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# STATEMENT ON SLAVERY AND HUMAN TRAFFICKING

(January 1<sup>st</sup> 2020 – December 31<sup>st</sup> 2020)





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CHAROEN POKPHAND FOODS PCL.  
**STATEMENT ON SLAVERY AND HUMAN TRAFFICKING**  
(January 1<sup>st</sup> 2020 – December 31<sup>st</sup> 2020)

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## 1. INTRODUCTION

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This statement has been published in accordance with section 54 of the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018. It sets out the steps that Charoen Pokphand Foods PCL, CPF, or the Company<sup>1</sup> (including, for the purposes of the Australian Modern Slavery Act 2018, C.P. Merchandising Company Limited) has taken during the year ending 31st December 2020 to prevent modern slavery and human trafficking taking place in the Company's business and supply chains. C.P. Merchandising Co., Ltd. is a reporting entity for the purposes of the Australian Modern Slavery Act 2018.

## 2. CPF'S BUSINESS, STRUCTURE AND SUPPLY CHAINS

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CPF operates as an agro-industrial business and food conglomerate across 17 countries and exports the products to more than 40 countries across 5 continents comprised of North America, South America, Africa, Europe and Asia with net annual sales of 589,713 Million Baht. A full list of our subsidiaries can be found in our annual report<sup>2</sup>. In addition, for the avoidance of doubt, C.P. Merchandising Co., Ltd., which is an investment and international trading company, is a 99.99% owned subsidiary of CPF having branches in various countries such as Australia, Germany and Hong Kong, where it trades CPF and its subsidiaries' products.

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<sup>1</sup> When we use the terms "CPF", the "Company", "we", "us" and "our", we mean Charoen Pokphand Foods PCL and any entities which it owns or controls. Save where explicitly identified below, CPF operates using group-wide policies and procedures to assess and address modern slavery risk. The use of those terms is for convenience only and used where it is not helpful to pinpoint a particular CPF entity given the group-wide approach to risk management. These definitions are not intended to convey how CPF is structured, managed or controlled.

<sup>2</sup> Our subsidiaries are available at: [https://www.cpfworldwide.com/storage/annual\\_review/pdf\\_enpdf\\_enAnnual\\_Report\\_2020\\_Update\\_1617277319\\_1617781535.pdf](https://www.cpfworldwide.com/storage/annual_review/pdf_enpdf_enAnnual_Report_2020_Update_1617277319_1617781535.pdf)

The Company operates multiple businesses including feed production, farming, food processing, and retail & food outlets. The Company operates according to its sustainability strategy<sup>3</sup> based on respect for human rights and appropriate labour practices and supports the United Nation's Sustainable Development Goals (the UN SDGs).

As a leading Thai and multinational company, we recognise the importance of our active participation in the mitigation, prevention, and resolution of any slavery and human trafficking in our business and supply chains, which can be seen from the steps taken to combat such behaviour set out in this statement.

In 2020, we reviewed and conducted a Human Rights Due Diligence Process, covering all groups of stakeholders, including vulnerable groups such as ethnic or religious minority groups, disabled groups, and children throughout the organization in Thailand and down the supply chain.

We recognize that developing close partnerships with our business partners in our supply chain represents an opportunity to fulfil our responsibility to enhance the quality of life of people in the society. Given that our business is diverse in the products we sell and the raw materials we use, we developed **the Sustainable Sourcing Policy and Supplier Guiding Principle** in 2014 and have operated in compliance with them since 2015. Reflective of our focus on operating in a socially and environmentally responsible manner throughout our supply chain, we are committed to selecting new business partners and annually conducting audits based on labor practices, human rights and environmental impacts. To minimize potential risks within our supply chain, our audits mainly focus on those business partners identified as being exposed to higher levels of business risk, those who represent a higher level of spending, those who supply us with critical materials/components, and those who are non-substitutable. For the details of CPF's supply chain management approach, please see the details in **CPF Supply Chain ESG Management Approach**<sup>4</sup>.

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<sup>3</sup> Our sustainability strategy is available at: [https://www.cpfworldwide.com/storage/sustainability\\_report/CPFWWW\\_SR\\_2020\\_EN.pdf](https://www.cpfworldwide.com/storage/sustainability_report/CPFWWW_SR_2020_EN.pdf)

<sup>4</sup> Our CPF Supply Chain ESG Management Approach is available at: [https://www.cpfworldwide.com/en/sustainability/social/partnership/supplychain\\_esgapproach.pdf](https://www.cpfworldwide.com/en/sustainability/social/partnership/supplychain_esgapproach.pdf)

