TCFD Report 2025

Task Force on Climate-related Financial Disclosures

Supalai Public Company Limited

Message from the Chairman of the Board of Directors

Over the past 35 years, the Company Group has adhered to and focused on sustainable business operations by emphasizing the appropriate balance creation in 3 dimensions, namely economic, social, and environmental dimensions, using the principles of good corporate governance and risk management, the creation of a better quality of life for people in society with the awareness of social responsibility towards sustainable development according to the SDGs (Sustainable Development Goals), and the creation of housing innovation along with the continuous social development in various forms, including knowledge, education, family, health, environment. The Company continues adhering to ethical and legal principles, comprehensive Human Rights Due Diligence and Assessment, and supplier development to cover good principles throughout the supply chain to create benefits to all stakeholders and society. This is to lead Supalai forward for steady growth and drive environmentally friendly business operations and sustainable energy management towards mid-term environmental goals and greenhouse gas emission reduction by 40% by 2030 from BAU (Business As Usual).

(Dr.Prateep Tangmatitham)
Chairman of the Board of Directors
Supalai Public Company Limited

Introduction

Supalai Public Company Limited recognizes the impacts of climate change, which may give rise to both risks and opportunities for its business operations. According to the Global Risks Report 2025, the increasing frequency and severity of natural disasters, as well as heightened environmental volatility, have been identified as significant global risks in both the short term (2 years) and the long term (10 years). These risks may have material impacts on businesses and related supply chains, including damage to products and assets, resource scarcity, and the need to respond to evolving stakeholder expectations. Stakeholders—including customers, financial institutions, investors, and government agencies—have demonstrated growing attention to climate change-related issues.

The Company continues to expand its real estate development projects nationwide and currently operates projects across 30 provinces in Thailand. In this context, the Company assesses climate change-related risks and opportunities arising from extreme climate events that may affect its long-term sustainability. The Company discloses climate-related financial information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to enhance transparency for shareholders, investors, and other stakeholders, and to support informed investment decision-making.

The impacts on the Company vary in severity depending on different climate scenarios. The outcomes of scenario analysis are used to inform the Company's sustainability direction and business strategies toward 2050, enabling the Company to adapt to climate change and pursue sustainable growth over the long term. Climate-related disclosures cover the four core TCFD pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

1. GOVERNANCE

Supalai Public Company Limited has established a comprehensive climate change governance structure across all organizational levels to ensure the effective formulation of policies, strategies, implementation, monitoring, and communication related to climate change. This structure reflects the Company's strong commitment to sustainability, particularly climate change, with clear oversight and accountability from the Board of Directors, executive management, and operational teams. The governance framework enables systematic management of climate-related risks and opportunities under the supervision of both the Board and senior management, with clearly defined roles and responsibilities as follows:

