THAI HOOVER INDUSTRY CO., LTD.
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Climate Change Management Strategy

Thai Hoover Industry Co., Ltd. recognizes the potential impacts of climate change on its business operations throughout the supply chain and prioritizes the National Energy Plan's goals, which support Thailand's move towards clean energy and a 5 percent net carbon dioxide emissions reduction by 2022-2027. The company adheres to business principles that minimize environmental impacts through a focus on developing environmentally friendly packaging and organization, implementing internal management to enhance eco-efficiency, and fostering environmental awareness with stakeholders.

The company is committed to reducing greenhouse gas emissions, which are the main cause of Climate change by establishing a climate change management strategy that is consistent with the United Nations Sustainable Development Goals and international standards as follows:

1. Collect data and calculate the amount of greenhouse gas emissions from business activities in order to Information for improving operational efficiency and setting greenhouse gas emission reduction targets At the corporate level.

2. Assess the risks and opportunities from climate change according to the guidelines of the Task Force on related Financial Disclosures (TCFD) integrated with corporate risk assessments to prepare for and mitigate the impacts of climate change on business.

3. Change the business model by choosing to use fuel for transportation to increase the efficiency of vehicle combustion and increase the proportion of renewable energy use to reduce direct and indirect greenhouse gas emissions.

4. Promote activities to conserve the environment and create carbon dioxide absorption sources together with stakeholders through tree planting campaigns in community areas according to social responsibility projects, including creating Provide employees with responsibility and awareness in reducing their impact on climate change. Through energy saving activities

5. Disclose greenhouse gas emissions information to stakeholders in accordance with relevant guidelines and standards.

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Climate Change Risk and Opportunity Analysis Report

In accordance with the climate-related financial disclosure standards

Prepared in accordance with recommendation of Task Force on Climate Related Financial Disclosure (TCFD)

1. Governance of climate change risk management

Thai Hoover Industry Co., Ltd. has established an organizational climate change risk management program, part of its risk management strategy for sustainable organizational development. This program aims to prepare for risk prevention and adaptation, as well as effectively seek business opportunities stemming from climate change. The policy for implementing the organization's risk management system to ensure that the organization's risks are managed to an acceptable level and can create confidence for stakeholders.

Thai Hoover Industry Co.,Ltd. Board of directors ensures that, climate related issues are guided and overseed by the board of committee, including scenario analysis, risk & opportunity assessment, setting of corporate targets, monitoring progress towards corporate targets, monitoring the implementation of business strategy etc.

The Company has an Enterprise Risk Management Committee, comprised of senior executives, specifically responsible for overseeing the Company's risk management. The Committee also appointed an Enterprise Risk Management Working Group to be responsible for various enterprise risk management processes, including climate change risk management . Effectiveness.

Duties of the Enterprise Risk Management Committee

1. Organize a systematic and continuous analysis of climate change risks and opportunities in line with the current situation to ensure that risk assessment covers all stages of business operations.
2. Establish indicators to measure the effectiveness of measures to manage risks and opportunities arising from climate change.
3. Review the climate change risk management report and ensure that the company has appropriate risk management.
4. Report on climate change risk management results to the Board of Directors.

Duties of the Enterprise Risk Management Working Group

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1. Coordinate with the Risk Management Department to implement risk management policies and systems for managing climate change risks .
2. Responsible for each department to carry out risk management processes by identifying, analyzing, and evaluating risks and opportunities from climate change in accordance with the recommendations of the Task Force on Climate - related Financial Disclosures (TCFD).
3. Prepare a report on the analysis of risks, opportunities, and impacts related to climate under various simulation scenarios and report to the Enterprise Risk Management Committee.

2. Climate Change Management Strategy (Strategy)

Identifying and assessing risks (Physical & Transition Risk) and opportunities from climate change The company has identified risks and opportunities from climate change, including impact analyses based on climate change scenarios from reports by the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and Greenpeace, to address these issues. Effectively address the business impacts of climate change and establish appropriate measures to mitigate the impacts.

The Company has assessed physical risk and transition risk based on various scenarios as follows:

2.1 Physical Risk Assessment.

Thai Hoover Industry Co., Ltd. is located in a region increasingly exposed to water-related risks due to climate change and urbanization. The company specializes in cosmetic packaging manufacturing, a sector that relies on water for production. The company analyzes both qualitative and quantitative analysis. WRI Aquaduct tool is used to analyze physical risk assessment.

2.1.1 Scenario selection.

- RCP 2.6 (SSP1-2.6) Best-case scenario.

SSP1-2.6 is a climate scenario that combines the Shared Socioeconomic Pathway 1 (SSP1) with the Representative Concentration Pathway 2.6 (RCP2.6). It represents a sustainable development pathway with low greenhouse gas emissions, aligned with the goals of the Paris Agreement to limit global warming to below 2°C.