# CPF's Sustainability Strategy

Philosophy of Sufficient Economy

Three-Benefit Principle



Sustainability Governance



Human Rights & Labor Practices

Ten Principles of the UN Global Compact & UN SDGs

## Concern



Sustainable Packaging



Environmental Impact



Biodiversity

## Care



People



Partners



Communities

## Create



Food Innovation



Animal Welfare



Food & Knowledge Accessibility for Sustainable Consumption

In 2020, we strongly emphasized respect for and the non-violation of human rights. Slavery and human trafficking in all forms (for instance, forced labour, child labour or debt bondage) are prohibited within the Company and its business relationships, and we seek cooperation from all our stakeholders in order to prevent such activities. CPF is a member of the Seafood Business for Ocean Stewardship (SeaBOS) group, which comprises the 10 largest seafood companies in the world, who share a common goal of producing sustainable seafood and protecting the oceans. The group member companies jointly set the following common goals: 1) no illegal fishing or use of forced labour in the group member companies' operations by October 2021; and 2) to report progress of activities in accordance with the common goals of eliminating illegal fishing and use of forced labour in the seafood supply chain in October 2022 and 2025.

In addition, in 2020, during the COVID-19 outbreak, CPF implemented measures to take care of our employees, including paying close attention to employee hygiene in order to ensure a safe work environment, of which further details can be found below in section 4.2.3 (III) COVID-19.

As a result of its approach to corporate governance and human rights, CPF has been continuously listed as a member of the Dow Jones Sustainability Index: Emerging Markets for six consecutive years and as a member of the FTSE4Good Emerging Index for four consecutive years. CPF was also listed in the Thailand Sustainability Investment (THSI) 2020 by the Stock Exchange of Thailand and was number 248 in the world and number 1 in Thailand in Best Employer 2020 by “Forbes” based on CPF’s outstanding performance on employee care during the outbreak of COVID-19 and participation in food security for Thai and foreign societies<sup>5</sup>.

### **3. POLICIES**

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The Sustainability Governance and Human Rights and Labour Practices policies are the foundation of CPF’s Sustainability Strategy, which is formed of the three pillars: “Food Security, Self-Sufficient Society and Balance of Nature”. Our objective is to ensure that the company delivers appropriate benefits to shareholders, health and

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<sup>5</sup> Our awards and recognitions are available at: [https://www.cpfworldwide.com/storage/sustainability\\_report/CPFWW\\_SR\\_2020\\_EN.pdf](https://www.cpfworldwide.com/storage/sustainability_report/CPFWW_SR_2020_EN.pdf)

safety to consumers, as well as security and livelihood to our people, business partners, and communities while also conserving natural resources that are the capital of current and future socio-economic development. Through our Sustainability Strategy, we are committed to sustainable development, of which one of our core priorities is human rights.

Our Human Rights Policy (alongside other policies mentioned below) declares our commitment to fighting against human rights violations and promoting good labour practices and is used to foster respect for human rights across our entire group structure (including all subsidiaries incorporated in Thailand and other countries around the world). Our Human Rights Policy was prepared in accordance with international standards, which are the International Labour Organisation (ILO) Labour Standards, the UN Global Compact, and the UN Guiding Principles on Business and Human Rights (UNGPs) implementing the “Protect, Respect and Remedy” Framework. The scope of the policy refers to CPF’s expectations in relation to human rights performance and compliance not only in our own operations but also in the operations of our business partners. The policy is communicated to employees and business partners to help strengthen our management of human rights and labour practices.

CPF is committed to conducting business ethically and in compliance with applicable laws of every country in which we operate. In addition, we have a broad set of policies and principles in place that guide us in our practice and implementation, as well as lay a strong foundation for sustainable growth. CPF’s commitment to respect human rights has also been explicitly embedded through the key corporate policies<sup>6</sup> such as our Corporate Governance Policy, Code of Conduct, Corporate Social Responsibility Policy, Employment and Labour Management Policy, Discrimination and Harassment Policy, Diversity and Inclusion Policy, Safety, Health and Environment Policy, Sustainable Sourcing Policy and Supplier Guiding Principles.

We adhere to all forms of transparent approaches to ensure that human rights fundamentals, standards and welfares are met across the Company’s operations and its supply chain. As part of our **Sustainable Sourcing Policy and Supplier Guiding Principle**, we have provided our employees training for them to acquire knowledge and conceptual understanding of its structure and framework.

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<sup>6</sup> Our key corporate policies are available at: <https://www.cpfworldwide.com/en/sustainability/policy>

We have provided training for our suppliers while encouraging them to adopt a similar stance under Thailand's labour laws and international standard requirements. This is done in collaboration with Thailand's Department of Labour Protection and Welfare with an aim to improve labour practices of our suppliers to ensure traceability and sustainability. Workers' living standards are improved with assured fair treatment, preventing human rights violations and eradicating human trafficking across the business sector.