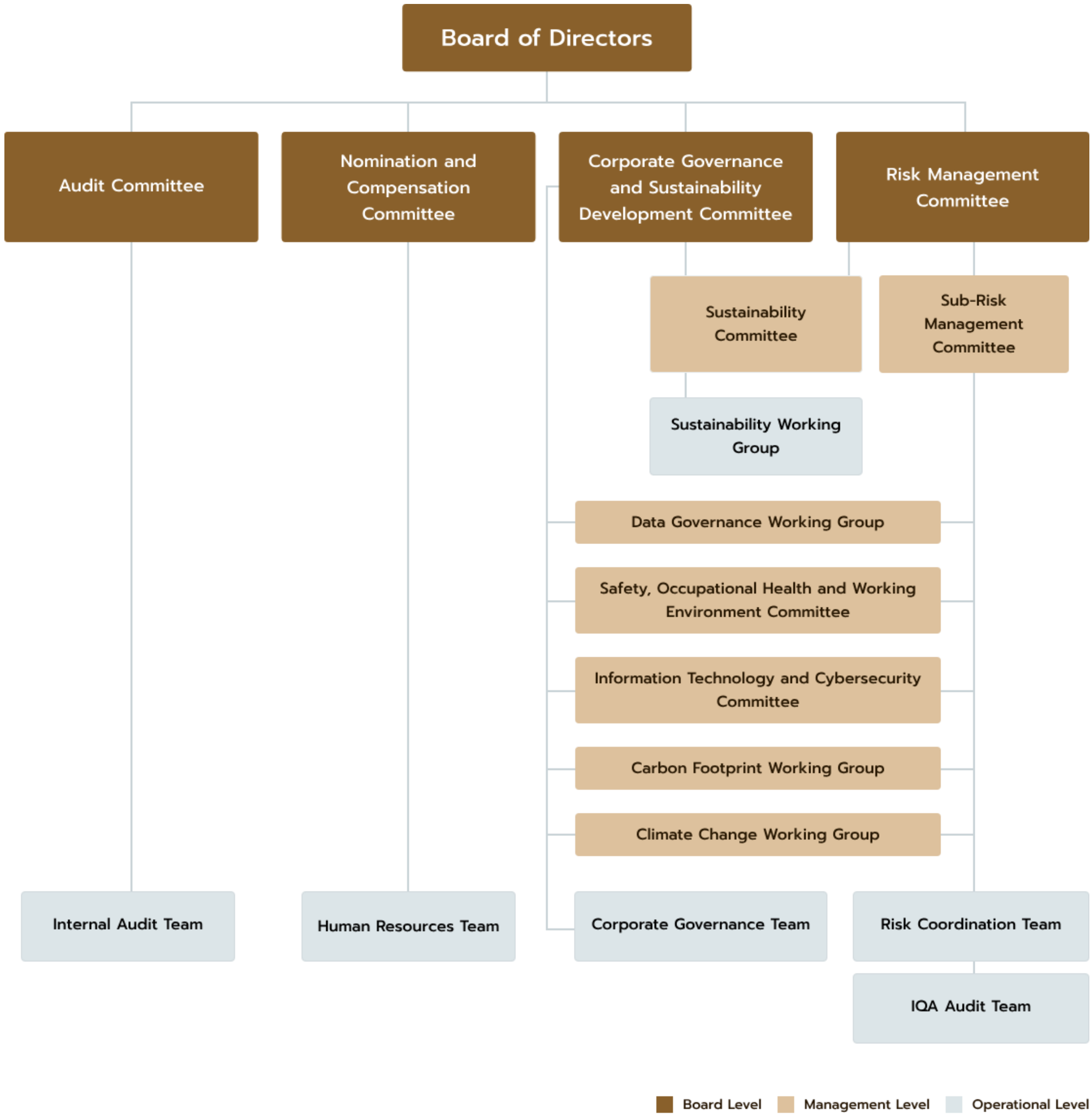
- Board of Directors
  The Board holds the highest level of oversight and is responsible for setting the strategic direction and policies on sustainability, including climate change. The Board reviews climate-related risks and opportunities through annual risk management reports to ensure alignment with the Company's long-term strategy and sustainable growth objectives.
- Risk Management Committee
  The Risk Management Committee is responsible for assessing and monitoring climate-related risks on a systematic and continuous basis. Climate risks are integrated into the Company's enterprise risk management framework in accordance with the COSO Enterprise Risk Management (COSO ERM) framework. The Committee provides recommendations on mitigation and management measures for consideration by the Board of Directors.
- Corporate Governance and Sustainable Development Committee
  This Committee is responsible for defining the direction, principles, and key practices of effective sustainability management processes. It reviews and updates sustainability-related policies to ensure their relevance and alignment with the Company's business operations, as well as compliance with good corporate governance principles set by external regulators, including the Stock Exchange of Thailand and the Securities and Exchange Commission. The Committee also supports and promotes initiatives that balance economic, social, and environmental dimensions, including climate-related risks, through an integrated governance approach and stakeholder engagement.
- Sustainability Committee
  The Sustainability Committee is responsible for reviewing and approving the strategic direction and implementation of sustainability initiatives covering Environmental, Social, and Governance (ESG) aspects, which are core to the Company's sustainable business operations. This includes the allocation of

appropriate resources and budgets to ensure effective execution in line with regulatory requirements and recognized sustainability frameworks.

- Sustainability Working Group

  The Sustainability Working Committee comprises executives and/or department heads from relevant functions with expertise and understanding of ESG-related activities within their respective areas. The Committee is responsible for translating ESG policies into operational practices, systematically collecting and managing disclosure-related data, and continuously improving sustainability processes. It also plays a key role in fostering a sustainability-oriented culture across the organization, enhancing long-term competitiveness, and reporting progress to the Sustainability Committee on a regular basis.

Sustainability Governance Structure



2. STRATEGY

In response to the increasing severity of climate change and the growing global and national focus on global warming and the climate crisis, which may pose significant risks and opportunities to business operations, Supalai Public Company Limited has established a medium-term climate target to reduce the Company's greenhouse gas (GHG) emissions by 40% for Scope 1 and Scope 2, compared to the Business-as-Usual (BAU) scenario, by 2030.

The Company's climate targets are set with consideration of internationally and nationally recognized climate frameworks and commitments, including:

- Paris Agreement The Paris Agreement aims to address global warming and the climate crisis, with key objectives to:
    - Limit the increase in global average temperature to well below 2°C, while pursuing efforts to limit it to 1.5°C; and
    - Achieve significant reductions in greenhouse gas emissions.
- Thailand's National Climate Targets In line with Thailand's enhanced climate ambition and updated national commitments, the Company takes into account the country's long-term climate goals, including:
    - Achieving carbon neutrality by 2050
    - Achieving net zero greenhouse gas emissions by 2065.

The Company is evaluating the implementation of an Internal Carbon Price (ICP) to support investment decisions and climate risk management. The ICP will be used to assess capital projects, energy efficiency initiatives, and low-carbon technologies by incorporating the estimated cost of greenhouse gas emissions into financial evaluations. The Company will disclose the carbon price and its application once the framework has been formally adopted.

Key Climate-related Risks and Opportunities

Climate-related risks are classified into two main categories:

1. Physical Risks

Physical risks refer to risks arising from the **direct impacts of climate change**, which may have material financial implications for the Company, such as direct damage to assets and real estate projects, as well as indirect impacts from disruptions to the supply chain. These risks can be categorized as follows:

- Acute Physical Risks
  Acute risks include extreme weather events such as flash floods and severe storms, which may cause construction delays, project interruptions, or damage to real estate developments. These events may result in direct damage to project assets and structural components.