- RCP 8.5 (SSP5-8.5) Worst-case scenario

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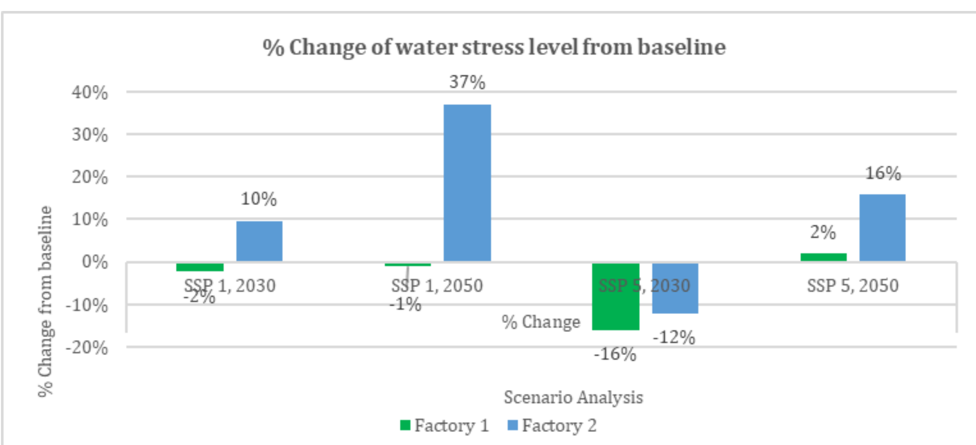
The RCP8.5 scenario is a model that assumes continued greenhouse gas emissions due to the lack of effective government and private sector policy changes to reduce and control greenhouse gas emissions. The global climate scenario is estimated based on the assumption that there will be no change from the current situation (Business as Usual: BAU) in terms of government and private sector policies around the world, most of which do not have clear measures to support climate change and the amount of greenhouse gas emissions remains high.

2.1.2 Qualitative Assessment.

Thai Hoover uses WRI Aqueduct tool to analyze Water stress level of direct operation and Significant Tier-1 suppliers. Site-specific is determined the water stress risk covering Short-Medium- and Long-term (2024, 2030, 2050) timeframes.

The qualitative result shows that, 2 operational sites of Thai Hoover expose water stress risk at High to Extremely High level. However, Thai Hoover has implemented mitigation measures - such as constructing water storage facilities - to reduce the impact. As a result, the baseline risk has been lowered, and no impacts were observed during the year. Moreover, the company collects and stores rainwater as a backup water source for firefighting purposes. Champagne Water Tower is installed at operational sites.

In scenario analysis aligned with temperature change projections, the severity of water stress is expected to increase for both factories 1&2. Thai Hoover conducted scenario analysis under the SSP1-2.6 and SSP5-8.5 pathways for the years 2030 and 2050.



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Factory 1, in particular, is currently situated in an area with an 'extremely high' water stress index based on baseline data. However, mitigation measures - such as the construction of water reservoirs - have been implemented to reduce the impact. As a result, no significant water stress-related risks have been observed this year.

Looking ahead, under the SSP5-8.5 climate scenario for 2050, a slight increase in water stress levels is projected. This may lead to increased use of chemicals for deionized (DI) water treatment, which is considered a potential emerging risk. 2% shifting is used as the proxy value to calculate cost of chemical in the target year.

Factory 2 is currently located in an area with a 'high' water stress index based on baseline data. Looking ahead to 2050, climate projections under both the SSP1-2.6 and SSP5-8.5 scenarios indicate an increase in water stress levels, which may lead to higher water demand in the region. However, Factory 2 mainly consists of office space and a single assembly line, both of which use only a small amount of water. As a result, no significant water stress-related risks have been observed during the current fiscal year. Even if water stress is projected to increase significantly in the future, the site is considered to be at low risk due to its minimal water usage. Thai Hoover will continue to monitor and reassess the risk regularly.

2.1.3 Quantitative Assessment

After consideration of qualitative analysis result, Thai Hoover conducts quantitative analysis to quantify financial impact related to the risk arising from water stress level.

The result shows that, Increased water stress may affect the conductivity of water inputs, potentially requiring Thai Hoover to use a higher amount of chemicals to treat water and produce de-ionized (DI) water for factory 1. The company has established risk management measures, namely a Business Continuity Plan (BCP) for disaster - related matters, which is reviewed annually.