## 4. ASSESSING AND MANAGING RISK

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As a leading agro-industrial and food conglomerate, the Company contributes to the promotion of human rights by, but not limited to, making nutritious food available and accessible, employing people with fairness, building the capacity of our business partners in the supply chain and improving the quality of life of the surrounding communities.

### 4.1 Assessing risk

For our business to succeed, it is important that we understand and manage our human rights risks. We, therefore, began to develop our Human Rights Due Diligence Process in 2016, which is implemented every three years. The process focuses on an integrated management approach to minimising human rights impacts and comprises analysing and assessing human rights risks, managing those risks (including through the development of procedural guidelines for handling potential grievances), and continuously monitoring and reporting on our performance. The process aims to minimise possible impacts by identifying and managing risks in a timely manner and covers all the business units in Thailand, including supporting business activities such as procurement (i.e. suppliers) and human resources, and joint ventures where we have management control.



CPF has made available a copy of its Human Rights Due Diligence Process<sup>7</sup> to its foreign subsidiaries for them to consider and implement as necessary. As part of our Sustainability Strategy 2030, CPF is looking to ensure the Human Rights Due Diligence Process applies across its foreign operations by 2030.

In 2020, CPF conducted a review of the measures designed to mitigate the human risks identified during our Human Rights Due Diligence Process . This assessed human rights risks covering all groups, including diverse groups and vulnerable groups such as ethnic or religious minority groups, disabled groups, and children. The process was implemented by all business units of the Company and adopted and applied as appropriate by its overseas subsidiaries.

The CPF Human Rights Due Diligence Process comprises the following 8 steps:

- Policy commitment;
- Embedding;
- Human rights risk assessment;
- Integrating and acting;
- Tracking performance;
- Communicating performance;
- Stakeholder engagement; and
- Remediation and grievance mechanisms.

The salient human rights risks identified Human Rights Due Diligence Process in Thailand are as follows:

- working conditions;
- use of illegal labour (i.e. child labour, forced labour and illegal migrant workers) in the supply chain;
- health and safety in relation to: (i) employees; (ii) communities; and (iii) sub-contractors and suppliers;
- community safety and standard of living in the supply chain; and
- data privacy.

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<sup>7</sup> Our Human Rights Due Diligence Process is available at: [www.cpfworldwide.com/en/sustainability/governance/human\\_rights/HRDD.pdf](http://www.cpfworldwide.com/en/sustainability/governance/human_rights/HRDD.pdf)

The Company has therefore set forth policies and revised implementation guidelines and mitigation measures to manage these issues. We have developed surveillance and monitoring processes on human rights aspect comprehensively. We have organised training sessions to educate Thai and migrant employees regarding human rights, labour rights, labour laws, health and safety at workplace. We have also put in place grievance channels – both internal and external – for our workers to freely express themselves, give suggestion, seek information or assistance. For instance, our workers – both Thai and migrants – can voice their concerns through the “Labour Voices Hotline by LPN”, which helps CPF promote labour protection and workers’ better quality of life and tackle any risk of human trafficking and forced labour.

More details on human rights risk matrix and mitigation measures are available on our website<sup>8</sup>.

## **4.2 Managing risk**

CPF puts effort into minimizing the impact from the above-identified salient human rights risks, including setting guidelines for its own operations and its supply chains. We set out below some of the steps taken to minimize our identified risks and impacts that may arise in relation to them.

### **4.2.1 HR Assurance & Compliance**

The Company established a HR Assurance & Compliance Unit to follow up and ensure that the Company’s human resources management processes have been implemented effectively and are in measure to support business operations. The HR Assurance & Compliance Unit aims to create trust in our human resources management processes, reduce labour rights violation risks and ensure compliance with labour laws, employment and labour management standards and policies as well as customer requirements in order to meet global standards and support business growth.

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<sup>8</sup> More information on our human rights risk matrix and mitigation measures are available at: [www.cpfworldwide.com/en/sustainability/governance/human\\_rights/HRDD.pdf](http://www.cpfworldwide.com/en/sustainability/governance/human_rights/HRDD.pdf)

<b>Laws</b>	To ensure that the human resources management processes are in accordance with the all relevant laws
<b>Standards adhered by the Company</b>	To ensure that the human resources management processes are in accordance with the United Nations Universal Declaration of Human Rights (UNDHR), United Nations Guiding Principles on Business and Human Rights (UNGPR) and Regulations of International Labour Organisation (ILO)'s Declaration of Fundamental Principles, including standards adhered by the Company such as the United Nations' Sustainable Development Goals (UNSDGs) and UN Global Compact (UNGC)
<b>Corporate Human Resource Policies</b>	To ensure that the human resources management processes conform to the Corporate HR Policies
<b>Customers' Code of Conduct</b>	To ensure that the human resources management processes are in alignment with Customers' Code of Conduct

The Company announced its appointment of the Committee for Support and Promotion of Thai Labour Standard (TLS 8001). The Committee's roles and responsibilities consist of determining policies and action plans, supporting and promoting the application of Thai Labour Standard System to ensure the Company's labour management system is functional and equivalent to the international standards.