- <u>Chronic Physical Risks</u>
  Chronic risks arise from long-term changes in climate patterns, such as sea level rise, increasing average temperatures, air pollution (PM2.5), water stress, and prolonged heatwaves. These risks may affect operating costs, energy efficiency, and the long-term quality of life of residents and occupants.

2. Transition Risks

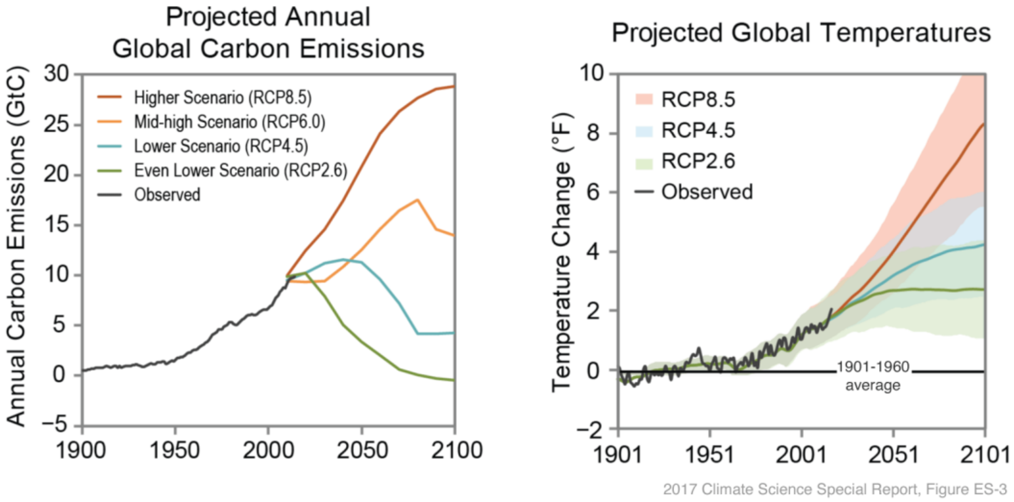
Transition risks arise from the shift toward a low-carbon economy and may result from changes in public policy and regulation (e.g., carbon pricing mechanisms or the enforcement of green building standards), technological developments, changes in customer preferences and market demand (such as increasing demand for energy-efficient housing or environmentally friendly construction technologies), as well as reputational risks if the Company is unable to adapt effectively to evolving societal expectations.

Scenario Analysis

The Company has conducted a Scenario Analysis to assess the potential financial impacts associated with climate-related risks and opportunities, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The analysis is based on climate projections developed by scientific research teams using recognized climate models, specifically Representative Concentration Pathways (RCP) 2.6 and RCP 4.5. RCPs represent greenhouse gas concentration trajectories projected for the period from 2006 to 2300.

These scenarios have been applied to evaluate potential climate-related impacts on the Company's business and financial performance under different climate pathways, with a focus on the time horizon up to the year 2050, as summarized below.



(left) Hypothetical pathways of carbon emissions ("representative concentration pathways," or RCPs) throughout the twenty-first century based on different possible energy policies and economic growth patterns. (right) Projected temperature increase relative to the 1901-1960 average depending on which RCP we eventually follow. Image by Katharine Hayhoe, from the *2017 Climate Science Special Report* by the U.S. Global Change Research Program.

1. RCP 2.6 Scenario (Best-Case Scenario)

Under the RCP 2.6 scenario, governments and the private sector worldwide work collaboratively to aggressively reduce greenhouse gas emissions, with the aim of limiting the increase in global average temperature to 1.5–2.0°C above pre-industrial levels.

Implications for the Transition to a Low-Carbon Economy	Opportunities
Under this scenario, physical climate risks are expected to decline. However, the Company is likely to face transition risks arising from stricter government regulations and evolving customer expectations. To ensure long-term sustainability and compliance with increasingly stringent standards, the Company expects to incur higher investments, including: • Investment in environmentally friendly project design • Increased use of sustainable and low-carbon construction materials • Improvement of operational processes to enhance environmental performance • Investment in green technologies to improve energy efficiency • Potential costs associated with carbon pricing mechanisms, such as carbon taxes	The Company has opportunities to enhance its competitive advantage through: • Development of environmentally friendly real estate projects that meet current and future market demand, potentially leading to increased revenue • Access to lower financing costs through green financing instruments, such as sustainability-linked loans and green bonds • Enhanced ability to attract long-term investors, particularly in the context of the Great Wealth Transfer (2035–2050)

2. RCP 4.5 Scenario (Moderate Scenario)

Under the RCP 4.5 scenario, greenhouse gas mitigation policies are implemented at a moderate pace, leading to a projected increase in global average temperatures of approximately 3.0°C by 2100. This trajectory exceeds the primary goal of the Paris Agreement, which aims to limit the temperature rise to well below 2.0°C. This pathway is expected to result in more frequent and intense extreme weather events, as well as a projected mean sea level rise of approximately 0.35 to 0.70 meters, posing significant challenges to ecosystem adaptation and biodiversity.

