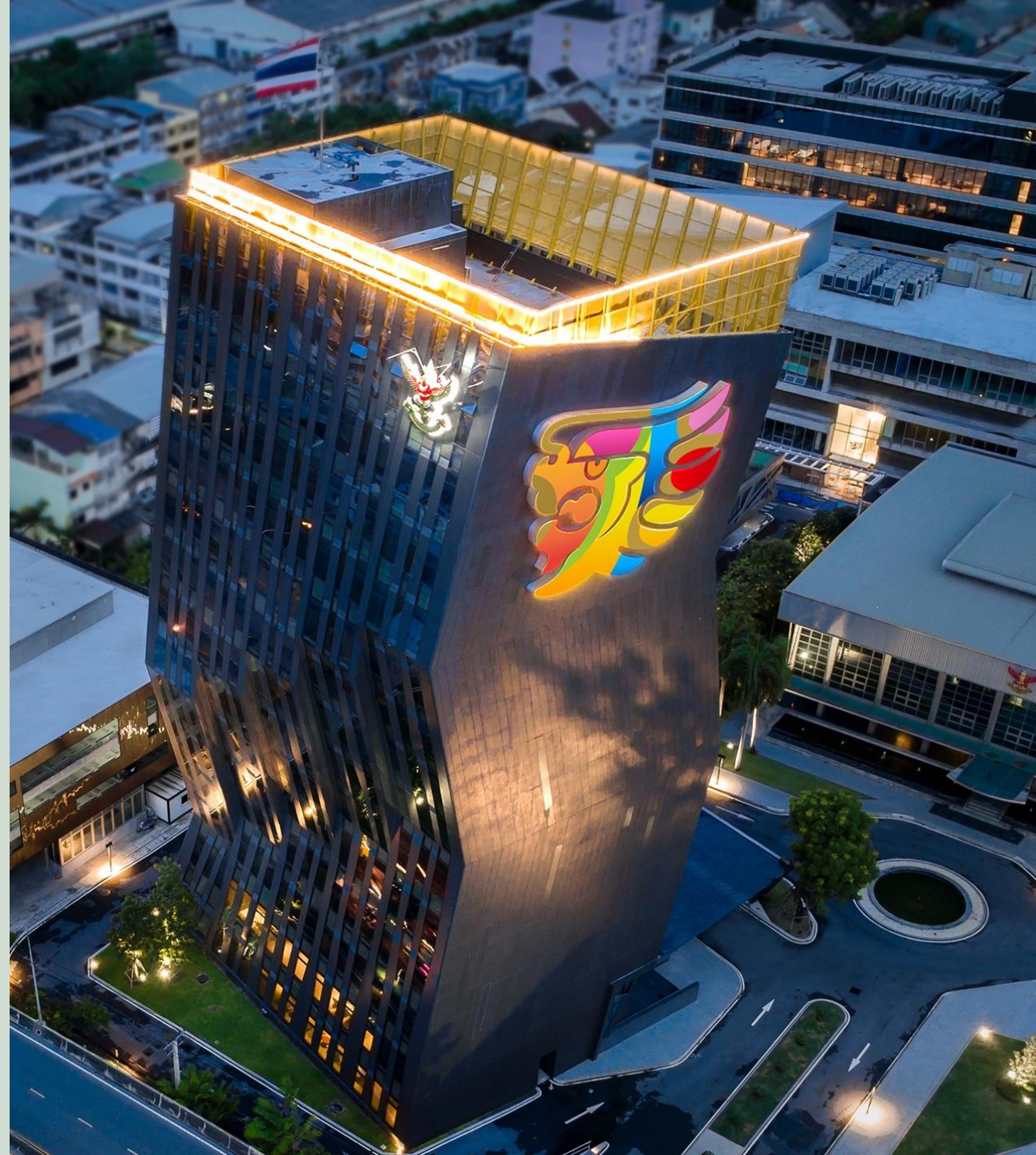


Biodiversity & No-Deforestation Resolve and implementation 2024

Osotspa Public Company Limited



Biodiversity & No Deforestation at Osotspa

Osotspa Public Company Limited recognize the importance of natural ecosystem and the urgent need of biodiversity conservation, which we intent to help preserve natural ecosystem from deforestation and any operation that cause negative impacts

Osotspa also strive to protect the important significant conservation or biodiversity areas which included UNESCO World Heritage Sites, Wetlands listed under the Ramsar Convention, Protected areas I-IV categories defined by IUCN, and protected areas defined by the local law.

Scope

Osotspa Public Company Limited and subsidiaries including the business value chain.