2.2 Transition Scenario

2.2.1 Scenario Selection

- International Energy Agency (IEA) Stated Policies Scenario (STEPS)

The company recognizes multiple transition risks under the International Energy Agency (IEA) Stated Policies Scenario (STEPS). Among these, policy and legal risks are expected to have the most significant impact, particularly the introduction of a carbon tax.

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- Transition Scenario: International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario (NZE)

The company recognizes that under the International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario (NZE), transition risks are amplified due to the accelerated pace of greenhouse gas (GHG) reductions required. Among these, policy and legal risks associated with carbon pricing remain highly material.

2.2.2 Qualitative Assessment

For this following analysis, three time horizons were considered: Short-term (2030), Medium-term (2040), Long-term (2050).

STEPS Scenario - A carbon tax could lead to higher operating costs, a decline in profitability, and reduced competitiveness. These risks may influence strategic decision-making, investment planning, and long-term business resilience. However, the carbon pricing is lower than NZE scenario. Thailand has approved in principle the introduction of a carbon tax at THB 200 per ton of CO2e, with implementation expected by 2030. Although a detailed future price path has not yet been announced, the IEA STEPS scenario suggests that carbon prices in Asia (e.g., China and South Korea) may rise by around 3% annually. Based on this assumption, the carbon price could reach THB 269 per ton by 2040 and THB 361 per ton by 2050.

NZE Scenario - In this scenario, Thailand has approved in principle the implementation of a carbon tax of THB 200 per ton of CO2e starting in 2026. The accelerated timeline reflects the urgency of aligning with a net-zero pathway. The impacts may include significantly higher operating costs, margin pressures, and reduced competitiveness if the company cannot adequately mitigate emissions or transfer costs to customers. Although Thailand has not published a detailed long-term carbon price trajectory, the IEA NZE scenario projects a sharp increase in carbon prices for both emerging and advanced economies.

2.2.3 Quantitative Assessment

STEPS Scenario - The company’s financial assessment indicates that the carbon tax would have a limited impact, reducing revenue by approximately 0.3% to 0.5% across these periods. This finding underscores that, while the near-term burden is relatively modest, carbon pricing policies remain a material financial risk.

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NZE Scenario - The company's financial assessment shows that the carbon tax could reduce revenue by approximately 1.1% in the short term, rising to up to 8% in the long term. These results highlight the substantial financial exposure under an accelerated decarbonization pathway and emphasize the importance of proactive emissions reduction strategies.

2.3 Additional Transition Scenario:

Controlling Global Temperature Increases to No Exceeding 2 degrees (2 degrees Scenario: 2DS) of the International Energy Agency (IEA) - ETP 2DS Scenario

2.3.1 Qualitative Assessment and Quantitative Assessment

The ETP 2DS transition scenario is a simulation scenario of the transition from 2018. 2013-2050, which is expected to control the average global temperature rise to no more than 2 degrees Celsius compared to the pre - industrial revolution era (1900), there is a 50 percent chance of success by 2050, and the proportion of renewable energy, clean energy, and renewable energy use will begin to increase, resulting in a decrease in global energy use by approximately 70 percent , resulting in a decrease in the amount of carbon dioxide from electricity use. In terms of technology, 47 % of global urban electricity generation will come from solar roof installations, resulting in an average urban electricity consumption of 9 %. In addition, it is estimated that 100 million electric vehicles will be in use worldwide. In the year 2050.

- Policy and Legal: Long-term risks are greater than 5 years.

Risks from changes in government policies and laws related to climate change, such as the draft Climate Change Act and the Energy 4.0 policy, which promotes the use of clean energy in 2018. 2036 may result in the company having to adjust its business plan in order to be able to operate in accordance with various government regulations. Therefore, the company has managed this risk. By investing in the solar farm business, which is a joint venture project with the Electricity Generating Authority of Thailand (EGAT) and the Royal Thai Army, to produce solar cell electricity, and preparing data on greenhouse gas emission reduction from business operations by registering for certification of greenhouse gas emission from the Greenhouse Gas Management Organization (GMO) to analyze the data and adjust operational approaches to reduce greenhouse gas emissions. Continuing business operations.

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Financial Impact Forecast: The company may need to adjust its business plan, potentially requiring higher - than - budget investments in some projects, in order to continue operating in accordance with changing policies and laws.

- Technology: Long-term risks are greater. 5 years.

The risk of investing in technologies to promote efficient energy use and reduce emissions throughout the company's supply chain may result in a higher investment budget for technology procurement, research and development, and the company has studied global trends towards a low-carbon society to prepare a budget for technology investment and explore opportunities to collaborate with business partners for development. Products and services to reduce costs and mitigate the aforementioned risks.

Financial Impact Forecast: May result in higher costs for the company due to the investment in new technologies.

- Marketing: Medium - term risk 3-5 years.