The Company utilizes Scenario Analysis based on the RCP 4.5 pathway to assess potential physical climate risks across its geographic footprint. This analysis is aligned with Thailand's National Adaptation Plan (NAP), updated in April 2024, with key focus areas as follows:

Risks to Human Settlements and Security: The assessment prioritizes project sites exposed to heightened risks of extreme heat, flooding, and drought, as identified in national risk maps for the period 2016–2035. The findings from this scenario analysis are integrated into the Company's strategic decision-making, including site selection, climate-resilient architectural design, and infrastructure engineering, to strengthen the long-term resilience of our residential developments and ensure the safety of our residents.

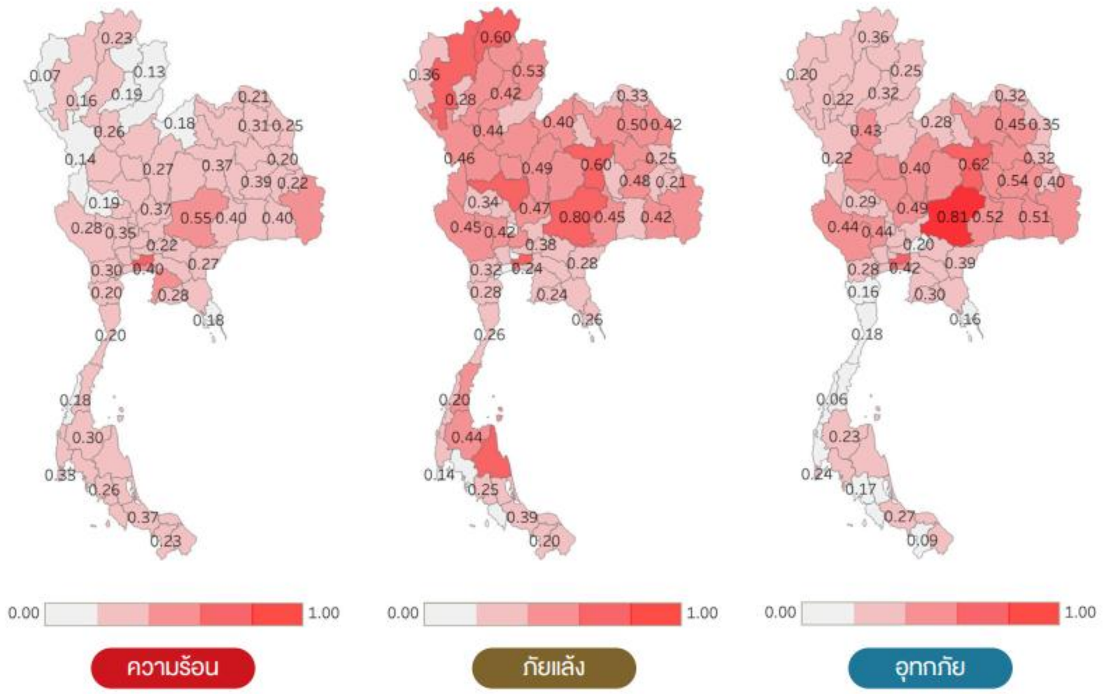
Historically, human settlements have been strategically established based on geographical advantages and favorable climatic conditions. However, the current global warming crisis is transforming these factors into increasingly complex and severe challenges. Climate change risks are no longer merely environmental issues; they have become critical variables impacting the security of settlements and the long-term value of real estate assets.

Recognizing the urgent need for action, the Company has elevated its decision-making criteria—transitioning from traditional residential development planning to Climate-Informed Development Planning. This shift ensures a guarantee of safety and well-being for our residents. Our approach is anchored in national-level climate model analysis under the RCP 4.5 scenario, as developed by the Office of Natural Resources and Environmental Policy and Planning (ONEP). This analysis identifies strategic areas vulnerable to Heat Stress, Drought, and Flooding, specifically within the Top 10 provinces with the highest climate risk indices as detailed in the data below.

Table: Top 10 Provinces with the Highest Climate Change Risk
Human Settlements and Human Security Sector (2016–2035)

Climate Risk	Scenario	At-Risk Provinces
Heat Stress	**RCP 4.5**	Bangkok, Nakhon Ratchasima, Samut Prakan, Buri Ram, Chon Buri, Ubon Ratchathani, Songkhla, Nonthaburi, Surin, and Phuket
	RCP 8.5	Bangkok, Nakhon Ratchasima, Samut Prakan, Buri Ram, Chon Buri, Ubon Ratchathani, Songkhla, Surin, Phuket, and Nonthaburi
Drought	**RCP 4.5**	Bangkok, Nakhon Ratchasima, Khon Kaen, Samut Prakan, Ubon Ratchathani, Roi Et, Buri Ram, Surin, Chaiyaphum, and Udon Thani
	RCP 8.5	Bangkok, Nakhon Ratchasima, Khon Kaen, Roi Et, Samut Prakan, Ubon Ratchathani, Udon Thani, Buri Ram, Maha Sarakham, and Surin
Floods	**RCP 4.5**	Bangkok, Nakhon Ratchasima, Chiang Mai, Nakhon Si Thammarat, Chiang Rai, Nakhon Sawan, Kamphaeng Phet, Phitsanulok, Khon Kaen, and Phra Nakhon Si Ayutthaya
	RCP 8.5	Bangkok, Nakhon Ratchasima, Khon Kaen, Nakhon Si Thammarat, Chiang Mai, Samut Prakan, Phra Nakhon Si Ayutthaya, Kamphaeng Phet, Songkhla, and Nakhon Sawan

Figure: Climate Risk Map for Human Settlements and Human Security Under the RCP 4.5 Scenario, highlighting areas exposed to Heat Stress, Flooding, and Drought for the period 2016–2035. Darker shading indicates areas projected to experience higher levels of impact.



