



C.P. GROUP



CP for good deeds

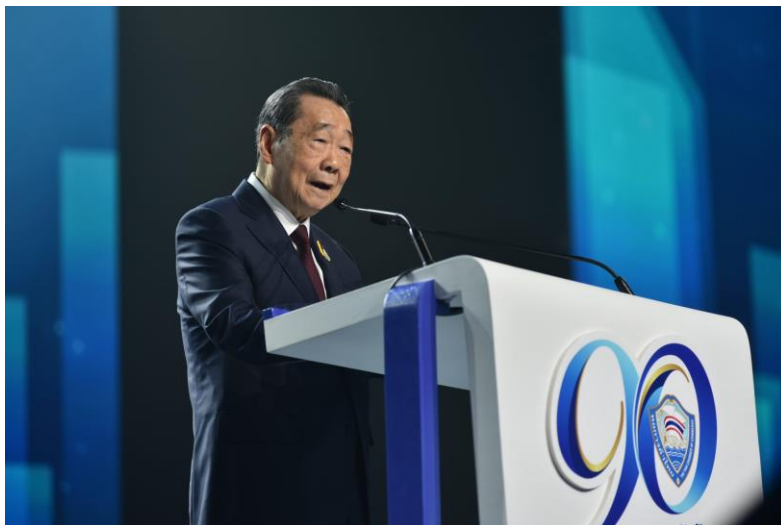


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# C.P. Group Participation in Trade Association: Climate Review 2023

## EXECUTIVE SUMMARY



Charoen Pokphand Group recognizes the urgent need to address climate change as a critical aspect of our commitment to achieve the corporate vision, and Sustainability Development Goal for 2023, as well as demonstration of responsible global citizenship. As a leading multinational conglomerate with operations spanning over 21 countries and economies, with involvement with diverse industries, C.P. Group is uniquely positioned to influence positive change through our climate policies, public

engagements, and partnerships with key stakeholders, including trade associations. In 2023, C.P. Group strengthened our commitment to climate action by aligning our business strategies with the Paris Agreement and enhancing our engagement with trade associations to ensure that our collective efforts are fully supportive of global climate goals. In addition, C.P. Group

Charoen Pokphand Group developed this report, C.P. Group Participation in Trade Association: Climate Review 2023, for the first time. This report details our participation in trade associations, our management systems for lobbying activities, and the governance framework that oversees our public policy engagements.

### Highlights of this Report

**Enhanced Governance and Oversight:** C.P. Group has implemented a robust governance framework that ensures accountability and responsibility for our climate-related activities up to the Board level. This framework includes

regular reviews of trade association memberships to ensure alignment with our climate policies and goals, and the Paris Agreement

**Proactive Policy Alignment:** C.P. Group has taken significant steps to ensure that our climate policies and goals are reflected in our engagement with trade associations, and the wider public. We review the climate positions of the trade associations we are affiliated with to ensure that they are in harmony with our commitment to achieving Net Zero Emissions.

**Strategic Engagement:** In 2023, C.P. Group engaged with key trade associations to advocate for stronger climate policies. We not only participate in dialogue but also drive initiatives that align with the goal of the Paris Agreement.

**Addressing Misalignment:** C.P. Group has established a clear process for addressing the misalignment between our climate position and those of trade associations we are affiliated with. In 2023, there were no misalignments that came into our interest.

## INTRODUCTION

As a leading company in agribusiness, retail, communications, and various other sectors, Charoen Pokphand Group is deeply committed to driving sustainable development across our diverse operations, and throughout the value chain. This commitment reflects our vision, where we are aiming to create shared value and brings health and well-being for all.

Charoen Pokphand Group recognizes that our actions not only deliver positive values, but also have far-reaching impacts on the environment, society, and the global economy. Climate change stands as one of the most pressing challenges of our time, and it requires immediate, collective actions, as well as decisive leadership to tackle this challenge.

Protecting the environment, including combating climate change, has been rooted in Charoen Pokphand Group's philosophy of "Three Benefits" principles, which is benefits to the country and people where we have investment, and then

the company. This principle is the foundation of C.P. Group's Sustainability strategy and actions that focus on environmental stewardship, social responsibility, and economic prosperity.

