S&P
Syndicate Public
Company Limited

2023
Climate Impact Report
(Alignment with TCFD and IFRS S2 requirement)

Content

Introducing S&P's 2023 Climate Impact Report

This International Financial Reporting Standards (IFRS S2) report serves as S&P's 2023 disclosure of the climate-related risks and opportunities to our business. It describes how climate change scenarios may impact our business and outlines our strategy to mitigate those potential impacts while ensuring our resilience, based on our understanding of evolving challenges.

In this first year of disclosure, S&P has increased the scope climate-related risks and opportunities assessment, as well as further developed our climate strategy to address the risks and meet long-term greenhouse gas (GHG) emission reduction targets. Similarly, following SNP's declaration of a climate target included Carbon Neutral target, S&P has developed a roadmap to demonstrate the commitment and actions needed to meet this target.

S&P is committed to continually improving our climate-related performance and associated disclosures to be in line with best international practices.

Governing Responsibly

To enable users of general-purpose financial reports to understand S&P's Governance processes, controls and procedures S&P uses to monitor, manage and oversee climate-related risks and opportunities.

S&P's oversight of climate-related risks and opportunities is embedded at the highest level of our company.

Our corporate governance structure is continually evolving as a result of our growing awareness of the significance of acting on climate change and its impact on our business.

S&P establishes a governance and management structure, as well as operations on GHG emission reduction from the Board of Directors level to the operational level to ensure that all related operations are integrated and efficient in accordance with the goals.

Skill of our Board member to oversee the respond to climate-related risks and opportunities

The company benefits from the expertise of two board members with relevant experience in environmental management and climate change:

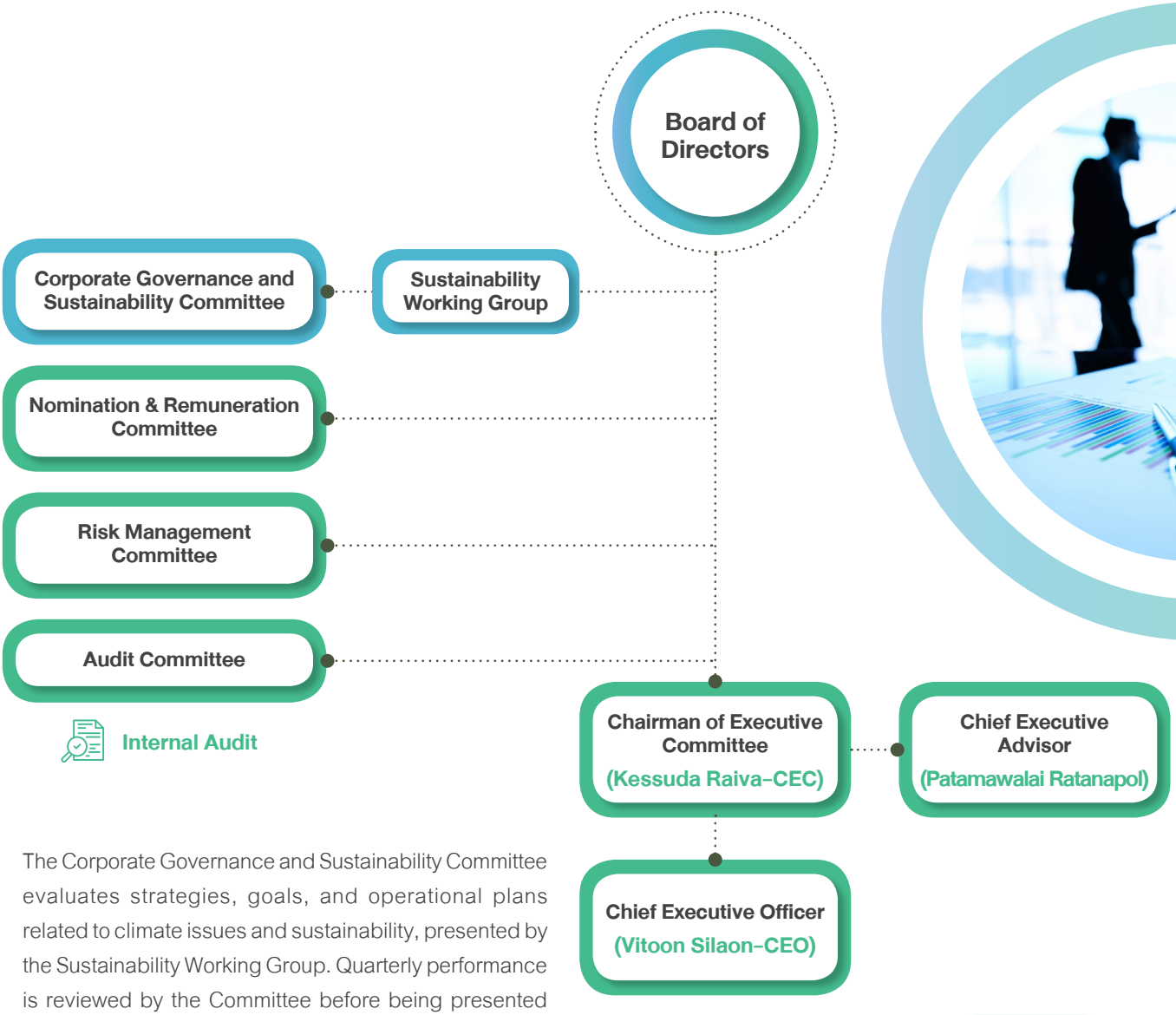
- Mr. Teeranun Srihong, President of the Corporate Governance and Sustainable Development Committee, has academic training in Energy Science for Senior Executives and ESG (Environmental, Social, Governance).
- Mr. Kamtorn Sila-on, a Committee Member, has an academic background in chemical engineering, providing technical expertise in environmental management.

Their combined knowledge guides the company's approach to environmental stewardship, climate change mitigation strategies, and integrating sustainability into governance and operations.

Remuneration policies to monitor progress towards climate-related risk and opportunities

S&P acknowledges the importance of linking board and executive remuneration to climate-related performance metrics, as it incentivizes effective climate governance and aligns with the low-carbon transition. While S&P does not currently have such remuneration policies in place, the company is committed to developing policies that integrate relevant climate factors into compensation structures. S&P will engage stakeholders to ensure a robust approach for incorporating climate considerations into executive incentive plans. This demonstrates S&P's dedication to addressing climate change through its operations, decision-making, and ongoing sustainability initiatives.

Corporate Governance and Sustainability Committee Structure



The Corporate Governance and Sustainability Committee evaluates strategies, goals, and operational plans related to climate issues and sustainability, presented by the Sustainability Working Group. Quarterly performance is reviewed by the Committee before being presented to the Board of Directors for approval.

The company will consider issues that have the greatest impact on the company and are the main risks to the organization. It will prioritize accelerating corrective actions and proactively preparing to address these situations before they escalate, while also evaluating potential trade-offs involved in the decision-making process.

Under the Corporate Governance and Sustainable Development Committee, a cross-functional Working Group has been formed, comprising representatives from various departments within the organization.

The Working Group's responsibilities include monitoring and evaluating the effective governance of climate-related risks and opportunities, as well as developing comprehensive action plans to drive the Company's transition towards achieving net-zero greenhouse gas emissions.

Climate Governance Responsibilities

Board of Director

Frequency:
Quarterly

Role and Responsibilities

- Supervise and direct the organization's operations covering climate change issues.
- Monitor and approve the Company's climate change strategies and targets based on the Corporate Governance and Sustainability Committee's report.

Risk Management Committee

Frequency:
Quarterly

Role and Responsibilities

- Monitoring, analyzed and reviewing on climate-related risks and opportunities to be aligned with the current trend including preparing risk management plans and reporting the risk management result/guidelines to the Board of Director.
- Develop a risk assessment system and create a risk assessment culture, as well as prepare a plan to cope with risks that may affect the organization.

Sustainable Development and Corporate Governance Committee (SD&CG Committee)

Frequency:
Quarterly

Role and Responsibilities

- Present policies and practices on corporate governance and sustainability development, including issues related to climate change, to the Board of Directors.
- Supervise the operation of the working group in accordance with the principles of good corporate governance and sustainable development.
- Formulate and review the operational guidelines and sustainable development goals covering climate change management by comparing them with international standards and proposing them to the Board of Directors for continuous modernization and responding to stakeholder expectations. Climate-related issues that affect the whole company, including alternative raw material sourcing, energy efficiency and GHG reduction target are evaluated and reviewed by SD&CG Committee.

Climate Change Committee

Frequency:
Quarterly

Role and Responsibilities

- The management level of each department is monitored, measured, calculated to collect greenhouse gas emissions data of the S&P's units from operations throughout the value chain for operational planning.
- Closely seek ways to reduce GHG emissions as well as factors that cause impacts on climate change. The data will be reported to the Corporate Governance and Sustainability Working Group to find common ways to reduce the S&P's overall GHG emissions.
- Develop a climate change action plan to move towards net-zero greenhouse gas emissions.
- Support and drive innovation and new technologies to reduce greenhouse gas emissions.
- Monitor global and local climate change situations that affect sustainability, such as laws and regulations.
- Assess climate risks and opportunities affecting financial reports and business operations in accordance with the guidelines of the International Financial Reporting Standards (IFRS S2) Disclosure.

