental management and we invest a great deal of effort in managing the environmental impacts that may result from business operations across our supply chain.

Examples of our dedication include climate change management, energy and water resource use efficiency, waste reduction, and biodiversity and ecosystem protection. These endeavors ensure that the environment remain a home for all living beings, a source for learning, and ecosystem services. As a provider of ecosystem services, the environment provides raw materials for manufacturing, is the starting point of the food chain, and by embodying intangible benefits, is invaluable to society and culture.

- 1) CLIMATE CHANGE MANAGEMENT
- 2) WATER STEWARDSHIP
- 3) ECOSYSTEM & BIODIVERSITY PROTECTION
- 4) RESPONSIBLE SUPPLY CHAIN MANAGEMENT



CLIMATE CHANGE MANAGEMENT



**SUSTAINABLE
DEVELOPMENT
GOALS**



Key Performance in 2018



**Reduced greenhouse
gas emissions
2.21%**

**Business Group has
announced the
Green House
Gas Management
Policy and Guidelines at
the group level**



Challenges

During the past year, at the One Planet Summit in Paris that coincided with the second anniversary of the Paris Climate Change Agreement, parties revamped their climate approaches to align with the Paris Agreement and the Sustainable Development Goals. In addition, public and private financial institutions announced their commitment to providing financial support to mitigate climate change impacts. Institutional investors declared that they would expand measures to pressure more than 100 of the world's largest corporations to focus more of their attention on global warming, reducing their greenhouse gas emissions, revising their management approaches to encourage their board of directors to be more responsible for climate change, and disclosing their financial impacts from climate change as per the criteria of the Task Force on Climate-related Financial Disclosures (TCFD). C.P. Group, with 13 Business Groups in 21 countries and economies, is aware of the increasing expectations that are a result of this global challenge. At the same time, however, we realize that there are opportunities that arise from this challenge, and they serve as a constant incentive for organizational development and sustainable growth. Therefore, to meet this challenge, the Group is not only focused on improving operational efficiency, but is also focused on integrating climate change into our vision to create sustainable long-term value for the organization.

Performance against Goal

2020 Goal (Thailand)

Reduce greenhouse gas emissions (Scopes 1 and 2) per revenue by 10% by 2020, compared to the 2015 baseline.

Progress in 2018

- Initiated a recommendation plan to reduce greenhouse gas emissions
- Promoted energy management
- Promoted the development and design of green projects
- Waste management

Year-on-year Progress in Thailand

	2016	2018	2020
Carbon footprint Product	2	3	5
GHG Reduction	-	2	10

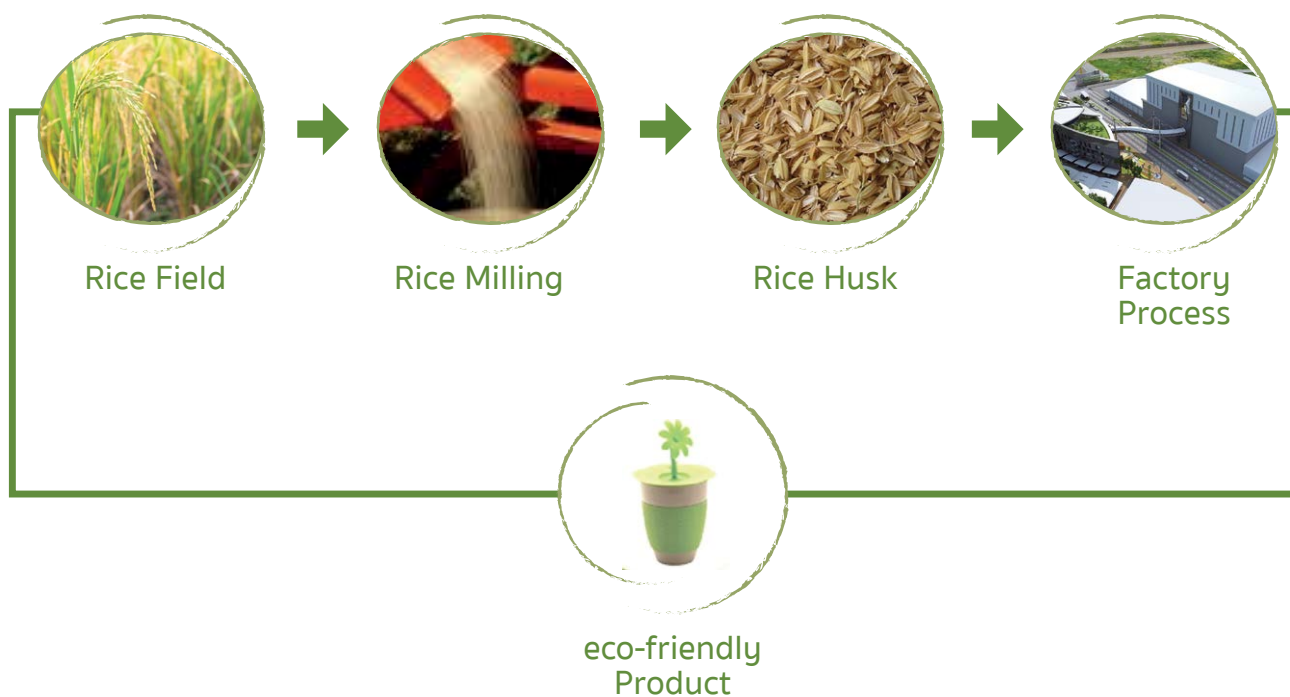
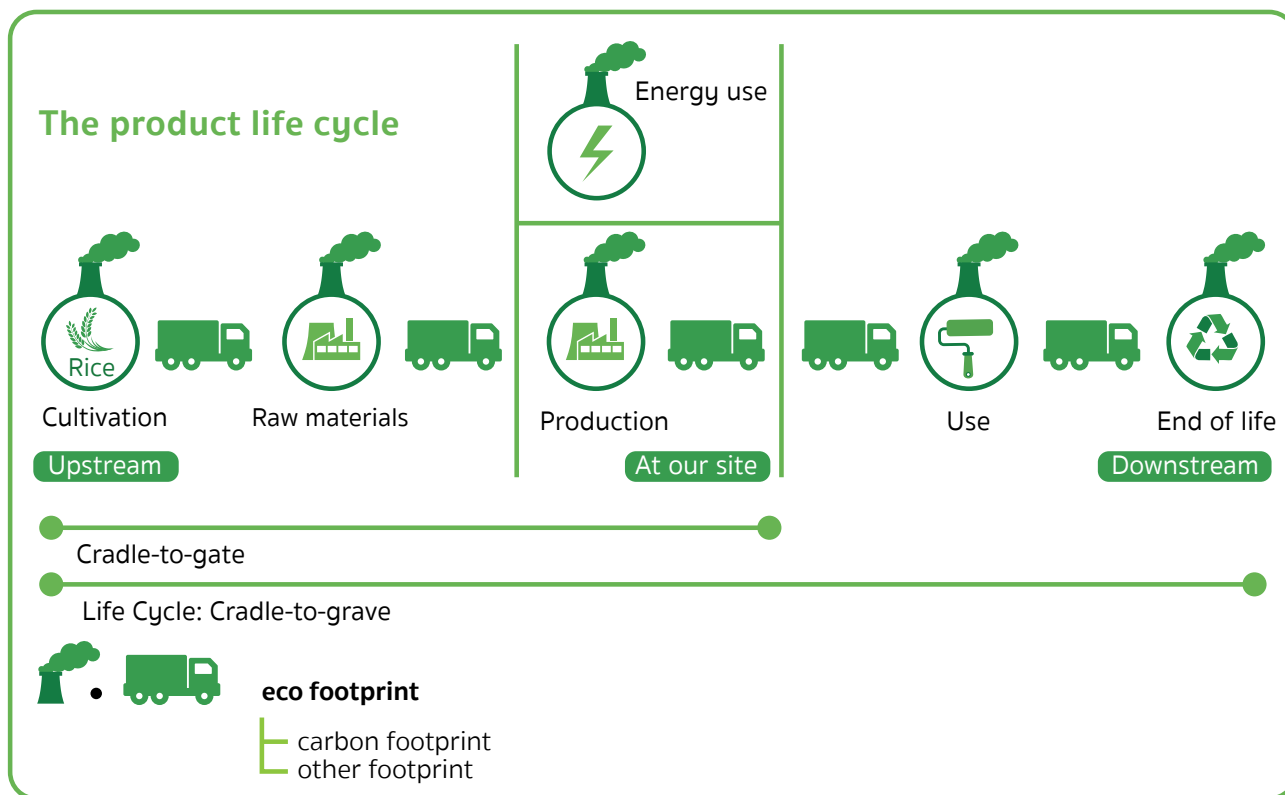
Management Approach

CPTG and C.P. Group has in place a framework for managing climate change that covers our entire supply chain. We determine policies and targets that encompass energy efficiency, renewable energy use, waste management, and reductions in plastic packaging. We further assess climate risk and opportunities, Climate change management efforts at CPTG and C.P. Group are guided by our prioritized focus on reducing greenhouse gas emissions from all work processes, in all businesses, and in all countries in which we invest. Our approach to climate change management is illustrated below.

1. Promoting and supporting all functions within organization to improve energy efficiency for all associated activities and encourage the use of natural resources effectively including with develop an innovation or new procedures to minimize energy consumption as a whole.
2. Increase ratio in the use of renewable energy and clean energy as well as promoting any low carbon activities as much as possible
3. Setting up long term goals to minimize Greenhouse Gasses (GHG) Emission and cooperate with partners, providers, suppliers and business partners in order to reduce GHG emission and also adaptation on impact of climate change throughout supply chain
4. Process improvement for waste management by means of applying 3Rs concept; (1) R-Reduce the use of unnecessary natural resources (2) R-Reuse natural resources more effectively and (3) R-Recycle to minimize impacts on local landfill and reduce any environmental pollution in which originating from improper waste management.
5. Providing environmental impact assessment throughout lifecycle of key products and core services
6. Encourage on awareness and understanding on climate change to all employees, partners, and interested stakeholders via training, knowledge sharing and also any related campaign activities.
7. Promoting and supporting an emergency preparedness from any natural catastrophe in order to keep business running, continually, and obtain less impacts
8. Data disclosure and its operational performance on Climate Change passing through C.P. Group Sustainability Report in order to follow up its status against with specified targets and also communicate to any associated interested stakeholders.
9. Collaboration with any governmental authorities, NGOs (Non-Governmental Organizations), educational institutes, communities and other agencies in order to handle with climate change both for national and international level



