

Charoen Pokphand Group

# Double & Dynamic Materiality Assessment Report 2023



For a Better  
Tomorrow

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# EXECUTIVE SUMMARY



In 2022, Charoen Pokphand Group conducted a comprehensive Double and Dynamic Materiality Assessment. These approaches enhance our sustainability strategy and better align with global standards. By evaluating material issues through the dual lenses of ‘impact on the business’ and ‘impact on the society and environment,’ we have identified key areas that require strategic focus and proactive risk management.

In 2023, Charoen Pokphand Group revised the list and priority of material issues, initially identified and prioritized in 2022. This revision ensures that the identified and prioritized issues remain relevant and material for the Group and all stakeholder groups. The materiality issues revision processes included consultation with stakeholder groups, evaluation of past performances, analysis of evolving risks, both enterprise risks and emerging risks, challenges, and opportunities, consideration of industry standards, and frameworks, as well as discussion with high-level executives who are the directors of Sustainability Committee.

This year’s assessment highlights critical themes such as climate resilience and GHG emissions, responsible supply chain management, ecosystem and biodiversity protection, circular economy, corporate governance, occupational health and safety, food security, and education and lifelong learning. These priorities are essential not only for our operational success but also, for addressing broader societal challenges.

Charoen Pokphand Group’s commitment to incorporating sustainability into the foundation of our company operations is demonstrated by this Double and Dynamic Materiality Assessment Report 2023. The Group hopes that this review will promote openness, encourage ongoing progress, and preserve our accountability to our stakeholders. The knowledge the Group acquires will inform our strategic objectives going ahead, guaranteeing that the Group stays at the forefront of corporate responsibility and sustainable growth.

# Significant Changes in 2023

As part of our commitment to staying responsive to the evolving business landscape and stakeholder expectations, Charoen Pokphand Group has conducted a thorough review and revision of our material issues in 2023. This process involved reevaluating the material issues identified and prioritized in 2022 to ensure they remain relevant and impactful. Our double and dynamic materiality assessment revealed several significant changes, reflecting shifts in the external environment, industry evolution, stakeholder concerns, and strategic priorities.

Key changes include an increased emphasis on responsible supply chain management due to the growing recognition of its critical role in ensuring sustainability and ethical practices throughout our operations. Sustainable agriculture, and food security also gained the attention of stakeholder groups, growing environmental challenges, the need for innovative practices in food production, and safeguarding access to safe and nutrition food for all drove this. Human capital development has also been highlighted as essential for

fostering equality and inclusion within the organization where everyone has equal opportunity to obtain new skills and grow in their career. In addition, issues related to the circular economy have been refined to better capture the global challenges, such as resource scarcity, waste management, and environmental degradation.

Charoen Pokphand Group's materiality evaluation for 2023 shows a drop in environmental management and protection, despite other themes gaining pace. This is due to strict adherence to the applicable norms and regulations. However, the Group continues to prioritize environmental management and conservation since it reflects our commitment to lowering our environmental effects and promoting biodiversity.

These adjustments highlight our proactive approach to addressing new and emerging risks and opportunities. By continuously updating our materiality framework, we ensure that our strategies are aligned with the most pressing issues, enabling us to maintain our leadership in sustainable development.

## Material Issues with Significant Changes



### Responsible Supply Chain Management

As global supply chains become more complicated, there is a greater need to address concerns like worker rights, environmental effect, and accountability. It is critical to ensure that our supply chains are handled properly since it reduces risks, improves operational efficiency, and upholds our commitment to social and environmental sustainability. This approach also corresponds with stakeholder expectations for more responsibility and contributes to our objective of making a positive effect throughout the whole value chain.



### Food Security

As the global population rises and climate change impacts agricultural productivity, the need to secure stable food supplies is critical. By prioritizing food security, Charoen Pokphand Group aims to contribute to global efforts to eradicate hunger and malnutrition, while also supporting the health and well-being of communities worldwide.



### Circular Economy

The circular economy represents a sustainable approach to resource management, emphasizing the reduction, reuse, and recycling of materials. This shift is crucial in addressing global challenges such as resource scarcity, waste management, and environmental degradation. This approach not only supports our sustainability goals but also drives innovation and long-term resilience, meeting stakeholder expectations for responsible and sustainable business practices.

# INTRODUCTION TO DOUBLE AND DYNAMIC MATERIALITY ASSESSMENT



In an era where sustainability and corporate responsibility are paramount, Charoen Pokphand Group continues to lead by example through our commitment to comprehensive and forward-thinking business practices. The Double and Dynamic Materiality Assessment Report 2023 embodies our dedication to understanding and addressing the most critical issues that impact our business, stakeholders, and society at large.

The concept of double materiality recognizes that our success is intrinsically linked to both financial and non-financial factors. By evaluating these dual dimensions, we ensure that our strategies not only drive business performance but also contribute positively to the environment and society. This holistic approach allows us to identify and prioritize issues that are essential for sustainable growth and resilience.

Furthermore, the dynamic aspect of our materiality assessment underscores our commitment to continuous improvement. The business landscape and societal expectations are constantly evolving, and so must our strategies. By regularly revisiting and updating our list of material issues, we ensure that we remain agile and responsive to new challenges and opportunities.

Similar to 2022, Charoen Pokphand Group integrated the results from our double and dynamic materiality assessment into our Enterprise Risk Management (ERM) framework. This integration ensures that material issues identified are systematically managed within our risk management processes, enhancing our ability to anticipate, mitigate, and respond to potential risks. By embedding these insights into our ERM, we strengthen our overall risk resilience and align our strategic initiatives with sustainable value creation.

# Double and Dynamic Materiality Assessment

Charoen Pokphand Group adopted a double and dynamic materiality assessment approach to ensure that our sustainability strategy is robust, comprehensive, and aligned with both current and future challenges. The double materiality approach evaluates material concerns from two perspectives:

**Financial Materiality:** This perspective assesses how environmental, social, and governance (ESG) issues affect the Charoen Pokphand Group's financial performance and business operations. It entails identifying risks and opportunities that may impact our income, expenses, asset values, obligations, and overall financial stability. Climate change, for example, can raise operating expenses as a result of extreme weather occurrences, yet appropriate supply chain management methods can provide new market possibilities and income streams.

## Environmental and Social Materiality:

This approach evaluates the overall environmental and societal implications of C.P. Group's operations. It focuses on how our business practices influence external stakeholders such as local communities, ecosystems, and overall social well-being. For instance, our initiatives to improve food security directly contribute to public health and social equity. The implementation of Double materiality includes:

- Conduct a comprehensive review of internal and external data, including financial reports, sustainability benchmarks, industry trends, and regulatory requirements.
- Engage with stakeholders through surveys, interviews, and focus group discussions to gather diverse perspectives.
- Utilize analytical tools to evaluate the financial and non-financial impacts of identified material issues.

Dynamic Materiality recognizes that material issues are not static; they evolve over time as a result of changes in the external environment, stakeholder expectations, and new risks and opportunities. This approach ensures our materiality evaluation is current and relevant by constantly evaluating and upgrading our understanding of material issues. The implementation of Dynamic materiality includes:

- Regularly analyze recent performance data, industry reports, regulatory changes, and global sustainability trends.
- Engage with internal and external experts to gather updated information and perspectives on emerging issues.
- Utilize scenario planning and foresight techniques to anticipate future changes and their potential impact on our business and stakeholders.

## Double and Dynamic Materiality Assessment



# PROCESS AND RESULT OF MATERIALITY ASSESSMENT



The 2023 Double and Dynamic Materiality Assessment process at Charoen Pokphand Group is a comprehensive and methodical way to ensuring that our sustainability plan is in line with the most pressing concerns affecting our company and stakeholders. This demanding approach was broken into four main phases:



## Revision of Sustainable Material Issues

Charoen Pokphand Group reviewed the material issues identified in 2022 to ensure that the issues are still reflecting the Group's strategy and stakeholders' expectations.



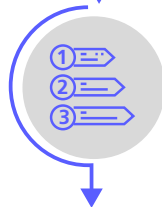
## Identification of Impacts, Risks, and Opportunities

The result from the previous step was presented to high-level executives. Their suggestions and opinions were integrated to better reflect the evolving challenges.



## Assessment of Impact of Material Issues by Stakeholders

Questions regarding the sustainability material issues were included in the stakeholder survey. This is to listen to stakeholders' suggestions and opinions.