Charoen Pokphand Group developed this report to demonstrate our commitment to combating climate and promoting transparency and accountability in our climate-related activities. The purpose of the report is to provide a detailed approach to climate-related trade association participation in 2023. Throughout this report, you will find:

- An outline of how C.P. Group's climate policies and public engagements support the goal of the Paris Agreement, particularly our commitment to achieving net zero emission across the value chain.
- A governance framework that oversees C.P. Group's public engagement, emphasizing the roles and responsibilities across various levels within the C.P. Group.

- A transparent overview of C.P. Group's involvement in trade associations, including the process for monitoring alignment and the steps to address any misalignment
- An identification of areas for improvement, and outline of C.P. Group's strategic direction for enhancing climate advocacy and trade association engagement in the coming years.

Charoen Pokphand Group is committed to being a responsible corporate citizen. By aligning our business practices with national and international climate goals and engaging constructively with trade associations. C.P. Group aims to contribute positively to a sustainable future, while maintaining the trust and confident of our stakeholders.



# CLIMATE POLICY & GOVERNANCE

Charoen Pokphand Group's commitment to sustainability is deeply embedded into every operation and activity, driven by the understanding that the fight against climate change is both a global imperative and a core element of our business strategy. As a multinational conglomerate with influence across various industries, C.P. Group is determined to lead by example, aligning our operations with global climate goals, and striving to achieve our goals of Carbon Neutrality by 2023 and Net Zero by 2050.

## Climate Resilience Policy Overview

Charoen Pokphand Group's climate resilience policy is our guide to managing climate risk and seizing opportunities for climate change. This goal underscores our commitment to mitigating our environmental impact and contributing to the global effort to limit temperature rise to well below 1.5°C, as outlined in the Paris Agreement.

The key pillars of our C.P. Group's Climate Resilience Policy:

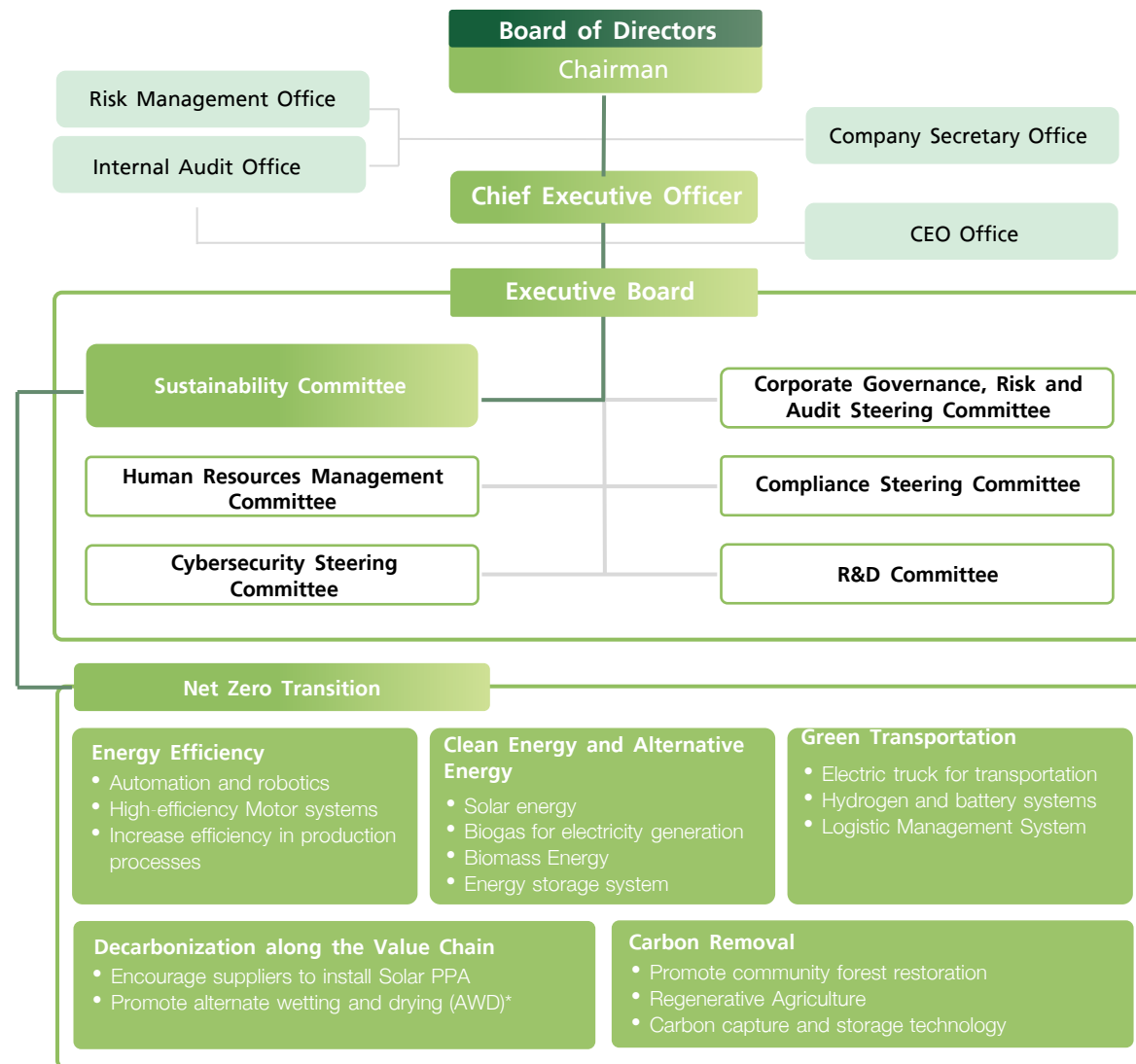
- **Carbon Neutrality by 2030:** C.P. Group set a target to achieve carbon neutrality across our direct operations (Scope 1+2) by 2030. Action plan to achieve this goal include a combination of energy efficiency improvements, increased the used of renewable energy, and the implementation of innovative carbon offset projects.
- **Net Zero Emissions by 2050:** C.P. Group set a long-term target to achieve net zero emissions across our entire value chain (Scope 1+2+3) by 2050. This involves engaging with suppliers, customers, and partners to drive emissions reduction across the entire lifecycle of our products and services.
- **Emission Reduction Strategies:** To meet the target, C.P. Group has been investing in cutting-edge technologies, sustainable agriculture practices, and renewable energy projects. Moreover, C.P. Group actively pursues of new technologies and business models that contribute to a low-carbon economy.

- **Climate Risk Management:** C.P. Group has integrated climate-related risks into the Enterprise Risk Management framework. This includes assessing physical, transitional, and regulatory risks associated with climate change and developing strategies to mitigate these risks.
- **Collaborative Advocacy:** C.P. Group actively engages in climate advocacy through collaboration with industry peers, governments, and civil society organizations. The participation in trade associations is aligned with our climate goals, ensuring that our collective effort supports the global transition to a sustainable future.

### Climate Governance Structure and Framework

Charoen Pokphand Group has the climate governance structure and framework in place to ensure that our climate targets and action plans are effectively integrated into business strategy and operations, with clear accountability across all levels of the organization. The governance structure is aligned with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), and its centrals to achieving all environmental-related targets, including carbon neutrality 2030 and net zero 2050 targets. In addition, C.P. Group also set governance framework for public policy engagement. This is to promote transparency in engagement and clear accountability.

Level	Roles and Responsibilities
Directors / CEO	<ul style="list-style-type: none"> <li>Representing the Group in supporting the organization’s operations to drive climate change prevention</li> <li>Proposing guidelines that promote the operations of the Group and the organization</li> <li>Being a representative in sharing knowledge and expertise in various platforms</li> </ul>
Executives / Managements	<ul style="list-style-type: none"> <li>Participating in meetings with the organization and offering opinions regarding operations</li> <li>Proposing guidelines that promote the operations of the Group and the organization</li> <li>Being a representative in sharing knowledge and expertise in various platforms</li> </ul>
Employees / Officers	<ul style="list-style-type: none"> <li>Participating in meetings with the organization and offering opinions regarding operations</li> <li>Providing precise and accurate information to stakeholders to create broad participation</li> </ul>



Remark : \*Alternate wetting and drying (AWD) is a water management technique, practiced to cultivate irrigated lowland rice with much less water than the usual system of maintaining continuous standing water in the crop field.