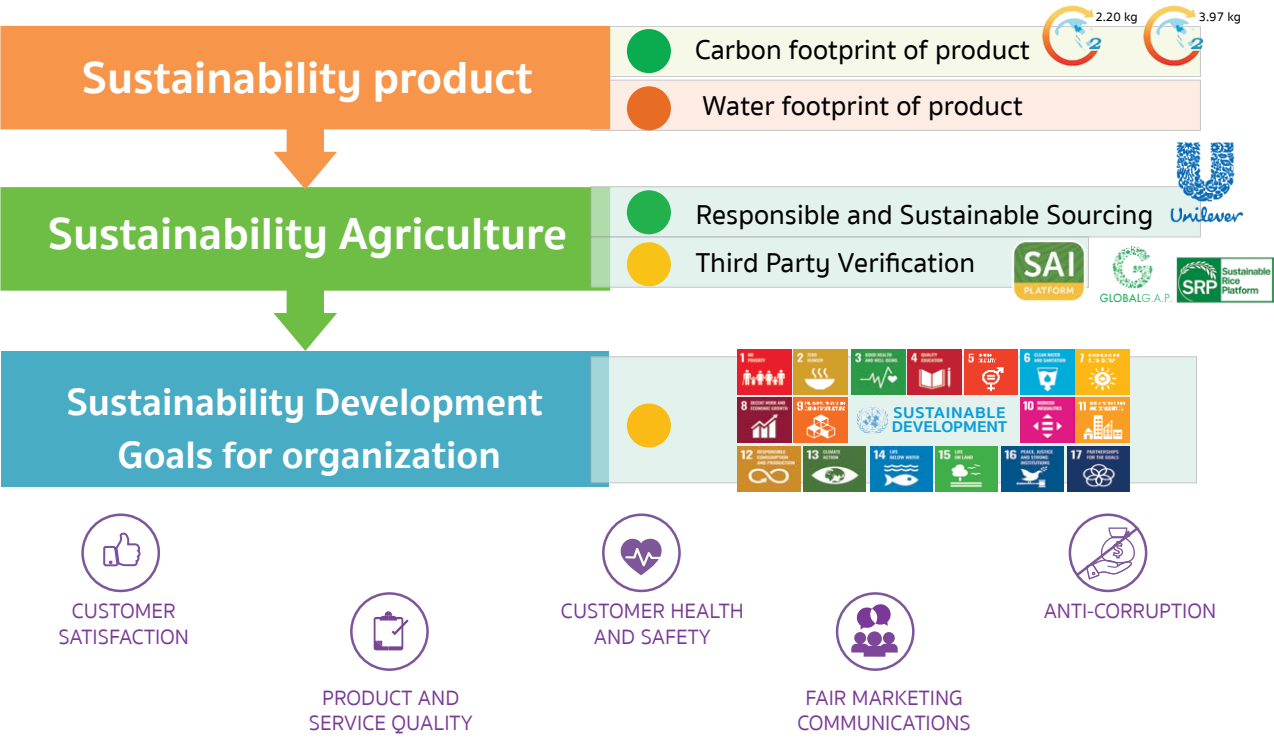
Operations to reduce greenhouse gases throughout the value chain (Life Cycle Analysis)

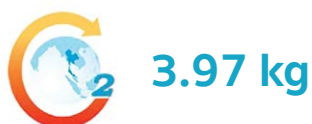
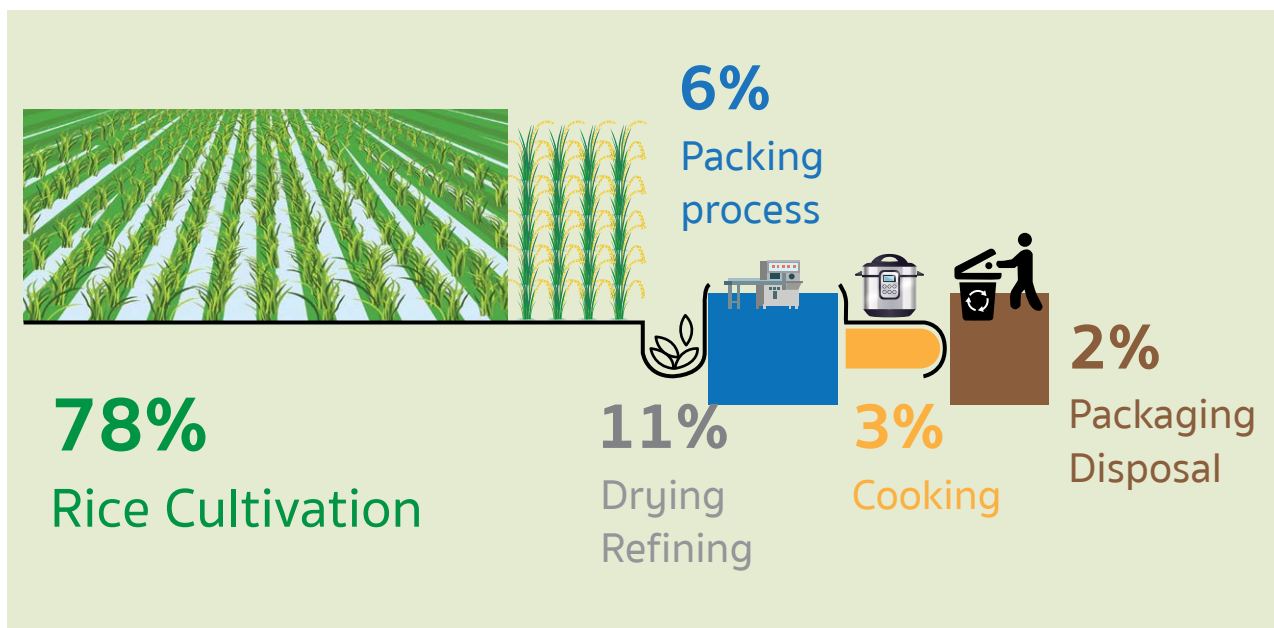


2018 Performance



Sustainability Strategic Customer Communication





Jasmine rice (Trachet) size 2 kg

Certificate number: TGO CFP FY18- 004-007

Producer: Khao C.P. Co., Ltd.

Contact person: Miss Radee Sinpichetkorn

Address: 135 Moo 5, Tambon Mae-la,
Amphur Nakhonluang, Ayutthaya 13260
Thailand

Telephone: 0 3595 7999

E-mail: radee.sin@cptrading.co.th

Industry: อาหาร และเครื่องดื่ม

Size: 1 kg

Scope: B2C

Carbon Footprint: 3.97 kg

Approval date: 22/11/2017

Expiration date: 21/11/2020



Download



Japanese rice (Trachet) size 2 kg to 1 kg

Certificate number: TGO CFP FY18-004-008

Producer: Khao C.P. Co., Ltd.

Contact person: Miss Radee Sinpichetkorn

Address: 135 Moo 5, Tambon Mae-la,
Amphur Nakhonluang, Ayutthaya 13260
Thailand

Telephone: 0 3595 7999

E-mail: radee.sin@cptrading.co.th

Industry: Food and Beverage

Size: 2 kg

Scope: B2C

Carbon Footprint: 2.2 kg

Approval date: 22/11/2017

Expiration date: 21/11/2020



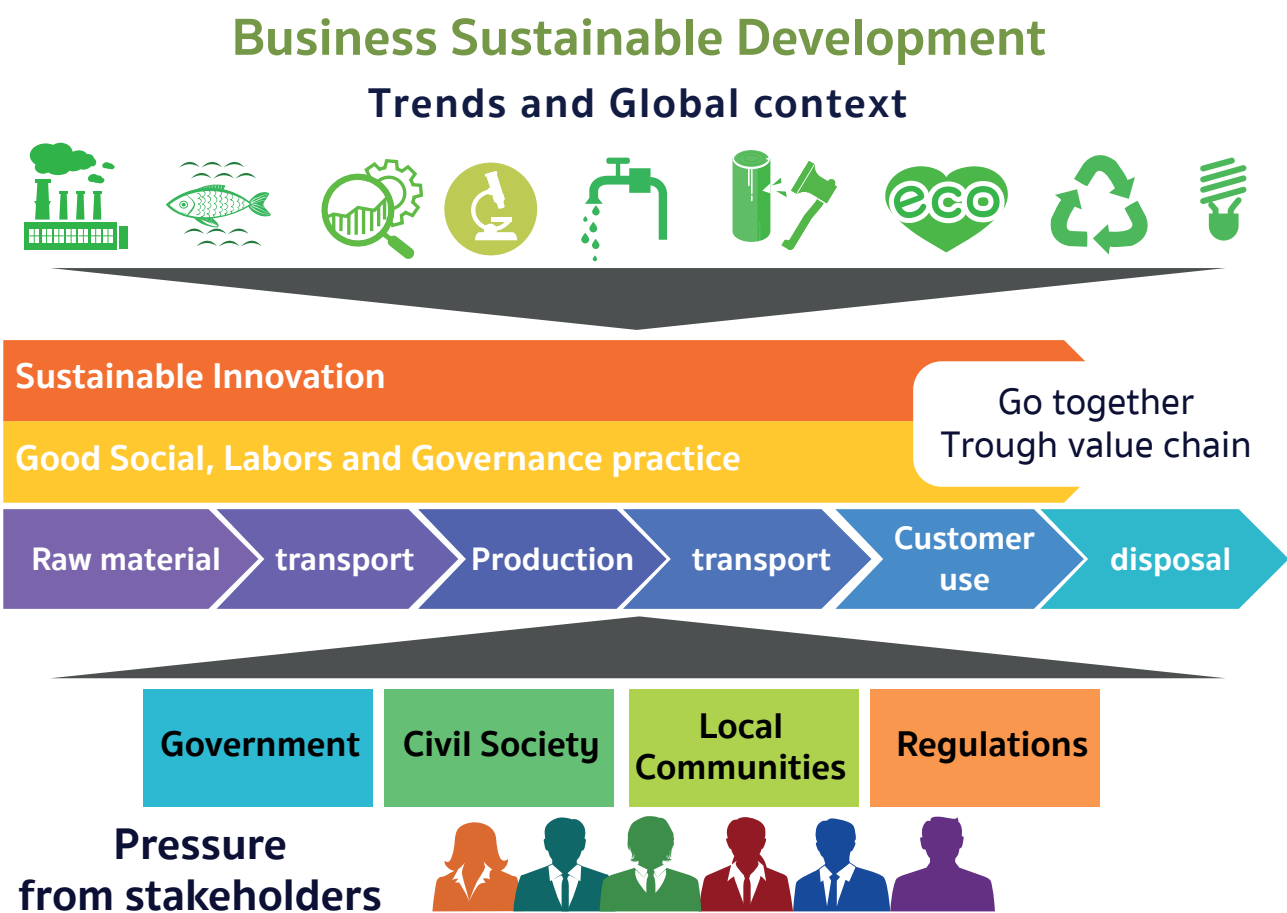
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Product Carbon Footprint Promotion

Promoting the use of carbon footprint in relation to products, greenhouse gas emission from various continuous activities human. Whether from energy use, agriculture Industrial development and expansion Transmission, including deforestation and other forms of environmental destruction are important causes of global warming, which affect humans and the environment

Therefore, the company has seen the importance and has taken steps to reduce greenhouse gas emissions to reduce global warming. Therefore is the duty of all relevant parties Both industrial and agricultural sectors as producers The service sector as an activity-driven Including the public sector as consumers.In 2018, it reduced the pollution of products by 3.21%



CASE STUDY 19

Product Carbon Footprint (Jasmine Rice, Japanese rice)

Carbon footprint is a tool for assessing greenhouse gas emissions in order to encourage management to reduce greenhouse gas emissions in the manufacturing sector. Which is gaining interest in many countries

In particular, the application of carbon footprints in food products to promote the display of carbon footprints with carbon labels. Which encourages consumers to become Awareness of participation in greenhouse gas emissions From the method and consumption behavior, it recognizes the importance of the development of knowledge about Principles and methods of calculating quantities. Carbon footprint, practice To develop the potential and increase the competitiveness of Thai entrepreneurs

The company initiated the operation And got the results of carbon footprint analysis of 5 kg of jasmine rice products in jasmine and Japanese rice.

Found that the total greenhouse gas emissions In which the jasmine rice is 3.97 kilograms of carbon per kilogram of rice. And Japanese rice, the value is 2.20 kilograms of carbon per kilogram of rice, found that the process of rice cultivation With the highest greenhouse gas emission, accounting for 95-97%, which can be classified as management to reduce the amount of greenhouse gas emissions Should give priority to The process of growing rice is important.

