



Climate Resilience Policy

Charoen Pokphand Engineering Co.,Ltd.

This policy is a part of Charoen Pokphand Engineering Co.,Ltd.'s Environmental Policy and Guidelines.

Realizing that climate change, caused primarily by anthropogenic greenhouse gas emissions, is a critical global challenge with potentially significant and devastating economic, social, and environmental impacts, Charoen Pokphand Engineering Co.,Ltd. is therefore determined to operate its businesses with the principle of climate stewardship. The Group integrates low-carbon development measures into its sustainable management of natural resources, to minimize the impact on climate change. The Group's climate stewardship strategy is aligned with the Paris Agreement, to limit global temperature increase to 1.5°C above preindustrial levels, and to reach net-zero by 2050. Charoen Pokphand Group also committed to set science-based emissions reduction targets in line with the criteria and recommendations of the Science Based Targets initiative (SBTi) to ensure the strongest level of ambition in the short, medium, and long-term.

Furthermore, Charoen Pokphand Group sets a Net Zero Carbon target from operations by 2030 and aims to plant 20 million trees by 2025. The Group encourages employees, business partners, contractors and stakeholders to reduce greenhouse gas emissions from business operations and continues to support use of renewable energy throughout value chain.

In order to achieve these objectives, Charoen Pokphand Engineering Co.,Ltd. establishes the following guideline.

1. Set up targets, strategies and guidelines, and collaborate with stakeholders throughout supply chain to reduce greenhouse gas emissions and adapt to climate change aligned with relevant international framework on climate, including the Paris Agreement of United Nations and the UN Convention on Biological Diversity.
2. Integrate an "internal carbon price" in business strategies and use as a guide for business planning and investment decisions.

3. Assess climate change risks and opportunities and impact from climate change that might affect business operations throughout lifecycle of products and services, as well as implement effective management approach for climate issues.
4. Design and develop products, services, and operating processes with considerations of climate adaptation measures, to reduce energy usage and greenhouse gas emissions.
5. Implement sustainable procurement, prioritizing raw materials, products, services, and solutions with lower climate impact, and use control measures to combat deforestation and forest degradation, and support nature-based solutions including carbon sequestration in forest areas.
6. Promote the use of energy and natural resources effectively and most efficiently throughout supply chain.
7. Develop and apply technology and innovation into business operations to reduce energy consumption and overall greenhouse gas emissions.
8. Implement measures to achieve zero food waste and zero waste to landfill to reduce climate impact from waste management.
9. Increase the proportion of renewable energy and low-carbon energy in business operations.
10. Encourage efficient use of fertilizers in agriculture; promote carbon sequestration and reduction of greenhouse gas emissions from agricultural production.
11. Implement greenhouse gas emissions reduction projects/activities within the business operations, and explore credible offsets to achieve net zero carbon.
12. Ensure that the greenhouse gas emissions from business operations do not exceed the amount of allowed by relevant laws, regulations and standards.
13. Provide transparent governance and audit process to monitor progress and review action plans for climate change management.
14. Set up a performance tracking system and report greenhouse gas emissions data from Scope 1 (direct emission), Scope 2 (indirect emission for energy usage) and Scope 3 (others indirect emission) in compliance with internationally recognized standards.



15. Develop and regularly review emergency preparedness action plans to maintain businesses continuity.
16. Support and collaborate with government agencies, NGOs, educational institutions, communities and other stakeholders on climate resilience both nationally and internationally.
17. Communicate with employees, suppliers, business partners and stakeholders on a regular basis to raise awareness about climate resilience.
18. Disclose performance and progress against targets on climate resilience through Sustainability Report or other relevant disclosures to stakeholders annually.

Directors, executives and employees of Charoen Pokphand Engineering Co.,Ltd. must comply with the laws, rules, regulations, standards, as well as this Climate Resilience Policy, and other applicable policies and guidelines related to climate resilience.