Sustainability Working Group

Frequency:
Quarterly

Role and Responsibilities

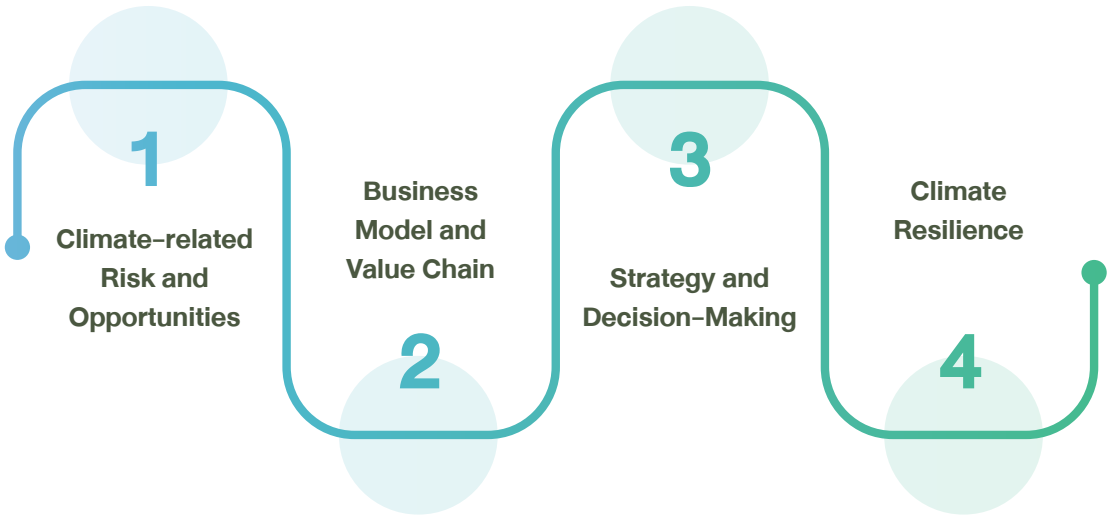
- Gathering data and work with representatives from various departments within the organization
- Monitor and evaluate the effective governance of climate-related risks and opportunities
- Develop comprehensive action plans to drive the Company's transition towards achieving net-zero greenhouse gas emissions

Strategy

To enable users of general-purpose financial reports to understand An entity's strategy for managing climate-related and opportunities.

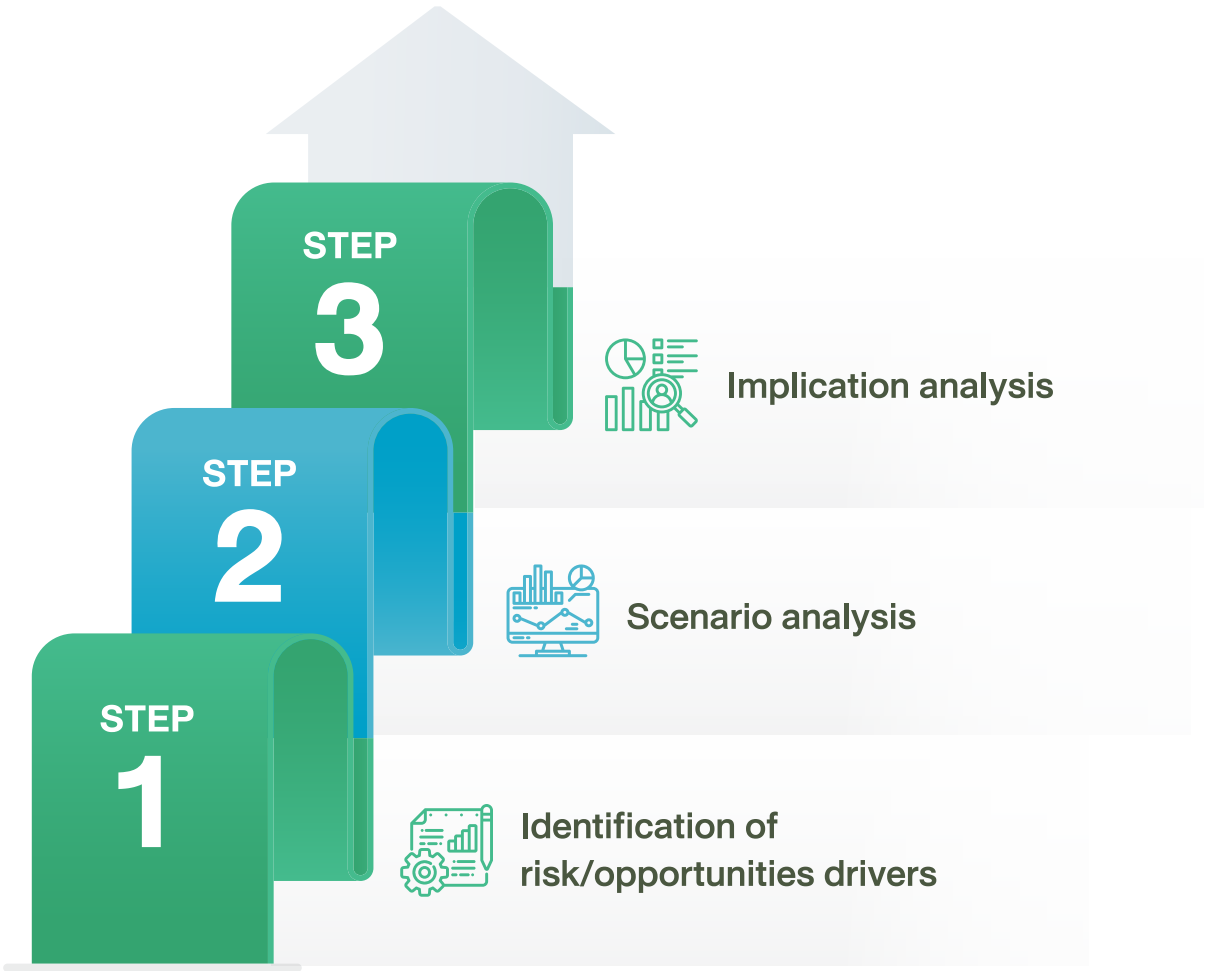
S&P has formulated strategies and assessed climate change risks and opportunities in the short-term, medium-term and long-term and assessed the financial impact for the cycle period of our report.

S&P will continuously improve the robustness of data for the climate-related financial impacts, covering risk and opportunities from the impacts of climate change of short-term, medium-term, and long-term which will be more in line with IFRS S2's requirement.



Climate Change Risk Assessment

In 2023, S&P has deepened climate risks and opportunities assessment to better identify, evaluate and manage their potential impacts. The assessment of climate-related risk scenario is reviewed and categorized based on scenario patterns. The assessment was conducted through a three-steps approaches.



- S&P will continuously disclose about information about climate resilience at each reporting year and in line with strategic planning cycle. Including a multi-year strategic planning cycle (e.g. every 3-5 years).
- In some reporting periods the S&P's disclosures in accordance with climate scenario analysis's scope of work could remain unchanged from the previous reporting period if S&P does not conduct a scenario analysis annually.

Identification of risk/opportunity drivers

S&P conducted a desktop review of the latest climate-related policies, regulations, market trends and historical hazard events in the Company's countries of operation. S&P has taken into account the Emerging Risk types of corporate risks from its Enterprise Risk Management Manual in the identification of climate-related risk and opportunity drivers to enhance the alignment of its climate risk management with the corporate's overall risk management system.

Scenario analysis

Having shortlisted the climate-related drivers, S&P conducted internal consultations through a workshop to seek people's views on the magnitude and likelihood of impact from each driver towards short-term, medium-term, and long-term time horizons. The exercise allows the Company to plot the drivers on a risk matrix that informs the comparative significance of each driver to S&P's business between a base case (i.e. high-emissions) scenario and a low-emissions scenario.

Each driver was subsequently assigned with an indicator from external climate scenarios. Scenario data were fed into S&P's assessment to allow for the integration of an objective perspective based on science.

Implication analysis

Once drivers and their materiality were identified and assessed, S&P reviewed and identified the implications of each driver on various aspects from the upstream supply chain to downstream customers.

The Company also discussed the mitigation measures currently in place or planned in the future among internal stakeholders. The key findings of this discussion enabled S&P to formulate a climate strategy framework and action plan.

Scenario Analysis

In accordance with IFRS S2 recommendations, the scenario analysis was conducted using selected future-looking climate-related scenarios, as described below.

Scenario Analysis Inputs

Scope

- For transition scenario analysis, group-wide impacts were assessed.
- Considered the impacts of climate change on of the S&P's business operations: **business operation, and supply chain (including upstream and downstream impacts)**.

Transition Scenarios

- **The Stated Policies Scenario (IEA STEPS):** a scenario which is more conservative benchmark to explore existing and announced policies without assuming full achievement. Global energy-related and industrial process GHG emissions rise to 36 Gt CO_2eq in 2030.
- **Net Zero Emission Scenario (NZE):** a scenario which is a pathway to achieve net-zero GHG emission by 2050. GHG emissions fall to 21 Gt CO_2eq in 2030, marking a decisive achievement in global climate action.