Carbon Footprint of Product (Verified by TGO)



Japanese rice, pack
in 2 kilograms

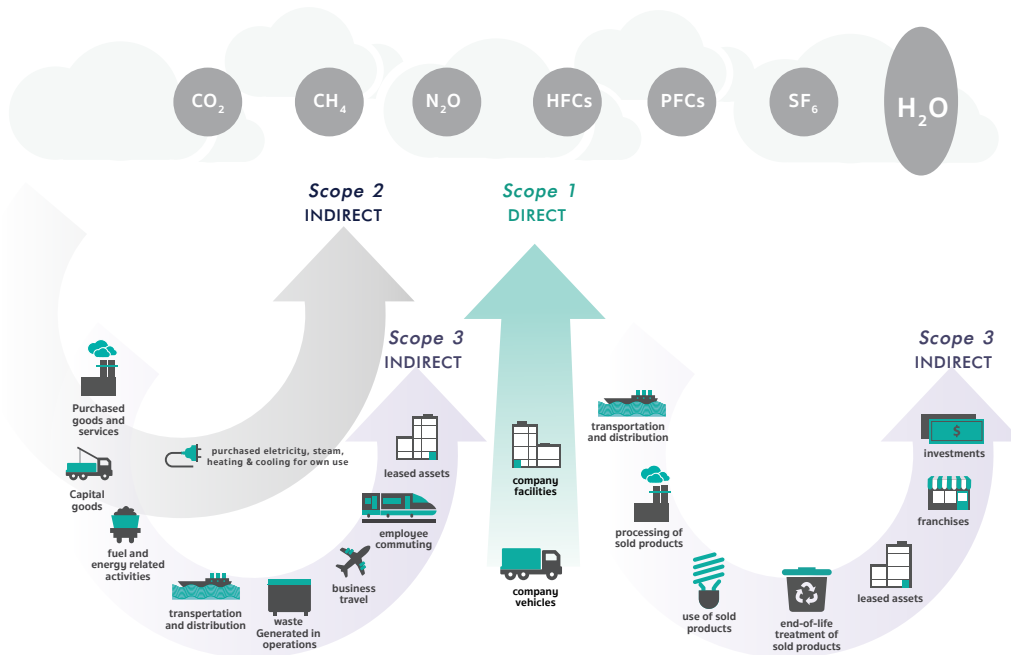


100% Thai Jasmine Rice
Royal Umbrella Rice 2 kg

Organisation Carbon Footprint

CPTG has created an environmental policy, one of which is to reduce the impact of greenhouse gas emissions. The company has recognized the importance and has collected the Carbon Footprint for Organization (CFO or Corporate Carbon Footprint: CCF) data.

Which is a method showing the emission and recovery of greenhouse gas emissions from the organization's operating activities, both the production and service of the organization, can identify the cause of significant greenhouse gas emissions and Lead to systematic management



Energy Management 2017-2018 performance

CP Intertrade Limited recognizes the importance of energy use as it is related to business operations as well as the daily life of consumers. No less important, energy use has an impact on the environment and climate change. Due to the operations of rice factory has Operating hours daily, the energy consumption was taken in high level. Therefore, we are committed to taking part in minimizing the aforementioned impact by supporting and driving different units in the organization to improve energy efficiency in their unit and business activities, and promoting the careful use of natural resources for the greatest productivity. We also promote the development of new innovations or measures to reduce overall energy use, the increased use of renewable energy and clean energy, and low carbon activities. Due to our continued efforts in this area, numerous energy conservation projects have been initiated and implemented.



In the year 2018, the total production volume is 865,434.00 tons, which can reduce the energy consumption by 37.69 MJ / ton when in 2017

Promotion of renewable energy use

2017-2018 performance

The production of rice from paddy to white rice must go through the milling process for the rice crackers to remove the outermost layer of paddy. This part of the husk is called rice husk. Which is unwanted and has a lot, but can be used for other uses. But it can be seen that the rice husk has the ability to ignite and give a high heat energy. Therefore, rice husk can be utilized as a renewable energy.

And rice husk is biomass energy derived from waste or agricultural waste. The remaining amount of rice husk that can be used will have a net value of 3.09 million tons. And when calculating the heat energy equivalent to 35,294,724

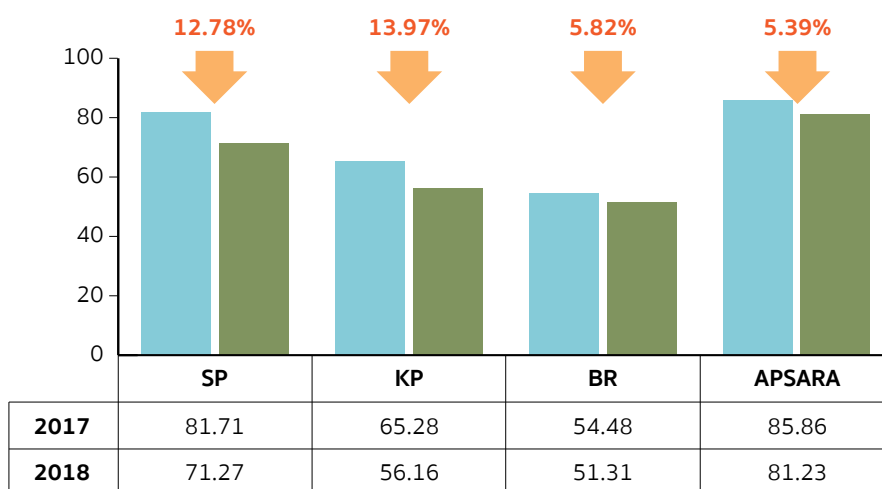
GJ, the efficiency of Generating electricity equal to 320 MW, which can be considered as an alternative energy.

The rice husk has a stable carbon content of approximately 17.4 percent. Therefore, we have invented a heat energy oven from rice husk which can be used as a fuel to heat and use heat exchange principles during the husk burning. To be exchanged for hot air inside the dryer which will be clean hot air. Can be used to dehumidify. And also the use of rice husk, which is left over from the rice milling process, to be used as energy for maximum benefit.

Table of energy usage comparison

No.	Description	Unit	Direct	Indirect
1	Paddy drying capacity	Tons per day	600	450
		Tons per hour	25	18.75
2	Electrical energy	kwh	230	427
		Bath / hr	805	1,495
3	Rice husk fuel used	Kg / ton paddy rice	40	50
		Bath / hr	1,400	1,313
4	Yield (moisture 12% MC)	%HR	45.56	45.1
Energy usage cost summary		Kg / ton paddy rice	88.2	149.7

The rate of rice husk utilization per day



In 2018, a total of 131,261.24 tons of paddy dehumidified rice was processed, which can reduce the use of rice husk at 562,231.38 kilograms or 8.10 MJ.

CASE STUDY 20

High efficiency rice dryer

Hot-air stove, cyclone biomass fuel that is controlled automatically via a computer system Used for being a source of grain dryer Or dehumidifier for agricultural products By developing from the cyclone rice husk kiln to be able to control the temperature and heat automatically And designed as direct heat which is more energy efficient than the heat exchanger In the past, faced with the problem of hot air from the Direct Heat system is not clean, there is dust, ash and smoke smell.

But with automatic control through computer systems Hot-air stove, cyclone biomass fuel that is controlled automatically via a computer system With high efficiency operation Get clean hot air without dust, ash and smoke smell. The developed hot air furnace is actually used in the factory of CP Rice Company Limited at Buriram and Suphan Buri plant.

From the study of the dehumidification process, it is found that the direct cost of energy is 88.20 baht / ton. Indirect type has an energy cost of 149.70 baht / ton of paddy or consumes about 2 times more energy but has similar drying efficiency.



Technology comparison table between Indirect Heat and Direct Heat rice husk kilns

Comparison	Direct Heat	Indirect Heat
Hot air temperature	50-110°C	50-70°C
Furnace temperature	190°C	700°C
Fuel consumption rate	32.71 kg/tons (paddy)	68.09 kg/tons (paddy)
Electric power	17.5 kW	86.53 kW
Cold air mixing system	Yes (Automatic)	None (due to the heat not reaching)
Husk feeder system	Automatic	Close / Open
Rice husk feeder system	Wind (5.90 kW)	Chain conveyor (18.65 kW)
Air pollution	No	With black ash

CASE STUDY 21

Thailand Energy Awards

CP Intertrade Company Limited is committed to the management of energy management, which attaches importance to legal compliance. As well as upgrading the energy management system And with continuous development According to Thailand Energy Award criteria of the Department of Alternative Energy Development and Efficiency Ministry of Energy from 2010-present

The company operates a comprehensive range of sustainable energy management. The executive commitment Energy conservation results Environmental impact As well as energy projects resulting from creativity and can be widely used to expand results

CP Intertrade Company Limited, CP Rice Company Limited and Ayutthaya Port and ICD Company Limited have received Thailand Energy Awards from 2011-present, totally 12 awards as follows

Factory Award

Year 2011 : CP Rice Company Limited (Wang Daeng Rice Factory)

Year 2014 : CP Rice Company Limited (Wang Daeng Rice Factory) (2nd time)

Year 2017 : CP Rice Company Limited (Suphan Buri Rice Mill)

Year 2019 : CP Rice Company Limited (Nakhon Luang Rice Factory)

Energy Conservation Team Award

Year 2013 : CP Rice Company Limited (Wang Daeng Rice Factory)

Transport Project Award

Year 2012 : Nakhon Luang Project (CP Rice Company Limited (Nakhon Luang Rice Factory) and Ayutthaya Port and ICD Company Limited)

Manager Award

Year 2015 : Mr Adisak Pramamitra (Executive Vice President)

Energy Responsibility Person Award

Year 2011 : Mr. Sududee Supanpai (Assistant Managing Director)

Year 2015 : Ms Ajchamapun Kirdsawas(Manager of Energy and Efficiency Department)

Year 2016 : Ms Radee Sinpichetkorn (Senior Environmental Engineer)

Energy Conservation Promotion Agency Award

Year 2014 : Office of Occupational Safety, Health, Environment, Energy and Sustainability.
(CP Rice Company Limited)

Factory Award



Energy Responsibility Person Award



Transport Project Award



Energy Conservation Promotion Agency Award



Manager Award



Energy Conservation Team Award



ASEAN Energy Awards

The company is ranked 1 in 13 leading companies in Thailand, receiving the 32nd Energy Awards 2014 award.



Khao CP Company Limited has been selected as WINNER under the Small and medium Industry Category of the ASEAN Best Practices Energy Management for Building and Industries Awards at 32nd Energy Awards 2014 in Vientiane, Lao PDR. Khao CP Company Limited (Suphanburi Factory) being chosen as a Winner for the ASEAN Energy Awards in the category: Special Submission and subcategory: Industry.

Khao CP Company Limited (Suphanburi Rice Mill) received the ASEAN ENERGY AWARDS 2017 award for energy conservation in the Special Submission Industry category.