## Prioritization of Material Issues that are Significant to the Group and Stakeholders

To promote transparency of the process, Charoen Pokphand Group engaged external third-party to perform an audit on the processes and results. The final result was reported to Sustainability Committee, and Executive Board for endorsement and publication.

### 1. Revision of Sustainable Material Issues:

This revision was crucial to incorporate new insights and reflect the latest developments in environmental, social, and economic contexts. By consulting with internal and external specialists, Charoen Pokphand Group ensured that our list of material issues remained current and forward-thinking.

### 2. Identification of impacts, Risks, and Opportunities:

During this phase, Charoen Pokphand Group did a thorough examination of the identified material issues to better understand their related impacts, risks, and possibilities. This entailed assessing how each problem affected the Group's operations, financial performance, and reputation, as well as the larger consequences for society and the environment. The Group used a variety of analytical methods and frameworks to thoroughly map out these relationships.

### 3. Assessment of Impact by Stakeholders:

Recognizing the value of stakeholder viewpoints, Charoen Pokphand Group engaged with diverse stakeholders. The Group obtained information about how each material issue affects people using surveys, interviews, and focus group discussions. This stakeholder feedback was critical to understanding the larger implications of our material challenges and ensuring that our evaluation was comprehensive and inclusive.

### 4. Prioritization of Material Issues that are Significant to the Group and Stakeholders:

The final phase involved prioritizing the material issues based on their significance to both Charoen Pokphand Group and our stakeholders. This prioritization process helped the Group identify the most critical areas that require strategic focus and resource allocation. The result is a clear set of prioritized material issues that guide our sustainability strategy and initiatives. The results of our materiality assessment have been

integrated into Charoen Pokphand Group's Enterprise Risk Management (ERM), this is to ensure that the Group systematically manages these issues within our risk management processes. This integration enhances our ability to anticipate, mitigate, and respond to potential risks, thereby strengthening our overall resilience.

This approach not only supports our sustainability goals but also drives innovation and long-term resilience, aligning our strategic initiatives with the evolving expectations of our stakeholders.

Furthermore, to increase the reliability and transparency of the Charoen Pokphand Group's materiality assessment process and results, the Group engages an independent third party to conduct a process and result verification. The Assurance Statement issued by an independent third party can be found in the Charoen Pokphand Group Sustainability Report 2023, Pages 272-273



# Revision of Sustainable Material Issues

The first step involved a thorough review and revision of the material issues identified in 2022 assessments. Charoen Pokphand Group began by analyzing the material issues identified in the 2022 assessment, evaluating their relevance and impact in the current landscape. This included a detailed review of internal performance data, industry reports, regulatory changes, and global sustainability trends. The Group examined how these issues have evolved and whether they continue to pose significant risks or opportunities for the Group.

To ensure a comprehensive and forward-looking revision, Charoen Pokphand Group engaged with a diverse group of internal and external experts. Internally, we consulted with various departments, including sustainability, risk management,

operations, and strategy, to gather insights and perspectives on emerging issues and their potential impact on our business. Externally, we sought input from different groups of stakeholder to ensure that our assessment was aligned with the latest best practices and global standards.

This collaborative approach allowed us to identify new and emerging material issues that are critical for our business and stakeholders. For example, the increasing importance of climate resilience and sustainable agriculture was recognized due to growing environmental challenges and the need for innovative practices in food production. Similarly, the significance of responsible supply chain management and food security was elevated to address the critical need for resilient and ethical supply chains and ensuring access to safe and nutritious food for all.

By integrating these new insights and developments, we ensured that our list of material issues remained relevant and forward-looking, reflecting the dynamic nature of the global sustainability landscape. This

thorough review and revision process enabled us to prioritize issues that are essential for sustainable growth and resilience, aligning our strategic initiatives with the most pressing challenges and opportunities.

## Material Issues in 2022

### Heart: Living Right

- Corporate Governance
- Child Labor
- Forced Labor / Compulsory Labor
- Land Rights
- Diversity, Equity and Inclusion
- Labor Practices
- Occupational Health and Safety
- Education and Lifelong Learning
- Human Capital Development
- Responsible Marketing & Customer Management
- Cybersecurity & Data Protection

### Health: Living Well

- Health & Nutrition
- Social & Community Engagement & Integration
- Inclusive Business
- Food Security
- Innovation
- Stakeholder Engagement

### Home: Living Together

- Climate Resilience and GHG Emissions
- Environmental Management & Protection
- Waste Management and Circular Economy
- Water Stewardship
- Nature Protection and Restoration
- Responsible Supply Chain Management

# Identification of Impacts, Risks and Opportunities

During this phase, Charoen Pokphand Group did a thorough analysis of the highlighted material issues to better understand their impacts, risks and opportunities. This extensive study was critical to ensuring that our strategic plans are well-informed and in line with both our corporate objectives and larger social expectations.

Charoen Pokphand Group analyzed the impacts of each material concern on the Group's operations, supply chain, products/services, and the usage phase of our consumers and customers to better understand our potential environmental and societal repercussions. This included investigating how concerns like climate resilience, technological innovation, and responsible supply chain management affect our daily operations, manufacturing processes, and logistical efficiency. For example,

climate resilience was assessed in terms of its impact on agricultural output, supply chain disruptions caused by extreme weather events, and the requirement for adaptive infrastructure. At the same time, the materiality assessment process focused on identifying potential risks and opportunities. Megatrends, emerging trends, regulatory changes, climate change effects, and supply chain vulnerabilities were all utilized to assess risks. Simultaneously, prospects for technological innovation and progress, market and consumer behavior trends, and long-term value creation through sustainable products/services were identified.

Next, Charoen Pokphand Group evaluated the financial performance implications of each material issue. This involved examining possible cost savings or expenditures, income

possibilities, and financial risks linked with sustainability projects. For example, investment in sustainable agriculture techniques was assessed for its ability to cut costs via greater resource efficiency while also creating new income streams by fulfilling rising customer demand for sustainably produced items.

Charoen Pokphand Group also assessed the reputational impact of each material issue. This included determining how our commitment to tackling these challenges affects stakeholder perceptions, brand value, and consumer loyalty.

The broader implications for society and the environment were also heavily emphasized. Charoen Pokphand Group identified how each material issue influences social well-being and environmental sustainability. Food

security, for example, was judged in terms of its contribution to hunger reduction and public health, whereas environmental management was evaluated in terms of biodiversity and ecosystem preservation.

To map out these relationships comprehensively, Charoen Pokphand Group utilized various analytical tools and frameworks. This included SWOT analysis, scenario planning, risk assessment and impact assessment.

Charoen Pokphand Group used these tools to generate extensive profiles for each material issue, highlighting its impacts, risks, and opportunities. This analysis provided a robust foundation for prioritizing issues and making informed decisions on where to focus our sustainability efforts. It also ensured that our strategies are proactive and responsive to both current and future challenges,

## Impact Materiality Assessment and Scoring

The Impact Materiality Assessment is critical for understanding and analyzing Charoen Pokphand Group's operations' larger environmental, social, and economic impacts. This evaluation identifies, assesses, and controls our operations' positive and negative impacts on external stakeholders and the larger ecosystem, ensuring that we are on track to meet our sustainability goals and stakeholder expectations.

The process begins with identifying key concerns through stakeholder engagement, industry benchmarking, and internal consultation. This is followed by a thorough impact study that considers environmental, social, and economic factors. For environmental effects, Charoen Pokphand Group considers how our

activities influence natural resources, ecosystems, and biodiversity, such as air and water quality, soil health, and carbon emissions. For social impact, we consider how our operations, products, and services affect community well-being, public health, labor practices, and human rights. For economic effect, we consider the consequences of our actions, such as job creation, contributions to local economies, and the financial rewards of sustainable practices. To give a thorough evaluation, both quantitative and qualitative methodologies are used, such as lifecycle assessment and carbon footprint analysis, as well as stakeholder feedback and expert discussions.

## Financial Materiality Assessment and Scoring

The Financial Materiality Assessment is a critical process that evaluates how environmental, social, and governance (ESG) issues impact our financial performance and business operations. This assessment ensures we understand the financial implications of sustainability-related risks and opportunities, helping us make informed decisions that balance profitability with responsible business practices.