Physical Scenarios

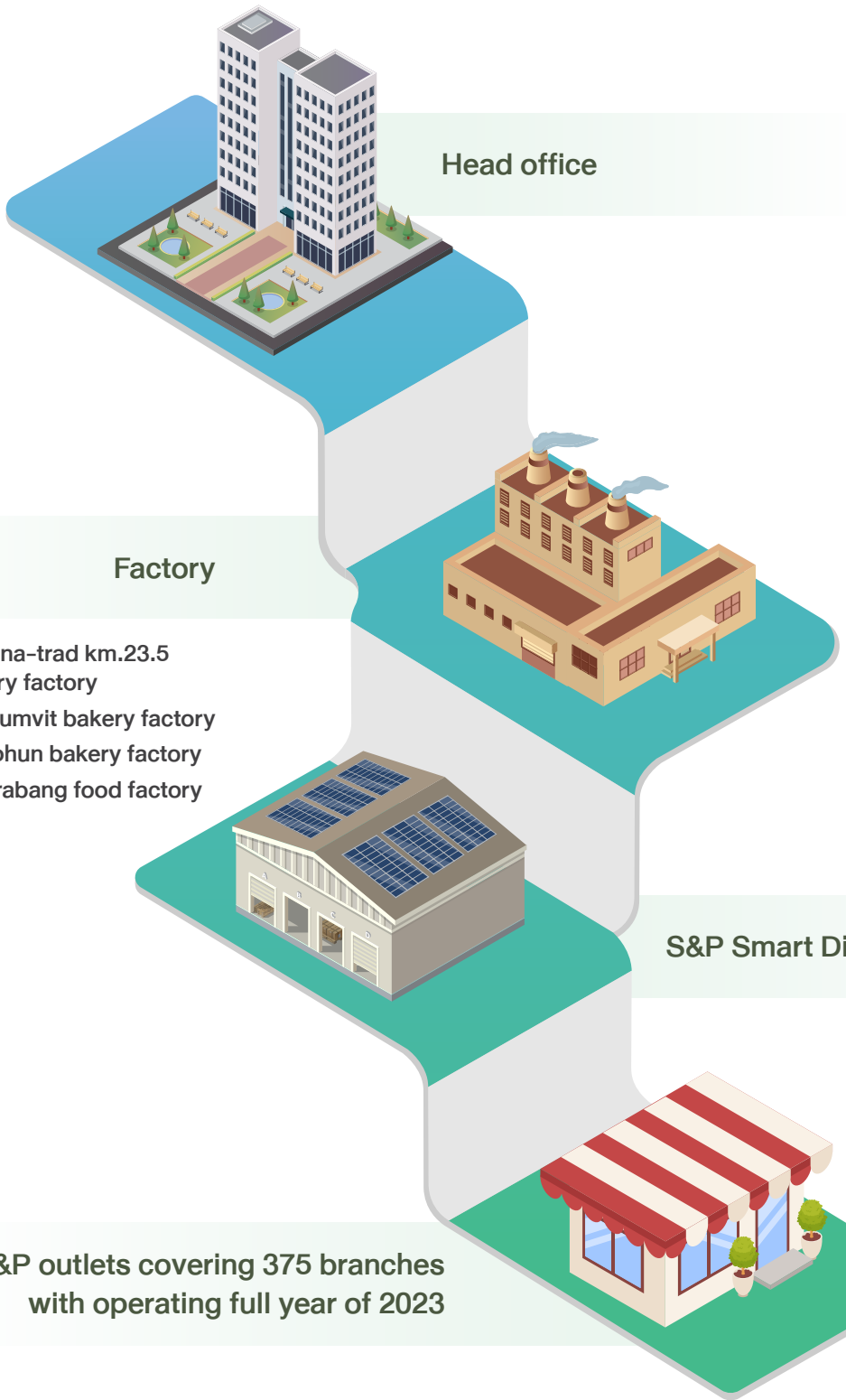
- **Baseline:** based on historical data at S&P's assets locations
- **IPCC SSP 1-2.6:** A low emissions scenario that shows global efforts in alignment to current commitments under the Paris Agreement. Estimated increased in temperature 1.8°C by 2100.
- **IPCC SSP 5-8.5:** A high emissions scenario following a 'business as usual' trajectory, assuming no additional climate policy and seeing GHG emissions triple by 2100. Estimated increased in temperature 4.4°C by 2100.

Time Horizons

- **Short-term:** < 3 years (2022-2025)
- **Medium-term:** 3-10 years (2026-2035) to estimate impacts and prioritize mitigation actions, while considering the expected lifetime of assets.
- **Long-term:** over 10 years and represented by **2050** to align with S&P's Carbon Neutral target

Noted: S&P Restaurants and Bakery shops have branches opening and closing during the year. Therefore, the number of branches each year is different.

The operating locations and business units used in the analysis included



Having the scenario assessment, S&P can move forward to implement the climate resilience to adjust or adapt its strategy and business model to climate change over the short-, medium- and long-term. Including the effect of the S&P's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience.

Transition Scenario Analysis

Following previous TCFD recommendations, S&P categorized transition drivers into four types through internal stakeholder consultation: POLICY AND LEGAL, MARKET, TECHNOLOGY, and REPUTATION and have been considered these drivers in this transition period of IFRS S2 report. Before conducting a semi-quantitative assessment and prioritization of transition drivers to S&P's business and value chain, S&P sought to ensure that both the upstream risks, such as carbon tax on suppliers and downstream opportunities, such as decarbonization of the transportation sector, were included in this analysis to ensure a holistic understanding of the transition risks and opportunities that could impact S&P.

S&P THEN QUANTIFIED THE POTENTIAL IMPACT OF CARBON. Consequently, S&P has developed response measures to mitigate anticipated risks and capture potential opportunities.

As explained, the assessment was conducted in three steps. The tables in the next page provides a summary of the results of these steps, including

It should be noted that the relative materiality was determined by incorporating S&P 's internal perspective on the magnitude and likelihood of impact from each driver and the external perspective informed by the International Energy Agency (IEA)'s World Energy Outlook 2023. Here, the Company focuses on the comparative significance of each driver between the base case and the low-carbon case, as it assumes that most transition drivers can be influenced by various factors not related to climate change or low-carbon economy transition. For example, the global energy crisis since 2023 was mainly driven by geopolitical conflicts rather than the low-carbon transition. By focusing on the comparative significance (or difference) between the base case (i.e., where low-carbon transition is lagged) and the low-carbon case (i.e., where the progress of low-carbon transition aligns with international climate commitments), S&P can capture the precise impact of climate-related risks and opportunities have on its business.

The company firmly acknowledges the critical significance of comprehensively evaluating the potential financial implications stemming from fluctuations in carbon pricing, and a thorough assessment of this pivotal issue is currently underway.

Transition Risks Assessment

Transition Drivers		Potential Impacts: Business operation – Base Line (2022-2025)	Potential Impacts: Business operation – 2030	Potential Impacts: Business operation – 2050	Potential Financial Impacts
POLICY AND LEGAL	**Carbon Price** National carbon pricing regulations being introduced resulting in higher costs	High	High	High	On going
TECHNOLOGY	**Low-carbon technology** Implementation of new technologies in the context of transitioning to a more sustainable and low-carbon economy	Med	High	High	Not yet calculated
MARKET	**Customer behavior** Change of behavior arising from a low-carbon economy world	Med	High	High	Not yet calculated
REPUTATION	**Shareholder and Stakeholder Sentiment** Increase external stakeholder pressure to disclose climate-related activities.	Low	Med	High	Not yet calculated

Impact on S&P's business	Adaptation or Mitigation plan (current period – next 5 years)
Higher production cost	• Plan to invest in technology, including installing solar roofs to use clean energy in the production process. • Established a distribution center to be a warehouse center. There is an efficient transportation management system. Reduce empty travel transportation. • S&P EV Truck pilot project to experiment and study environmentally friendly electric vehicle transportation methods in order to plan a full expansion of the project. • Carbon Footprint for Organization registration from the GHG Management Organization.
• Increase the investment cost for innovation and development of new technologies in environmentally friendly production processes. • Increase the investment cost of research and development of products and services.	Collaborate with S&P's business partners who are the experts in technology development.
• Competitiveness and sustainability in future business operations. • Decrease in S&P 's sales and revenue due to customer acquisition.	Accelerating the implementation of corporate carbon footprint and product carbon footprint to target the reduction of GHG emissions.
• Loss of market share from distrust of the S&P's operations. • Decrease of profit due to the decrease of customer retention.	• Encourage customers to be part of low-carbon activities. • Develop engagement with stakeholder groups to build a good image of the company.

Transition Opportunities Assessment

Transition Drivers		Potential Impacts			Potential Financial Impacts
		Business operation			
		Base Line (2022-2025)	2030	2050	
MARKET	**Low-carbon product** Increase the implementation of green market/ low-carbon product	Low	High	High	Not yet calculated
TECHNOLOGY	**Energy source** Clean energy provision e.g. solar rooftop and EV transportation	Low	High	High	Not yet calculated

Physical Scenario Analysis

Acute and chronic risks of climate change from a variety of conditions, such as **flooding, drought, and extreme heat** are evaluated as physical risk factors. S&P prioritized 14 assets to be assessed against physical climate impacts, whereby each asset's location was reviewed **and the related regional and country-level physical risks were assessed and evaluated. At this level, a "hot spot" site-level risk analysis was conducted,** and S&P seeks to expand this risk analysis further in the upcoming years.

In this initial stage, S&P has quantified their potential financial impact to S&P's business under physical and transition scenarios. It is important to note that this risk and impact analysis is conducted under the assumption by S&P. Through this, S&P has developed group-level strategic responses address and mitigate these risks.

Impact on S&P's business	Adaptation or Mitigation plan (current period – next 5 years)
• Initiate market competitive opportunities such as low-carbon products. • New environmentally friendly innovations production processes. • Increase the support of business market share and generate profits that affect long-term business growth.	• Increase the proportion of production of a wider range of low-carbon products to meet the needs of customers. • Formulate innovation strategies to meet the needs of consumers and investors in the future. • Study the feasibility of low-carbon technologies, as well as invent and develop new products that are socially and environmentally friendly.
• Opportunities from the use of clean energy in the production process to reduce environmental impact. • Adjust energy consumption in the transportation process to reduce environmental impact.	S&P installed solar roofs at 3 bakery factories, 1 food factory and 1 distribution center to educe the electricity cost in the production process.

Potential Financial Impact Calculation Method

S&P initially estimated that the company could potentially face a financial impact of approximately **370.74 million baht** stemming from physical climate risks. This estimate was calculated by aggregating the monthly sales figures from branches affected by climate-related events, with an additional 5% contingency factored into account for potential damages to buildings and infrastructure.