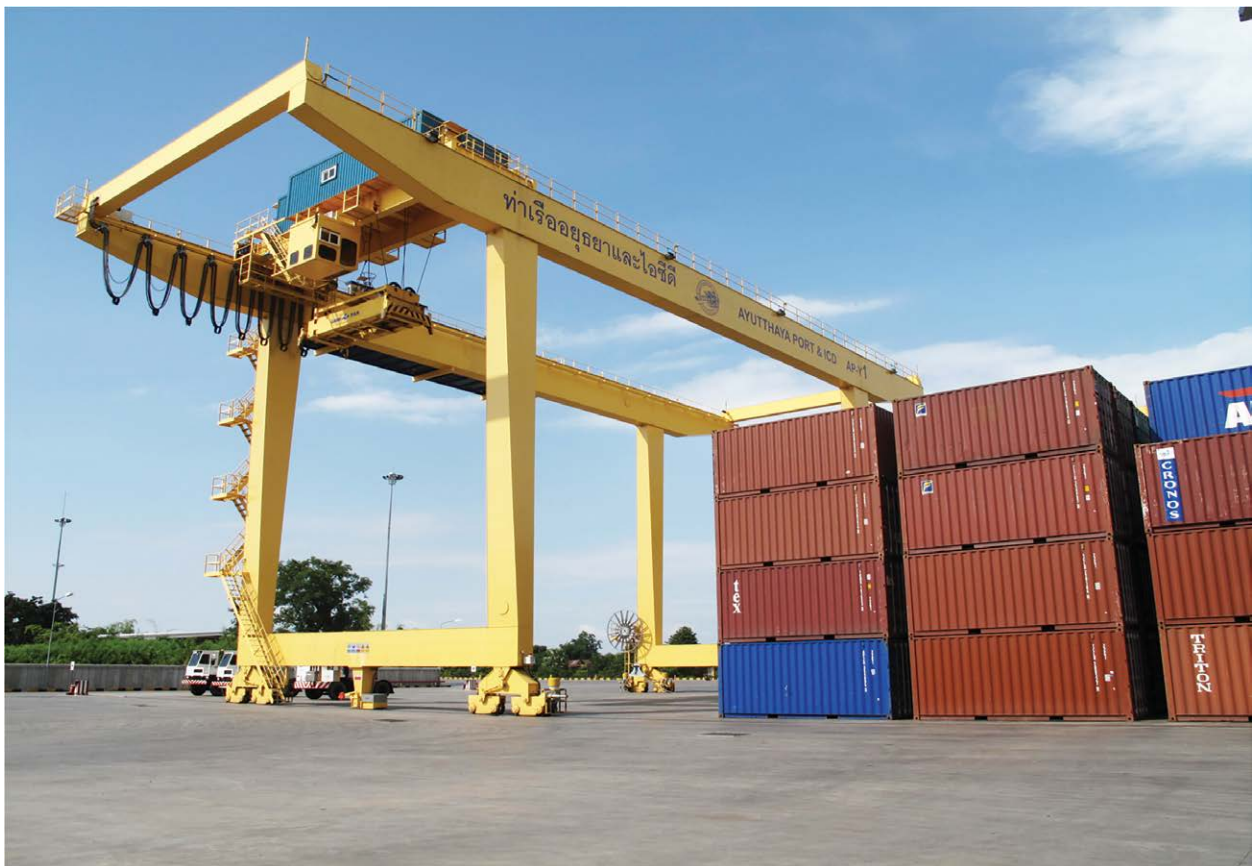


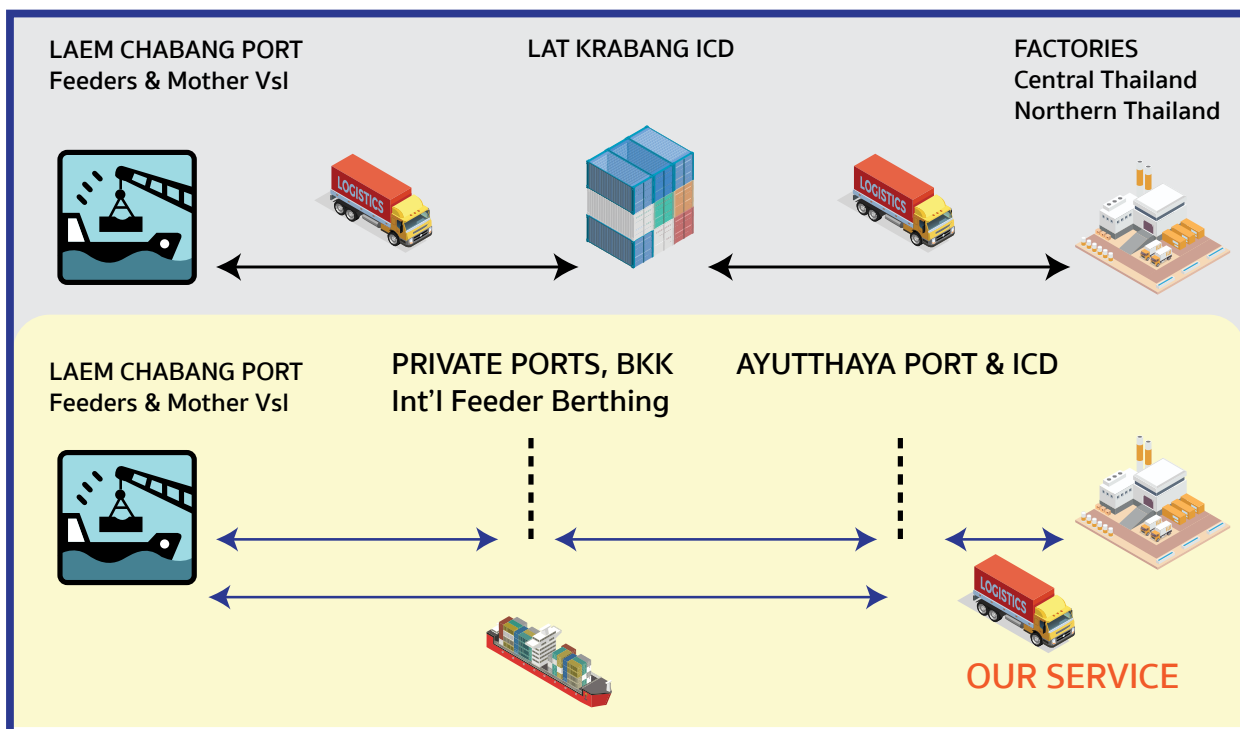
River transport and Green Logistics

CP Rice Company Limited (Nakhon Luang Project) has developed the transportation system by changing the mode of transportation from land to water. To reduce energy consumption and the cost of rice transportation

There are two parts of the concept, which are part 1, site selection and construction of rice quality improvement factories near the source of raw materials in order to reduce transportation distance. Part 2: Develop the Inland Port near the rice quality improvement factory. For the convenience of shipping by boat

The majority of rice production sites, transportation destinations, are not located by the sea or at the port. Therefore, various forms of transportation must be used to transport rice to the Gateway, such as by land connected to waterways so that rice will travel to its destination. Reduce the time of transportation, reduce costs, increase efficiency to have competitiveness. Transport according to the carrying capacity of the port. Can reduce vehicle transportation by 21% and can develop river transportation potential by 36%





Green Logistic

WATER STEWARDSHIP



SUSTAINABLE
DEVELOPMENT
GOALS



Key Performance in 2018



**Recycled /
reused water
by 11.6%**

**Reduced water withdrawal
per unit of revenue by
23.07%
compared to the 2015
baseline**



Challenges

People's livelihood and business operations depend heavily on water resources. At present, water resource management problems can be seen around the world, due to intensifying impacts of climate change, including flood, drought, and access to clean water. These affect economic development capability and the quality of life for all people. Population growth, urbanization, and other factors also increase water consumption, especially in the agricultural sector where the water consumption rate accounts for 70% of the total water consumption. Moreover, the World Bank has projected that global population is likely to reach 9 billion by 2050, which will increase water consumption for agriculture and food production by 60%, and water withdrawals by 15%. Therefore, integrated water resource management is vital for enhancing the economic security of the nation.

Performance against Goal

2020 Goal (Thailand)

Reduce water withdrawal per unit of revenue by 10%, compared to the 2015 baseline

Progress in 2018

- Assessed integrated water risks
- Developed database for water resource management in all countries
- Promoted access to clean water, sanitation, and hygiene for employees and communities
- Managed wastewater in a sustainable manner
- Promoted circular water management
- Promoted community access to water resources
- Invested in natural infrastructure

Year-on-year Progress in Thailand

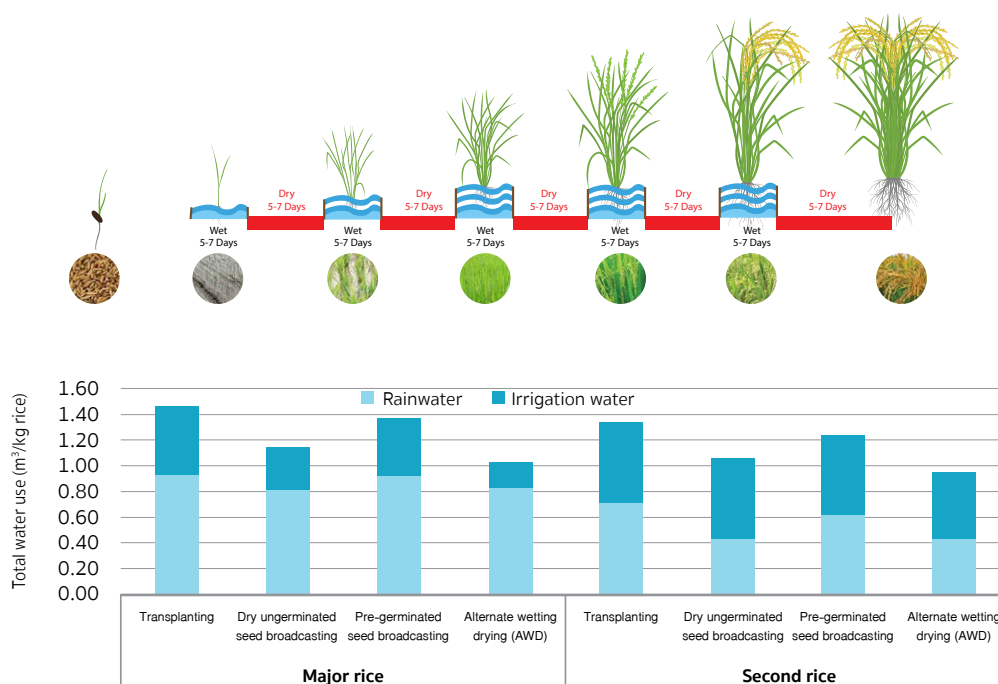
	2016	2018	2020
Water withdrawal per unit of revenue (cubic meter per THB million)	2	3	10
Amount of reduced water withdrawal per unit of revenue	-	2	10

Management Approach

Water is essential natural resources for living organisms and having direct impacts to their livelihoods, meanwhile, it also plays an important role for our business operation. At present, water scarcity becomes one of the most critical issues throughout the world. Our C.P. Group definitely realizes this serious problem and its risk occurrence by means of setting up the following practical guidelines to ensure that our business operation is able to keep the balance between the needs of water use for communities and nature.

1. Strive to minimize any negative impacts on natural water resources in order to ensure that people in every household having a good water quality and an adequate water supply for their utilization and consumption
2. Setting up long term goals in the use of water resources and also encourage all business functions within organization to implement an effective water management, water risk assessment, water resources preservation and applying technology to raise up volume of water recycle
3. Promoting the principles of good water quality and safe water supply shall be accessible and affordable for all people in communities in a fair and equity manner
4. Promoting cooperation between community and any associated stakeholders in the use of water and water resource preservation as well as responding to any concerns from community and public society with transparency manner
5. Encourage an awareness and understanding of water preservation to all employees and any interested stakeholders by training, knowledge sharing and also any related campaign activities together.
6. Data disclosure and its operational performance on water preservation passing through C.P. Group Sustainability Report in order to follow up its status against with specified targets and also communicate to any interested stakeholders
7. Collaboration with any associated agencies i.e. governmental authorities, non-governmental organizations (NGOs), educational institutes, communities and other associated stakeholders in order to handle with the problem on water stewardship both for national and global level

Integrated water risk assessment



2018 Performance

The company has a policy to maintain water resources under the environmental sustainability policy. International trade group Charoen Pokphand Group, as well as the framework of water resources management to guide strategic objectives

Comprehensive assessment of the risk of water shortages As well as planning the water risk management of the organization and key suppliers for agencies that are at risk of water shortage It also evaluates the Water footprint for appropriate water management practices throughout the supply chain.