Source: Office of Natural Resources and Environmental Policy and Planning (ONEP), 2021

Table: Climate Change Risk Exposure for Project Development Sites Supalai Public Company Limited

Region	Physical Risk							Transition Risk			
	Flooding	Severe Storms	Earthquakes	Heatwaves	PM2.5 Air Pollution	Water Scarcity / Drought	Sea Level Rise / Saltwater Intrusion	Policy	Technology	Market	Reputation
Bangkok Metropolitan Area and Vicinity											
Central Region											
Northern Region											
Northeastern Region											
Eastern / Western Regions											
Southern Region											

Table: Summary of Climate-Related Risks and Associated Financial Impacts under the RCP 4.5 (moderate) scenario, assuming an approximate 3°C temperature increase during 2030–2050, covering short-term (1–2 years), medium-term (3–5 years), and long-term (over 5 years) timeframes

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Scenario	RCP 2.6 Scenario (Best-case scenario): Global temperature increase limited to below 2°C		Impacts on Strategy, Business Operations, and Financial Planning	RCP 4.5 Scenario (Moderate scenario): Global temperature increase of approximately 3°C		Impacts on Strategy, Business Operations, and Financial Planning	Risk Management and Mitigation Measures
	Risk Level (1–25) (Likelihood × Impact)	Financial Impact		Risk Level (1–25) (Likelihood × Impact)	Financial Impact		
Physical Risk							
Flooding	Medium	Insurance Coverage and Risk Considerations The Company maintains Construction All Risks (CAR) insurance for high-rise projects during the construction phase. Remarks: For low-rise residential projects and housing inventory, the Company utilizes a risk retention strategy. Our assessment indicates that the likelihood of catastrophic structural failure is low,	Short-term	Very High	• Impacts on workforce health and safety • Reduced revenue due to lower productivity • Driven by project delays and supply chain disruptions, adversely affecting revenue and marketing plans • Decline in demand for properties located in high-risk areas, together with increased costs arising from extended project timelines (e.g. common area expenses)	Short-term	• Strategic Integration of Business and Risk Management: Incorporating physical climate and environmental risk assessments into the land acquisition process and investment decision-making. • Resilient Project Development: Mitigation measures are integrated throughout the project lifecycle—from land banking, site planning, and architectural design to material selection (prioritizing climate-resilient and flexible materials). This includes ongoing R&D of innovative technologies to enhance disaster resilience and environmental protection during construction.
Severe storms	Low		Short-term	Medium		Short-term	
Earthquakes	Low		Short-term	Low		Short-term	
Heatwaves	Low		Short-term	Medium		Short-term	
PM2.5 Air Pollution	Medium		Short-term	Medium		Short-term	

<table>
<tr><th rowspan="2">Scenario</th><th colspan="2">RCP 2.6 Scenario (Best-case scenario): Global temperature increase limited to below 2°C</th><th rowspan="2">Impacts on Strategy, Business Operations, and Financial Planning</th><th colspan="2">RCP 4.5 Scenario (Moderate scenario): Global temperature increase of approximately 3°C</th><th rowspan="2">Impacts on Strategy, Business Operations, and Financial Planning</th><th rowspan="2">Risk Management and Mitigation Measures</th></tr>
<tr><th>Risk Level (1–25) (Likelihood × Impact)</th><th>Financial Impact</th><th>Risk Level (1–25) (Likelihood × Impact)</th><th>Financial Impact</th></tr>
<tr><td>Water scarcity / drought</td><td>Medium</td><td rowspan="2">and the associated financial impact is limited due to our geographic diversification across more than 30 provinces, which effectively minimizes concentration risk. Consequently, the Company has determined that internal repair and restoration are more cost-effective than conventional insurance coverage for these specific asset classes.
• Physical climate risks are expected to decrease and the severity of natural disasters to be relatively lower. the Company anticipates heightened transition risks. These arise from evolving customer</td><td>Short-term</td><td>Medium</td><td rowspan="2">• Increased capital expenditures or potential asset impairment arising from climate-related impacts on assets
• Decline in land and property values for projects located in high-risk areas
• Reduced availability of capital, more limited access to financing, or higher borrowing costs
• Higher insurance premiums for high-rise projects under Construction All Risk (CAR) coverage
• The Company may need to expand insurance coverage for low-rise residential projects under Industrial All Risks (IAR) policies in lieu of self-repair strategies</td><td>Short-term</td><td rowspan="2">• Workforce Occupational Health and Safety: Proactive management of worker well-being during extreme heat conditions, including the provision of adequate hydration and medical supplies to mitigate heat-related risks, such as heat stroke.
• Financial Contingency Planning: Allocation of reserves to address disaster-related remediation, compensation, and repair costs.
• Business Continuity Management (BCM): Enhancing preparedness for severe climate events, specifically addressing operational disruptions from workforce heat stress and supply chain vulnerabilities. By maintaining a diversified supplier network across 30+ provinces, the Company ensures supply chain resilience, timely delivery, and optimized logistics costs.</td></tr>
<tr><td>Sea level rise / saltwater intrusion</td><td>Medium</td><td>Short-term</td><td>Medium</td><td>Short-term</td></tr>
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		expectations and more stringent regulatory requirements, such as carbon pricing, which may necessitate additional investment in sustainable technologies and green construction materials.					
Transition Risks							
Policy and regulatory risks	Medium	• Carbon Credit Trading • Annual Carbon Tax Obligations	Medium-term	High	• Higher operating and construction costs driven by changes in input prices and evolving regulatory requirements, such as construction laws, building standards, green building criteria, and the use of environmentally friendly materials • Carbon credit trading • Annual carbon tax payments at increasing tax rates	Medium-term	• Regulatory Monitoring and Adaptation: Ongoing monitoring of emerging climate-related laws and regulations to proactively align operational processes with evolving requirements. This includes enhancements to construction methodologies, the sourcing of environmentally friendly materials, and the implementation of climate-responsive designs in line with environmental standards and customer expectations.