Flood

- S&P Head Office
- Sukhumvit 62 Bakery Factory
- Bangna-trad (Km.23.5) Bakery Factory
- Latkrabang Food Factory
- S&P Smart Distribution Center
- S&P Restaurant, Suvarnaphum Airport Branch
- S&P Restaurant, Don Muang Airport Branch
- S&P Restaurant, Future Park Rangsit Branch
- S&P Restaurant, Bangkok Hospital Pattaya Branch (Chonburi Province)
- S&P Restaurant, Central Khon Kaen Branch (Khon Kaen Province)
- S&P Restaurant, Central Phuket Branch (Phuket Province)

Flood, Drought, Extreme heat

- Lamphun Bakery Factory (Lamphun Province)
- S&P Restaurant, Rimping Nawarat Branch (Chiangmai Province)
- S&P Restaurant, Robinson Saraburi Branch (Saraburi Province)

In the upcoming years, S&P seeks to develop a deeper understanding of the risks posed to sites through site-specific physical risk assessments focusing on key assets and key hazards. As part of on-going efforts to mitigate and adapt to physical risk, S&P considers appropriate insurance products to cover damages and losses due to potential natural hazards at given locations and have set up asset/site-based mitigation plans.

Physical Risk Assessment

ACUTE

- Flood
- Drought

CHRONIC

- Extreme heat

ACUTE					
Risk	**Description of risks**	**S&P's description of risks**	**Impact on S&P's business**	**Adaptation or Mitigation plan (current period – next 5 years)**	**Potential Impact**
Flood 	Climate change refers to the increased likelihood and severity of flooding events resulting from climate-related factors such as intense rainfall.	Flooding results in disruption to operations, which directly affects the loss of S&P's revenue. It also delays the delivery of raw materials by suppliers.	• Lack of raw materials in food& bakery production. • Disruption of the production process. • Decrease in revenue due to customers not being able to come to buy products. • Increased costs from flood protection.	Assess risks in areas involving critical assets such as **factories and warehouses**, develop emergency response plans, including stormwater drainage systems, and plan alternate transportation routes to avoid supply chain disruptions.	It is estimated that the cost of the shutdown of the production line of the factory is approximately **370.74 million baht per month**.
Drought 	Extended period of dry weather characterized by significantly below-average rainfall or lack of precipitation, resulting in a shortage of water supply in a specific region.	Water shortage in the production results in disruption of the production process. This affect the S&P's operational reliability and may result in higher production cost due to increased water supply costs.	• A shortage of agricultural products and raw materials for food production. • Low quality of agricultural products and raw materials . • Low standard quality of product.	• Monitor and assess risks from drought conditions continuously and formulate response plans and business continuity management plans in the event of drought. • Support technology investment, improving production processes, finding alternative water sources, and reusing wastewater from wastewater treatment systems.	Not yet calculated

ACUTE

Risk	Description of risks	S&P's description of risks	Impact on S&P's business	Adaptation or Mitigation plan (current period – next 5 years)	Potential Impact
		For example: Drought leading to an increase in the cost of flour because the production is affected by the lack of water (impact).	• Cost of raw material since risk from the highly volatile cost of raw materials such as butter, flour and eggs, which are the main raw materials of bakery. For example: Drought leading to an increase in the cost of flour because the production is affected by the lack of water (impact).	• Procure alternative sources of raw materials, such as southern durian, to prepare for potential crises and be purchased from foreign countries. • For the cost of raw material, S&P sets the future contract, by defining the price and quantity of key ingredients to be used, and some menu items are adjusted to replace the affected menu.	

CHRONIC

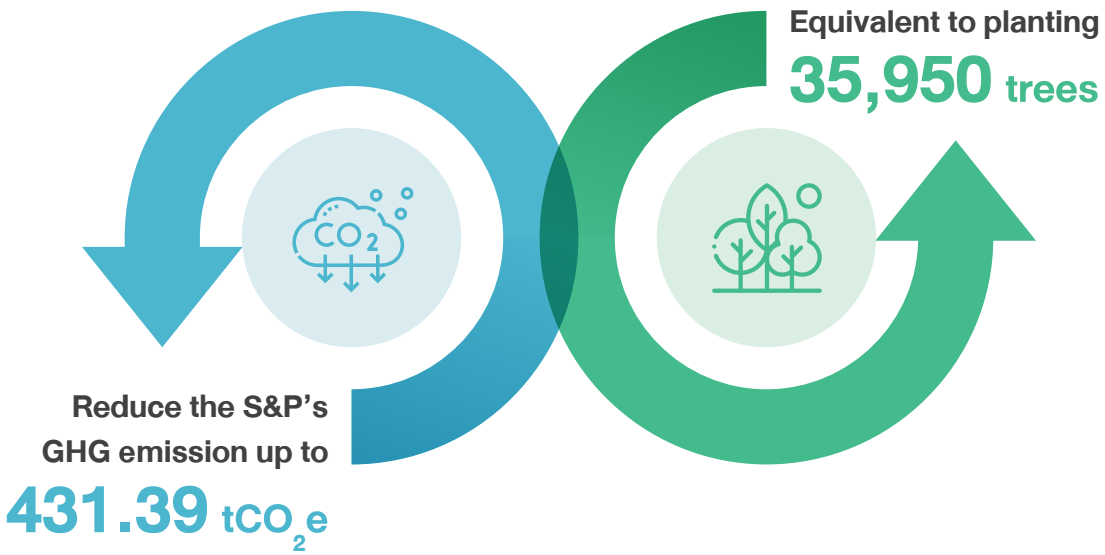
Risk	Description of risks	S&P's description of risks	Impact on S&P's business	Adaptation or Mitigation plan (current period – next 5 years)	Potential Impact
Extreme heat	Accumulation of GHG in the Earth's atmosphere, trapping heat and leading to a global warming trend. This rise in temperature disrupts weather patterns.	Chang in the temperature may result in a decrease in agricultural output throughout the supply chain.	• Raw materials are damaged and not of good quality. It affects disruptions in the production process. • Higher procurement cost. • Loss of sale revenue due to the insufficient product for customer needs.	• Educate farmers on resource conservation so that they can prepare for the natural disasters and apply technology to increase production efficiency.	Not yet calculated

Our response :

Renewable electricity → **3 Bakery Factories, 1 Food Factory and Smart Distribution Center**

In 2023, Solar Roof project at S&P's bakery factories, Latkrabang Food Factory and Smart distribution center has been implemented. By using clean energy substitutes in bakery and food production processes, it can reduce the heat in building and reduce the burden of air conditioning and refrigeration facilities.

The results from the implementation of the project can reduce the S&P's GHG emission up to 431.39 tCO_2e or equivalent to planting 35,950 trees approximately.



Plants	Food – LKB	Bakery – Bangna trad	Bakery – Lamphun	Smart DC	Total
	Solar Roof – Phase 1 (March 2023)	Solar Roof – Phase 3 (October 2023)	Solar Roof – Phase 1 (October 2023)	Solar Roof – Phase 1 (October 2023)	
Installation size (Kwh)	532.56	313.5	293	596.85	1,735.91
Investment (million Baht)	13.91	8.18	7.27	12.43	41.79
Electrical production capacity (Kwh)	576,841.73	86,106	86,300	142,900	892,147.73
Reducing Emission ($tonCO_2e$)	280.18	45.21	40	66	431.39
Cost Saving (million Baht)	2.85	0.41	0.35	0.58	4.19

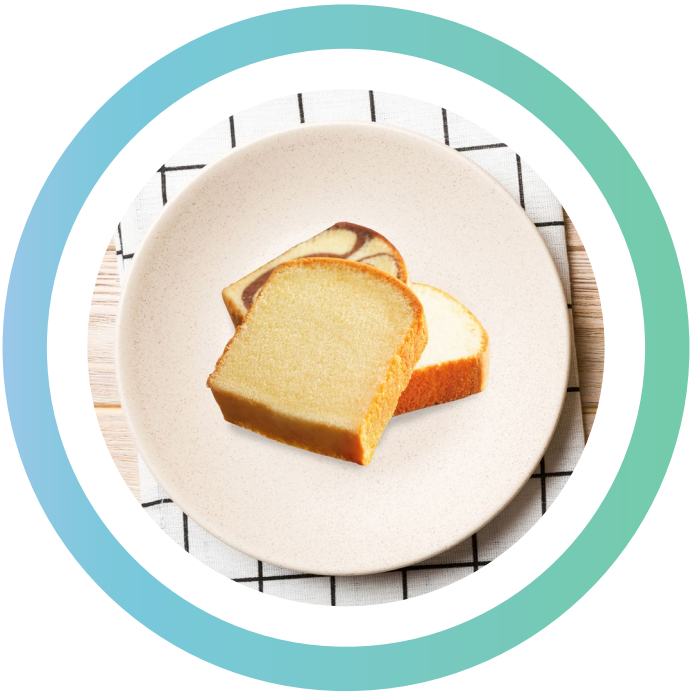
Our response :

Low-carbon product **Bakery products**

In 2022, 5 products were certified for Carbon Footprint Label: 1. Jam Roll, 2. Pandan Roll, 3. Coffee Roll, 4. Mixed Flavored Cake Roll and 5. Almond Brownie after obtaining the carbon footprint label for butter cake and banana cake.

The project is an estimation of the amount of GHG emissions over the life cycle of products from the acquisition of raw materials, production process, product distribution and waste management.

The carbon footprint label was previously certified for S&P banana cake product and S&P Butter. These 2 products are favored and create great sales volume on top of the brand.



Our Commitment

1 S&P will increase the proportion of production of a wider range of low-carbon products to meet the needs of customers.

2 S&P will formulate innovation strategies to meet the needs of consumers and investors in the future.

3 S&P will study the feasibility of low-carbon technologies, as well as invent and develop new products that are socially and environmentally friendly.

