



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, such as the Global Reporting Initiative (GRI) .



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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.

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

1. Coordinate with the Risk Management Department to implement risk management policies and systems for managing climate change risks .



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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, which are divided into three scenarios as follows:

1. Physical Situation (Representative Concentration Pathways: RCP8.5)

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 and is projected to result in a sea - level rise of 0.8 meters in some regions. 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. Transition Scenario: Controlling Global Temperature Increases to No Exceeding 2 degrees (2 degrees Scenario: 2DS) of the International Energy Agency (IEA) –ETP 2DS Scenario

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



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amount of carbon dioxide from electricity use. In terms of policy, the carbon dioxide tax rate will be increased from \$35/tCO₂ to \$210/tCO₂. 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.

3. Transition Scenario: Target of keeping global temperature rise below 2 degrees Celsius

Greenpeace Advanced Energy [R] evolution Scenario

The Greenpeace Advanced Energy [R] evolution low carbon transition scenario is a simulation of a transition scenario from 2012-2050, which aims to keep global temperature rise below 2 degrees compared to the pre - industrial revolution era (1900) or completely transition to a decarbonized society by 2050, with renewable energy, biofuels and hydrogen replacing current forms of energy production or electricity consumption, including the establishment of a carbon tax to control government and private sector operations, with the assumption that the industrial, household and service sectors will be able to reduce their carbon emissions. Total fuel and electricity consumption is 16,700 terawatts and it is estimated that 14 percent of total electricity generation will come from solar cells by 2030.

2.1 Physical Risk Assessment under Scenario: RCP 8.5

2.1.1 Risk from natural disasters (Acute): Short-term risk 1–3 years

Risk of natural disasters For example, floods and droughts can cause business damage and disruption.

The company has established risk management measures, namely a Business Continuity Plan (BCP) for disaster - related matters, which is reviewed annually.

Financial Impact **Forecast:** The Company's revenue may decrease due to potential business losses.

Or some departments may have to close their operations, which may affect the company's income, deviating from the expected results due to natural disasters.

2.1.2 Risk from permanent climate change (Chronic): Long-term risk, more than 5 years.

The risk of rising temperatures results in increased management costs for the company, as rising temperatures can affect various devices, such as digital control systems and other manufacturing processes. The company therefore organizes equipment inspections and implements various projects to reduce



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greenhouse gas emissions and control global temperature, such as campaigning for the use of energy - saving light bulbs, establishing measures to reduce electricity costs, and installing solar roofs in factories.

Financial Impact Forecast: The company's management costs may increase due to global warming incidents that will damage various equipment, which will affect the company's assets and stakeholders.

2.2 Transition Risk under the 2 degrees Scenario (2DS) and Greenpeace Advanced Energy [R] Evolution Scenario.

2.2.1 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.

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.

2.2.2 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.



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

2.2.3 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.

2.2.4 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 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.



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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.

2.1.2 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 rooftop 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

3.1 Climate Change Risk Management Process

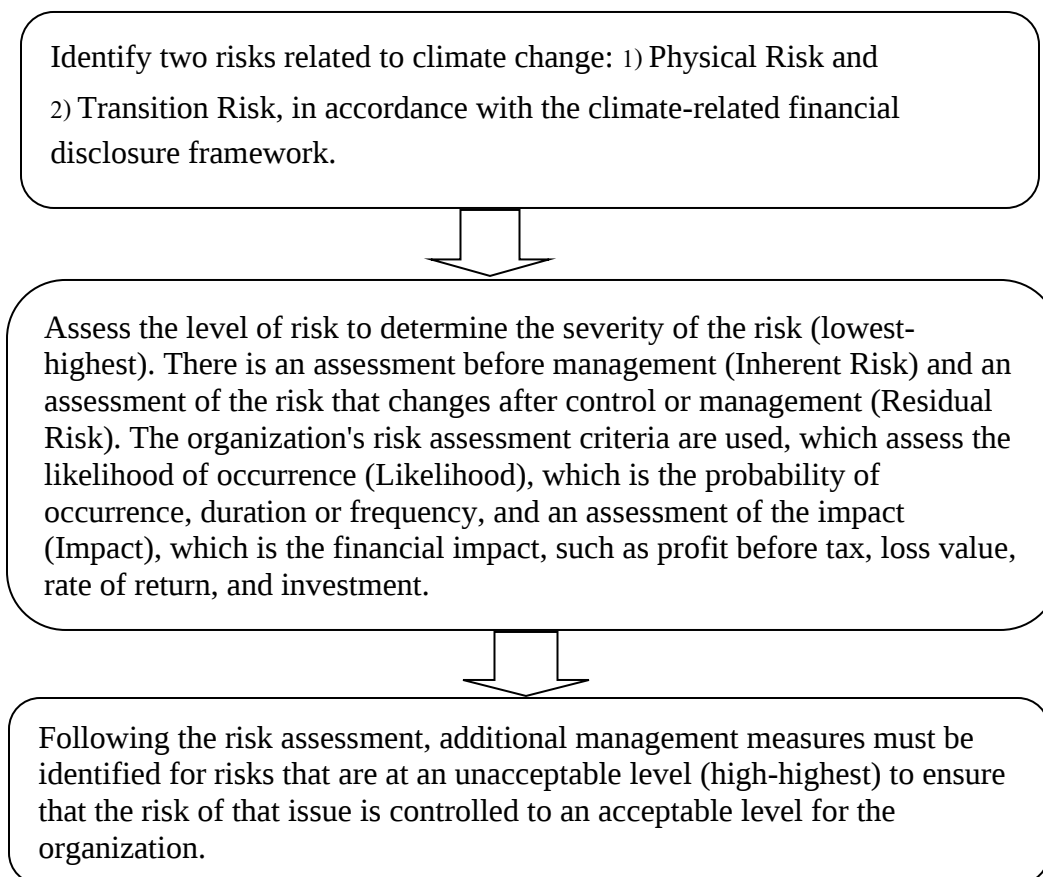


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The Company assesses climate change risk in accordance with the Task Force on Climate - related Financial Disclosures (TCFD) framework and manages risk in line with the Company's risk management process, using the following steps:



3.2 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.

3.3 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 following key projects:



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3.3.1 Solar roof installation project (Solar Roof) In 2022, the company expanded its solar roof installation project within the company. There is a target to reduce the proportion of electricity use from the year 2021, 5% . This will help reduce greenhouse gas emissions and respond to the risk of rising temperatures from global warming. This project will be implemented from 2022 to 2027.

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

The company has set a goal to reduce greenhouse gas emissions from its solar rooftop installation project. in the factory, with a target of reducing greenhouse gas emissions by 1,450 tons of carbon dioxide. Equivalent per year Or the company must reduce greenhouse gas emissions by a total of 21,750 tons of carbon dioxide equivalent. since 2022–2032 (10 years).

Mr. Voravit Damrongvatanapokin

Managing Director

January 4, 2024