The process involves a comprehensive analysis of how various material issues affect our revenue, costs, asset values, liabilities, and overall financial stability. For instance, we evaluate how growing consumer demand for sustainable products can drive sales growth, while poor environmental practices could harm

our reputation and revenue. We assess cost implications, such as the financial impact of resource scarcity or regulatory compliance costs, and understand how ESG factors influence asset values, like how climate change can damage infrastructure. Additionally, we identify potential liabilities and risks, including regulatory penalties and market risks from shifts in consumer preferences. To conduct this assessment, we engage with stakeholders, review data from financial reports and sustainability benchmarks, and use analytical tools like SWOT analysis and scenario planning. The insights gained are integrated into our strategic planning and risk management processes, ensuring we proactively address financial risks and opportunities.

Impact Materiality Assessment: A score of Severity for Environmental Impact

Level	Scale		Scope	Remediable
	Negative	Positive		
5	Very high – worst impact in 1-2 years	Very high beneficial	Global	Irremediable
4	High – impact and not meet legal requirement	High beneficial	National	Long-term
3	Medium – impact but still meet legal requirement	Medium beneficial	Provincial	Mid-term
2	Low – impact but still meet corporate requirement	Low beneficial	Site	Short-term
1	Minimal impact	Minimal beneficial	Limited	Easy
0	None	None	None	None

Impact Materiality Assessment: A score of Severity for Social Impact

Level	Scale		Scope	Remediable
	Negative	Positive		
5	Very high impact on people	Very high beneficial	Global	Irremediable
4	High impact on people	High beneficial	National	Long-term
3	Medium impact on people	Medium beneficial	Provincial	Mid-term
2	Low impact on people	Low beneficial	Site	Short-term
1	Minimal impact on people	Minimal beneficial	Limited	Easy
0	None	None	None	None

Financial Materiality Scoring

Level	EBITDA & Investment
3	>500 Million THB
2	50-500 Million THB

Level	EBITDA & Investment
1	10-50 Million THB
0	<10 Million THB

Double Materiality Assessment Result

	Impact on Environmental		Impact on Society and People		Impact on the Financial and Value Creation	
	Negative	Positive	Negative	Positive	Negative	Positive
Climate Change	High	High	High	High	High	Low
Resource Depletion	High	High	High	High	High	High
Waste Management	Medium	High	Medium	High	High	Low
Labor Practices	N/R	N/R	High	High	Medium	Low
Human Rights	N/R	N/R	High	High	High	High
Occupational Health & Safety	N/R	N/R	High	High	Medium	Low
Education & Training	Low	High	High	High	High	High
Innovation Management	Low	High	High	High	High	High
Supply Chain Management	High	High	High	High	High	High
Food Security	High	High	High	High	High	High

The outcomes from the double materiality assessment are closely aligned with Charoen Pokphand Group’s corporate and sustainability strategy, as well as business direction. The next part will explain

the impacts, risks, opportunities, and management approach for each material issue. The dynamic materiality assessment will be included as well.



Change of Impact that might occur in the Future

Impact	Relevant Sustainability Main Topic	Description of Impact, Risk, and Opportunity for Main Topic	Relevant Sustainability Sub-topic	Change of Impact that might occur in the Future					
				Short-term		Medium-term		Long-term	
				Negative	Positive	Negative	Positive	Negative	Positive
Resource Depletion	Nature Protection and Restoration	The Group's operations, especially in agriculture and manufacturing, have a direct impact on natural resources and ecosystems. Activities such as land use for farming, and industrial processes can lead to habitat destruction, loss of biodiversity, and soil degradation. These impacts not only harm the environment but also affect the long-term sustainability of the resources the Group relies on for its operations. The degradation of natural ecosystems poses significant risks to the Group. Reduced biodiversity and deteriorated ecosystems can lead to lower agricultural yields and compromised quality of raw materials. Additionally, there is a growing regulatory and societal pressure to minimize environmental footprints, and failure to comply with environmental standards can result in fines, legal challenges, and reputational damage. The depletion of natural resources also increases the risk of supply chain disruptions and higher costs for sourcing raw materials. Nevertheless, there are opportunities for the Group, such as implementing sustainable land management and investing in reforestation projects and enhance ecosystem and biodiversity protection.	<ul style="list-style-type: none"> <li>Biodiversity Loss</li> <li>Natural Resources Crises</li> <li>Resources Conservation and Resource Efficiency</li> <li>Deforestation</li> </ul>	Low	Low	High	Medium	Medium	Very High
			<10 MB	<10 MB	50-500 MB	10-50 MB	10-50 MB	>500 MB	
Resource Depletion	Responsible Purchasing	Unsustainable sourcing practices, such as overexploitation of resources, can lead to resource depletion and environmental degradation. This not only affects the immediate supply of raw materials but also compromises the long-term availability and quality of these resources. Engaging in irresponsible sourcing practices exposes the Group to several risks. These include the potential for increased regulatory scrutiny and associated compliance costs, as well as the risk of supply chain interruptions due to resource scarcity. Additionally, there is a reputational risk as consumers and stakeholders are becoming more aware and critical of companies' sourcing practices. Negative publicity and loss of consumer trust can lead to a decline in market share and profitability. Embracing responsible sourcing offers numerous opportunities for the Group. By adopting sustainable sourcing policies and practices, the company can ensure a stable and long-term supply of high-quality raw materials. This can lead to improved product quality and operational efficiency. Furthermore, responsible sourcing can enhance the Group's reputation as a leader in sustainability, attracting eco-conscious consumers and investors. Developing strong relationships with suppliers who share the company's commitment to sustainability can also lead to innovation and collaboration opportunities, enhancing overall supply chain resilience. Additionally, responsible sourcing practices can open up new markets and meet the growing demand for sustainably sourced products, providing a competitive edge in the marketplace.	<ul style="list-style-type: none"> <li>Responsible Sourcing and Traceability</li> <li>Scarcity of Raw Materials</li> <li>Limited Availability of Sustainable Products / Services</li> </ul>	Low	None	Low	Medium	None	Very High
			10-50 MB	<10 MB	10-50 MB	10-50 MB	<10 MB	50-500 MB	
Waste Management	Circular Economy	The linear "take-make-dispose" economic paradigm has serious environmental consequences, such as resource depletion, pollution, and higher greenhouse gas emissions. For the Group, this traditional strategy entails risks such as higher operating costs owing to inefficient resource usage, regulatory penalties for noncompliance with waste reduction rules, and significant reputational harm to the firm among environmentally sensitive customers and investors. The transition to a circular economy provides various prospects for the Group. By developing goods for lifetime, reuse, and recyclability, the firm may lessen its environmental impact while also conserving natural resources. Implementing circular business models, such as product-as-a-service or closed-loop technologies, may improve operational efficiency, save costs, and generate new income. Additionally, embracing circular economy principles can bolster the Group's reputation as a sustainability leader, attract eco-conscious customers, and comply with evolving regulatory standards.	<ul style="list-style-type: none"> <li>Product Packaging / Packaging</li> <li>Recyclable Packaging</li> <li>Product Design and Life Cycle Management</li> <li>Sustainable Product Design and Life Cycle Management</li> </ul>	High	Low	Medium	Medium	Low	High
						50-500 MB	10-50 MB	10-50 MB	50-500 MB