In 2022, S&P received the the Carbon Footprint Certificate by the Greenhouse Gas Management Organization.

3 Products for Carbon Footprint Product (CFP)

1 Product for Carbon Footprint Reduction (CFR)

5 places for Carbon Footprint Organization (CFO)

3 Factories for Green Factory

The S&P products have accumulated 15 carbon footprint certifications.

S&P will update our 2023 certified carbon footprint label in the next year disclosure since there are in the certify process during the disclosure period.

Our response :

Business Model and Value Chain > **Raw Materials**

S&P values our all groups of stakeholder, whether internal stakeholders such as executives, shareholders, employees and external stakeholders such as customers business partners and community.

Climate-related risk and opportunity is a factor that causes the change of business operations and adapt to the current climate situation. Stakeholder groups are becoming more complex and have higher expectations of unprejudiced also participation in decision-making on matters of impact. **Therefore, S&P has established climate-related risk and opportunity guidelines for stakeholder engagement** to build a trust among all groups of stakeholders in the responsible to climate change.

Raw Materials

Raw materials is expected to be highly affected by climate change risks. Raw materials are important factors of food production, whether crops, vegetables, fruits that are affected by floods, spoiled produce, or meat that may have carriers or diseases in animals that could pose risks for consumption.

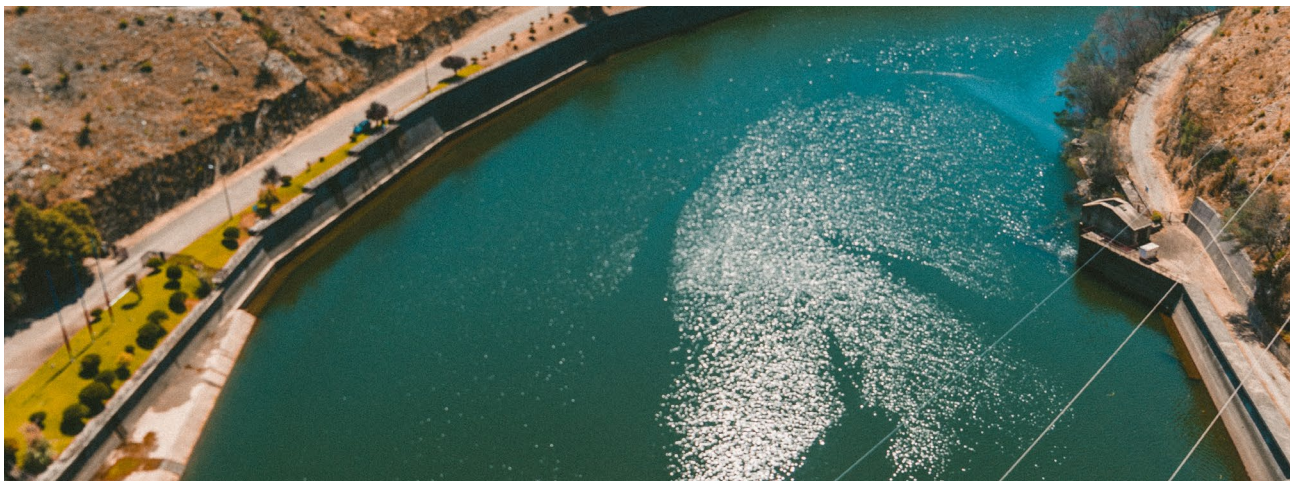
S&P has prepared some mitigation actions to respond and minimize the impacts pose significant risks to S&P operation;

- Find backup sources of raw materials to be prepared for climate change risks by selecting and developing reserve sources, such as durian from the South. This approach also presents business opportunities because not only does it ensure sufficient food sources, but it also distributes income and creates jobs for people in those communities.
- Produce seasonal products, e.g. for banana products in the ready-to-eat food production, manufacture larger quantities during peak season to stock products for selling in the off-season.
- Procure backup routes for transporting raw materials and secure backup warehouses in case the main distribution centers or transportation route are flooded.

Supply Chain Management

Our response :

Water Management



Water is an important primary resource for living beings and running a business, economic growth and population expansion, this makes the industrial sector and the public sector demanding. higher water consumption poses a risk of water scarcity in the future.

Due to the situation of the epidemic in the past, it caused the increasing of water quantity and quality risk. Therefore, efficient water management is important for the most beneficial and sustainable use of water without compromising the environment.

In 2023, the recycled water is accounted for 44.3% of the generated wastewater.

- **Manage water risks by monitoring the amount of water available at the local level.**
- **Inspect the quality of effluent from the production process every time using the legal wastewater control.**
- **Invest in effluent reuse projects to improve the quality of reuse using air-based biological water treatment systems. (Sequencing Batch Reactor; SBR)**
- **Install a grease trap (Grease Trap) at all S&P's restaurants.**
- **Promote awareness and commitment to water conservation for employees and stakeholders.**

Carbon Credit

S&P has set a goal to achieve carbon neutrality by 2050 and has therefore implemented projects to reduce greenhouse gas emissions, such as solar power installation projects, low-carbon product projects, projects to increase the efficiency of electrical equipment in food and bakery plants, as well as using carbon credits to ultimately offset the organization's greenhouse gas emissions from operations.

S&P purchased carbon credits originating from solar energy through **BCPG Public Company Limited**, a leading renewable energy producer in the Asia-Pacific region under the Bangchak group. The company purchased **13,400 tonnes of carbon dioxide equivalent credits from the 12.5-Megawatt Photovoltaic Power** Plant Project of Bangchak Solar **Energy (#S0027)**, which is certified by the Thailand Greenhouse Gas Management Organization (TGO).

The company is committed to conducting business while reducing greenhouse gas emissions that impact the world. It has planned to purchase carbon credits to offset the organization's emissions, after implementing greenhouse gas reduction projects. The amount of carbon credits purchased is considered based on the current net emissions. For the future, it plans to purchase additional credits, considering the net greenhouse gas emissions each year, aiming for the emissions rate to decrease according to the company's emissions reduction plan and technologies adopted to achieve this goal.

In considering purchasing carbon credits from sellers, the company selects credible organizations that clearly disclose the origin of the credits, and have been certified by a reliable external agency, namely the TGO.

S&P Decarbonization Roadmap

2023

- Once Through Boiler Project
- Solar Rooftop at Latkrabang Food Factory, Sukhumvit 62 Bakery Factory, Bangna-trad (Km.23.5) Bakery Factory and Lamphun Bakery Factory
- Less (Recycle waste)
- Energy management

2024

- S&P EV Truck Pilot Project
- S&P Carbon credit collection
- Energy efficiency project
- 50% of Carbon Footprint Organization for S&P Outlets

2027

- 50% of GHG Scope 3 data collection
- Reduce paper use
- Reduce thickness of Quick Meal tray, bag, and film packaging
- Reduce sticker plastic

2028

- 100% data collection through Carbon Footprint Organization Project for S&P Outlets
- 100% of GHG scope 3 data collection
- ISO 14001:2015

2029

- 100% of GHG Scope 3 data collection
- Thailand Voluntary Emission Reduction Program (T-VER)
- Refrigerant replacement project
- Renewable Energy Certificates

2030

- Reduce 20% of GHG Scope 1 and 2
- Reduce 25% of GHG Scope 3

2040

- Tunnel cooker to Steam Boiler to reduce steam energy
- Biogas energy
- Slow freezing for low-risk products
- High efficiency oil filter
- Low emission factor for main ingredients

2050

CO_2 **Become Carbon Neutrality**

2065

Become Net Zero

Climate Strategic Project VS GHG Emission Reduction 2023-2030

Short-term Climate Strategies

- Once through boiler
- Solar roof: Latkrabang Food Factory
- Solar roof: Bangna-trad (km. 23.5) Bakery Factory
- Solar roof: Sukhumvit Bakery Factory
- Solar roof: Lamphun Bakery Factory
- Solar roof: S&P Smart Distribution center
- Low GHG Refrigerant
- RECs purchase

20% of GHG emissions will be reduce from 2022

S&P has established a target to reduce 20% of Scope 1&2 GHG emissions by 2030 (2022 as the base year). This target only encompasses GHG emissions reduction on Thailand's S&P Syndicate business only.

To achieve its GHG emission reduction target, S&P Syndicate has developed climate strategies to effectively reduce GHG emissions from Thailand business, while also aiming to expand its coverage in the following year. The main climate strategic projects under the climate strategies by 2030, as follows:

Once through boiler (high efficiency boiler)

This can produce steam at higher pressures and temperatures, allowing an operator to reduce its fuel consumption and CO_2 emission.

Renewable Energy Certificates

RECs is the instrument that allow company to lower Scope 2 emission from purchase electricity, RECs represent attributes of 1 MWh renewable electricity generation.

Solar Rooftop Installation

S&P has implemented substantial investments in renewable energy through installing solar rooftops at its food factory and bakery factories in Thailand. The solar rooftops will harness sunlight to generate electricity, reducing reliance on conventional power sources and contributing to a more sustainable energy mix.

Low GHG Refrigerant

S&P plans to implement the low refrigerant project by replacing substances with lower global warming potential (GWP).

Long-term Climate Strategies

For the long-term climate strategic projects, S&P has developed a comprehensive strategies as follows:

Steam boiler
Steam boiler can be designed to run on a variety of fuels, including natural gas, biomass even hydrogen. Cleaner fuel sources can reduce GHG emissions. Additionally, steam boilers can incorporate advanced combustion technologies and emissions control systems to further minimize environmental impacts.

Produce biogas energy from anaerobic digestion of organic fertilizer
capture and purify biogas, and use as a renewable energy source including heating, electricity generation and transportation fuel.