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	Risk Level (1–25) (Likelihood × Impact)	Financial Impact		Risk Level (1–25) (Likelihood × Impact)	Financial Impact		
							• Financial Preparedness for Compliance: Strategic financial planning and cost impact assessments related to climate-related regulatory compliance, with a particular focus on managing carbon-related costs, including carbon taxation.
Technological transition to a low-carbon economy	Low	Investment in Green Technologies for Energy Efficiency and GHG Emission Reduction (% of CAPEX in Green Technology)	Short-term	Low	• Early retirement of legacy technologies and increased investment in green technologies to comply with more stringent regulations and to enhance energy efficiency and reduce greenhouse gas emissions	Short-term	• Transition to Green Technologies: Accelerating investment in green technologies to align with more stringent regulations, optimize energy efficiency, and significantly reduce greenhouse gas emissions. • Partnerships for Innovation: Collaborating with strategic partners to co-develop eco-friendly technologies, innovations, and new products that effectively address evolving market demands.

Scenario	RCP 2.6 Scenario (Best-case scenario): Global temperature increase limited to below 2°C		Impacts on Strategy, Business Operations, and Financial Planning	RCP 4.5 Scenario (Moderate scenario): Global temperature increase of approximately 3°C		Impacts on Strategy, Business Operations, and Financial Planning	Risk Management and Mitigation Measures
	Risk Level (1–25) (Likelihood × Impact)	Financial Impact		Risk Level (1–25) (Likelihood × Impact)	Financial Impact		
Market risks	Medium	• Increased costs related to environmentally friendly product design and selection of sustainable construction materials. • Shifts in customer demand, including higher preference for eco-friendly housing and avoidance of properties in areas exposed to natural hazard risks.	Medium-term	High	• Revenue impacts arising from shifts in consumer preferences toward environmentally friendly products and climate-resilient properties capable of withstanding severe weather events. • Higher production costs driven by changes in input prices and evolving requirements, such as green building standards, climate-resilient design enhancements, and eco-friendly materials to mitigate increasing risks.	Medium-term	• Climate-Responsive and Sustainable Design: Designing residential projects that integrate customer preferences with sustainable materials and resilience to extreme weather. This ensures effective regulatory compliance while reinforcing a positive corporate image. • ESG-Integrated Supply Chain Management: Incorporating ESG risk assessments into the selection and performance evaluation of suppliers and contractors. • Enhanced Quality Assurance: Extending product warranty periods and maintenance services to strengthen customer confidence and ensure long-term asset performance.
Reputational risks	Medium	Adverse stakeholder perceptions regarding the Company's ESG performance and commitment. Such risks may result in a decline in	Medium-term	Medium	• Adverse impacts on corporate reputation and stakeholder perceptions (ESG), potentially leading to lower sales, reduced	Medium-term	• Sustainability-Driven Marketing Communication Strategy: Transparent disclosure of the Company's sustainability targets and implementation strategies to external stakeholders, including climate-

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	Risk Level (1–25) (Likelihood × Impact)	Financial Impact		Risk Level (1–25) (Likelihood × Impact)	Financial Impact		
		sales, reduced capital inflows, restricted access to capital markets, or elevated financing costs.			capital availability, or higher borrowing costs.		resilient design approaches and the use of environmentally friendly materials. • Clear Public Communication on Climate Risk Management: Proactive communication of the Company's commitment to natural disaster risk mitigation and sustainable business practices to enhance stakeholder trust and awareness. • Integration of Market Insights into Project Design: Leveraging market analysis related to climate risk management and changing customer preferences to inform early-stage project planning and design decisions.