Change of Impact that might occur in the Future

Impact	Relevant Sustainability Main Topic	Description of Impact, Risk, and Opportunity for Main Topic	Relevant Sustainability Sub-topic	Short-term		Medium-term		Long-term	
				Negative	Positive	Negative	Positive	Negative	Positive
Waste Management	Waste Management	Improper disposal of waste may cause severe environmental deterioration, such as soil and water pollution, and contribute to climate change by emitting methane from landfills. The Group faces higher waste disposal expenses, regulatory fines for noncompliance with waste management standards, and significant health risks for employees and communities near waste disposal facilities. Poor waste management may also degrade a company's image, resulting in a loss of customer trust and market share. By adopting strong waste reduction, reuse, and recycling strategies, the organization may lower its environmental effect and waste disposal expenses. Investing in cutting-edge waste treatment technology such as anaerobic digestion and composting may transform garbage into useful resources like biogas and organic fertilizers. Furthermore, open and ethical waste management procedures may help the Group improve its brand image, attract sustainability-conscious customers, and assure compliance with environmental legislation. Participating in waste-to-energy programs and partnering with waste management partners may also lead to new business possibilities and help achieve the circular economy goals.	<ul style="list-style-type: none"> <li>• Zero Waste</li> <li>• Food Loss and Food Waste</li> <li>• Single-use-plastic</li> <li>• Plastic / Packaging Waste / Waste from Operation</li> </ul>	High	Low	Medium	Medium	Low	High
				50-500 MB	10-50 MB	50-500 MB	50-500 MB	10-50 MB	>500 MB
Labor Practices	Human Rights and Labor Practices	Human rights and labor practices are critical issues that directly affect the Group's workforce and supply chain. Poor labor practices, such as forced labor, child labor, and insufficient working conditions, can result in considerable reputational harm, legal penalties, and loss of customer confidence. Noncompliance with international labor standards and local labor regulations can result in penalties, punishments, and business interruptions. Furthermore, unethical labor practices can lower employee morale and productivity, resulting in higher turnover rates and operating expenses. Nevertheless, prioritizing human rights and labor practices offers the Group numerous opportunities. The company can build a loyal and productive workforce by ensuring fair wages, safe working conditions, and respect for workers' rights. Adhering to high labor standards can enhance the Group's reputation, attract ethically conscious consumers and investors, and reduce the risk of legal issues. Furthermore, strong human rights and labor practices can foster better relationships with stakeholders, including employees, suppliers, and the communities in which the Group operates, creating a more sustainable and resilient business.	<ul style="list-style-type: none"> <li>• Labor Practices</li> <li>• Working Conditions</li> </ul>	Low	Medium	Medium	High	Low	High
				10-50 MB	<10 MB	10-50 MB	10-50 MB	10-50 MB	10-50 MB
Employee Wellbeing	Employee Wellbeing	Employee well-being is crucial for maintaining a motivated and efficient workforce. Neglecting employee health, safety, and overall well-being can lead to increased absenteeism, lower productivity, and a higher turnover rate. The Group realizes that investing in employee well-being programs and implementing employee engagement programs present significant opportunities for the Group. The company can improve employee satisfaction and productivity by offering comprehensive health benefits, mental health support, work-life balance initiatives, and fair employment. Promoting a culture of well-being can reduce absenteeism and turnover rates, leading to cost savings and enhanced operational efficiency. Additionally, demonstrating a commitment to employee well-being can strengthen the Group's employer brand, attract skilled talent, and foster a positive corporate image.	<ul style="list-style-type: none"> <li>• Employee Engagement</li> <li>• Fair Employment</li> <li>• Equality in the Workplace</li> </ul>	High	Medium	Low	Medium	Low	High
				10-50 MB	10-50 MB	<10 MB	10-50 MB	<10 MB	10-50

Change of Impact that might occur in the Future

Impact	Relevant Sustainability Main Topic	Description of Impact, Risk, and Opportunity for Main Topic	Relevant Sustainability Sub-topic	Change of Impact that might occur in the Future					
				Short-term		Medium-term		Long-term	
				Negative	Positive	Negative	Positive	Negative	Positive
Labor Practices	Diversity, Equity and Inclusion	A lack of diversity, equity, and inclusion can negatively impact the Group's work environment, leading to issues such as discrimination, bias, and unequal opportunities. These challenges can result in legal repercussions, lower employee morale, and decreased innovation. An absence of DE&I can also hinder the company's ability to understand and meet the diverse needs of its customers, limiting market growth and competitiveness. Consequently, embracing diversity, equity, and inclusion offers substantial opportunities for the Group. By fostering a diverse and inclusive workplace, the company can benefit from a wider range of perspectives, driving innovation and creativity. Implementing DE&I initiatives can enhance employee engagement and satisfaction, reducing turnover and attracting top talent from various backgrounds.	<ul style="list-style-type: none"> <li>Workforce Diversity</li> <li>Respect for Employee Diversity and Ban on Discrimination</li> </ul>	Low	Medium	Low	Medium	None	High
				10-50 MB	10-50 MB	10-50 MB	10-50 MB	<10 MB	50-500 MB
Human Rights	Human Rights and Labor Practices	Human rights and labor practices are fundamental areas that significantly impact the Group's operations and reputation. Issues such as child labor, forced labor, modern slavery, and violations of freedom of association can result in severe legal and reputational risks. Engaging in or being associated with such practices can lead to substantial fines, sanctions, and lawsuits, as well as international condemnation. Discrimination, inequality, and harassment in the workplace can degrade employee morale, productivity, and increase turnover rates, leading to higher operational costs. These practices can also cause irreversible damage to the Group's brand and erode trust among consumers, investors, and other stakeholders who increasingly demand ethical business conduct. To prevent such risks, the Group has been addressing human rights and labor practices proactively. By eradicating child labor, forced labor, and modern slavery from its operations and supply chains, the company can build a robust ethical foundation that enhances its reputation and strengthens stakeholder trust. Ensuring freedom of association and promoting non-discriminatory practices can create a more inclusive and equitable workplace, fostering a positive and productive work environment.	<ul style="list-style-type: none"> <li>Child Labor</li> <li>Forced Labor / Compulsory Labor</li> <li>Modern Slavery</li> <li>Freedom of Association and Collective Bargaining</li> <li>Discrimination, Equality and Harassment</li> </ul>	Very High	Medium	Medium	High	Low	High
				>500 MB	<10 MB	50-500 MB	10-50 MB	10-50 MB	10-50 MB
Occupational Health & Safety	Occupational Health & Safety	Occupational health and safety are critical areas that significantly affect the Group's operational efficiency and employee well-being. Poor OHS practices can lead to workplace accidents, injuries, and illnesses, which not only harm employees but also disrupt operations and reduce productivity. The financial implications include increased healthcare costs, compensation claims, and potential legal penalties for non-compliance with health and safety regulations. Furthermore, inadequate OHS measures can damage the company's reputation, leading to loss of trust among employees, customers, and investors. High accident rates and unsafe working conditions can also result in higher employee turnover and difficulties in attracting and retaining talent. To prevent the risks, the Group is investing in robust occupational health and safety practices to prevent or reduce OHS cases. By implementing comprehensive OHS programs, the company can enhance workplace safety, leading to fewer accidents and injuries, which in turn boosts employee morale and productivity. A strong commitment to OHS can reduce healthcare and compensation costs, ensuring compliance with regulatory standards and avoiding legal penalties. Additionally, promoting a safe and healthy work environment can improve the Group's reputation, making it an attractive employer for top talent and a preferred partner for stakeholders who prioritize safety.	<ul style="list-style-type: none"> <li>Employee Health and Safety</li> <li>Workplace Safety</li> <li>Safe and Healthy Working Conditions</li> </ul>	Medium	Medium	Medium	Medium	Low	High
				50-500 MB	10-50 MB	10-50 MB	10-50 MB	10-50 MB	>500 MB



Change of Impact that might occur in the Future

Impact	Relevant Sustainability Main Topic	Description of Impact, Risk, and Opportunity for Main Topic	Relevant Sustainability Sub-topic	Change of Impact that might occur in the Future					
				Short-term		Medium-term		Long-term	
				Negative	Positive	Negative	Positive	Negative	Positive
Education & Training	Human Capital Development	Investing in human capital development is critical for the Group's competitive advantage in the market. Employees who do not participate in continuous training and development programs may lack the skills and knowledge required to adapt to technology improvements and industry changes, resulting in lower productivity and creativity. An undeveloped workforce carries risks such as greater turnover rates, higher recruitment expenses, and potential issues in sustaining operational efficiency. The Group may profit considerably from promoting human capital development via ongoing learning and professional advancement opportunities. Improving employees' skills and competencies increases productivity, innovation, and job happiness, which can help to minimize attrition and recruiting expenses. A well-trained workforce may help the firm develop and compete, allowing it to respond quickly to market changes and technology improvements. Additionally, investing in employee development can improve the company's reputation as an employer of choice, attracting top talent and fostering a culture of continuous improvement.	• Training and Development	Very High 10-50 MB	High 50-500 MB	High 10-50 MB	High 50-500 MB	Low <10 MB	Very High 50-500 MB
	Talent Management	Effective talent management is vital for the Group's sustainability and success. Poor talent management practices can result in loss of skilled employees, and a lack of leadership continuity. This can negatively impact the company's ability to execute its strategic initiatives and maintain competitive advantage. Strategic talent management provides the Group with the opportunity to identify, develop, and retain top talent, ensuring a pipeline of skilled and motivated employees ready to meet future challenges. Implementing robust talent management practices, such as succession planning, leadership development programs, and employee engagement initiatives, can enhance organizational resilience and agility.	• Attraction and Training Talented • Talent Attraction and Retention	Very High 50-500 MB	High 10-50 MB	High 10-50 MB	High 10-50 MB	Low 10-50 MB	Very High 50-500 MB
	Education for all and Communities Development	Education for all and community development are essential for fostering sustainable growth and social responsibility. If the Group neglects its role in supporting education and community development, it risks facing social backlash and losing the trust of local communities and stakeholders. This can lead to reputational damage and a weakened social license to operate, impacting the company's ability to conduct business smoothly. Supporting education for all and community development initiatives offers the Group the chance to make a positive social impact while enhancing its reputation. By investing in educational programs and community projects, the company can build stronger relationships with local communities, improving its social license to operate. These initiatives can lead to a more educated and skilled local workforce, which benefits the Group by providing a pool of potential employees. Additionally, demonstrating a commitment to social responsibility can attract socially conscious investors and customers, contributing to long-term business success and sustainability.	• Opportunities for Technical and Vocational Training	High >500 MB	Low 50-500 MB	High >500 MB	High >500 MB	High >500 MB	High >500 MB

