Sustainability Policy and Guidelines

Leadership Development Charoen Pokphand Group Co., Ltd.

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Sustainability Policy and Guidelines

Leadership Development Charoen Pokphand Group Co., Ltd.

1. Intent

Leadership Development Charoen Pokphand Group Co., Ltd. believes that a business that is guided by principles of sustainable development and inclusive growth will create long-lasting value for both the organization and all stakeholders. Therefore, Leadership Development Charoen Pokphand Group Co., Ltd. prioritizes conducting its business sustainably based on the principles of good corporate governance, as well as corporate social and environmental responsibility. This means not only complying with regulations and standards in countries of operations, but also committing to international sustainability principles, such as the 10 Principles of the United Nations Global Compact (UN Global Compact) [Further details in Appendix A] and contributing to the United Nation's Sustainable Development Goals (SDGs). [Further details in Appendix B] All activities of Charoen Pokphand Group must be aligned with the organization's 15 Sustainability Goals under the 3Hs – Heart, Health and Home framework. [Further details in Appendix C].

2. Scope

This Sustainability Policy and Guidelines apply to Charoen Pokphand Group, (hereafter "the Group") which includes Charoen Pokphand Group Co., Ltd., and all of its subsidiary companies. The term "company" hereafter refers to any such company individually that has adopted this Sustainability Policy and Guidelines. This document shall be reviewed at least once a year, or as conditions require.

3. Objectives

To establish management approach and guidelines to support sustainable development principles and promote a balance between the economy, society and environment throughout the value chain.

4. Roles and Responsibilities

4.1 Board of Directors

4.1.1 Review materiality issues and approve the annual Sustainability Report.

4.1.2 Support overall business operations within the organization to adhere to Charoen Pokphand Group's sustainability goals, aligning with internationally-recognized sustainability principles.

4.2 Management

4.2.1 Establish policies, targets, strategies, management approaches, and performance indications for sustainability issues that are consistent with Charoen Pokphand Group's Sustainability Policy and Guidelines.

4.2.2 Establish organizational structure and related functions, such as the responsible department/ committee/ working group/ person, to represent the management in implementing sustainable development principles as applicable to the nature of business, in each country/region. The head of the said function should be a senior executive who reports directly to the Chief Executive Officer or the country/region's Chief Executive, and can coordinate with other departments.

4.2.3 Monitor and review the overall sustainability performance, including annual disclosure in the Charoen Pokphand Group's Sustainability Report, and present to the Board of Directors for final approval.

4.2.4 Communicate to show progress and continued support to sustainability development to all stakeholders, both internally and externally.

4.2.5 Promote and support employees in complying with this Policy and Guidelines.

4.3 Sustainable Development Department/Team

4.3.1 Oversee and ensure effectiveness of the implementation of the Sustainability Policy and Guidelines, as well as strategic targets.

4.3.2 Develop management and information technology systems to support the Company's sustainability work.

4.3.3 Monitor progress of sustainability work against the Company's targets. Verify, process, and analyze information. Develop improvement plans and report on their progress.

4.3.4 Prepare the Company' s annual sustainability report in accordance with international standards, as a tool to communicate, improve stakeholder engagement, and serve as the Communication on Progress (COP) in compliance with Principles of the UN Global Compact.

4.3.5 Promote awareness, communicate and embed sustainability into the corporate culture.

4.3.6 Communicate the sustainability policy, strategy, targets and progress to the public, and continuously engage with stakeholders to identify areas of improvement.

4.3.7 Provide consultation, supplemental documents, manuals and guidelines in accordance to technical standards to support the Sustainability Policy and Guidelines.

4.4 **Staff**

4.4.1 Become familiarized with the Company's sustainability issues.

4.4.2 Acknowledge and implement the Sustainability Policy and Guidelines, strategies, targets and performance indicators in line with this document.

5. Guidelines

The Company follows internationally- recognized sustainability management framework with the following guidelines:

5.1 **Commitment**

Demonstrate commitment by top executives with corporate vision, missions, strategic framework and sustainability targets that apply to the short, medium, and long- term, and are in line with internationally- recognized sustainability principles. These commitments must be implemented in all business activities and promoted as corporate culture.

5.2 **Materiality Assessment**

Assess the opportunities and current impacts on business operations of each relevant sustainability issue. Prioritize sustainability issues in order of impacts and importance to business, covering the 3 dimensions of corporate sustainability: environmental, social, and governance (ESG).

5.3 **Defining Policies, Strategies and Targets**

Define policies, strategies, targets and performance indicators that are aligned with the nature of the business. Develop a roadmap for effective implementation.

5.4 **Implementation**

Implement strategies, policies and roadmaps throughout the organization. Enhance engagement and raise awareness among employees, as well as enhance their knowledge and skills. Promote responsible engagement with suppliers and stakeholders throughout the value chain.