# REVIEW AND MONITORING OF TRADE ASSOCIATION ALIGNMENT

Charoen Pokphand Group recognizes the importance of ensuring that our participation or engagement with trade associations are aligning with our climate targets and broader sustainability commitments. Hence, C.P. Group has established a process for reviewing and monitoring the climate-related positions and activities of the trade associations with which we are affiliated. This process support our dedication to transparency, accountability and being a responsible corporate citizenship.

Charoen Pokphand Group conduct an annual review of the alignment between our climate policy and the advocacy positions of the trade associations. The revision is designed to assess whether the climate positions and activities of trade associations support C.P. Group's commitment to achieving carbon neutrality by 2030 and net zero emissions by 2050, and the objectives of the Paris Agreement.

## The Annual Review Process

### Assessment of Trade Association Climate Positions

Responsible working group in collaboration with relevant business units will evaluate the climate policies and public statement of each trade associations to determine their alignment with the goals of the Paris Agreement

### Evaluation of Advocacy Activities

The same working group will assess the advocacy activities undertaken by each trade association, including lobbying efforts, public campaigns, and participation in climate-related policy discussions. This assessment helps us understand impacts of their activities on public policy and our commitment and targets.

### Engagement and Dialogue

Where potential misalignments are identified, C.P. Group will engage with the trade associations to discuss concerns and possibly shift towards positions more closely aligned with our climate targets. The Chief Sustainability Officer and senior representatives will lead the discussion.

### Accountability and Public Disclosure

The results of the annual review and discussion session will be reported to the Sustainability Committee, the Executive Board, and the Board of Directors. Based on the results, the committee may decide to take further actions, such as continuing the participation or reconsidering membership. Any changes in the membership status will be disclosed in our annual Sustainability Report and other channels as deemed necessary.

## Monitoring and Continuous Improvement

In addition to the annual review, Charoen Pokphand Group also encourages continuous monitoring of the activities of our trade associations throughout the year. This continuous monitoring helps us identify emerging misalignments that may occur during the period of the annual review. The monitoring process includes:



**Real-time tracking:** This process is executed by the related working group. This allows C.P. Group to quickly identify any changes in positions or new advocacy initiatives that could impact our alignment with climate goals.



**Regular Engagement:** This process is led by either the related working group or the Chief Sustainability Officer to maintain open communication with the trade associations.



**Stakeholder Engagement:** C.P. Group also seeks input from external stakeholders, including NGOs, investors, and industry experts, to gain additional perspectives. This also helps C.P. Group to stay informed about the emerging trends in climate advocacy.

## Addressing Misalignment

When misalignments between a trade association's climate position and Charoen Pokphand Group's climate goals and sustainability commitment were identified from the annual review and monitoring process, it is necessary to engage and address the findings with a trade association in transparent manner. The actions may involve:



**Engaging in Dialogue:** Addressing the issue through direct dialogue with trade associations, and advocating for a shift to better align with our goal and the Paris Agreement



**Adjusting Engagement Level:** If dialogue does not result in the desired changes, C.P. Group may choose to reduce participation level in certain activities or committee that do not align with our objectives.



**Reconsidering Membership:** In cases where a trade association's climate position is not aligned with our goal and the Paris Agreement, and no resolution is achievable, C.P. Group may reconsider membership in the trade association.