Change of Impact that might occur in the Future

Impact	Relevant Sustainability Main Topic	Description of Impact, Risk, and Opportunity for Main Topic	Relevant Sustainability Sub-topic	Change of Impact that might occur in the Future					
				Short-term		Medium-term		Long-term	
				Negative	Positive	Negative	Positive	Negative	Positive
Education & Training	Improving Access to Education	Improving access to education is critical for addressing skill gaps and fostering economic development. Failing to support educational access can perpetuate inequality and limit opportunities for individuals, ultimately affecting the overall talent pool available to the Group. This can result in a less skilled workforce, higher training costs, and potential challenges in maintaining competitive advantage. The Group can leverage the opportunity to improve access to education by partnering with educational institutions, NGOs, and government agencies. By supporting initiatives that enhance educational infrastructure and provide learning opportunities for underserved communities, the company can help develop a more skilled and capable workforce. This can lead to a more robust talent pipeline, reduced training costs, and increased innovation. Furthermore, improving access to education aligns with global Sustainable Development Goals and enhances the Group's reputation as a socially responsible organization committed to creating shared value for society.	<ul style="list-style-type: none"> <li>• Providing Education for Disabilities, and Underprivileged</li> <li>• Improving School Facilities</li> </ul>	High	Low	High	High	High	High
				>500 MB	10-50 MB	>500 MB	50-500 MB	>500 MB	>500 MB
Innovation Management	Innovation and Creation	Effective innovation management is critical to the Group's development, competitiveness, and sustainability. Innovation influences the company's product creation, operational efficiency, and capacity to fulfill changing client requirements. However, there are dangers connected with innovation, such as investing in new technology or processes that may not provide the promised profits. Furthermore, failure to innovate can lead to slow development, loss of market share, and decreased competitiveness in dynamic markets. The Group understands that embracing innovation creates multiple opportunities. By creating a culture of innovation and continuous development, the organization may create new products, services, and processes that increase revenue and customer value. Investing in R&D projects and strategic alliances can result in ground-breaking discoveries and technical improvements. Effective innovation management can also improve operational efficiency, reduce costs, and differentiate the Group from competitors. Furthermore, being an innovation leader can attract top talent, enhance the company's reputation, and open up new market opportunities, ensuring long-term success and relevance in the industry.	<ul style="list-style-type: none"> <li>• Technical Innovation and R&amp;D Investment</li> <li>• Digital and Technology</li> <li>• Innovative Business Models</li> </ul>	High	Medium	High	Medium	High	High
				>500 MB	50-500 MB	>500 MB	50-500 MB	>500 MB	>500 MB
Supply Chain Management	Supply Chain Stewardship/ Responsibility	Effective supply chain management is critical for the Group's operations, sustainability, and reputation. Supply chain disruptions, such as delays in raw material delivery or production bottlenecks, can impact the company's ability to meet customer demand and fulfill contractual obligations. Poor supply chain stewardship, including unethical practices or non-compliance with environmental and social standards, can lead to reputational damage, legal liabilities, and supply chain disruptions. Additionally, risks such as supplier bankruptcies, geopolitical instability, and natural disasters can disrupt supply chains and affect business continuity. Demonstrating supply chain stewardship and responsibility offers significant opportunities for the Group. By implementing sustainable sourcing practices, ethical procurement policies, and supply chain transparency, the company can enhance its reputation as a responsible corporate citizen. Collaborating with suppliers to improve sustainability performance and social responsibility can lead to cost savings, operational efficiencies, and risk mitigation. Furthermore, adopting technologies like blockchain for supply chain traceability and risk management can improve visibility and resilience. Engaging in responsible supply chain practices can also attract environmentally and socially conscious consumers, investors, and partners, creating long-term value and competitive advantage.	<ul style="list-style-type: none"> <li>• Supplier Risk Management Measures</li> <li>• Integration in SCM Strategy</li> </ul>	Very High	High	Very High	High	Medium	Very High
				>500 MB	50-500 MB	>500 MB	50-500 MB	>500 MB	>500 MB

Change of Impact that might occur in the Future

Impact	Relevant Sustainability Main Topic	Description of Impact, Risk, and Opportunity for Main Topic	Relevant Sustainability Sub-topic	Change of Impact that might occur in the Future					
				Short-term		Medium-term		Long-term	
				Negative	Positive	Negative	Positive	Negative	Positive
Supply Chain Management	Responsible Purchasing	Responsible sourcing is a critical aspect of supply chain management that directly impacts the Group's sustainability, brand integrity, and stakeholder trust. Risks associated with irresponsible sourcing practices include supply chain disruptions due to supplier non-compliance, reputational damage from association with unethical suppliers, and legal liabilities for violations of labor or environmental regulations. Failure to prioritize responsible sourcing can result in increased costs, loss of market share, and challenges in meeting sustainability goals. To prevent such risk, the Group must embrace responsible sourcing practices. By vetting suppliers based on environmental, social, and ethical criteria, the company can ensure a more resilient and sustainable supply chain. Partnering with suppliers committed to responsible practices can lead to improved product quality, reduced supply chain risks, and enhanced brand reputation. Investing in supplier development programs and capacity-building initiatives can foster stronger relationships, promote innovation, and drive positive social and environmental impact throughout the supply chain.	<ul style="list-style-type: none"> <li>Responsible Sourcing and Traceability</li> <li>Limited Availability of Sustainable Products/ Services</li> <li>Scarcity of Raw Materials</li> </ul>	Very High	High	Very High	Very High	Medium	Very High
				>500 MB	>500 MB	>500 MB	>500 MB	50-500 MB	>500 MB
Food Security	Product Transparency	Production transparency is crucial for the Group to ensure food security and meet consumer expectations. Inaccurate labeling or lack of transparency regarding production processes can lead to risks such as consumer confusion, mistrust, and potential legal consequences for misleading information. This can damage the Group's reputation and erode customer loyalty. Moreover, without clear labeling and transparent production practices, consumers may question the safety, quality, and authenticity of food products, impacting sales and market competitiveness. Embracing production transparency offers significant opportunities for the Group. Transparent labeling that provides detailed information about ingredients, sourcing, production methods, and nutritional content can build consumer trust and confidence in the company's products. Clear and accurate labeling can also help consumers make informed choices based on their dietary preferences, allergen concerns, and sustainability preferences. Furthermore, leveraging technology such as blockchain for supply chain traceability and QR codes for product information can enhance transparency and traceability, improving food safety and supply chain management.	<ul style="list-style-type: none"> <li>Product Labelling</li> </ul>	Medium	Medium	Medium	High	Low	High
				50-500 MB	50-500 MB	50-500 MB	>500 MB	10-50 MB	>500 MB
	New Consumption Pattern / Changing Consumer Behaviors	The shift in consumption patterns and changing consumer behaviors towards sustainable consumption has significant implications for the Group's food security initiatives. Consumers are increasingly seeking products that align with their values, such as organic, ethically sourced, and environmentally friendly options. Failure to adapt to these evolving preferences can lead to risks such as declining sales, loss of market share to competitors offering sustainable alternatives, and reputational damage due to perceived insensitivity to environmental and social concerns. Additionally, changing consumer behaviors may impact demand forecasting and supply chain management, leading to challenges in meeting market demands efficiently. Embracing sustainable consumption trends presents opportunities for the Group to enhance food security and drive business growth. By offering a diverse range of sustainable and responsibly sourced products, the company can attract eco-conscious consumers, expand market reach, and improve brand loyalty. Investing in eco-friendly packaging, reducing food waste throughout the supply chain, and promoting transparency in production processes can align with consumer expectations for sustainability.	<ul style="list-style-type: none"> <li>Sustainable Consumption</li> </ul>	Medium	Medium	Medium	High	Low	Very High
				50-500 MB	50-500 MB	50-500 MB	>500 MB	10-50 MB	>500 MB