The Thai Labour Standard (TLS 8001) is a certification management system set forth by the Thai Ministry of Labour to develop the efficiency and effectiveness of Thai labour to meet with Thai laws and international standards. It is aimed at upgrading workers' living standards and strengthening suppliers' businesses through the implementation of sustainable operations, focusing specifically on the labour management system and the provision of a productive, non-discriminatory, exploitation-free, decent, safe and healthy work environment. The TLS 8001 certification programme ensures equal and fair treatment under international human rights principles and affirms zero tolerance of all kinds of forced and illegal labour in Thailand.

Since 2015, 194 factories and farms across CPF's operations have been accredited under TLS 8001.

## 4.2.2 Employment and Labour Management

The Company hires and manages workers responsibly under the human rights principles in accordance with requirements of the International Labour Organisation (ILO), the United Nations Declaration of Human Rights (UDHR), the United Nations Guiding Principles on Business and Human Rights (UNGPs), and the Thai Labour Standards (TLS 8001).

The Company has formulated clear policies and labour practices which it has sought to implement and apply across its domestic and overseas operations. The Company has complied with the law concerning a minimum age of employment by prohibiting child labour. In addition, the Company does not support any form of forced labour or the retaining of workers' identity documents. The Company respects workers' differences and treats them equally without unfairly benefitting or depriving labour rights on the ground of race, nationality, ethnicity, skin colour, religion, social status, gender, age, disability or infirmity, political views, or marital status. The Company is also proactive in responding to any allegations of sexual harassment, as stipulated in our Non-Discrimination and Anti-Harassment Policy<sup>9</sup>.

Regarding wage management, the Company pays wages and compensation including overtime pay and benefits in various forms, all of which are paid in a timely manner as required by law. The Company does not deduct amounts from wages unless expressly permitted by the applicable law. Working hours do not exceed legal limits and overtime hours are in accordance with the law. The Company also continues to promote, support, maintain and improve working environments to ensure workplace safety as well as prevent adverse effects on health of workers and relevant parties.

The Company places importance on hiring workers legally in all respects while encouraging business partners to comply with laws and international labour standards that are in line with the Company's policies, resulting in an integration of operational linkages for driving business towards common goals.

The Company also hires foreign workers under the Memorandum of Understanding (MoU) the Thai Government had signed with the neighbouring countries. Recruitment and employment of foreign workers is made through legally registered and certified labour recruitment agencies at the home countries to ensure that the processes and costs of worker recruitment are accurate and transparent. Whether foreigners or Thai, all workers are treated equally.

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<sup>9</sup> Our Non-Discrimination and Anti-Harassment Policy is available at: [https://www.cptworldwide.com/en/sustainability/policy/discrimination\\_and\\_harassment.pdf](https://www.cptworldwide.com/en/sustainability/policy/discrimination_and_harassment.pdf)

In addition, the Company has also supported activities or facilitated foreign workers in overcoming the issue of language barriers by posting notices on communication boards in various languages understood by workers of all nationalities and providing interpreters for foreign workers at all operating sites.

The Company highly values fair treatment of employees and respect for human rights while encouraging our business partners to comply with our Human Rights Policies, including the Employment and Labour Management Policy as well as the Sustainable Sourcing Policy and Supplier Guiding Principle. CPF expects its business partners to ensure compliance with laws and regulations and conformity with CPF standards. In this respect, we have developed capacity building programme to assist our business partners in acknowledging our requirements in aspects of human and labour rights, assessing risks, auditing their performance and monitoring their corrective actions.