5.5 **Measurement**

Monitor the progress towards sustainability targets; process and analyze performance data to identify areas of improvement regularly.

5.6 **Communication and Engagement**

Communicate information and progress to internal and external stakeholders annual via sustainability report and regularly conduct engagement programs with all stakeholders, including business partners and collaborators to identify areas for improvement.

6. Training

The Company shall communicate the Sustainability Policy and Guidelines and cascade it through training programs, conferences, and other appropriate channels to its directors, management, and staff. The effectiveness of such training and communications programs shall be evaluated on a regular basis.

7. Whistleblowing

In case a violation of this Sustainability Policy and Guidelines is found, a report must be filed by following the procedure stated in the Whistleblowing Policy and Guidelines. The information of complainant or whistleblower will be protected and the information will be kept confidential during the investigation and after the completion of the investigation process.

8. Policy Advice

In case of suspicion on the action that may violate laws, regulations and this Sustainability Policy and Guidelines, the employee can seek advice from her or his supervisors; team or persons responsible for sustainability within the Company, Compliance Department; or Legal Department, before making any decision or carrying out any action.

9. Penalties

In the event of an investigation, all employees must fully cooperate with internal and external entities. If an employee violates or fails to comply with this Policy and Guidelines, either directly or indirectly, the employee will be subject to disciplinary action in accordance with Company's regulations.

10. Related Laws, Regulations, and Policies

10.1 Leadership Development Charoen Pokphand Group Co., Ltd. Environmental Policy and Guidelines

10.2 Leadership Development Charoen Pokphand Group Co., Ltd. Safety, Occupational Health, and Workplace Policy and Guidelines

10.3 Leadership Development Charoen Pokphand Group Co., Ltd. Human Rights and Labor Practices Policy and Guidelines

10.4 Leadership Development Charoen Pokphand Group Co., Ltd. Supply Chain Management Policy and Guidelines

11. Appendices

This Policy and Guidelines include the following appendices:

11.1 Appendix A: The 10 Principles of the United Nations Global Compact

11.2 Appendix B: The United Nations' 17 Sustainable Development Goals

11.3 Appendix C: 3H's Sustainability Framework

Appendix A

The 10 Principles of the United Nations Global Compact

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and,
2. Make sure that they are not complicit in human rights abuses.

Labor

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labor;
5. The effective abolition of child labor; and,
6. The elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and,
9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Appendix B

The United Nations' 17 Sustainable Development Goals

Goal 1: No poverty

End poverty in all its forms everywhere

Goal 2: Zero hunger

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Goal 3: Good health and well-being

Ensure healthy lives and promote well-being for all at all ages

Goal 4: Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Goal 5: Gender equality

Achieve gender equality and empower all women and girls

Goal 6: Clean water and sanitation

Ensure availability and sustainable management of water and sanitation for all

Goal 7: Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 8: Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Goal 9: Industry, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Goal 10: Reduced inequalities

Reduce inequality within and among countries

Goal 11: Sustainable cities and communities

Make cities and human settlements inclusive, safe, resilient and sustainable

Goal 12: Responsible consumption and production

Ensure sustainable consumption and production patterns

Goal 13: Climate action

Take urgent action to combat climate change and its impacts

Goal 14: Life below water

Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Goal 15: Life on land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Goal 16: Peace, justice and strong institutions

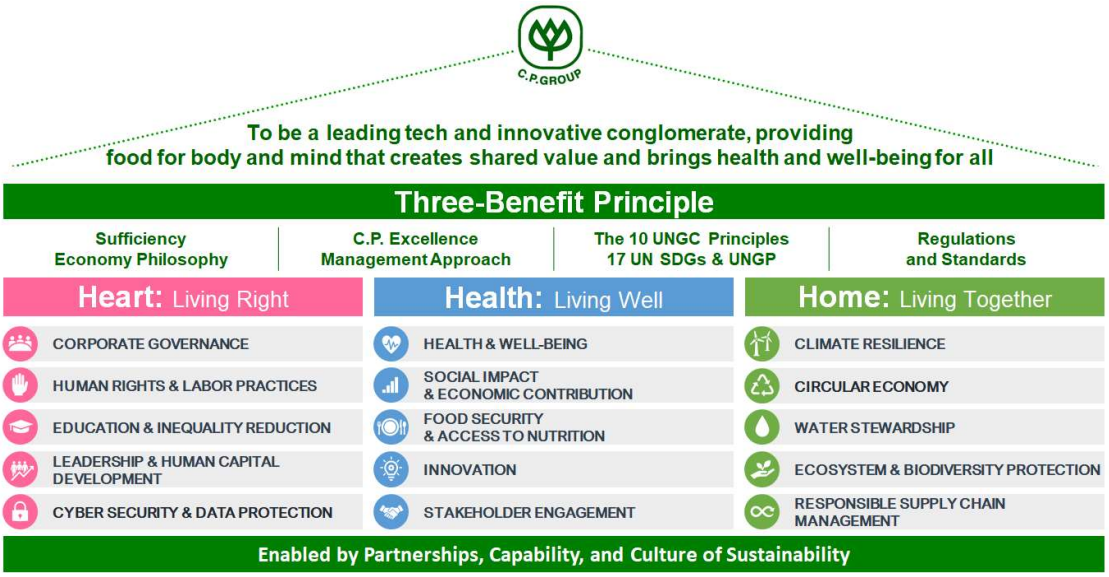
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Goal 17: Partnerships for the goals