Slow freezing for low-risk products
freezing food products at a lower temperature over a longer period allows for more efficient heat transfer and reducing the energy required for freezing. In addition, it can help preserve the quality and extend the shelf life of food products more effectively.

Carbon Credit Project
There is a plan to accumulate purchases annually, considering the amount of net greenhouse gas emissions.

Low-Carbon Product Development Project
Approximately 5 items per year across food, bakery, and beverage products, considering operational suitability each year. For certification of the Corporate Carbon Footprint Project, Product Carbon Footprint Project, and Carbon Footprint Reduction Label Project (CFR) for products.

Circular economy
concept will continue to be implemented. Any new projects with partners and self-initiated company projects will be considered in line with current pain points, as well as forecasting future risks and opportunities.

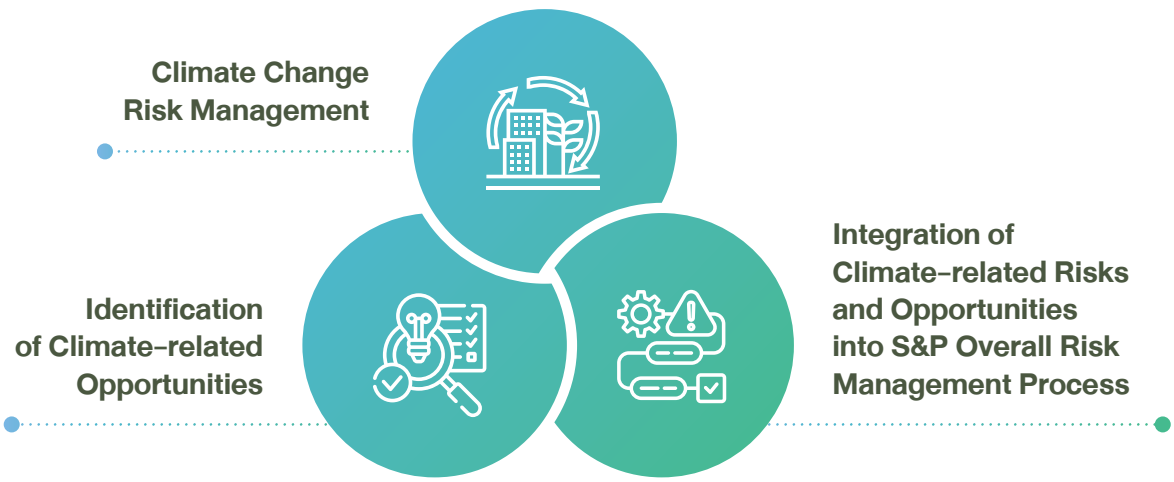
Single-Use Plastic Reduction Project
by campaigning for consumers to bring their own reusable bags instead of asking for plastic bags, and a bring-your-own-tumbler campaign for a 10 Baht discount. There are also recycling projects with various partners for plastic bottles, bags and used paper.

Environmentally-friendly packaging project
such as food boxes made from natural pulp, paper straws, mono-material plastics that can be recycled. In the future, there are plans to develop R-PET for the company's packaging as well.


Risk
Management

To enable users of general-purpose financial reports to understand S&P's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.

Climate risk is assessed and managed through the S&P's annual risk assessment. S&P has developed an environmentally conscious risk taxonomy to classify risks according to strategic risks, operational risks, financial risks and compliance risks. It integrates climate-related issues into various categories so that S&P can identify different types of climate-related risks that may affect S&P's business.



Climate Change Risk Management

Having completed the climate change risk management, S&P adopts the Committee of Sponsoring Organizations of Treadway Commission (COSO) international standard to guide its risk policies, objectives, management frameworks and management structure. See Figure below for how climate change risk management is integrated in the Company's adoption of the COSO ERM framework.

Climate Change Risk Management in the COSO ERM Framework

- Set up the roles & responsibilities for the Board and Committees in term of climate governance.
- Identification of climate-related risks within S&P's strategic, operational, financial and compliance risk (physical and transition risk).
- Risks are assessed according to the S&P's Risk Management Manual where climate-related risks are incorporated into corporate risk assessment process.
- Key Risk Indicators are established for risk management purposes.
- Potential financial impact of selected climate drivers are quantified in collaboration between Sustainable Development Committee and Risk Management Committee.
- Regularly review the performance, revise the strategy, goals and KPIs as needed.
- Development of mitigation actions and plans. Mitigation actions for physical transition risks and plans to capture transition opportunities are integrated into S&P's climate strategy.
- Regularly update and communicate the climate strategy, goals and performances.

The processes and related policies S&P uses to identify, assess, priorities and monitor climate-related risks.

Scope

The inputs and parameters S&P uses

Physical Risk Parameter

- Flood: Latkrabang Food Factory

Transition risk Parameter

- Carbon price: business operation

Transition risk opportunity

- Low carbon product

Process

Climate change as a cross-cutting theme is well embedded in this COSO ERM Framework. S&P has established robust climate governance, as described in the Governance section of the report. Under the Strategy Setting pillar, a comprehensive climate change risk assessment was conducted and introduced above. Based on the findings of the climate change risk assessment, the climate strategy framework which outlines the Company's climate-related targets, and key initiatives has been formulated by the Climate Change Committee and endorsed by the Sustainability Development Committee. Meanwhile, under Performance, S&P has made climate-related risk and opportunities assessment and the climate strategy framework, to prioritize the risk items. Key climate-related risks are identified and prioritized based on qualitative factors **1) Likelihood of occurrence** and **2) Impact of risks, and response measures** that it will focus on in the short, medium, and long term. Climate performance has been and will continue to be regularly tracked by key performance indicators (KPIs) and will be reviewed annually by the Sustainable Development Committee and Climate Change Committee, while revisions of the climate strategy, targets and KPIs will be conducted on an as-needed basis. Finally, S&P is committed to constantly updating and communicating its climate strategy and performance in the Annual Report/SR and the IFRS S2 Report.

Monitoring

How S&P monitors climate-related risks (Track and assess actions)

- Monitoring of risks identified using proper indication and collaboration of the data collection between each function.
- Report on the climate risks to the BoD, Risk Management Committee and Audit Committee.
- All functions report to Corporate Governance and Sustainability Committee on ad hoc basis.

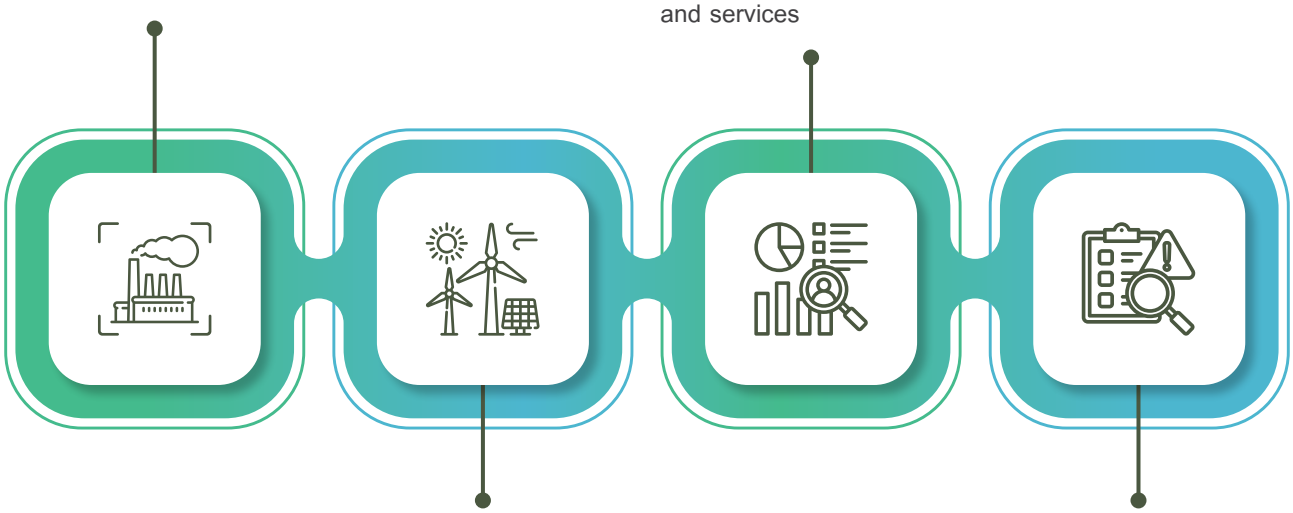
Identification of Climate-related Opportunities

Climate change is a huge threat to the food business, but this gap is an opportunity to develop agriculture society and its raw materials, including nutritional value and the transportation to maintain the product quality.

Climate-related opportunities from scenario analysis refers to the process of finding and exploiting potential benefits and advantages that arise from understanding and responding to climate change. According to the S&P's climate scenario analysis, it involved analyzing climate data, projections, and impacts to identify areas where action can be taken to mitigate the negative effects of climate change or capitalize on emerging opportunities.

Identifying asset that are particularly vulnerable to climate change and developing strategies to reduce their exposure and build resilience

Analyzing market trends and consumer preferences to identify opportunities for businesses to capitalize on the growing demand for sustainable products and services



Exploring opportunities for developing new technologies, products, or services that address climate change challenges, such as renewable energy, energy efficiency, or climate-resilient agriculture.

Conducting risk assessments and scenario planning to help organizations and BoD make informed decisions about how to adapt to and mitigate climate change.

Overall, the identification of climate-related opportunities is a proactive approach to addressing climate change by seeking out positive outcomes and benefits that can be derived from understanding and responding to its impacts.