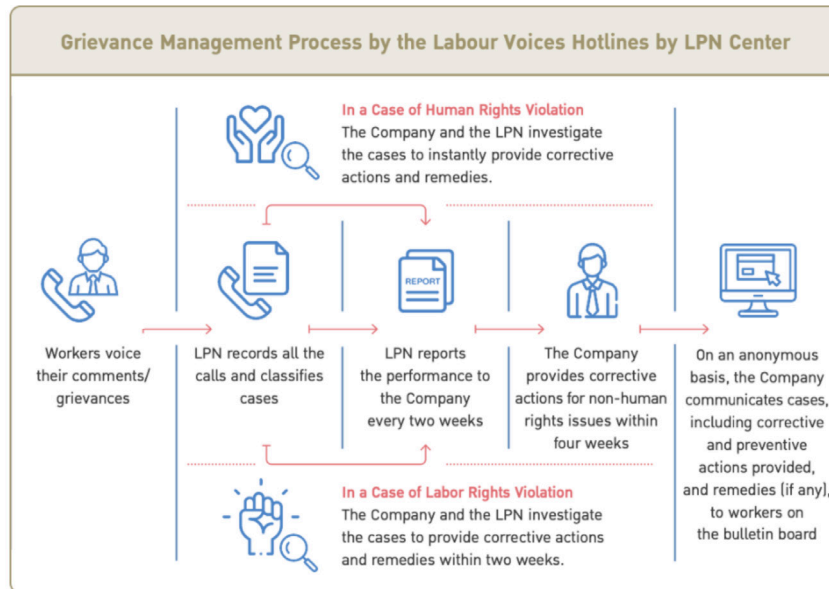
#### **4.2.3 Human Rights Grievance Mechanism**

We provide whistleblowing and complaint channels for reporting and receiving feedback to be considered by our management.

##### **(i) Collaboration with LPN**

The Company continues to collaborate with the Labour Protection Network Foundation (LPN) in establishing the “Labour Voices Hotline by LPN” Centre, which provides the opportunities for all employees of any nationality at all levels to express both negative and positive feedback, provide suggestions, file complaints and grievances, or request assistance through an independent neutral organisation. This is an effective approach that helps improve employees’ quality of life. Through this collaboration, we also conduct training on labour rights for employees. This helps us to manage labour-related risks with transparency and fairness.

Since 2017, CPF has cooperated with LPN under a Memorandum of Understanding on framework and procedure development for receiving complaints from employees in accordance with labour practices and creating a positive work environment on “Labour Voices Hotline by LPN” platform. As a result, all employees of the Company have had an external channel to voice out opinions and recommendations as well as to lodge complaints and make request for information and assistance. As a neutral organisation, LPN undertakes complaint handling transparently and closely collaborates with the Company to enhance worker well-being in a proactive way.



Communication tools including posters and leaflets in four languages (namely Thai, English, Burmese and Cambodian) are used across CPF’s operations, in the workplace and dormitories to inform employees of the channel put in place to raise complaints. All incoming calls are received by LPN counsellors – in languages spoken by employees – and have proved to be comprehensively accessible. At least two hotlines are specifically dedicated to each of the three languages used by our employees: Thai, Burmese and Cambodian.



LPN Poster in Burmese/Thai



LPN Poster in Cambodian/Thai



LPN Poster in Thai/English

There was only one reported case in 2020 from an employee who was concerned about the employee’s rights and welfare due to a health condition. After acknowledgement of the case, CPF immediately investigated possible causes and identified that the problem had arisen from a misunderstanding of the employee. CPF then provided clarification on the issue and ensured that the employee would be treated fairly and equally regardless of physical conditions.

The collaboration framework with LPN has also been extended in response to the COVID-19 pandemic. LPN visited foreign employees residing at the Company-provided dormitories to educate them on how to prevent infection while highlighting the importance of personal hygiene and physical distancing measures. As foreign employees were unable to leave the country for their hometown visits due to restricted border-crossing, they felt increased stress and anxiety from being isolated and far from their loved ones. In conjunction with LPN, the Company provided them with additional comfort and support and updates of the current situation of the pandemic.

Coupled with the Company's firm commitment to maintain employment contracts, compensation, benefits and welfare including medical expenses for its employees - regardless of their nationality - migrant workers are assured of their safety and security. This approach was designed to mitigate feelings of isolation during the COVID-19 pandemic, and provide comfort and reassurance to employees, such that they did not feel compelled to place themselves in vulnerable situations.



LPN visiting CPF-provided dormitory at Saraburi Processing Plant

The pandemic has resulted in instability in the job market due to business closure, which leads to increased risk of instances of modern slavery and human trafficking. Migrant workers who were made jobless as a result of the outbreak and who are most affected by the COVID-19 crisis were those in the hospitality sector. LPN as one labour right advocacy group has tried to help by calling for donations of dried food and other necessities, which have been distributed to affected workers in many provinces. As part of the "Food from the Heart against COVID-19" Programme, the Company supplied LPN with food products such as fresh eggs and drinking water

for distribution among migrant communities in desperate need as suffering from being made jobless or cuts in wage.



CPF provided food to LPN as part of COVID-19 relief aid to migrant communities

## (ii) Welfare Committee at Workplace

The Company places high importance on employee communication and complaint channels. Another channel of communication that the Company has always supported and promoted is the Welfare Committee at Workplace which fosters awareness of equality and respect of human rights for all employees regardless of level or nationality. It gives all employees opportunities to participate in expressing opinions, suggestions and complaints through their elected representatives. The Company encourages and motivates employees at all levels, both Thai and foreigners, who are interested in representing their peers to stand for the election of the Welfare Committee at Workplace.