Change of Impact that might occur in the Future

Impact	Relevant Sustainability Main Topic	Description of Impact, Risk, and Opportunity for Main Topic	Relevant Sustainability Sub-topic	Change of Impact that might occur in the Future					
				Short-term		Medium-term		Long-term	
				Negative	Positive	Negative	Positive	Negative	Positive
Food Security	Product Safety and Quality	Ensuring product safety and quality is paramount for the Group's food security initiatives. Failure to maintain rigorous standards in product safety and quality can lead to significant risks, including consumer health hazards, regulatory non-compliance penalties, and reputational damage. Instances of contaminated or substandard products can result in recalls, lawsuits, and loss of consumer trust, impacting sales and brand reputation. Additionally, with increasing scrutiny from regulators and consumers regarding food safety, any lapses in quality control can have far-reaching consequences for the Group's market presence and competitiveness. Investing in robust product safety and quality assurance processes presents opportunities for the Group. By implementing stringent quality control measures, adhering to industry standards, and conducting regular inspections and testing, the company can ensure the safety and integrity of its products.	<ul style="list-style-type: none"> <li>Customer Safety and Product Quality</li> </ul>	Medium	Medium	Medium	High	Low	Very High
			50-500 MB	50-500 MB	50-500 MB	>500 MB	10-50 MB	>500 MB	
Food Security / Food Safety	Food Security / Food Safety	Addressing food security and food safety while ensuring accessibility to nutrition and promoting sustainable design and environmentally-friendly products is crucial for the Group. The impacts of inadequate food security and safety measures can range from consumer health risks to market distrust and regulatory challenges. Failure to provide nutritious and safe food options can lead to negative health outcomes, eroding consumer trust and brand reputation. Risks also include supply chain disruptions, quality control issues, and regulatory non-compliance penalties, all of which can impact operational efficiency and financial performance. Proactively addressing food security and safety concerns while focusing on accessibility to nutrition and sustainable design offers significant opportunities for the Group. By offering nutritious and safe food options that meet consumer demand for sustainable and environmentally-friendly products, the company can enhance its market competitiveness and attract a wider customer base. Investing in sustainable design practices, such as eco-friendly packaging and production methods, not only reduces environmental impact but also resonates with consumers who prioritize sustainability. Furthermore, promoting access to nutrition through innovative product offerings and initiatives can contribute to public health outcomes and strengthen brand loyalty.	<ul style="list-style-type: none"> <li>Accessible Nutrition</li> <li>Sustainable Design</li> <li>Environmentally-friendly Products</li> </ul>	High	Medium	Medium	High	Low	Very High
			>500 MB	50-500 MB	50-500 MB	50-500 MB	10-50 MB	50-500 MB	

# Management Approach for Significant Issues

## CLIMATE CHANGE

**BRIEF DESCRIPTION**

Impacts from climate change include disruptions to agricultural production, supply chain volatility, and increased operational costs due to extreme weather events. These impacts threaten food security, operational continuity, and financial stability.

**MANAGEMENT APPROACH**

The Group has prepared several management approaches to present ourselves with the challenges of climate change, for instance, Group wide target to become a Net Zero organization was announced and action plans are in place. The targets are validated with SBTi to confirm the Group's alignment with global goals. One of the plans to meet the Net Zero target is implementing immediate energy-saving measures across all operations. This includes optimizing energy use in facilities, upgrading to energy-efficient equipment, and reducing wastage. Additionally, the company is increasing the procurement of sustainably sourced raw materials to reduce its environmental footprint and support climate-friendly practices. Employee training programs are also being conducted to educate staff on climate change mitigation strategies and sustainable practices within their roles. Moreover, the Group is also working to enhance supply chain resilience by collaborating with suppliers to adopt sustainable practices and diversifying sourcing to mitigate climate-related risks. Regular climate risk assessments are conducted to identify vulnerabilities and develop strategies to address potential impacts on operations and supply chains. Additionally, the Group is engaging with communities and stakeholders to promote climate resilience and sustainability initiatives, fostering partnerships that support broader environmental goals and enhance social impact.

C.P. GROUP  
MATERIALITY  
TOPIC

Climate  
Resilient

Responsible  
Supply Chain  
Management

## RESOURCE DEPLETION

**BRIEF DESCRIPTION**

Resource depletion is affecting the availability and sustainability of essential raw materials used in the Group's operations. Overexploitation of natural resources can lead to increased costs, supply chain disruptions, and environmental degradation.

**MANAGEMENT APPROACH**

To ensure that the Group and global population will have adequate resources for consumption and to protect the flourishes of natural resources, the Group has been conducting business with resource efficiency for decades, which helps reduce our reliance on natural resources and operating costs. The Group is focusing on improving resource efficiency by optimizing the use of raw materials and reducing waste across its operations. This includes implementing efficient production processes, adopting waste reduction techniques, and enhancing recycling efforts. Moreover, the Group has been developing partnerships with suppliers to promote sustainable sourcing and ensure the long-term availability of critical resources. The company is also exploring alternative materials and technologies that can reduce dependency on finite resources. C.P. Group is also committed to investing in research and development to innovate sustainable solutions for resource management. This includes exploring advanced technologies such as circular economy models, which aim to keep resources in use for as long as possible through recycling, reusing, and regenerating products and materials. To ensure that all businesses under C.P. Group are operating with highest consideration to resource conservation, the Group has announced a commitment to protecting natural resources and restoring ecosystems to avoid the impact from biodiversity loss, including: All business groups conduct projects or collaborate with relevant national and international partners to manage and monitor biodiversity by 2030; Procuring raw materials from sources that do not involve forest encroachment and deforestation by 2030; and Plant 20 million trees by 2025

C.P. GROUP  
MATERIALITY  
TOPIC

Circular  
Economy

Ecosystem &  
Biodiversity  
Protection

Responsible  
Supply Chain  
Management

**WASTE MANAGEMENT**

BRIEF DESCRIPTION	MANAGEMENT APPROACH	C.P. GROUP MATERIALITY TOPIC
Inefficient waste management can lead to environmental pollution, increased costs, and reputational risks.	To address the impact from waste generation, the Group has announced a commitment to become an organization with Zero Waste to Landfill. To achieve this commitment, the Group focuses on reducing waste generation at the source through process optimization and efficiency improvements. The company implements waste segregation practices to ensure that recyclable materials are properly sorted and reused. Employee training programs are also conducted to raise awareness about waste reduction and promote responsible waste disposal practices within the organization. In addition, the Group is investing in advanced waste treatment technologies to enhance its waste management capabilities. This includes adopting methods such as composting, anaerobic digestion, and waste-to-energy technologies to divert waste from landfills and generate valuable by-products.	<b>Circular Economy</b>

**LABOR PRACTICES**

BRIEF DESCRIPTION	MANAGEMENT APPROACH	C.P. GROUP MATERIALITY TOPIC
Poor labor practices can have multifold affects on C.P. Group, such as high turnover, low level of employee engagement, and low production and efficiency rate.	The Group highly realizes the value and importance of employees and workers along the supply chain. They are the major forces that drive the Group towards its missions, as well as delivering sustainable value to the environment and society. To promote positive, ethical, and equal labor practices, the Group has robust human rights and labor practices policy and guidelines that comply with international standards, and local regulations. This includes ensuring fair treatments, safe working conditions, and the prohibition of child labor, forced labor, and discrimination. The company conducts regular audits and assessments to monitor compliance and address any issues promptly. Additionally, C.P. Group aims to enhance employee well-being and engagement through comprehensive health and safety programs, mental health support, and work-life balance initiatives. The company also promotes diversity, equity, and inclusion (DEI), with efforts to create a more inclusive workplace culture and increase representation of diverse groups across all levels of the organization.	<b>Human Rights and Labor Practices</b>



### HUMAN RIGHTS

**BRIEF DESCRIPTION**

Labor abuses along the supply chain can result in legal action and disrupt operations. Poor human rights practices can hinder the Group's ability to attract investors and talents.