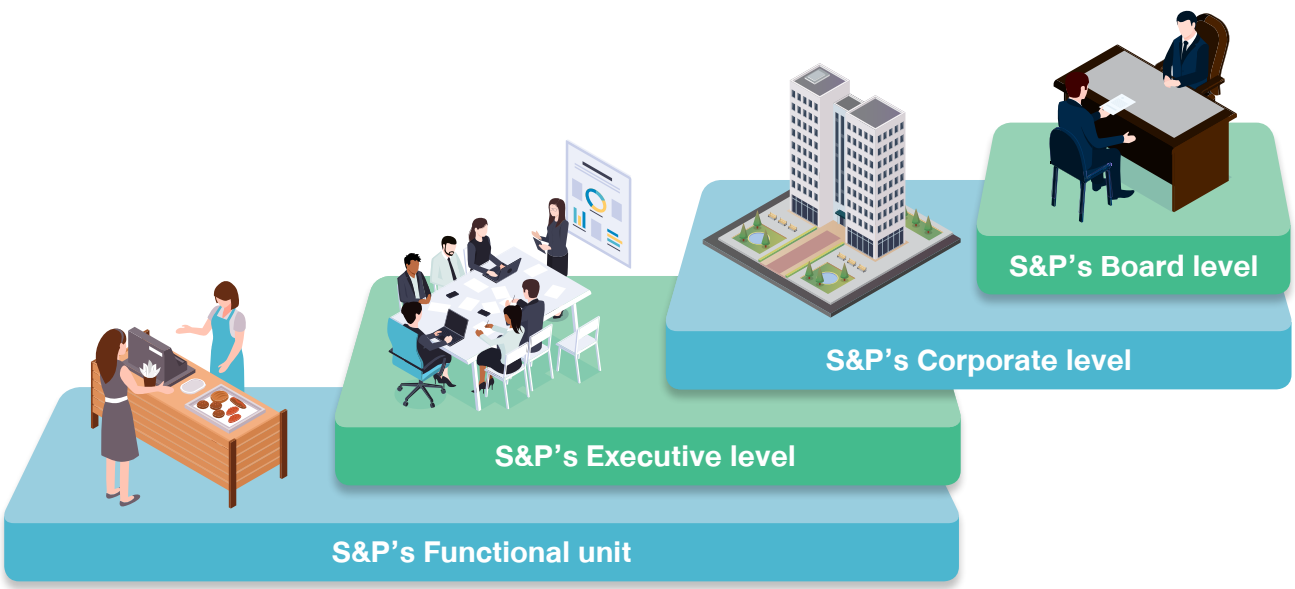
How the climate-related risks and opportunities risk management processes are integrated into and inform, S&P's overall risk management process.

Integration of Climate-related Risks and Opportunities into S&P Overall Risk Management Process

Our risk management process is an ongoing systematic approach present in corporate and operational business unit. It based on internal best practices from Business Continuity Plan. S&P have disclosed our most material climate-related risks and opportunities result from our business operation, value chain/ retail customers/suppliers including reputational losses incurred as a result of customer acquisition.

S&P continue to develop an organization culture that encourages regular discussion and consideration of emerging climate-related risks. Our risk team is working with our value chain and our stakeholder, encouraging them to talk about managing the risks and opportunities associated with climate change, assisting us to progress our low carbon transition target focused on our major emitting sources.

The S&P's Climate-related integration to Risk Management Process



Identification risk

Climate related risks and opportunities identification and screening in Physical risks, Transition risks and Opportunities (Described in Strategy section)

Prioritize of Risk

Identified risks and opportunities in term of level of impact and likelihood including both financial and non-financial impact, and then, risks and opportunities prioritization and analysis

Report and Communication

Results from the prioritization are integrated into the corporate risk/opportunity management process and reported to relevant executive-levels

S&P Consolidate Management Process

The consolidation of the corporate risks and opportunities results as input parts of executive strategic thinking session and contribution to Business Strategy Executive-level has own sponsorship on the scenario analysis

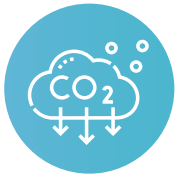
Metrics and Targets

To enable users of general-purpose financial reports to understand S&P's performance in relation to climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.

S&P track progress towards the GHG targets and key performance indicators in different time horizons for the focused climate topics of the Company.

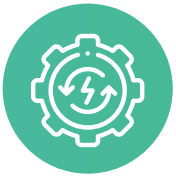
S&P believes that setting annual performance targets as its interim progress is supportive to the success of our 2030 targets.

In term of climate-related targets, S&P prioritized one area across climate risk identified is in GHG emissions mitigation and due to their direct impact on S&P's operations.



GHG Emission Metrics and Targets

Other Climate-Related Metrics and Targets



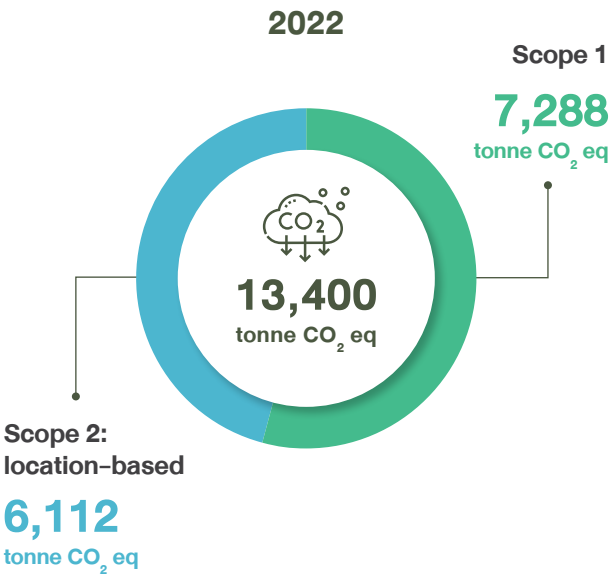
GHG Emission Metrics and Targets

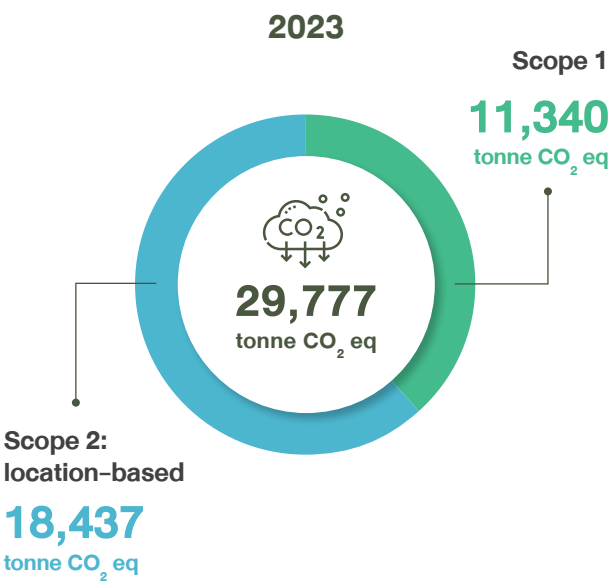
To monitor its progress, S&P continuously measures and reports its GHG emissions across our business operations. The GHG emissions data are collected and calculated following the methodologies of the GHG Protocol, ISO 14064:2018, The Intergovernmental Panel on Climate Change (IPCC), and The Thailand Greenhouse Gas Management Organization (TGO): The National Guideline Carbon Footprint for Organization (CFO). S&P also annually conducts third-party verification of the GHG emissions data by SGS (Thailand) and Bureau Veritas (Thailand). Compared to 2022, S&P has reduced its GHG emissions (Scope 1 and Scope 2) by 6% in 2023 from its initiatives on improving energy efficiency and solar rooftop system. GHG emissions data reported in the below table covers Bakery Factory at Sukhumvit 62, Bakery Factory at Bangna km23.5, Bakery Factory at Lamphun, S&P Smart Distribution Center, Latkrabang Food Factory and head office which accounts about 100% in term of business unit of GHG emission. S&P will include S&P outlets for the next year disclosure. The objective of our target is to monitor our progress towards mitigation and achieving S&P's strategic goals and align with national target.

S&P Syndicate GHG Scope 1 and 2 Metrics

GHG Emissions	2022	2023
Scope 1 (tonne CO_2 eq)	7,288	11,340
Scope 2: location-based (tonne CO_2 eq)	6,112	18,437
Scope 2: market-based (tonne CO_2 eq)	N/A	6,133
Total	13,399 (5 places)	29,777 (All S&P)
Emission Intensity (tonne CO_2 eq/ million baht of revenue)	2.3458	4.7842

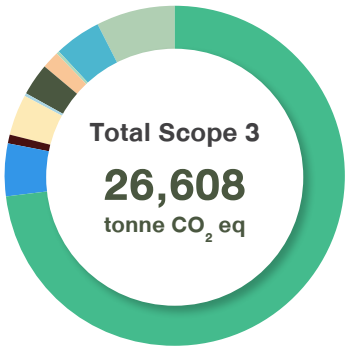
Remark: In 2023, GHG emissions data of all S&P; 5 places, Distribution Center and S&P outets 375 branches.