Under the Labour Protection Act of Thailand, companies with at least 50 employees are required to set up a welfare committee of which members are elected to represent the employees for 3-year terms of office. The fundamental purpose is to maintain favourable labour relations and open communication channels between employers and employees. Welfare committee members work together with employers to ensure workers' welfare through regular meetings where such topics as provision of welfare for employees, potential employee complaints, disputes in the workplace are usually discussed and settled.



Through promotion of diversity and inclusion, the Company has also encouraged its employees qualified to stand as a candidate at the election of the welfare committee to become their representatives. Any advice, recommendation, concerns or complaints from all workers are raised, received, referred and reported to the Company's Management for consideration and resolution. Ultimately this provides another forum where allegations concerning a range of issues, including human and labour right violations and risks, can be tackled in a proactive and transparent manner. It is noteworthy that the Company has increased the number of welfare committee members from the minimum required by law (five members) to be in appropriate proportion with the number of employees at each operating site with the maximum number of representatives being fixed at 17.

Also, in case the election results do not cover diverse and vulnerable groups in terms of gender, race, religion and disability, the Company shall make a comprehensive selection of a welfare subcommittee to represent workers in such groups. The subcommittee is responsible for collecting problems and suggestions from workers and presenting them to the Welfare Committee at Workplace prior to the meeting of the latter with the management executives representing the Company.



Welfare Committee Election at Saraburi Processing Plant

Welfare Committee Election at Minburi Processing Plant

Over the past 12 months, the Welfare Committee at Workplace elections have effectively been organised at 10 operating facilities of the Company under the measures aimed at inclusivity as described above.

### **(iii) COVID-19**

The inter-governmental MoUs signed between the Thai Government and its neighbouring countries aim at legal and transparent management of foreign labour of three nations, namely Cambodia, Laos and Burma, in Thailand. We are determined to drive forward initiatives aimed at preventing illegal labour and human trafficking practices by promoting regulation and fair treatment of migrant workers and protecting them from abuse, exploitation and violence.

Those migrant workers normally return to their home countries after having worked in Thailand for four years, as required under the MoU.

Workers are then able to re-apply for another job in Thailand. Concerns were raised as a result of the COVID-19 pandemic about workers contracting COVID-19 during the process and bringing the virus into the country. There were also concerns about the impacts of the COVID-19 restrictions, including the 14-day quarantine period in Thailand and home countries, which could have introduced additional costs making migrant workers' ability to travel home and return to Thailand either side of the reapplication process impractical and unaffordable.

Given the labour shortage in Thailand caused by the COVID-19 pandemic, the Thai Government passed a decree that migrant workers whose employment expires between November 2020 until 31 December 2021 can legally remain in Thailand instead of having to return to their home countries to reapply for employment and are allowed to continue working in Thailand for up to two more years.

The Company has arranged for the submission of a formal request to remain in Thailand, along with a health certificate for its foreign employees. Eligible employees will have to undergo health checks, have their work permit verified, formally seek an employment extension with the Labour Office, pay administrative fees and re-register their employment record. The Company is responsible for all the incurred costs, including the fee for the special visa granted to workers during this grace period, which goes in line with its Foreign Worker Recruitment in Thailand Policy<sup>10</sup>.

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<sup>10</sup> Our Foreign Worker Recruitment in Thailand Policy is available at: [www.cpfworldwide.com/en/sustainability/policy/foreign\\_labor\\_hiring.pdf](http://www.cpfworldwide.com/en/sustainability/policy/foreign_labor_hiring.pdf)

Through the Policy, the Company has increased the efficiency, effectiveness and transparency of its migrant labour recruitment process, in alignment with international standards on human rights, modern slavery and human trafficking. The Company has also established implementation guidelines in key areas, such as a commitment to recruiting workers directly (rather than through intermediaries), a careful selection criteria of recruitment agencies in home countries and a determination of the Company's responsibility to pay fees, rather than having such fees borne by individuals.

Unlawful or unethical recruitment process and excessive fees charged to migrant workers could lead to debt bondage, forced labour and human trafficking. The Company is determined to lay out a robust verification process upon arrival of migrant workers at the Company's workplace. This process is led by our Human Resources Units and relies heavily on interviews with new recruits. Random interviews are also conducted by the Labour Protection Network (LPN) to monitor and ensure our measures are accurate and transparent. We are committed to safeguarding migrant workers' interests and screening for victims of human trafficking.

#### **(iv) External collaborations**

CPF has also continued its participation in various initiatives to support eradicating illegal fishing practices and labour across the seafood business, one of the main businesses under our operation.