**MANAGEMENT APPROACH**

The Group recognizes the importance of human rights and has a comprehensive management approach in place. This includes clear policies and guidelines, which aligned with international standards, a dedicated team to oversight human rights implementation across business units under the Group, collaboration with external stakeholders including NGOs, human rights experts, and government, and accessible grievance mechanisms for all groups of stakeholders. Moreover, the Group also provides training and awareness programs for employees and suppliers to ensure understanding and compliance with human rights standards. Regular audits and inspections are carried out to monitor adherence and address any issues promptly. The group has a target that all business units under the Group, and Tier-1 suppliers must undergo a human rights impact assessment.

**C.P. GROUP MATERIALITY TOPIC**

**Human Rights and Labor Practices**

### OCCUPATIONAL HEALTH AND SAFETY

**BRIEF DESCRIPTION**

Effective OHS practices are crucial for maintaining employee well-being, reducing operational risks, and enhancing productivity.

**MANAGEMENT APPROACH**

The Group prioritizes occupational health and safety across our extensive operations to ensure a safe work environment for employees and workers. The approach includes establishment of a robust OHS management system that complies with relevant local and international standards. This includes conducting comprehensive risk assessments to identify potential hazards and implementing immediate corrective actions to mitigate risks. The Group also provides regular safety training and awareness programs to all employees and workers to ensure they understand and adhere to safety protocols. Regular safety audits and inspections are conducted to monitor compliance and improve safety practices. Moreover, the Group is committed to achieving a zero-accident workplace by continuously advancing its OHS practices and standards.

**C.P. GROUP MATERIALITY TOPIC**

**Human Rights and Labor Practices**



**EDUCATION & TRAINING**

**BRIEF DESCRIPTION**

Strong educational initiatives are vital for fostering innovation, maintaining a competitive workforce, and supporting sustainable growth. The Group emphasizes continuous learning and development to adapt to evolving global challenges.

**MANAGEMENT APPROACH**

The Group is dedicated to investing in education and training to enhance the skills, knowledge, and development of its employees and communities. The Group focuses on identifying immediate training needs and developing targeted programs to address skill gaps within the workforce. This includes offering onboarding and orientation programs for new employees, as well as providing technical training and certifications for current staff. The company also implements regular workshops and seminars to keep employees updated on the latest industry trends and best practices. Partnering with educational institutions and training providers, C.P. Group ensures the delivery of high-quality training that meets specific business requirements. Moreover, the Group aims to establish comprehensive development programs that cover a broader range of skills and competencies. This includes launching leadership and management training programs to prepare employees for higher responsibilities and fostering a pipeline of future leaders. In addition, C.P. Group supports education for all by engaging in community development projects that provide access to education and training opportunities for disadvantaged groups.

**C.P. GROUP MATERIALITY TOPIC**

**Education and Inequality Reduction**

**Human Capital Development**



**INNOVATION MANAGEMENT**

**BRIEF DESCRIPTION**

Effective innovation management allows the Group to develop cutting-edge solutions, improve operational efficiency, and create value for stakeholders.

**MANAGEMENT APPROACH**

The Group recognizes innovation as a key driver for growth and sustainability, hence the Group focuses on establishing a strong foundation for innovation by investing in research and development (R&D). The Group also encourages cross-functional collaboration to generate new ideas and solutions, ensuring that employees at all levels are engaged in the innovation process. Additionally, C.P. Group leverages partnerships with universities, research institutions, and technology providers to access the latest knowledge and innovations. The company also focuses on building an innovation-centric culture by providing continuous training and development opportunities for employees, fostering an environment that encourages experimentation and learning from failures. Moreover, C.P. Group invests in advanced technologies such as artificial intelligence, big data analytics, and the Internet of Things (IoT) to drive digital transformation and enhance innovation capabilities.

**C.P. GROUP MATERIALITY TOPIC**

**Innovation**





### SUPPLY CHAIN MANAGEMENT

BRIEF DESCRIPTION	MANAGEMENT APPROACH	C.P. GROUP MATERIALITY TOPIC
Supply chain management impacts are significant, encompassing operational efficiency, sustainability, risk mitigation, and stakeholder value creation.	The Group prioritizes responsible and sustainable supply chain management. To ensure ethical and responsible supply chain, the Group establishes clear criteria for supplier selection, focusing on responsible practices and long-term partnership. Supplier assessment is implementing with to address short-term disruptions, challenges, and improvement plans. Besides, supplier selection and assessment, the Group also works on strategic initiatives to enhance supply chain sustainability and resilience. This involves investing in technologies for supply chain visibility, traceability, and analytics. The Group also collaborates with suppliers, industry peers, and experts to develop and implement sustainable sourcing practices, circular economy initiatives, and carbon footprint reduction strategies.	<b><u>Responsible Supply Chain Management</u></b>



### FOOD SECURITY

BRIEF DESCRIPTION	MANAGEMENT APPROACH	C.P. GROUP MATERIALITY TOPIC
The impacts of inadequate food security and safety measures can range from consumer health risks to market distrust and regulatory challenges. Failure to provide nutritious and safe food options can lead to negative health outcomes, eroding consumer trust and brand reputation	As a leading company in the agricultural, food, and retail sectors. The Group utilizes multi-prolonged approaches to tackle food security. First, the Group implements food safety measures, supports local food producers, and collaborates with community organizations to distribute food to vulnerable populations. The company also conducts assessments to identify food security risks and develops contingency plans to mitigate these risks. Second, the Group invests in sustainable agriculture practices, such as precision farming, organic farming, and water management techniques. The company also supports research and development projects aimed at improving crop resilience, reducing food waste, and increasing agricultural productivity. Collaborating with stakeholders, C.P. Group implements programs to improve nutrition education and promote healthy eating habits. Third, the Group promotes climate-resilient agriculture, investing in infrastructure for food storage and distribution, and advocating for policies that support food security and sustainability.	<b><u>Food Security &amp; Access to Nutrition</u></b>



# Assessment of Impact of Material Issues by Stakeholders



The result from material issues identification, as well as impacts, risks, and opportunities analysis, showed that the material issues in 2023 are similar to the result in 2022. The identified 23 material issues were integrated into a multi-stakeholder survey.

**The list of material issues, please see page 9**

The “Assessment of impact of material issues by stakeholders” in the double and dynamic materiality assessment process involves engaging with relevant stakeholders to understand their perspectives on the material issues identified. This assessment aims to gather insights into how these issues impact different stakeholder groups and to prioritize them accordingly.

The process typically includes conducting stakeholder consultations, surveys, and interviews to gather feedback and input. Stakeholders include employees and families, customers and consumers, farmers, suppliers, communities and societies, governments, shareholders and investors, NGOs, media, competitors, and creditors. Through the stakeholder survey, the Group gains valuable insights into the significance and urgency of each material issue from diverse viewpoints.

The assessment considers both qualitative and quantitative data to evaluate the impacts of material issues on stakeholders. This includes assessing the social, environmental, economic, and reputational aspects of each issue. Stakeholder perspectives help prioritize material issues based on their relevance, significance, and potential for value creation and risk mitigation.