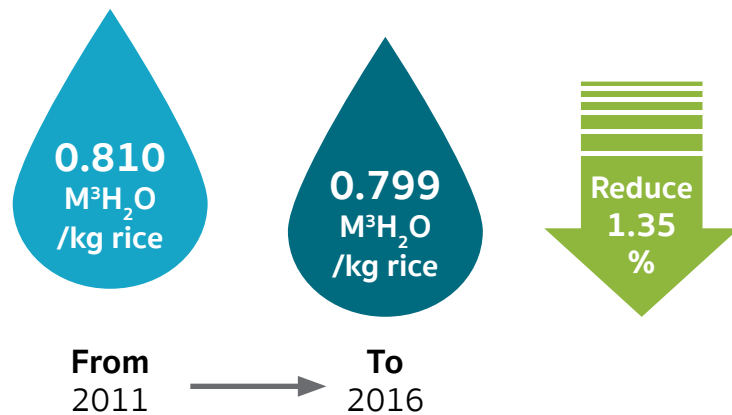


Water footprint

The company applied the circular water management concept (5Rs) to manage water usage within the organization. To increase the efficiency of water resources through various operations

And the company evaluated the Water Footprint to analyze the water demand for rice cultivation and ways to improve water efficiency throughout the supply chain.

Water footprint from Thai Hom Mali Rice



CASE STUDY 25

Water management in paddy fields using lasers technology

In Thailand, C.P. Intertrade and the Rice Department a, which is supporting sustainable development worldwide, are taking the lead in decreasing the climate crisis in the agricultural sector.

The low greenhouse gas emission farming to be introduced to farmers in six central provinces of Thailand, Suphanburi, will be in accordance with the world's first sustainability standard for rice initiated by the Sustainable Rice Platform (SRP). Under the project, farmers will gradually pick up the low-carbon farming techniques such as laser land leveling, alternate wetting and drying, site-specific nutrient management and straw and stubble management.

laser-guided technology used to level fields by removing soil from high points of the field and depositing it in low points of the field. laser land leveling improves rice crop establishment and enables crops to mature uniformly. In CPI Project of thailand, yields were found to have improved by 8% for rice and Energy reduction 63%



ECOSYSTEM & BIODIVERSITY PROTECTION



**SUSTAINABLE
DEVELOPMENT
GOALS**



Key Performance in 2018



**100% Tracked
the sources** of key
raw materials for
GAP Plus Project.

Business Group has
planed the **Ecosystem
and Biodiversity
Protection** Master Plan
In GAP Plus Project



Business Group has
announced the
**Environmental and
Biodiversity
Protection Policy**
and Guidelines at the group level



Challenges

Ecosystem and biodiversity protection is essential, and business and industrial sectors should share the responsibility for this protection. Moreover, close monitoring needs to be put in place, including monitoring raw material sourcing processes and product or service provisions for customers. Similar to a water risk assessment, CPTG has conducted a biodiversity risk assessment globally, as in the long term the risks could impact our business operations, ecosystems, and natural resources.

Performance against Goal

2020 Goal (Thailand)

100% of key raw materials come from responsible sources without contributing to the depletion of forests and marine resources.

Progress in 2018

- Conducted global biodiversity risk assessment
- Tracked the sources of key raw materials for agriculture and feed mills
- Implemented ecosystem and biodiversity protection measures.
- Supported the sustainable fisheries and aquaculture businesses

Year-on-year Progress in Thailand

	2016	2018	2020
% Completed in Biodiversity Master Plan	10	50	100
% Traceability Rice Product	-	100	100

Management Approach

CPTG definitely believes that baseline of ecosystem protection and biodiversity preservation under the equality use of natural resources is core responsibility for all associated parties. Therefore, we commit to implement practical guidelines which are in accordance with Rio Declaration on environment and development including with Convention on Biological Diversity as following.

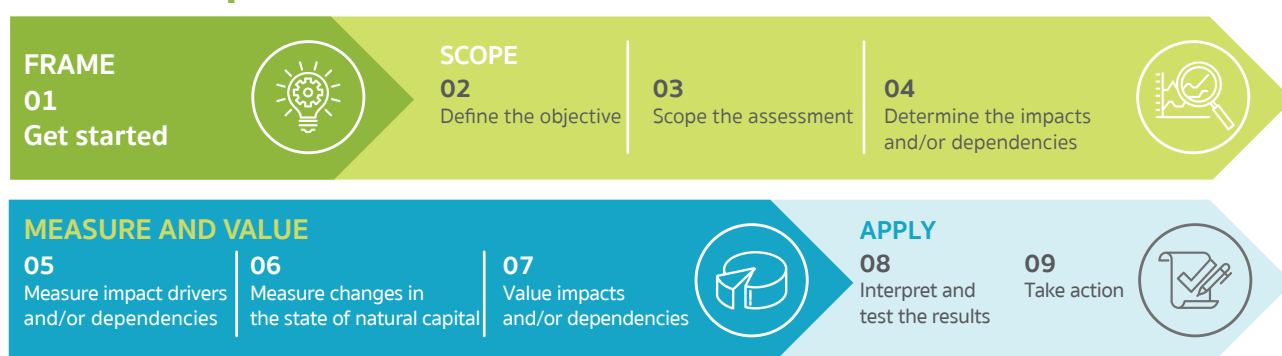
1. Responsible contribution on ecosystem protection and biodiversity preservation to comply with legal, other regulations and international standards as well as setting up long term goals for business operation plus more cooperation with any conservation organizations.
2. Minimize impacts on ecosystem and biodiversity throughout value chain by means of developing practical guidelines on responsible value chain, deforestation protection and ensuring an effective implementation in practice.
3. Providing risk evaluation that impact to ecosystem and biodiversity in order to consider and plan for business operation as well as risk management, more effectively.
4. Encourage on awareness and understanding about ecosystem protection and biodiversity preservation to all employees, partners, and any potential interested stakeholders via training, knowledge sharing and also any related campaign activities.
5. Data disclosure and its operational performance on ecosystem protection and biodiversity preservation passing through CPTG Sustainability Report in order to monitor its status against with specified targets and communicate to any associated interested stakeholders
6. Develop collaboration with governmental authorities, non-governmental organizations (NGOs), educational institutes, communities and other associated stakeholders in order to handle with the problem on ecosystem protection and biodiversity preservation both for national and global level.

More importantly, we have engaged with our business partners and stakeholders in an effort to responsibly source raw materials without causing adverse impacts on natural habitats and ecosystems, such as forests and water sources, by complying with relevant rules, regulations, and standards. Such as SRP(Sustainable Rice Platform) Version 2 and KCP Sustainable Rice



Following the Group's entry as a member of the World Business Council for Sustainable Development (WBCSD), we brought in the Natural Capital Protocol—a natural capital assessment framework developed by WBCSD in collaboration with global organizations including Conservation International, The B Team, PwC, and Sustain Value—to use as a framework for measuring the organization's natural capital. The Protocol helps us to understand the capacity and degradation of ecosystems and biodiversity, to value them in economic terms, and to apply those valuation results to identify ways of balancing between using and protecting natural resources.

Natural Capital Protocol Framework

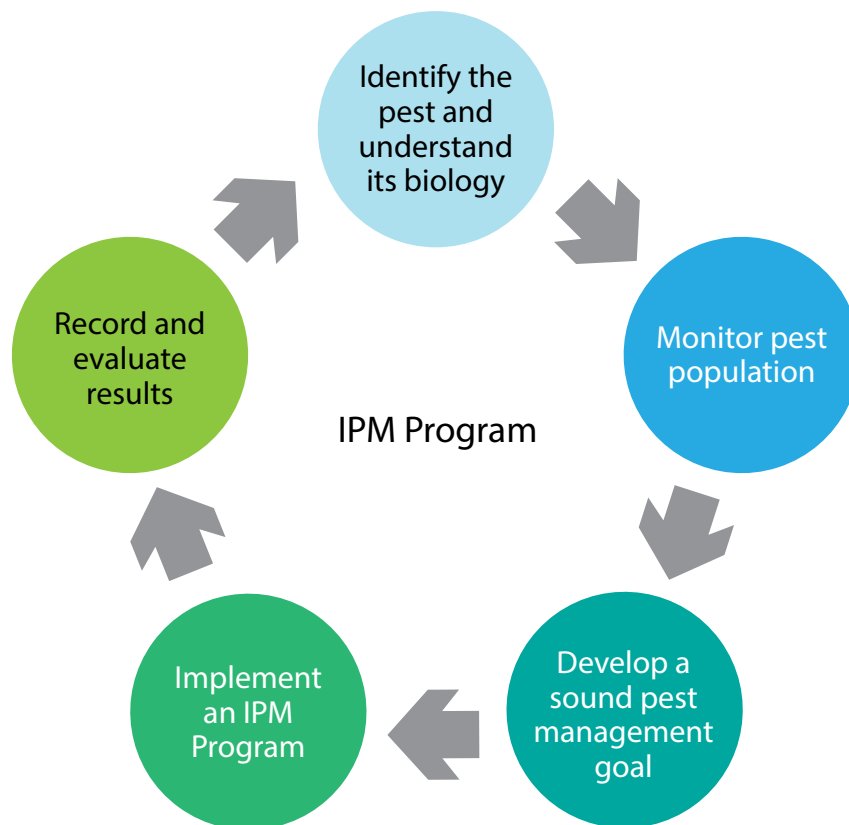


The Group selected the Nakhon Luang Rice Mill, under C.P. Intertrade Company Limited and Khao C.P. Company Limited, as the pilot site for the natural capital assessment. We selected this site because the rice mill is located on the banks of Pa Sak River in Nakhon Luang District, Ayutthaya Province, and uses the river's waterways to transport goods quickly and efficiently through the Ayutthaya Port and Inland Container Depot (ICD). Given this, the Nakhon Luang Rice Mill directly benefits from these waterways, and it is possible to witness both the impacts from and dependencies on this natural resource. Therefore, the Group was able to realize the importance of determining the ecosystem and biodiversity value of this resource as key natural capital for the rice mill.

Biodiversity Conservation in Rice Paddies in GAP Plus

Rice paddies are artificial wetlands that supply people with food and provide wildlife with habitats, breeding areas, shelters, feeding grounds and other services, and rice paddies play an important part in agricultural ecological systems. However, modern agricultural practices with large-scale intensive farming have significantly accelerated the homogenization of the paddy field ecosystem. Modern agriculture mostly relies on chemically-driven modern varieties and irrigation to ensure high production, resulting in the deterioration and imbalance of the ecosystem. Consequently, outbreaks of diseases, insects and weeds have become more frequent in paddy fields. CP Intertrade study and implement the current situation of rice paddy biodiversity in GAP Plus Project, Thailand and analyzes the community characteristics of arthropods and weedy plants.

we study and discuss how biodiversity was affected by modern agriculture changes, which have brought about a mounting crisis threatening to animals and plants once common in rice paddies. Measures should be focused to firstly preventing further deterioration and, then, also, promoting restoration processes. Ecological sustainability can be achieved by restoring paddy field biodiversity through protecting the ecological environment surrounding the paddy fields, improving paddy cropping patterns, growing rice with less agricultural chemicals and chemical fertilizers, constructing paddy systems with animals and plants and promoting ecological education and public awareness.



