Coping with Climate Change

Standards: GRI 3-3 / GRI 201-2 / GRI 302-4 / GRI 303 / GRI 305 / GRI 306

7 AFFORDABLE AND CLEAN ENERGY
13 CLIMATE ACTION

Organizational Importance and Commitment

Climate change is one of urgent issues broadly affecting the economic, social, and environmental system, especially business and production sectors that may confront some risks from natural disaster, uncertainty of resources, and changes in national and international policies. The Company realized the importance of this problem, and inserted it as a key issue when setting up the corporate strategy and operating guideline so that the Company could manage any potential risks deriving from such climate change in terms of adaptation and mitigation of greenhouse gas emissions. Consequently, the Company would have fewer risks, and have better flexibility in its business operation in the long term.

Opportunities and Impact

The Company has carried out the risk assessment and business opportunities deriving from the climate change in order to obtain the important information for the strategy planning and business decision-making, which would make the Company's business operation continue and sustainable, and generate competitiveness in the era when the low-carbon society is the main trend.

Risks (GRI 201-2)

Risk Issues	Risk Types				Impacts	Implementation Guidelines
	Strategic Risk	Operational Risk	Financial Risk	Regulatory Risk		
1. Increased project cost volatility due to shortages of raw materials and certain types of equipment, as well as flood conditions.		✓	✓		Impact on financial cost management, transportation of raw materials, and project delivery.	• Comprehensive project cost estimation and provisioning for project cost contingencies. • Sourcing alternative suppliers or substitute products.
2. Cost impacts from technological changes affecting the supply chain, such as product obsolescence, scarcity of spare parts, or changes in specific product features.		✓	✓		Impact on sales planning, project management, and contract administration.	• Effective project management. • Sourcing alternative suppliers or substitute products. • Communicating comparable product features to build customer confidence.

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3. Rising business costs from the transition to a low-carbon society, including compensation for damages caused by greenhouse gas emissions, new legislative trends, and regulatory changes.	✓	✓	✓	✓	Impact on operational processes, which must consider reducing or controlling greenhouse gas emissions in order to minimize the cost burden associated with compensating for the damage caused by such emissions.	• Monitor developments in relevant regulations and policy changes. • Establish appropriate sustainability policies, targets, and implementation guidelines, taking into account the urgency of the issues, and integrate them into the Company's business strategy and operations.
4. Technological risks and fuel price volatility that may impact operations.			✓		Impact on the cost of goods and services.	• Develop an appropriate risk management plan and ensure effective project cost management and efficient operational cost control.
5. Changes in policies and regulations related to greenhouse gas emissions control, such as carbon taxes, the Carbon Border Adjustment Mechanism (CBAM), and increasingly ambitious emission reduction targets set by relevant regulatory agencies.	✓	✓		✓	Risk arises from strategies and operational plans that are not aligned with policies and regulations to be implemented in the future, which may affect opportunities to offer products, services, and secure contracts, as well as impact the Company's reputation and potentially lead to legal penalties.	• Regularly monitor changes in relevant regulations to assess potential impacts and risks and develop an appropriate risk management plan accordingly.
6. Changes in consumer behavior and conditions for securing project contracts.	✓				Impact on business strategy and direction.	• Conduct stakeholder expectation surveys to define aligned goals and action plans.
7. Investor confidence and corporate image, as well as expectations from stakeholders.	✓	✓		✓	Impact on financial stability, opportunities to offer products, services, and secure contracts, as well as collaboration within the business value chain.	• Disclosure of sustainability information through various communication channels.

Opportunities (GRI 201-2)

Finance and Investment

- Better working efficiency and profitability, reduction of operating cost from less use of resources, and use of alternative energy.
- Opportunity to access to finance and credit with low interest rate from measures supporting any businesses that have carried out the ESG and other measures to reduce the greenhouse gas emissions, together with tax measures by the government sector.
- Opportunity to attract investors demanding to make investment in any businesses undertaking sustainability operations, and carrying out measures for reducing greenhouse gas emissions.

Products and Services

- Opportunity to search for and improve products and services in other new forms or from other new producers as some new choices for customers and consumers.
- Opportunity to make investment in the innovative and technological research and development to serve customers' demands, which must be relevant to the sustainability policy and measures.

Operating Efficiency

- Applying international standards for the Company's operations, and development of operating efficiency and profitability to attain the sustainable organization.
- Cooperation with the government sector, the private sector, and other related agencies in monitoring the climate change, and in assessing any related risks before formulating the responding plan.

Corporate Image

- Confidence from stakeholders as a business organization which cares for the environment, and increasing business competitiveness.