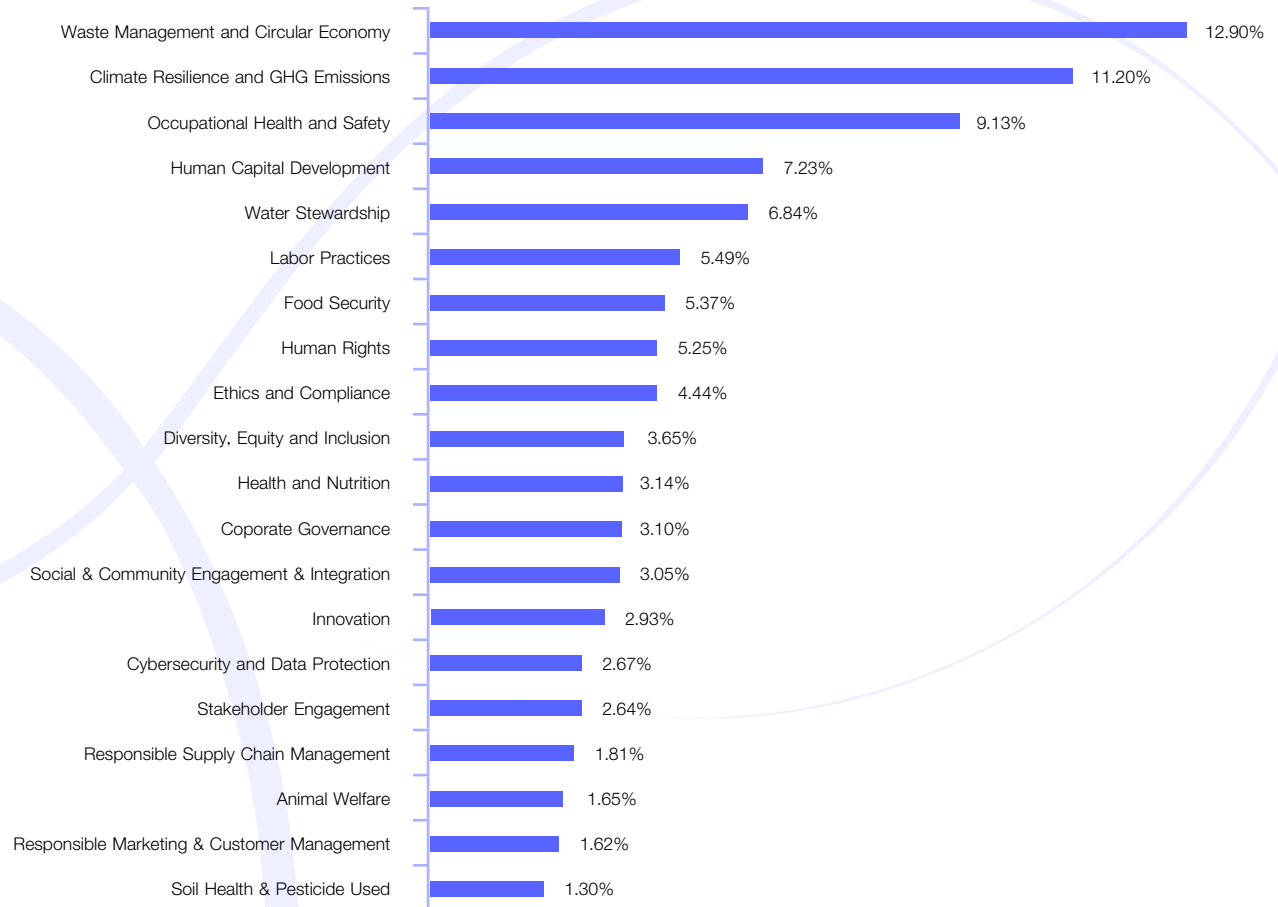
Charoen Pokphand Group uses the insights gained from the assessment to refine our materiality matrix, prioritize actions and initiatives, and communicate effectively with stakeholders in its sustainability strategy and reporting processes. The continuous engagement with stakeholders ensures that the materiality assessment remains dynamic and reflective of evolving stakeholder expectations and concerns.




**More information is available in**  
[Stakeholder Engagement Report 2023](#)

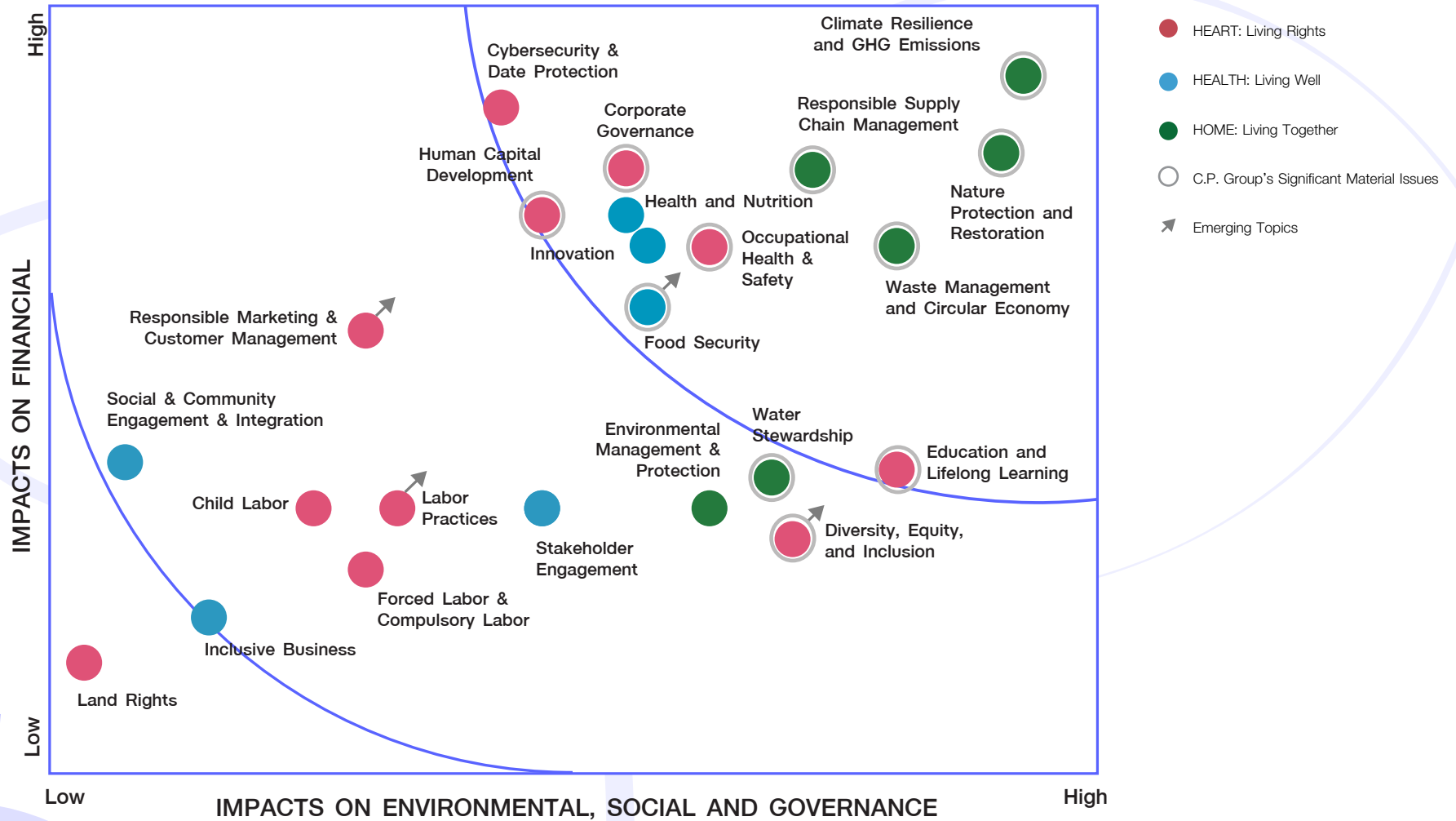
# Material Issues Prioritization by Stakeholders

The result from the Stakeholder Engagement Survey 2023 reveals that the majority of stakeholders prioritized climate resilience and GHG emissions as the most concerned issues, while occupational health and safety, waste management, human capital development, and water stewardship were listed among the top five material issues. However, some topics such as ecosystem and biodiversity protections, and education and lifelong learning were not presented in this year’s survey, this might be because these topics are not yet an immediate concern like climate change and a lack of awareness about its importance. At the same time, ethics and compliance, animal welfare, and soil health and pesticide use emerged in this year’s results. This might be the result of increasing regulatory requirements, consumer demand for transparency, and growing awareness of sustainable practices.



 **More information is available in**  
[Stakeholder Engagement Report 2023](#)

# Prioritization of Material Issues that are Significant to the Group and Stakeholders





In 2023, Charoen Pokphand Group and our stakeholders have identified 12 sustainability topics as critical material issues:

**Climate Resilience and GHG**

**Emissions:** Ensuring long-term sustainability and regulatory compliance.

**Responsible Supply Chain**

**Management:** Ensuring ethical, transparent, and sustainable practices throughout our supply chain.

**Nature Protection & Restoration:**

Protecting ecosystems and promoting biodiversity to support environmental sustainability and resilience.

**Waste Management and Circular**

**Economy:** minimizing waste, optimizing resource use, and creating sustainable product life cycles.

**Occupational Health and Safety:**

Ensuring the health and safety of our employees through robust policies, training, and workplace practices.

**Health and Nutrition:** Enhancing public health and nutrition through healthy, safe, and nutritious food products.

**Corporate Governance:** Ensuring accountability, transparency, and ethical business conduct.

**Innovation:** Fostering innovation to drive sustainable business practices.

**Food Security:** Promoting sustainable production practices, product safety, and quality to ensure access to nutritious food.

**Human Capital Development:**

Developing and nurturing talent within the organization.

**Cybersecurity and Data Protection:**

Ensuring the security and privacy of data to protect against cyber threats.

**Education and Lifelong Learning:**

Investing in continuous learning opportunities for communities to foster innovation and growth.



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