Determination of Risk Severity

Risk Severity = Likelihood × Impact

Impact \ Likelihood					
	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5

Likelihood

Risk Level	Description
Very High	Strong risk controls are required. Continuous monitoring and close assessment must be conducted at all times. Additional mitigation measures should be implemented to reduce the risk to an acceptable level.
High	
Medium	A control or management plan must be established, Needs assessment of potential cumulative impacts that may become significant.
Low	Risks that are acceptable to the organization and do not require additional mitigation measures. However, periodic monitoring and assessment of cumulative effects should be conducted to ensure that the risks remain within acceptable levels.
Very Low	

Opportunities to Enhance Competitive Advantage

- Strategic preparedness in project design, investment, and risk management to address impacts from actual natural disasters, climate change, and relevant regulatory developments, as well as emerging ESG-related considerations. These efforts support business continuity and long-term operational resilience.
- Development of environmentally friendly and climate-resilient projects through durability-oriented design, the use of sustainable building materials, and product quality that can withstand extreme weather events. This responds to current and future customer needs and supports revenue growth and product differentiation.
- Enhanced decision-making in land acquisition and project development by incorporating climate risk assessment and scenario analysis, enabling the selection of lower-risk locations and helping to reduce asset impairment risks and long-term financial impacts.
- Long-term operating cost reduction through energy-efficient building design, appropriate water management, and reduced damage from climate-related events, contributing to improved resource efficiency and a more resilient cost structure.
- Improved access to lower-cost sources of capital, such as Green Financing, Sustainability-linked Loans, and Green Bonds, as well as increased attractiveness to future investor groups (Generation X and Y) in the context of the Great Wealth Transfer during 2035–2050.
  Proactive management of corporate image and reputation through communication with stakeholders, including customers, communities, investors, and business partners, regarding sustainable business practices and climate change risk management, helping to mitigate reputational risks and support long-term business performance.

Climate Change Risk Management as Part of the Supply Chain

The increasing severity of climate change may pose material risks to the Company's business operations. Accordingly, the Company has assessed climate-related risks that may affect its supply chain, including potential transportation disruptions, shortages of raw materials or production resources due to climate variability, increased costs of environmentally friendly materials (green products), procurement constraints arising from higher environmental standards imposed on suppliers, and carbon-related costs such as carbon taxation. Climate change–related risks affecting the Company's supply chain can be summarized as follows.

Supply Chain	Physical Risk							Climate Change Risk Management Process
	Flooding	Severe Storms	Earthquakes	Heatwaves	PM2.5 Air Pollution	Water Scarcity / Drought	Sea Level Rise / Saltwater Intrusion	
Land Acquisition and Financing	Very High	Medium	Low	Low	Low	Medium	Low	➔ Analysis of land plots, locations, and project potential ➔ Physical environmental risk assessment as part of the consideration prior to land acquisition
Design and Planning	Very High	Medium	Very High	Very High	Medium	Low	Low	➔ Climate-resilient design through the selection of construction materials to accommodate extreme weather conditions ➔ Environmentally conscious design, emphasizing the selection of high-quality and eco-friendly materials ➔ Design in compliance with relevant environmental laws, regulations, and customer requirements ➔ Building layout optimization to maximize natural ventilation and daylighting
Procurement and Contracting	Very High	High	Medium	High	Low	High	Low	➔ Establishment of green procurement policies ➔ Supplier selection and evaluation process based on ESG risks ➔ Continuous sourcing of new suppliers, resulting in 117 additional regional suppliers across more than 30 provinces to mitigate procurement and delivery risks, while reducing transportation costs
Construction (Workforce)	Very High	Very High	Medium	Very High	Medium	High	Low	➔ Development of construction processes to accommodate extreme weather conditions ➔ Implementation of measures to prevent or mitigate environmental impacts during construction ➔ Business Continuity Management (BCM) to prepare for increasingly severe disasters, such as heat stress among workers, which may lead to operational disruptions or reduced performance ➔ Provision of adequate drinking water and essential medical supplies to support workers during prolonged periods of extreme heat
Sales and Marketing	Very High	Medium	Low	Low	Medium	Low	Low	➔ Marketing communication strategies, such as promoting climate-resilient design and the use of green products ➔ Integration of market analysis insights regarding climate change risk management into the project design process from the early stages
Property Handover and Title Transfer	Low	Low	Low	Low	Low	Low	Low	➔ Customer support and assistance during disaster events within the project areas
After-Sales Service	Medium	Medium	Low	Low	Low	Low	Low	➔ Quality assurance and maintenance services ➔ Strengthening customer relationships, homeowner assistance, and safety management ➔ Community services related to climate change, such as common area landscape maintenance and waste management

3. RISK MANAGEMENT

The Company analyzes and assesses climate-related risks, opportunities, and potential financial impacts in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework. Climate risk management is embedded within the Enterprise Risk Management (ERM) process to ensure that climate-related issues are systematically identified and assessed as part of the Company's overall risk management approach.