S&P Syndicate GHG Scope 3 Metrics

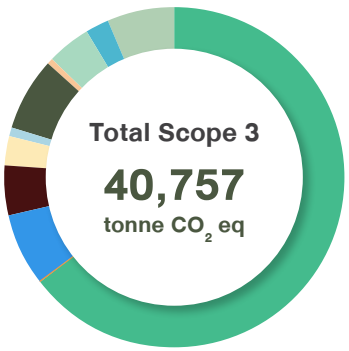
2022



unit : tonne CO_2 eq

Category 1	=	24,935	Category 7	=	1,029
Category 3	=	1,731	Category 8	=	623
Category 4	=	276	Category 9	=	66
Category 5	=	1,329	Category 11	=	1,541
Category 6	=	36	Category 12	=	2,476

2023



unit : tonne CO_2 eq

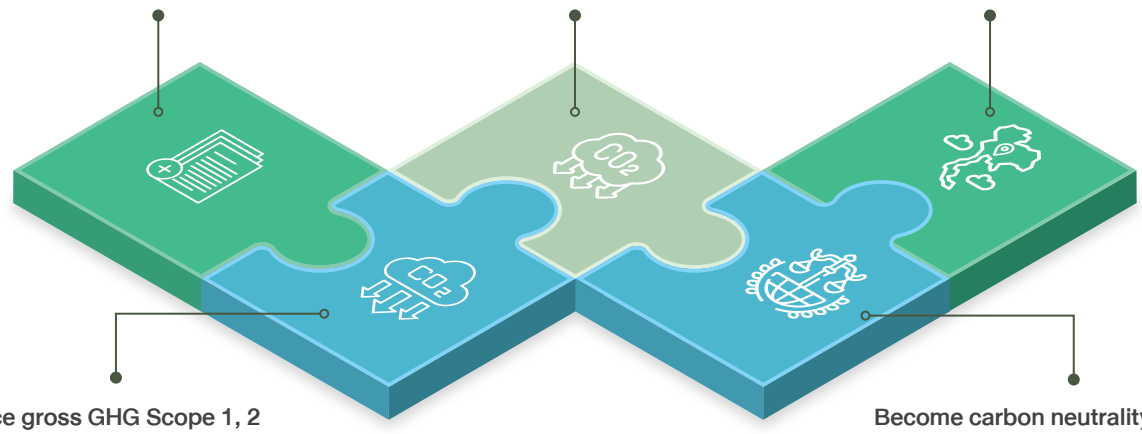
Category 1	=	40,639	Category 7	=	4,276
Category 2	=	6	Category 8	=	352
Category 3	=	4,450	Category 9	=	2,642
Category 4	=	2,928	Category 11	=	1,337
Category 5	=	1,831	Category 12	=	4,020
Category 6	=	511			

S&P Syndicate GHG Scope 1, 2 and 3 Targets

To collect 100% GHG Scope 1, 2 coverage by 2025 and Scope 3 by 2028

Reduce gross GHG Scope 3 emission by 20% by 2030 from 2022 base year

Become net-zero by 2065 following Thailand's National Determined Contribution (NDC)



Reduce gross GHG Scope 1, 2 emissions by 20% by 2030 from 2022 base year

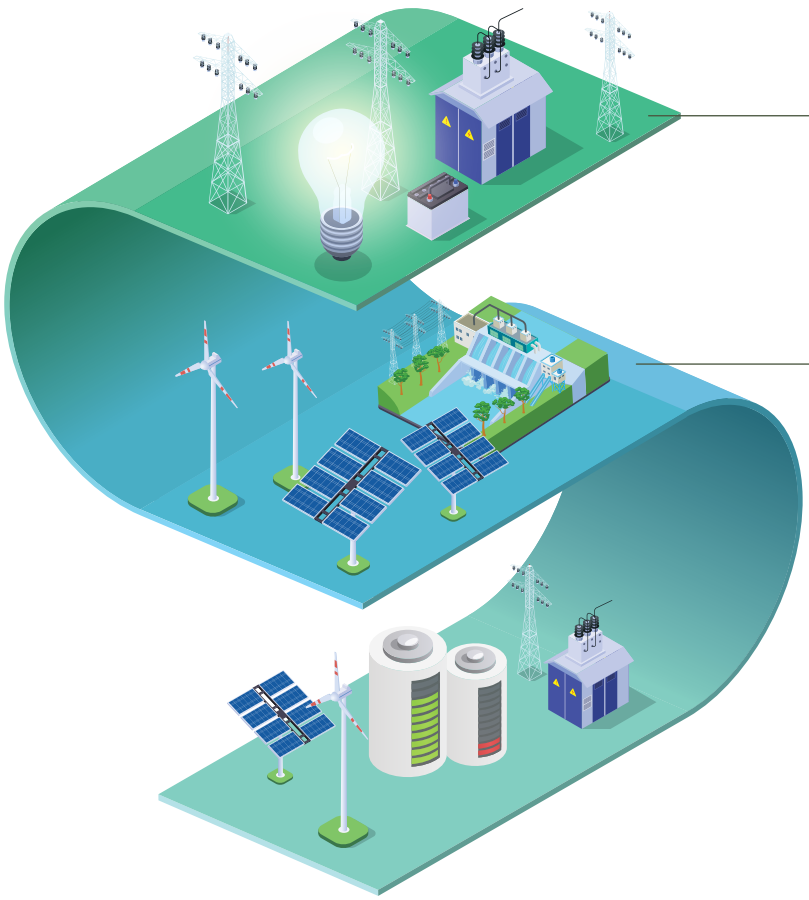
Become carbon neutrality by 2050 (net emission target)

S&P starts collecting scope 3 for all business units in 2023 which Manufacturing Unit, Operation Unit, Supporting Unit and Business Unit. Therefore, the number of GHG emission scope 1, 2 and 3 are dramatically increased in 2023.

S&P will continuously expand the data collection for businesses under of S&P Syndicate Thailand. A broader coverage ensures a more comprehensive understanding of the organization's carbon footprint, leading to more accurate calculations of emissions. This accuracy is crucial for setting realistic reduction targets and tracking progress effectively.

Other Climate-Related Metrics and Targets

Energy Management



Total electricity consumption

41,772.25 GJ

Total renewable energy generated

7,350.16 GJ

Share of renewable energy generation compared to total energy consumption

17.6%

S&P has set an energy management target by using 18% renewable energy per year from total consumption

Remuneration Consideration from Climate-Related Management

N/A

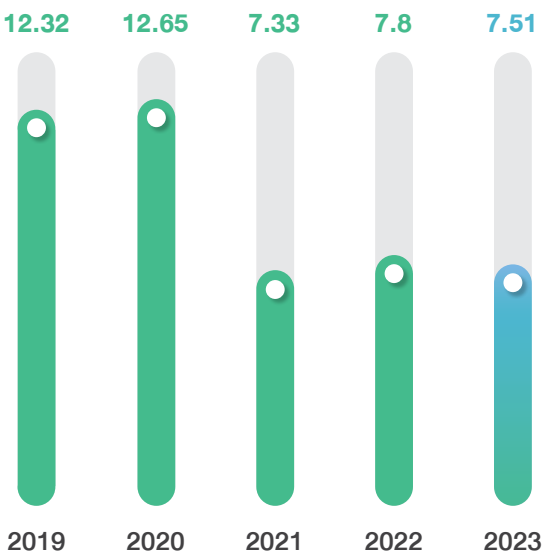
Industry-Based Requirement

Water Management

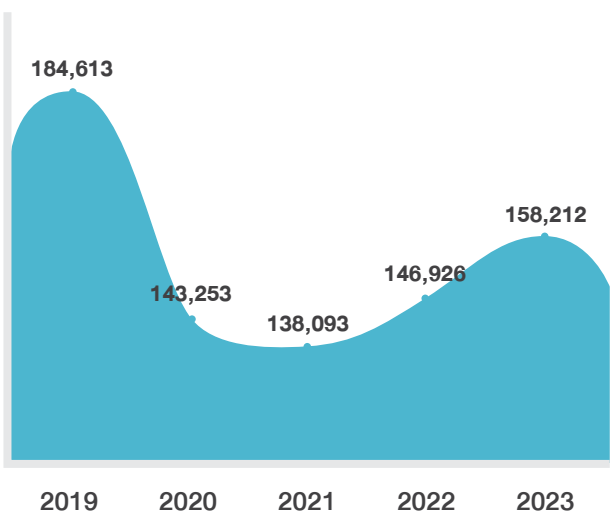
Quantitative in m^3 or Percentage

- **Total water withdrawn : 2023 data**

Total water consumption
(cubic meter)



Amount of water consumption per unit of production
(cubic meter per tons of production)



- **Total water consumed: % of each in regions with High or Extreme High Baseline Water Stress**

Data collection assessment in progress

Supply Chain Management

S&P has policies covering environmental and social such as Waste Management Policy and Human Rights Policy

More details click

In addition our suppliers have been certified to third-party environmental standards such as Good Agriculture Practices : GAP , SDGsPGS Organic.

S&P has strategy to manage environmental and social risks within the supply chain ;

E

Environmental

- The environmantal policy is announced.
- Natural resource conservation.
- Activities to promote the employee's engagement in the environment.
- Sustainable purchasing and procurement
- Animal welfare
- No complaints on the environmental issues.

S

Social

- Human rights and labor use
- Occupational health and safety
- Neither complaints nor prosecution on labor cases.
- Engagement in the community sustainable development

G

Governance

- The insider information access is protected.
- The business is operated with transparency, integrity, and fairness.
- The appropriate risk management is provided.
- The operation is correspondent with the international standards.

Activities Metrics

Number of operational businesses :

As of 31 December 2023

S&P Restaurant — **133 branches**

Thailand: Equity 128 branches
International: Equity 5 branches

S&P Bakery Shop — **275 branches**

Thailand: Equity 274 branches, Franchise 1 branch

S&P DelTA — **33 branches**

Thailand: Equity 33 branches

Patio — **1 branch**

Thailand: Equity 1 branch

Patara — **8 branches**

Thailand: Equity 1 branche
International: Equity 3 branches, Joint Venture 4 branches

Nais & SNP Cake Studio — **1 branch**

Thailand: Equity 1 branch

Maisen — **11 branches**

Thailand: Equity 11 branches

Umenohana — **1 branch**

Thailand: Equity 1 branch

Number of employees :

- **Entity-owned**

4,456 persons

- **Franchise restaurants**

5 persons

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