CASE STUDY 27

Chat Arsa to do good deeds project

Natural resources play a crucial role in environmental protection and economic development in Thailand. Illegal logging, poaching and large-scale land concessions for dams, mining and plantations are resulting in significant loss of forest areas. This poses a major threat to the great diversity of flora and fauna in the area and especially accelerates climate change. The associated reduction in ecosystem services causes a number of social and ecological issues, which particularly affect the poorest of the population, whose existence often depends on intact forests.

To support forest and biodiversity protection through the Forest Department, Thailand and CP Intertrade Co., Ltd. process, the project additionally focuses on increasing knowledge of and fostering more positive attitudes towards the environment and biodiversity among the local population and representatives of authorities. It links capacity development support in the field of environmental education at national level with informative and learning processes in the provinces, districts and villages.



RESPONSIBLE SUPPLY CHAIN MANAGEMENT



SUSTAINABLE
DEVELOPMENT
GOALS



Key Performance in 2018



281 critical suppliers
have been provided with
the Supplier Code of
Conduct Handbook

Every Business Line in
Thailand has assessed
and identified their
“Critical Suppliers”



Challenges

In recognizing that our supply chain is only as strong as its weakest link, C.P. Group is committed to strengthening the capabilities of our suppliers to create operational excellence in three important dimensions: economic, social, and environmental.

C.P. Group has stressed the importance of continuously and transparently communicating our Responsible Supply Chain Management Policy, Supplier Code of Conduct Handbook, and performance to all related stakeholders. This demonstrates our responsible business operations and our adaptability to industrial changes. At the same time, it also creates competitiveness among the Group and our business partners within the supply chain to promote sustainability worldwide.

Performance against Goal

2020 Goal (Thailand)

100% of critical suppliers have been assessed for sustainability.

Year-on-year Progress in Thailand

	2016	2018	2020
Number of Business Lines that have assessed and identified their critical suppliers	3	6	7
% of their critical suppliers Have Supplier Code of Conduct Commit	-	98.5	100

Progress in 2018

- Developed a Responsible Supply Chain Management Policy and a Supplier Code of Conduct Handbook
- Enhanced capability of Thai farmers according to Good Agricultural Practice (GAP)
- Assessed risks of critical suppliers
- Cooperated with business partners

Management Approach

Our supply chain management has been implemented in line with the Responsible Supply Chain Management Framework, which represents the Group's commitment to managing risks within the supply chain according to our Responsible Supply Chain Management Policy, Supplier Code of Conduct, and supply chain management goal. We are also committed to auditing our critical and high-risk suppliers on sustainability, and are continuously communicating our performance.

CP Trading Group and CP Crop (Maize) CHAROEN POKPHAND GROUP is committed to ensuring responsible management of our supply chain. Responsible management refers to responsible sourcing and traceability of key raw materials, conducting assessments of our supply chain for related risks, ensuring compliance and working with our key suppliers and partners for continuous improvements. Responsible supply chain management can be summarised by a long term collaboration between CPG and its suppliers that focuses on continuous improvement

As responsible management of our supply chain is important to both CP Trading Group and CP Crop (Maize) CHAROEN POKPHAND GROUP and our stakeholders, we have included it as a key part of our sustainability strategy. A summary of our planned actions relating to responsible supply chain management are:

Revising our responsible sourcing policy into a more comprehensive responsible supply chain management policy and to align with the UN Global Compact and other relevant standards;

Providing responsible supply chain management training to employees, business and supply chain partners and other key stakeholders;

Establishing a responsible supply chain management process for the group and each business unit that focuses on provision of support to suppliers and partners. This includes the identification of supply chain risks through conducting assessments, self-assessments for suppliers, monitoring of suppliers, audits of suppliers and planning for mitigation of any issues identified. This process should also include a responsible supply chain communication channel or platform to inspire collaboration with suppliers that may be at-risk etc. A senior management representative should be assigned for ownership and approve the revised policy;

Communicating responsible supply chain performance As we realise these new action steps towards strengthening our supply chain, CP Trading Group and CP Crop (Maize) CHAROEN POKPHAND GROUP will update on our progress according to the UN Global Compact and in the future sustainability report;

Reference to CP Trading Group and CP Crop (Maize) CHAROEN POKPHAND GROUP's revised human rights and labour practices policy; the new environmental policy and CPG's corporate governance policy or CP code of conducts etc

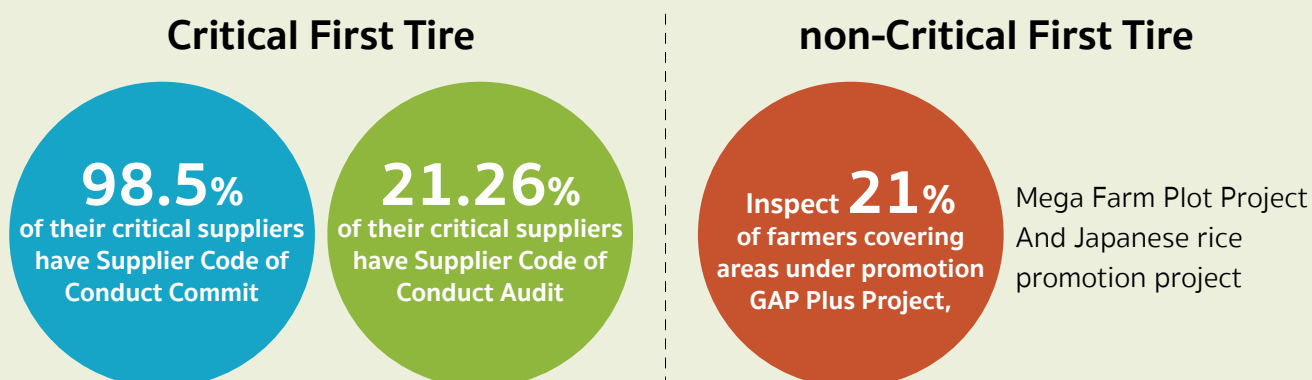
Manage areas in all activities throughout Supply Chain Responsible supply chain management

Supply chain relationships: Towards sustainable supply chain management

Sustainability : upstream, midstream, downstream



Performance of the year 2018



GAP Plus Project and Mega Farm Project : TRACEABILITY IN THE SUPPLY CHAIN

THAI FARMERS AND SUSTAINABLE RICE PRODUCTION

Our unparalleled quality traces back to grassroots collaboration with farmers. We work closely with rice-growing communities to ensure sustainable development. Our production process is fully in compliance with GAP+ (Good Agricultural Practices Plus). We are confident in our quality and safety standards that are completely traceable.

Rice Processing traceability

Rice Processing Factory is the world's largest rice processing plant. We conduct inspection of rice quality at all stages of the production process. Our quality Thai Hom Mali Rice is exported worldwide. The quality of every rice in this bag is assured.

SPREAD THE HAPPINESS

Happy farmers practicing sustainable agriculture inspire consumer confidence in quality and food safety. When it comes to Thai Hom Mali Rice, look no further than Royal Umbrella.

FOOD SAFETY STANDARD

Thai Hom Mali Rice under Royal Umbrella brand passed a DNA test to ensure that it is inbred rice; long, narrow white, transparent and strong grains with not much chalky kernels. The rice, when cooked, has a natural fragrance and is smooth a texture



CASE STUDY 29

Farmers Database Project (URD Platform)

The Rice FARM DATABASE is a collection of farm level data sets on rice productivity, fertilizer and pesticide use, labor inputs, prices, income, demographics, farm characteristics, and other related data on rice production in farmer's fields. It is a rich collection of actual farm and household level data collected through personal farmer interviews, farm record keeping, and periodic monitoring of farm activities from various sites in different rice growing thailand. The data collection was done by the CPI Policy (formerly Sustainability Standard)

รับสมัครสมาชิก โดยการลงทะเบียนผ่านระบบ URD

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โครงการส่งเสริมชาวนา

โครงการส่งเสริมชาวไร่

โครงการส่งเสริมผู้ค้า

เอกสารประกอบการรับสมัครสมาชิก

- สำเนาบัตรประชาชน
- สำเนาทะเบียนบ้าน
- สำเนาโฉนดที่ดิน, ทะเบียนเกษตรกร

Rice Farm Database

APPENDIX

Environmental and Social Projects



Mega Farm Suphan Buri province, welcomes the deputy director of the Irrigation Department



Little RU brand



Congratulate Academic Olympic delegation



Selling blue flag products...lower price



KCP joined forces to harvest rice



Welcoming the delegation from the Ministry of Quality Control, China



RU, flood relief, Lop Buri province



Received PM Award 2016



RU Open house



Sharing kindness for the disabled



Helping flood victims



Volunteer to launch omelette rice boots



Redeeming buffaloes' lives



Children's Day



Receive a trophy of jasmine rice in a bag of consistent quality



Rice Factory Sport Expo



Welcoming Walmart Customers



The Pracharath Big Field Pilot Project



Annual fire drills and fire evacuation exercises



Planting marigolds to honor



Received the ASEAN ENERGY AWARDS 2017



Organizing an exhibition of occupational health safety



"RU Volunteer Project to Bring Happiness to the Elderly"



Part of giving happiness to Thai farmers with "Thai Farmers Rice"



Companies within the sustainability reporting scope

International Trading Business Group



✓ 6 Rice Factory

✓ 1 transportation Company

✓ CP Intertrade Company and companies in the business group

Sustainability Performance 2014-2018

CP Intertrade and Companies in the business group

GRI	Performance	2014	2015	2016	2017	2018
Economic Performance						
G4-EC1	Income (Million baht)	40,866	35,914	34,624	35,917	39,735
	Employee benefits (Million baht)	1,778	1,760	1,224	1,295	1,329
	Taxes paid to the government and local authorities (Million baht)	-	-	19	20	21
	Research and development and innovation expenses (Million baht)	169	198	218	39	0
Social Performance						
Employee details						
102-8	Total Workforce (Persons)	2,068	2,186	2,158	2,354 (Male 1,555, Female 799)	2,522 (Male 1,662 Female 860)
102-8	BY CONTRACT TYPE (%)					
	• Employees	51.31	46.48	50.56	41.63 (Male 505, Female 475)	86.68 (Male 1,456, Female 680)
	• Workers/Contractors	12.43	23.65	23.40	58.37 (Male 1,050, Female 324)	51.31 (Male 206, Female 180)
405-1	Proportion of employees by gender(%)					
	• Male	56.53	55.08	53.43	66.05	65.90
	• Female	43.47	44.92	46.57	33.94	34.09
401-1	Employment					
	• Number of new employees (Persons)	63.00	48.00	96.00	112 (Male 53, Female 59)	283 (Male 157, Female 126)
	• New employment rate(%)	5.94	4.72	8.80	11.43 (Male 5, Female 6)	13.25 (Male 7, Female 6)
401-1	Resignation					
	• Number of resignations (Persons)	86.00	78.00	74.00	74 (Male 32, Female 42)	158 (Male 88, Female 70)
	• Resignation rate (%)	8.11	7.68	6.78	7.55 (Male 3.27, Female 4.29)	7.4 (Male 4.12, Female 3.28)
404-1	Mean time for staff training(Hours per person)	29.28	23.60	13.03	3 (Male 3, Female 3)	11 (Male 7.35, Female 14.21)
404-1	Number of employee training and development in Sustainability					
403-2	Absentee Rate(%)				0.03 (Male 0.03, Female 0.02)	0.88 (Male 0.09, Female 0.07)
Health and safety information						
	Number of injuries (not stop working) (person /200,000					
403-2 (a)	Working hour)	1.28	1.08	0.47	1.47 (Male 1.35, Female 1.61)	1.54 (Male 1.35, Female 1.81)
403-2 (b)	• Employees	2.01	2.39	0.54	0.53 (Male 0.52, Female 0.53)	0.72 (Male 1.48, Female 0)
	• Workers/Contractors					
	Number of injuries (off work) (person /200,000 Working					
403-2 (a)	hour)	0.77	0.81	0.35	20.82 (Male 33.68, Female 1.94)	0.39 (Male 0.34, Female 0.45)
403-2 (b)	• Employees	1.61	0.00	1.66	0	0.24 (Male 0.49, Female 0.00)
	• Workers/Contractors					
	Lost day work from accident (Day /200,000 Working hour)					
403-2 (a)	• Employees	6.76	2.53	1.63	0	0
403-2 (b)	• Workers/Contractors	12.19	0.00	6.99	0	0