Working with Seafood Task Force (STF), CPF continues to participate in exchanging and sharing information. We are supporting the study to collect information for the drafting of their traceability protocol and labour guidelines in the supply chain are supporting the study to collect information for the drafting of their traceability protocol and labour guidelines in the supply chain by facilitating on-site inspections at fishing ports, fish meal factories, and aquaculture farms. Finally, this has been developed to be a standard protocol, the STF Supply Chain Mapping Protocol, which applies to all STF members.

CPF continues to play a pivotal role as the leader of Sub-group 4: Vessel Behavior Monitoring & FIPs and collaborates with experts on Vessel Monitoring System (VMS) / Monitoring, Control and Surveillance (MCS) from Oceanmind, United Kingdom, to monitor the fishing behaviour of fishing vessels in Thai waters. In recent years, training programmes, such as the Thai flagged (Fishmeal) and foreign Flagged (Tuna) compliance validation programmes and Port In Port Out Training programme, that includes the inspecting criteria of workers and aquatic animals obtained from the fishery, have been organized. Moreover, we have planned a research programme to install a monitoring device into small-scale vessels of 10-19MT to enable tracking of their fishing behaviour, which will cover all commercial fishing vessels. The STF is undertaking multiple projects, in relation to which more information can be found in the latest Progress Report on their website<sup>11</sup>.

In November 2020, CPF signed the Membership Agreement to confirm its membership of the STF and act in line with the target of developing and encouraging members to achieve better oversight and transparency in tackling complexities across the entirety of the supply chain by cooperating and supporting in activities organized by the STF. STF publicly announced the 10 Point Action Plan 2021<sup>12</sup>, which deals with IUU fishing and human trafficking eradication and, includes:

- **Increase Accountability:** Members are required to comply with the STF Code of Conduct (STF CoC) in STF Shrimp Traceability Protocol and the STF Vessel Auditable Standards which can be verified to ensure transparency and to assess the conformity of the supply chain under the members' operations.
- **Improve Worker Recruitment Supply Chain Practices:** Members are required to comply with the STF Guidance on Responsibility of Recruitment Related Costs to ensure all members have a consistent approach and understanding on implementing within the shrimp and tuna supply chain.
- **Co-create a Vessel Behavior Monitoring Program with the Royal Thai Government:** To develop and implement a robust sustainable domestic/international fisheries compliance program with Vessel Behavior Monitoring.

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<sup>11</sup> Available at: <https://www.seafoodtaskforce.global/wp-content/uploads/2021/02/SFT-10-Point-Plan-2021.pdf>

<sup>12</sup> Available at: [https://issuu.com/seafoodtaskforce/docs/sft\\_10\\_point\\_plan\\_2020\\_1\\_issuu](https://issuu.com/seafoodtaskforce/docs/sft_10_point_plan_2020_1_issuu)

- **Develop and Deploy an STF Environmental Code of Conduct:** STF is ongoing in process of drafting the STF Environmental Code of Conduct and plan to participate in the initial pilot (Q2 of 2021) to inform the Draft Environmental Code for driving toward fishery legality and aquaculture sustainability.
- **Collaboration with the Seafood Business for Ocean Stewardship (SeaBOS),** we are one of the lead companies on Task Force I ('Addressing IUU and forced labour') that is aimed to ensure raw materials are sourced in a sustainable way using the best available science. In the annual meeting in October 2020, the companies agreed to achieve the original commitments from 2016 which commit to eliminating IUU fishing and forced, bonded, and child labour in our operations and to implement measures to address those issues in their supply chains by the end of 2021.

## Due diligence and audit

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We continue to focus on human rights issues in our supply chain through active communication of the Sustainable Sourcing Policy and Guiding Principle . We also provide training for our business partners and seek that contractors and critical suppliers adopt a similar stance towards human rights.

In 2020, we achieved our aim of auditing 100 percent of our critical tier-1 suppliers of animal feed raw materials, food ingredients, and packaging for our Thai operations on sustainability issues by a third party and/or internal auditors. The issues audited cover the 4Ps from our Sustainable Sourcing Policy and Guiding Principle. Of these, 100 percent of critical tier-1 high-risk suppliers were already audited on Environmental, Social and Governance aspects.

In addition, our Vietnam operations has audited 100 percent of critical tier-1 suppliers of animal feed raw materials, food ingredients, and packaging for sustainability risks.