Risks from changing consumer behavior, which is increasingly focused on environmentally friendly products and services. To mitigate this risk, the company has adjusted its business strategy and set goals to increase sales and gross profits. It also plans to establish a new business in the health and wellness sector. Furthermore, the company has implemented various activities to adapt to changing consumer behavior, such as increasing the efficiency of boiler combustion and reducing pollution In the air.

Financial Impact Forecasting: Companies may need to consider adjusting their business plans to meet changing consumer demands, potentially resulting in higher investment costs than budgeted for environmentally friendly products to meet changing consumer demands.

- Reputation: 1-3 years

The risk of stakeholders complaining about the Company's business operations impacting the environment or non - compliance with environmental laws can damage the Company's image and reduce consumer support, leading to decreased profits. To mitigate this risk, the Company has established risk control measures and implemented various mitigation activities. Environmental impacts such as A public hearing was held to gather stakeholder input and foster good relations with surrounding communities through a social initiative, the "Community Relations" project. The company has also joined the Thailand Voluntary Greenhouse Gas Emission Reduction (T-VER) program to demonstrate its commitment to reducing greenhouse gas emissions and mitigating

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the impacts of global warming. This initiative also includes implementing proper waste disposal practices, reducing incineration and landfilling, and opting for recycling.

In addition, to strictly comply with environmental laws, the Company conducts legal compliance assessments and reviews, and has adjusted its inspection procedures by adding a safety and environmental inspection team. Assess and monitor safety and environmental issues. Environmental quality is audited and certified to ISO14001:2015. Non - compliance issues are addressed in accordance with laws and regulations to control risks of non-compliance, or, if they do occur, to an acceptable level of damage to the company.

Financial Impact Forecast: Failure to prioritize safety and environmental stewardship in business operations could lead to significant consumer dissatisfaction and potential disapproval of the company's products and services, potentially leading to a decrease in the company's revenue and profits.

2.4 Assessment of Climate -Related Opportunity

type	Climate -Related Opportunity	Impact forecasting Financial aspects
Resource Efficiency	– Reducing electricity use in the warehouse office – Use of alternative energy sources such as installing solar roof top systems	- Save on electricity costs (save on costs)
Energy Source	– Use and investment in clean energy technologies	- Reduce costs in the long term - Invent new products or innovations That helps increase competitiveness
Product & Service	- Design and develop environmentally friendly products and services to meet changing consumer needs and behaviors.	- Increase income from environmentally friendly products
Market	- Introducing environmentally friendly products to expand the customer base of environmental conservation groups - Increase satisfaction among customers who care about the environment.	- Increase competitiveness in the environmentally friendly product market. - Attract the interest of investors who want to invest in environmentally responsible businesses.

Resilience	- Participate in environmental projects such as the voluntary greenhouse gas emission reduction project according to standards. Thailand (T-VER) - The government's clean energy policy has been applied to the organization's operations.	– Able to create a good image of the organization. - Increase the ability to cope with risks from climate change.

3. Climate Change Risk Management

1.1 Climate Change Risk Management Process

The Company assesses climate change risk in accordance with the Task Force on Climate - related Financial Disclosures (TCFD) framework and manages risk in line with the Company's risk management process, using the following steps:

Identify two risks related to climate change: 1) Physical Risk and 2) Transition Risk, in accordance with the climate-related financial disclosure framework.

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Assess the level of risk to determine the severity of the risk (lowest-highest). There is an assessment before management (Inherent Risk) and an assessment of the risk that changes after control or management (Residual Risk). The organization's risk assessment criteria are used, which assess the likelihood of occurrence (Likelihood), which is the probability of occurrence, duration or frequency, and an assessment of the impact (Impact), which is the financial impact, such as profit before tax, loss value, rate of return, and investment.

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Following the risk assessment, additional management measures must be identified for risks that are at an unacceptable level (high-highest) to ensure that the risk of that issue is controlled to an acceptable level for the organization.

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1.2 Scope of risk assessment

The Company conducts a climate change risk assessment, defining the scope of the assessment to cover all Company activities, to manage risk and develop a comprehensive plan and measures for the entire organization.

1.3 Measures to mitigate risks and impacts of climate change

The Company has established measures to manage and reduce the risk of climate change to an acceptable level. This includes the implementation of the key projects such as onsite solar PV installation, LED lighting upgrade etc.

4. Target for reducing the risk of climate change (Target)

The company has set a goal to reduce greenhouse gas emissions. Thai Hoover establishes Race to Net-Zero roadmap to explicit our ambition to achieve Net-Zero by 2050. We also set our roadmap to cover short-, medium, long-term actions.

Mr. Voravit Damrongvatanapokin

Managing Director

January 4, 2024