GRI	Performance	2014	2015	2016	2017	2018
Environmental Performance						
302-1 (e)	Total Energy Consumption(Million GJ)	0.42	0.33	0.25	0.23	0.27
	• Fuel Consumption (Million GJ)	-	-	-	0.005	0.007
	• Renewable energy ((Million GJ)	0.11	0.07	0.04	0.09	0.12
	• Energy purchased ((Million GJ)	-	-	-	36.87	40.63
	Green House gas (GHG) emission (Ton CO2eq)	31,864	29,879	28,723	22,124	24,477
305-1	Green House gas (GHG) emission (Scope 1) (Ton CO2eq)	4,404	6,514	4,928	661	826
305-2	Green House gas (GHG) emission (Scope 2) (Ton CO2eq)	27,460	23,365	23,795	21,462.57	23,651.91
302-4	Biogenic	-	-	-	9,268.33	
303-1 (a)	Water withdrawal (Million m3)	0.21	0.23	0.25	0.13	0.18
	• Surface water (Million m3)	0.11	0.14	0.16	0.08	0.13
	• Ground water (Million m3)	0.07	0.07	0.07	0.03	0.03
	• Rain water (Million m3)	-	-	-	-	-
	• Municipal water / Purchased water (Million m3)	0.03	0.01	0.01	0.01	0.01
306-1 (a)	Recycle/Reuse Water	-	-	-	-	-
306-1 (a)	Water effluent (Million m3)	0.17	0.15	0.17	0.10	0.14
	Total weights of waste	1,842	977	1,466	802	798
306-2 (b)	• Non-Hazardous waste (ton)	1,839	973	1,462	629.46	794.95
306-2 (a)	• Hazardous waste (ton)	3	4	5	172.73	3.11
	All plastic packaging (ton)	-	-	-	-	4,959.66
	Recyclable Plastic Packaging *Category Mono Layer (ton)	-	-	-	-	4,959.66
OPERATIONAL ECO-EFFICIENCY						
302-4	Energy/Production (GJ)/ton)	-	-	-	-	0.36
	Greenhouse gas emissions/Production (Ton CO2eq/ton)	-	-	-	-	0.03
	Water/Production (m3/ton)	-	-	-	-	0.23
	Total waste/Production (ton/ton)	-	-	-	-	0.00

Sustainability Target Report

Progress in operations in 2018 compared to 2020 goals (Thailand) - International trade group



Symbol: ● Goal achievement ● Progress as planned ● Slower than planned ● Must be accelerated

Heart Living Right	Health Living Well	Home Living Together
<p>100% 100% of businesses within CPTG publicly discloses their corporate governance and sustainability performance through the Group's Report.</p>	<p>125% Improve employment prospects and quality of life for 5,000 farmers, SMEs, and vulnerable groups.</p>	<p>350% Reduce greenhouse gas emissions (Scopes 1 and 2) per unit of revenue by 10% by 2020, compared to the 2015 baseline.</p>
<p>50% 100% of businesses within CPTG conducts human rights due diligence.</p>	<p>125% 30% of new products will help promote health and well-being.</p>	<p>210% Reduce water withdrawal per unit of revenue by 10%, compared to the 2015 baseline.</p>
<p>100% All leaders and employees are provided with the training necessary to create business sustainability.</p>	<p>46% 30,000 children, youth, and adults will be provided with access to education and necessary skills development by 2020.</p>	<p>100% 100% of key raw materials comes from responsible sources without contributing to the depletion of forests and marine resources.</p>
<p>100% 100% of Business line within CPTG will develop a stakeholder engagement process.</p>	<p>10% Increase value of product and process innovation by 50%, compared to the 2016 baseline.</p>	<p>100% 100% of critical suppliers has been assessed for sustainability.</p>

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GRI Content Index ^{GRI102-55}

GRI 102: General Disclosures 2016

Disclosures	Page/Website/Omission	External Assurance
Organizational Profile		
102-1 Name of the organization	- Our Business - About this Report	-
102-2 Activities, brands, products, and services	- Our Business	-
102-3 Location of headquarters	- Business Overview	-
102-4 Location of operations	- Business Overview - Our Business	-
102-5 Ownership and legal form	- Our Business	-
102-6 Markets served	- Business Overview - Our Business	-
102-7 Scale of the organization	- 2018 Highlights - Business Overview	-
102-8 Information on employees and other workers	- Appendix	-
102-9 Supply chain	- Responsible Supply Chain Management	-
102-10 Significant changes to the organization and its supply chain	- About this Report	-
102-11 Precautionary Principle or approach	- Climate Change Management - Water Stewardship	-
102-12 External initiatives	- Stakeholder Engagement	-
102-13 Membership of associations	- Stakeholder Engagement	-
Strategy		
102-14 Statement from senior decision-maker	- Message from the Senior Chairman - Message from the Chairman - Message from the CEO	-
102-15 Key impacts, risks, and opportunities	- Message from the Senior Chairman - Message from the Chairman - Message from the CEO - Our Business - Climate Change Management - Water Stewardship	-
Ethics and Integrity		
102-16 Values, principles, standards, and norms of behaviour	- Sustainability Milestone - Six Core Values - C.P. Excellence	-
102-17 Mechanisms for advice and concerns about ethics	- Corporate Governance	-
Governance		
102-18 Governance structure	- Sustainability Governance - Corporate Governance	-
102-20 Executive-level responsibility for economic, environmental, and social topics	- Sustainability Governance	-
Stakeholder Engagement		
102-40 List of stakeholder groups	- Stakeholder Engagement	-
102-41 Collective bargaining agreements	- Human Rights and Labor Practices	-
102-42 Identifying and selecting stakeholders	- Stakeholder Engagement	-
102-43 Approach to stakeholder engagement	- Stakeholder Engagement	-
102-44 Key topics and concerns raised	- Stakeholder Engagement	-
Reporting Practice		
102-45 Entities included in the consolidated financial statements	- Our Business - Reporting Boundary	-
102-46 Defining report content and topic Boundaries	- Materiality Assessment	-
102-47 List of material topics	- List of Material Issues	-
102-48 Restatements of information	-	-
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102-50 Reporting period	- About this Report	-
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102-53 Contact point for questions regarding the report	- Materiality Assessment - About this Report	-
102-54 Claims of reporting in accordance with the GRI Standards	- About this Report	-
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102-56 External assurance	- About this Report	-

Material topics

GRI Standard	Disclosure	Page/Website	Omission/Note	External Assurance
Economic Performance				
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	103-2 The management approach and its components	- Sustainability Milestone	-	-
	103-3 Evaluation of the management approach	- Sustainability Milestone	-	-
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	- 2018 Highlights	-	-
Indirect Economic Impacts				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	- Social Impact - Education - Innovation	-	-
	103-2 The management approach and its components	- Social Impact - Education - Innovation	-	-
	103-3 Evaluation of the management approach	- Social Impact - Education - Innovation	-	-
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	- Social Impact - Education	-	-
	203-2 Significant indirect economic impacts	- Social Impact - Education - Innovation	-	-
Energy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	- Climate Change Management	-	-
	103-2 The management approach and its components	- Climate Change Management	-	-
	103-3 Evaluation of the management approach	- Climate Change Management	-	-
GRI 302: Energy 2016	302-1 Energy consumption within the organization	- Appendix	-	-
	302-3 Energy intensity	- Appendix	-	-
	302-4 Reduction of energy consumption	- Appendix	-	-
Water				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	- Water Stewardship	-	-
	103-2 The management approach and its components	- Water Stewardship	-	-
	103-3 Evaluation of the management approach	- Water Stewardship	-	-
	303-1 Water withdrawal by source	- Appendix	-	✓
	303-3 Water recycled and reused	- Appendix - Ecosystem & Biodiversity Protection	-	-
Biodiversity				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	- Ecosystem & Biodiversity Protection	-	-
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GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	- Ecosystem & Biodiversity Protection	-	-
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	- Climate Change Management	-	-
	103-2 The management approach and its components	- Climate Change Management	-	-
	103-3 Evaluation of the management approach	- Climate Change Management	-	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	- Appendix	-	-
	305-2 Energy indirect (Scope 2) GHG emissions	- Appendix	-	✓
	305-4 GHG emissions intensity	- Appendix	-	-
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Effluents and Wastes				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	- Climate Change Management	-	-
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GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	- Appendix	-	-
	306-2 Waste by type and disposal method	- Appendix	-	-

Material topics

GRI Standard	Disclosure	Page/Website	Omission/Note	External Assurance
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	103-3 Evaluation of the management approach	- Ecosystem & Biodiversity Protection	-	-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	- Ecosystem & Biodiversity Protection	-	-
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	- Human Rights and Labor Practices	-	-
	103-2 The management approach and its components	- Human Rights and Labor Practices	-	-
	103-3 Evaluation of the management approach	- Human Rights and Labor Practices	-	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	- Appendix	-	-
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	- Human Rights and Labor Practices	-	-
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GRI 403: Occupational Health and Safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	- Appendix	-	✓
Training and Education				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	- Leadership and Human Capital Development	-	-
	103-2 The management approach and its components	- Leadership and Human Capital Development	-	-
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GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	- Appendix	-	-
Human Rights Assessment				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	- Human Rights and Labor Practices	-	-
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GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	- Human Rights and Labor Practices	-	-
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	- Social Impact - Health and Well-being - Education - Water Stewardship - Ecosystem & Biodiversity Protection - Responsible Supply Chain Management	-	-
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GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	- Social Impact - Health and Well-being - Education - Water Stewardship - Ecosystem & Biodiversity Protection - Responsible Supply Chain Management	-	-

Material topics

GRI Standard	Disclosure	Page/Website	Omission/Note	External Assurance
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	- Ecosystem & Biodiversity Protection	-	-
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GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	- Ecosystem & Biodiversity Protection	-	-
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	- Health and Well-being	-	-
	103-2 The management approach and its components	- Health and Well-being	-	-
	103-3 Evaluation of the management approach	- Health and Well-being	-	-
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	- Health and Well-being	-	-
Healthy and Affordable Food				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	- Health and Well-being - Innovation	-	-
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	103-3 Evaluation of the management approach	- Health and Well-being - Innovation	-	-

United Nations Global Compact Communication on Progress - Advanced Level

UNITED NATIONS GLOBAL COMPACT (UNGC) COMMUNICATION ON PROGRESS - ADVANCED LEVEL		
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2	The COP describes value chain implementation	38, 42, 68-69
3	The COP describes robust commitments, strategies or policies in the area of human rights	41-42
4	The COP describes effective management systems to integrate the human rights principles	41-42
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United Nations Sustainable Development Goals