We have also adopted the 4Ps from our Sustainable Sourcing Policy and Supplier Guiding Principle for use in the sustainability self-assessment as criteria for selecting new suppliers. Our existing suppliers are regularly monitoring by conducting an ESG

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<sup>13</sup> Our Sustainable Sourcing Policy and Guiding Principles are available at: [https://www.cpfworldwide.com/en/sustainability/policy/sourcing\\_policy.pdf](https://www.cpfworldwide.com/en/sustainability/policy/sourcing_policy.pdf)

Risk Assessment and a Sustainability Self-assessment. The result of such assessments determine the frequency of our audit cycle, with critical tier-1 and high risk suppliers being audited more frequently, in accordance with the [CPF Supply Chain ESG Management Approach](#). This has been done with the aim of managing the supply chain risks at the starting point of our raw material sourcing process.

## Effectiveness

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To ensure the effectiveness of the management of modern slavery and human trafficking risks, CPF provides a whistleblowing service for the reporting of concerns or complaints in relation to inappropriate behaviours or non-compliances with CPF Code of Conduct<sup>14</sup>, which includes principles on adhering to and promoting basic human rights in all businesses. We also welcome suggestions from employees and ensure fairness and protect employees. In 2020, there were 156 whistleblowing cases and complaints received by the Audit Committee, but there was no case about the violation of human rights. As noted above, the LPN only received one reported case of whistleblowing in 2020 from an employee who was concerned about the employee's rights and welfare due to a health condition. However, this was determined not to go to questions about violations of human rights.

From the lack of reports on the whistleblowing hotline about instances of modern slavery, we infer that our modern slavery risk mitigation steps are working effectively. We will continue to monitor their effectiveness in the coming years.

## Training

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As mentioned, our commitment is to respect human rights and implement good labour practices. Therefore, in 2020, 100% of CPF's employees received a wide variety of human rights trainings covering such topics as Human Rights, Labour law, Occupational Health and Safety, and Basic Governance. The trainings were provided via online training sessions to every CPF business establishment across the country.

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<sup>14</sup> Our Code of Conduct is available at: [https://www.cpfworldwide.com/en/sustainability/policy/code\\_of\\_conduct\\_en.pdf](https://www.cpfworldwide.com/en/sustainability/policy/code_of_conduct_en.pdf)

Over the past 3 years, the 3-hour trainings for a total number of nearly 60 classes were organised for more than 2,500 workers at the Company's operating sites in different regions across the country. Among them, foreign workers counted for 75% of participants. Pre- and post-test scores before and after trainings show that the awareness on workers' rights has increased. In the first year of collaboration activities, the average score increased from 48 points before training to 89 points after trainings. This further illustrates the effectiveness of the training. In the second year, the average score increased from 44 points before training to 88 points after training. In 2020, the average score increased from 67 points before training to 98 points after trainings. The trainings are focussed on fundamental human rights, labour rights and safety at work with case studies used for discussion and reflection. Attendees are also introduced to LPN and the "Labour Voice Hotline by LPN" platform as a tool for reporting their positive or negative feedback – in their own languages – via a neutral channel. Quizzes evaluating the attendees' understanding of the topics are conducted before, during and after the training. When workers understand what human and labour rights are and that they are accessible to all equally and fairly, they know whether their rights are being violated and understand that those violations – in any forms – must (and can) be reported so that concerns can be investigated and resolved using the grievance mechanism CPF has put in place.

After the training, our workers are better able to identify and point out unfair practices or abuses of standard rules and regulations and understand that they are encouraged to report them through the channels provided by CPF and that their rights are protected if they do so.

In addition, to enable suppliers to better understand our Sustainable Sourcing Policy and Supplier Guiding Principle, the Company also provides capacity building, either in the form of classroom-based or online training. The training covers but is not limited to CPF's Policy, applicable laws and regulations, and technology. In 2020, we held annually capacity building and a focus group with all our critical tier-1 and high risk suppliers.

*This statement has been prepared pursuant to section 54 of the UK Modern Slavery Act and the Australian Modern Slavery Act 2018 (Cth) in respect of the financial year from 1 January 2020 to 31 December 2020. The statement has been approved by the board of directors of Charoen Pokphand Foods PCL on June 17, 2021 and will be reviewed annually.*

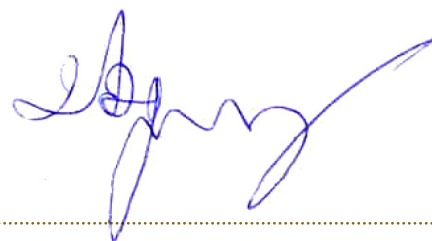
*In preparing this modern slavery statement, relevant directors and officers of all the entities making the statement or entities owned or controlled by the reporting entity were consulted and provided with an opportunity to review the statement prior to its approval.*

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**(Mr. Adirek Sripratak)**

*Chairman of Executive Committee  
and Authorized Director*



**(Mr. Prasit Boondoungprasert)**

*Chief Executive Officer  
and Authorized Director*