Strengthen the means of implementation and revitalize the global partnership for sustainable development

Appendix C

3H's Sustainability Framework



Heart: Living Right - Commitment to Sustainable Business

For an organization to achieve legitimacy, acceptance, and trust among its stakeholders, it must have a strong foundation of accountability. Charoen Pokphand Group has always operated its businesses in compliance with applicable laws and regulations, as well as principles of business ethics, transparency, sincere and inclusive engagement with its stakeholders. The Group has also emphasized on people development, respected the rights of its stakeholders and supported their engagement, to drive mutual and sustainable growth.

1) Corporate Governance

Commit to good corporate governance principles, including ethical, honest, inclusive, and accountable business practices, to cultivate a corporate culture of trust, transparency and accountability and fostering long-term sustainable success.

2) Human Rights & Labor Practices

Protect and promote human rights of all people. Treat all employees without discrimination, and care for their well-being. Strengthen a culture of occupational health and safety within the organization and throughout the value chain.

3) **Education & Inequality Reduction**

Promote equal access to quality education and learning opportunities to facilitate continuous learning, to ensure no one is left behind in extreme poverty.

4) **Leadership & Human Capital**

Support leadership and human capital development for both current and future needs; develop knowledge and experience and share them with society; promote respect, diversity, and inclusion through diverse learning approaches.

5) **Cyber Security & Data Protection**

Implement complete and effective control and defense systems to protect information assets, ensure adequate protection against cyber threats, including protection of data privacy for customers and employees.

Health: Living Well – Commitment to Sustainable Society

Develop holistic well-being that integrates career growth, work-life balance, good health, practical and professional skills, and moral integrity. Promote positive thinking and behaviors that contribute to social harmony and shared values.

6) **Health & Well-Being**

Commit to conducting research and development of products and services with high quality and safety. Promote knowledge about nutrition and access to nutritious food products to enable good health and well-being for the general public.

7) **Social Impact & Economic Contribution**

Promote occupational development and raise economic potential of small-holder farmers, small and medium enterprises (SMEs), and members of vulnerable groups, to improve their well-being and greater independence. Generate positive impacts to local economy, society, and the environment.

8) **Food Security & Access to Nutrition**

Promote access to adequate, safe, and nutritious foods. Enhance food security and contribute towards the global collective efforts in eradicating hunger and malnutrition.

9) Innovation

Develop concepts and inventions into commercially viable products and services, promote and cultivate corporate culture of innovation. Facilitate collaboration with external stakeholders to generate new values through innovation.

10) Stakeholder Engagement

Conduct stakeholder engagement continuously and on a regular basis to understand their expectations. Ensure adequate, systematic, and reliable complaint and grievance handling process to strengthen trust and engagement with stakeholders.

Home: Living Together – Commitment to a Sustainable Environment

Manage the utilization of natural resources and impacts on the environment throughout the value chain for optimal use of resources, to preserve and protect natural resources for future generations.

11) Climate Resilience

Reduce greenhouse gas emissions through better energy efficiency, greater use of renewable energy, more effective waste management. Increase carbon sequestration through reforestation and afforestation.

12) Circular Economy

Manage resources for their optimal efficiency, reduce waste generation, prioritize environmentally-friendly raw materials. Increase reuse, remanufacturing, and recycling to generate and capture the most value out of resources. Avoid waste disposal by landfill; incorporate sustainability criteria in packaging development.

13) Water Stewardship

Integrate water resource management throughout the value chain to capture the most value out our water, raise awareness about the value of water resources and the need to preserve natural watersheds. Ensure that water withdrawal for business operations does not adversely impact the ability of surrounding communities to access sufficient water for their consumption.

14) Ecosystem & Biodiversity Protection

Protect and preserve the biodiversity of land- based, marine and other aquatic ecosystems, support initiatives and work with business partners, communities, and other stakeholders to implement nature conservation and rehabilitation programs.

15) Responsible Supply Chain Management

Support capacity building for suppliers to improve their sustainability performance and reduce adverse impacts throughout the supply chain. Engage with suppliers and business partners to exchange knowledge and enhance responsible sourcing and manufacturing capabilities.