Goal	Description	Chapter
1	End poverty in all its forms everywhere	<ul style="list-style-type: none"> Social Impact Climate Change Management
2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	<ul style="list-style-type: none"> Health & Well-being Climate Change Management
3	Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> Human Rights & Labor Practices Health & Well-being
4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> Human Rights & Labor Practices Leadership & Human Capital Development Education
5	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> Human Rights & Labor Practices
6	Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> Water Stewardship Ecosystem & Biodiversity Protection
7	Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none"> Climate Change Management
8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> Human Rights & Labor Practices Social Impact Education Innovation Water Stewardship
9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> Innovation
10	Reduce inequality within and among countries	<ul style="list-style-type: none"> Human Rights & Labor Practices Social Impact
11	Make cities and human settlements inclusive, safe, resilient and sustainable	<ul style="list-style-type: none"> Climate Change Management
12	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> Corporate Governance Human Rights & Labor Practices Climate Change Management Ecosystem & Biodiversity Protection Responsible Supply Chain Management
13	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> Climate Change Management
14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	<ul style="list-style-type: none"> Ecosystem & Biodiversity Protection
15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	<ul style="list-style-type: none"> Ecosystem & Biodiversity Protection
16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"> Corporate Governance Human Rights & Labor Practices Stakeholder Engagement Responsible Supply Chain Management
17	Strengthen the means of implementation and revitalize the global partnership for sustainable development	<ul style="list-style-type: none"> Climate Change Management Water Stewardship Ecosystem & Biodiversity Protection

Independent Assurance Statement

Introduction and Engagement

C.P. Intertrade Company Limited (hereafter 'CPI') commissioned TÜV NORD (Thailand) Ltd. (hereafter 'TUVT') for Sustainability Assurance Engagement. TÜV NORD (Thailand) Ltd. conducted the independent assurance of CPI's sustainability report (hereinafter 'the Report'), which includes "limited assurance" of CPI's sustainability information for the applied reporting period. This assurance engagement was conducted against the Global Reporting Initiative Standards and AA1000AS (2008) Protocol (Type 2, Moderate Level). TUVT also performed Assurance, based on AccountAbility Principles Standard AA1000AP (2018) and AccountAbility Stakeholder Engagement Standard AA1000SES (2015) and ISO 14064 Part 3: Greenhouse Gases: Specification with guidance for the validation and verification of greenhouse gas assertions (ISO, 2006). The onsite verification was conducted in March 2019 at CPI (Bangkok, Thailand). In addition desk review was carried out for other sites which are parts of report boundary. CPI opted for external assurance for the calendar year 2018. The Report covers CPI's sustainability information for the period 1st January 2018 to 31st December 2018.

Scope, Boundary and Limitations of Assurance

The scope of the assurance includes the economic, environmental and social indicators in the report as per the Core disclosures required by GRI Standards. In particular, the assurance engagement includes the following:

- Verification of the application of the Report content, principles as mentioned in the GRI Standards, and the quality of information presented in the Report over the reporting period;
- Review of the policies, initiatives, practices and performance described in the Report;
- Review of the disclosures made in the Report against the requirements of the GRI Standards and AA1000AS (2008), with a Type 2, moderate level of assurance;
- Verification of the reliability of the GRI Standards Disclosure on economic, environmental and social (disclosures are tabulated below)
- Specified information was selected based on the materiality determination and needs to be meaningful to the intended users;
- Confirmation of the fulfilment of the GRI Standards; 'in accordance' with the Core criteria, as declared by the management of CPI.

The reporting boundary is based on the internal and external materiality assessment. The reporting aspect boundaries are set out in the Report covering the sustainability performance of six (6) main factories; five located in Thailand and one located in Cambodia. In addition (1) one river port (in line with Company's Annual Report 2018), comprising

- 1) Khao C.P. Co.,Ltd.
135 Moo 5, Tambon Mae-la, Amphur Nakhonluang, Ayutthaya 13260 Thailand
- 2) Khao C.P. Co.,Ltd.
3/2-4 Moo 1, Tambon Wangdaeng, Tharua, Phranakornsriayutthaya 13130 Thailand
- 3) Khao C.P. Co.,Ltd.
279 Moo 9, Tambon Salaengphan Amphur Lamplaimat , Buriram 31130 Thailand
- 4) Khao C.P. Co.,Ltd.
222 Moo 1, Tambon Dermbang Amphur Dermbangnangbuat , Supanburi 72120 Thailand
- 5) Khao C.P. Co.,Ltd.
99/1 Moo 5, Tambon Wangbua, Amphur Khlongkhlong, Kamphaengphet 62120 Thailand
- 6) Ayutthaya Port & ICD Co., Ltd.
111 Moo 3, Tambon Phra-non, Amphur Nakhonluang, Ayutthaya 13260 Thailand
- 7) Apsara Rice (Cambodia) Co.,Ltd.
Road No.51, Chamkar Loung village, Veangchas commune, Udong district, Kampong Speu province, Cambodia.

Our engagement did not include an assessment of the adequacy or the effectiveness of CPI's strategy or management of sustainability related issues. During the assurance process, TUVT did not come across

the limitations to the scope of the agreed assurance engagement. No external stakeholders were interviewed as a part of the sustainability engagement for the reporting period.

Verification Methodology

This assurance engagement was planned and carried out in accordance with the GRI Standards and AA1000AS (2008). The Report was evaluated against the following criteria:

- Adherence to the principles of Stakeholder inclusiveness, Materiality, Responsiveness, Completeness, Neutrality, Relevance, Sustainability context, Accuracy, Reliability, Comparability, Clarity and Timeliness; as prescribed in the GRI Standards and AA1000AS (2008);
- Application of the principles and requirements of the GRI Standards for its “in accordance Core” criteria.

During the assurance engagement, TUVT adopted a risk-based approach, concentrating on verification efforts on the issues of high material relevance to CPI’s business and its stakeholders. TUVT has verified the statements and claims made in the Report and assessed the robustness of the underlying data management system, information flows and controls. In doing so:

- TUVT reviewed the approach adopted by CPI for the stakeholder engagement and materiality determination process. TUVT performed limited internal stakeholder engagement to verify the qualitative statements made in the Report;
- TUVT verified the sustainability-related statements and claims made in the Report and assessed the robustness of the data management system, information flow and controls;
- TUVT examined and reviewed the documents, data and other information made available by CPI for the reported disclosures including the Disclosure on Management Approach and performance indicators;
- TUVT conducted interviews with key representatives including data owners and decision-makers from different functions of the Company during the site visit;
- TUVT performed sample-based reviews of the mechanisms for implementing the sustainability related policies, as described in CPI’s Sustainability Report;
- TUVT verified sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report for the reporting period.

Opportunities for Improvement

The following is an extract from the observations and opportunities for improvement reported to the management of CPI and are considered in drawing our conclusions on the Report; however, they are generally consistent with the Management’s objectives.

Opportunities are as follows:

- The stakeholder engagement should systematically seek to understand each stakeholder’s; level of influence and existing relationship with the organization.
- Identified material issues in the SD report can be made in line with GRI Standards disclosure. GRI’s sector guidance – Food Processing Sector Specific Indicator can be reported by Organization.
- Biodiversity as per GRI 304 can be implemented.
- The monitoring of consumed, discharged, and impacted of water could be considered.
- The processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks.

Conclusions

The Report was prepared based on the GRI Standards Reporting Principles and Standard Disclosures 'in accordance' with the GRI Standards Core option. In our opinion, based on the scope of this assurance engagement, the disclosures on sustainability performance reported in the Report along with the referenced information provides a fair representation of the material aspects, related strategies, and performance indicators, and meets the general content and quality requirements of the GRI Standards Core option.

- Disclosures: TUVT is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements for 'in accordance'- Core reporting criteria. Organization refers to general disclosure to report contextual information about an organization while the Management Approach is discussed to report the management approach for each material topic.
- Topic Specific Standard: TUVT is of the opinion that the reported specific disclosures for each material topic generally meet the GRI Standards reporting requirements for 'in accordance'- Core reporting criteria.

The requirements below material aspect were verified by the assurance team:

Material Issues	GRI Disclosure Number
Energy consumption within the organization	GRI 302 - 1
Energy direct greenhouse gas (GHG) emission scope 1	GRI 305 - 1
Type of injury and rates of injury occupational diseases, lost days and absenteeism and number of work related fatalities	GRI 403 - 2

On the basis of the procedures we have performed, nothing has come to our attention that causes us to believe that the information subject to the Type 2 moderate level assurance engagement was not prepared, in all material aspects, in accordance with the GRI Standards "Core option" sustainability reporting guidelines, or that the sustainability information is not reliable in all material respects, with regards to the reporting criteria.

TUVT did perform any assurance of procedures on the prospective information, such as targets, expectations and ambitions, disclosed in the sustainability information. Consequently, TUVT draws conclusion on the prospective information. This assurance statement has been prepared in accordance with the terms of our engagement. Type 2 moderate level assurance engagement with respect to sustainability related data involves performing procedures to obtain evidence about the sustainability information. It does include detailed testing of source data or the operating effectiveness of processes, internal controls and consequently they do enable us to obtain the assurance necessary to become aware of all significant matters that might be identified in a Type 2 moderate level assurance engagement.

TUVT has evaluated the Report's adherence to the following principles with respect to the requirements of the GRI Standards.

Stakeholder Inclusiveness: Stakeholder identification and engagement is carried out by CPI on a periodic basis to bring out key stakeholder concerns as material aspects of significant stakeholders. In our view, the Report meets the requirements.

Materiality: The materiality assessment process has been carried out, based on the requirements of the GRI Standards, considering aspects that are internal and external to the Company's range of businesses. The Report fairly brings out the aspects and topics and its respective boundaries of the diverse operations of CPI. In our view, the Report meets the requirements.

Responsiveness: TUVT believes that the responses to the material aspects are fairly articulated in the report, i.e. disclosures on CPI's policies and management systems including governance. In our view, the Report meets the requirements.

Impact: CPI has adequately captured the impact of its business on the community and environment and has taken several measures to reduce the impact.

Completeness: The Report has fairly disclosed the General and Specific Standard Disclosures, including the Disclosure on Management Approach, covering the sustainability strategy, management approach, monitoring systems and sustainability performance indicators against the GRI Standards, 'in accordance' with the Core option. In our view, the Report meets the requirements.

Reliability: The majority of the data and information was verified by TUVT's assurance team at CPI's office on the factory's premises and found to be accurate. Further desk review of web-based data was carried

out for all other sites mentioned above. Therefore, in accordance with the GRI Standards and AA1000AS (2008) for a Type 2, moderate level assurance engagement, TUVT concludes that the sustainability data and information presented in the Report is reliable and acceptable. In our view, the Report meets the requirements.

Neutrality: The disclosures related to sustainability issues and performances are reported in a neutral tone, in terms of content and presentation. In our view, the Report meets the requirements.

TUVT expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement. The intended users of this assurance statement are the management of CPI. The management of the Company is responsible for the information provided in the Report as well as the process of collecting, analyzing and reporting the information presented in web-based and printed Reports, including website maintenance and its integrity. TUVT's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative and qualitative information (Sustainability Performance – environmental and social indicators) disclosed by CPI in the Report. This assurance engagement is based on the assumption that the data and the information provided to TUVT by CPI are complete and reliable.

TUV's Competence and Independence

TUVT is an independent, neutral, third-party providing sustainability services, with qualified environmental and social assurance specialists. TUVT states its independence and impartiality with regard to this assurance engagement. In the reporting year, TUVT did not work with CPI on any engagement that could compromise the independence or impartiality of our findings, conclusions and recommendations. TUVT was not involved in the preparation of any content or data included in the Report, with the exception of this Assurance Statement. TUVT maintains complete impartiality toward any people interviewed during the assurance engagement.



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AA1000
Licensed Assurance Provider
000-286

Date: 18 April 2019
Place: Bangkok, Thailand
Project Reference No: THAA1000-001-19





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