1) Identification of Risks and Opportunities

The identification of climate-related risks and opportunities is conducted by the Risk Management Department in collaboration with relevant business units, using both internal and external information sources, including:

1. Internal Factors: Utilizing SWOT Analysis.
2. External Factors: Utilizing PESTEL Analysis, including business environment surveys derived from various statistical data.
3. Global Risk Reports: Such as The Global Risks Report 2025 by the World Economic Forum (WEF).
4. Focus Group Meetings: Conducting annual sessions to gather feedback from stakeholders.
5. Other Communication Channels: Identifying issues that may impact the Company.
6. Direct Identification: Risks may also be proposed by relevant members of the Risk Management Committee.

2) Sustainability Risk Level Assessment, Risk Appetite, and Key Risk Indicators (KRIs)

Once climate-related risk issues are identified, the Risk Management Department proposes them to the Risk Management Committee for consideration as Key Risks. The assessment process evaluates Risk Levels based on the likelihood of occurrence and the potential impact, establishes the acceptable Risk Appetite, and defines appropriate Key Risk Indicators (KRIs).

The Company has established its Risk Appetite within the "Green" and "Blue" zones. The determination of Risk Appetite for each risk issue considers: (1) stakeholder expectations, (2) strategic corporate objectives, (3) value creation drivers, and (4) risks that may affect the achievement of corporate objectives. Where a risk assessment results in a level of "Yellow" or higher (Orange or Red), the relevant business units are required to implement risk management measures to reduce the risk to within the acceptable Risk Appetite.

3) Risk Mitigation Plan

• Risk Management Department
• Internal Quality Audit (IQA)
• Internal Audit (IA)
Follow up and inspect operations, and propose risk issues to the Risk Management Committee for consideration and review
	Executives of line of work
	• Carrying out operations in line with the RMC's guidelines
	• Collaborating with the RMC in:
	  • Defining key risk issues.
	  • Assessing risk level
	  • Defining key risk indicators (KRIs)
	• Establishing guidelines for mitigating risks to an acceptable level (risk appetite)

The Risk Management Committee may recommend additional risk mitigation measures beyond those implemented by management. The Committee provides guidance and assigns responsibilities to relevant executives, together with defined timelines, to ensure that identified risks are managed within the acceptable Risk Appetite.

In determining appropriate risk mitigation measures for climate-related risks, the Company considers: (1) business context, (2) expected benefits, (3) alignment with relevant industry standards, (4) stakeholder expectations, including the Company's mission, vision, and core values, and (5) the Company's Risk Appetite and the severity of potential impacts.

4) Risk Monitoring

The Risk Management team regularly monitors and reviews the implementation of risk management measures and reports to the Risk Management Committee on a monthly basis. In addition, the Company convenes Risk Management Committee meetings at least twice a year to review and reassess key risk issues, evaluate the effectiveness of mitigation plans, and ensure that risks remain within the acceptable Risk Appetite in a timely manner.

This ongoing monitoring process enables the Company to respond promptly to emerging risks and changing conditions, ensuring that risk management is implemented consistently, effectively, and in accordance with the established risk management framework.

4. METRICS AND TARGETS

The Company is committed to mitigating environmental impacts across all business operations. Key initiatives include implementing construction waste management processes for maximum resource efficiency and innovating to reduce material consumption. We also foster investment in eco-friendly product development in collaboration with employees, business partners, and contractors.

A primary corporate objective is the target to reduce Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 40% against the Business As Usual (BAU) baseline by 2030. The Company provides nationwide disclosure of its carbon footprint, alongside continuous reporting on progress and action plans for GHG reduction.

In 2025, the Company reported corporate greenhouse gas emissions under Scope 1, 2, and 3, totaling 69,751 tons of carbon dioxide equivalent. This increase resulted from business expansion, including the launch of new projects and ongoing developments in Bangkok, its periphery, and other regions. This also includes the Supalai Grand Tower, which is currently in commercial operation.

Direct Emissions Scope 1	Indirect Emissions Scope 2	Indirect Value Chain Emissions Scope 3
1,452	10,122	58,177

Total greenhouse gas emissions
69,751 tons of carbon dioxide equivalent

Furthermore, the Company is certified to ISO 14064-1:2018 standards for organizational GHG emissions reporting and received certification from the Thailand Greenhouse Gas Management Organization (TGO) for its Carbon Footprint for Organization (CFO) disclosure in 2025. Accordingly, the Company has established short, medium, and long-term environmental management targets to drive GHG reductions across all operational dimensions.

Goals of Environmental Management

Greenhouse Gas Emission Reduction Goals	
2025 Goals	Reducing the organization's greenhouse gas emissions in Scope 1 and 2 by 15 % compared to business as usual (BAU).
Mid-Term Goals (2030)	Reducing the organization's greenhouse gas emissions in Scopes 1 and 2 by 40 % by 2030 compared to business as usual (BAU).
Long-Term Goals (2050)	Become a net zero emission organization.

Indicators
1. Change of the central fleet from fuel-based vehicles to electric vehicles (EVs).
2. Environmentally friendly materials used.
3. Reduction in construction waste.
4. Using condensed water from the main air-conditioning system at Supalai Grand Tower to water plants around the building, re-utilize smaller air-conditioning system
5. Availability of wastewater reuse processes.
6. Reduction in dust generated in high-rise construction projects.
7. Replacement of chemical fertilizers with organic alternatives in common garden areas.

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