## REPORTING ON CLIMATE-RELATED ACTIVITIES

Trade Associations	C.P. Group's Positions	C.P. Group's Representatives	Trade Association's Position	Misalignment Identified
The Science-based Target Initiative (SBTi)	C.P. Group is firmly committed to aligning its climate actions with the latest scientific consensus on climate change. Hence, C.P. Group commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year.* Charoen Pokphand Group Co., Ltd. also commits to reduce absolute scope 3 GHG emissions 25% by 2030 from a 2021 base year.*The target boundary includes land-related emissions and removals from bioenergy feedstocks.	<ul style="list-style-type: none"> <li>• Directors / CEO</li> <li>• Executives / Management</li> <li>• Employee / Officer</li> </ul>	The SBTi is a globally recognized framework that helps companies set greenhouse gas (GHG) emission reduction targets in line with the level of decarbonization required to keep global temperature increases well below 2°C above pre-industrial levels, and to pursue efforts to limit warming to 1.5°C, as outlined in the Paris Agreement.	-
World Economic Forum (WEF)	C.P. Group participates continuously in WEF seminars and attends the annual WEF conference to contribute insights and build network with global leaders. The Group has exchanged knowledge and expertise in various fields such as sustainable agriculture, renewable energy and digital technology development.	<ul style="list-style-type: none"> <li>• Directors / CEO</li> </ul>	WEF is an international organization for cooperation focusing on collaborating with member organizations, whether governments, businesses, educational institutions and civil societies, to resolve critical challenges facing the world. In the past year, WEF's work focused on tackling climate change, social inequality and technological progress.	-
The World Business Council for Sustainable Development (WBCSD)	C.P. Group has shared knowledge with member organizations at the WBCSD Annual Meeting and forms part of the Business Commission to Tackle Inequality (BCTI) and the Food Reform for Sustainability and Health (FReSH) to alleviate food shortages occurring in many countries worldwide.	<ul style="list-style-type: none"> <li>• Directors / CEO</li> <li>• Executives / Management</li> <li>• Employee / Officer</li> </ul>	WBCSD is committed to promoting sustainability in the business sector, whether in terms of encouraging cooperation between stakeholders, promoting responsible business operations and adjusting activities in line with the United Nations Sustainable Development Goals (SDGs). It emphasizes on social inequality reduction and environmental protection	-
UN Global Compact (UNGC)	In addition to becoming a member and strictly adhering to the Ten Principles of UNGC, C.P. Group is also one of the founding members of the Global Compact Network Thailand (GCNT) to extensively promote the UNGC's principles. In 2023, the Group focused on working with UNGC to enhance the basic education system for Thailand's youth.	<ul style="list-style-type: none"> <li>• Directors / CEO</li> <li>• Executives / Management</li> <li>• Employee / Officer</li> </ul>	UNGC aims to promote sustainable development and responsible business practices around the world by mobilizing businesses to align with the Sustainable Development Goals (SDGs), encouraging ethical practices in human rights, labor standards, environment and anti-corruption measures.	-



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The Thai Chamber of Commerce (TCC)	C.P. Group collaborates with the private sector in 30 strategic committees, including the Strategic Committee for Sustainability in areas of ESG, energy, circular economy, and environment, to drive sustainable economic growth for the country.	<ul style="list-style-type: none"> <li>• Directors / CEO</li> <li>• Executives / Management</li> </ul>	To be a principal institution in commerce and services of the country, utilizing information, knowledge, networks, and strong cooperation to enhance competitiveness and drive Thailand's sustainable growth in the global market. One of the objectives of the organization is to protect the climate and limit the increase in global temperatures according to international standards.	-
Thailand Institute of Packaging and Recycling Management for Sustainable Environment (TIPMSE)	Charoen Pokphand Group joins in creating cooperation between the government, private and public sectors to promote continuous separation of used packaging and recycled materials.	<ul style="list-style-type: none"> <li>• Executives / Management</li> </ul>	TIPMSE focuses on promoting sustainable packaging and recycling practices in Thailand, support environmentally friendly packaging materials, improve the recycling system, educate stakeholders about sustainability, support innovation and collaborate with partners from various sectors to implement environmentally friendly policies and projects	-
Climate Action Leading Organization (CALO)	Charoen Pokphand Group is committed to reducing greenhouse gas emissions and received two Gold Awards in the Measure and Reduce categories as well as one Silver Award in the Contribute category.	<ul style="list-style-type: none"> <li>• Executives / Management</li> <li>• Employee / Officer</li> </ul>	CALO is an organization that demonstrates leadership in managing and taking responsibility for the organization's greenhouse gas emissions through the commitment to become carbon neutral at the corporate level, setting a target year and clear operational plans. This is consistent with scientific principles and the goals of the Paris Agreement.	-