Our Biodiversity Resolve

1. To be aware, protect, maintain, enhance, or conserve global and national important biodiversity and critical natural ecosystems.
2. To Apply the “Mitigation Hierarchy” into our operation: (avoid, minimize, restore & offset)
 - Avoid – avoid creating impacts on biodiversity.
 - Reduce – reduce the intensity of impact on biodiversity that is unable to avoid.
 - Restore – rehabilitate degraded ecosystem.
 - Offset – compensate for the loss of biodiversity
 - Transform – change to the suitable method to avoid negative impact on nature
3. To comply with regulations, adopt the voluntary requirements and align with local and global standards that relate to environment and biodiversity protection to achieve “No Net Loss”.

Our No-Deforestation Resolve

1. To be aware, protect, maintain, enhance, or conserve global and national important biodiversity and critical natural ecosystems.
2. To Apply the “Mitigation Hierarchy” into our operation: (avoid, minimize, restore & offset)
 - Avoid – avoid creating impacts on biodiversity.
 - Reduce – reduce the intensity of impact on biodiversity that is unable to avoid.
 - Restore – rehabilitate degraded ecosystem.
 - Offset – compensate for the loss of biodiversity
 - Transform – change to the suitable method to avoid negative impact on nature
3. To comply with regulations, adopt the voluntary requirements and align with local and global standards that relate to environment and biodiversity protection to achieve “No Net Loss”.

Our Approaches

1. Avoid implementing business activities across value chain that may affect biodiversity and seek for opportunity to deploy biodiversity related project into significant conservation or biodiversity areas, such as UNESCO World Heritage Sites, wetlands listed under the Ramsar Convention, protected areas I-IV categories defined by IUCN, and protected areas defined by the local law.
2. Operate business with concerns of no net loss in biodiversity or no net deforestation. Where negative impact is unavoidable, assess the potential impact and set remedial measures in place aligning with the biodiversity mitigation hierarchy, which includes avoid, reduce, restore, offset and transform.
3. Review the processes and practices to ensure compliance with applicable regulations and/or mandatory standards.
4. Conduct a comprehensive biodiversity risk assessment to identify critical importance of biodiversity conservation and the impact for Osotspa's operating site.
5. Evaluate and monitor the risks of Osotspa's activities as well as monitor biodiversity value regularly.
6. Communicate and engage with stakeholders to enhance our understanding and promote conservation efforts for driving positive change for the biodiversity.

Biodiversity Risk Assessment

Osotspa conducted an initial assessment of its dependencies and impacts on nature using the Taskforce for Nature-related Financial Disclosure (TNFD)'s **LEAP framework**. This framework guided the company in **Locating, Evaluating, Assessing, and Preparing** to address its nature-related issues.

Osotspa's Value Chain



Osotspa has mapped out and assess the value chain components to identify which sectors are involved throughout Osotspa's value chain.

- Upstream - Supplier
 - Responsible Consumption of Natural Resources
 - Sustainable Sourcing
- Direct Operations
 - Healthy & Responsible Consumption
 - Recycling and Recovery
 - Manufacturing Efficiency & Packaging Intelligence
 - Innovative Distribution
- Downstream- Customer/ Sustainable Partnerships with Retailers

Sector classification systems such as the Global Industry Classification Standard ("GICS") is used to determined the sector and sub-industry selection (which is also used in the ENCORE tool).



L - Locate

Location sensitivity summary

Third party global open-source data sets are used to determine the state of nature and asset red flags for sensitivity locations using GIS analysis with key indicators mentioned below:

Four criteria to be evaluated:



Biodiversity Importance



Ecosystem Integrity



Water Stress

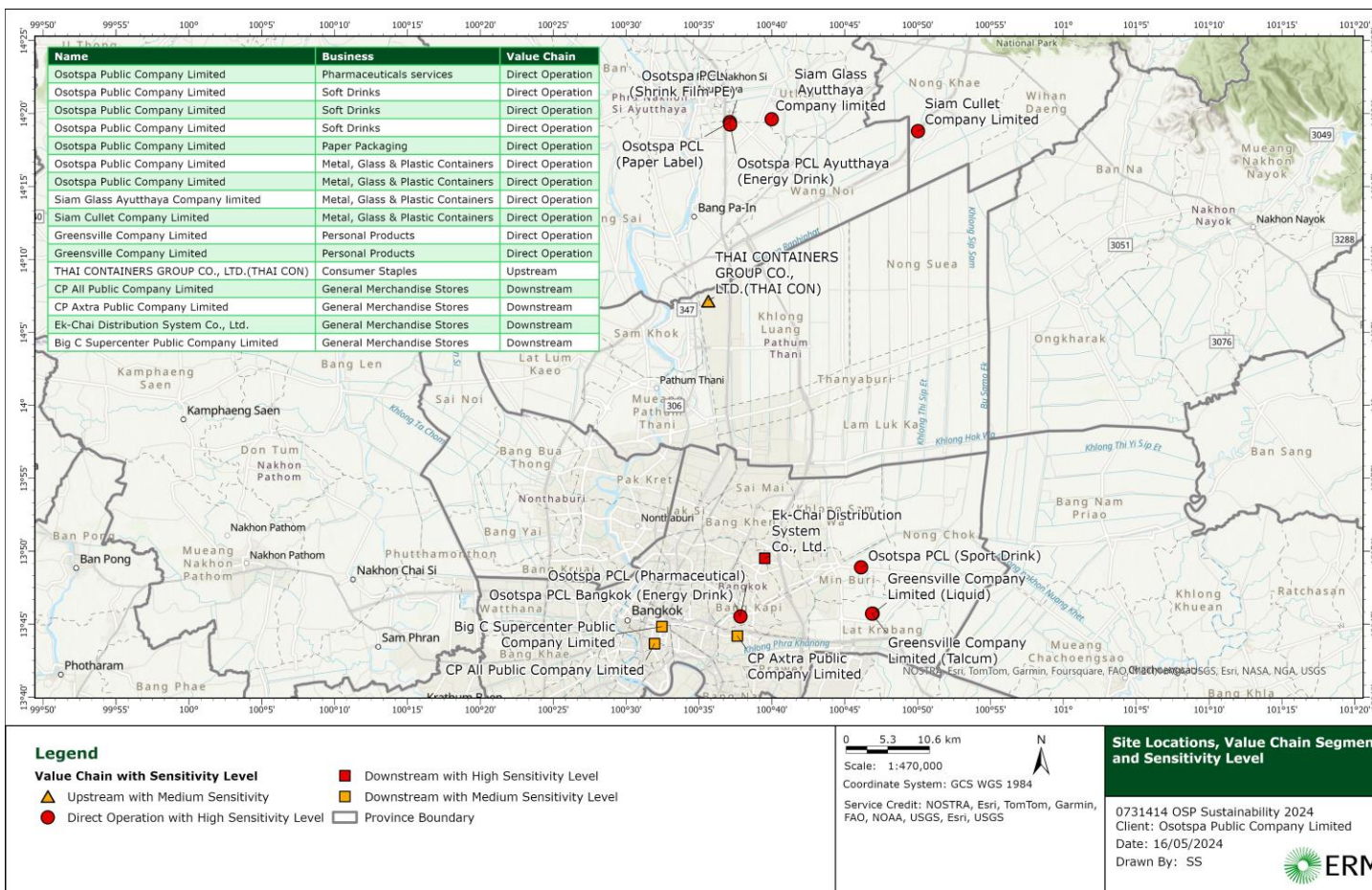


Ecosystem service delivery importance

Sites are prioritized based on:

- High water stress
- High current biodiversity importance
- High ecosystem integrity
- High Ecosystem service delivery importance

- Buffer zones are added to analysis the nature condition of adjacent areas
- Sites are analyzed in detail and prioritized to determine high-value or high-risk habitats to align with leading frameworks.



Value Chain	Number of Sites Assessment		
	Low	Medium	High
Direct Operation	1	-	11
Upstream	5	1	-
Downstream	-	3	1
Total	6	4	12

The medium to high sensitivity location in terms of nature-related issues are the first-order prioritization of site locations and are registered in the WWF risk assessment.

Number of site exposure to significant biodiversity impact

	Number of sites	Total areas (Hectares)
Number of sites of own operation	12	54.2569
Number of sites for Biodiversity Impact Assessment	12	54.2569
Number of site exposure to significant biodiversity impact	11	40.9769
Number of sites with a biodiversity management plan	11	40.9769

- Legend**
- Value Chain with Sensitivity Level
 - Upstream with Medium Sensitivity
 - Downstream with High Sensitivity Level
 - Downstream with Medium Sensitivity Level
 - Province Boundary

Scale: 1:470,000
 Coordinate System: GCS WGS 1984
 Service Credit: NOSTRA, Esri, TomTom, Garmin, FAO, NOAA, USGS, Esri, NASA, NGA, USGS

Site Locations, Value Chain Segment and Sensitivity Level

0731414 OSP Sustainability 2024
 Client: Osotspa Public Company Limited
 Date: 16/05/2024
 Drawn By: SS

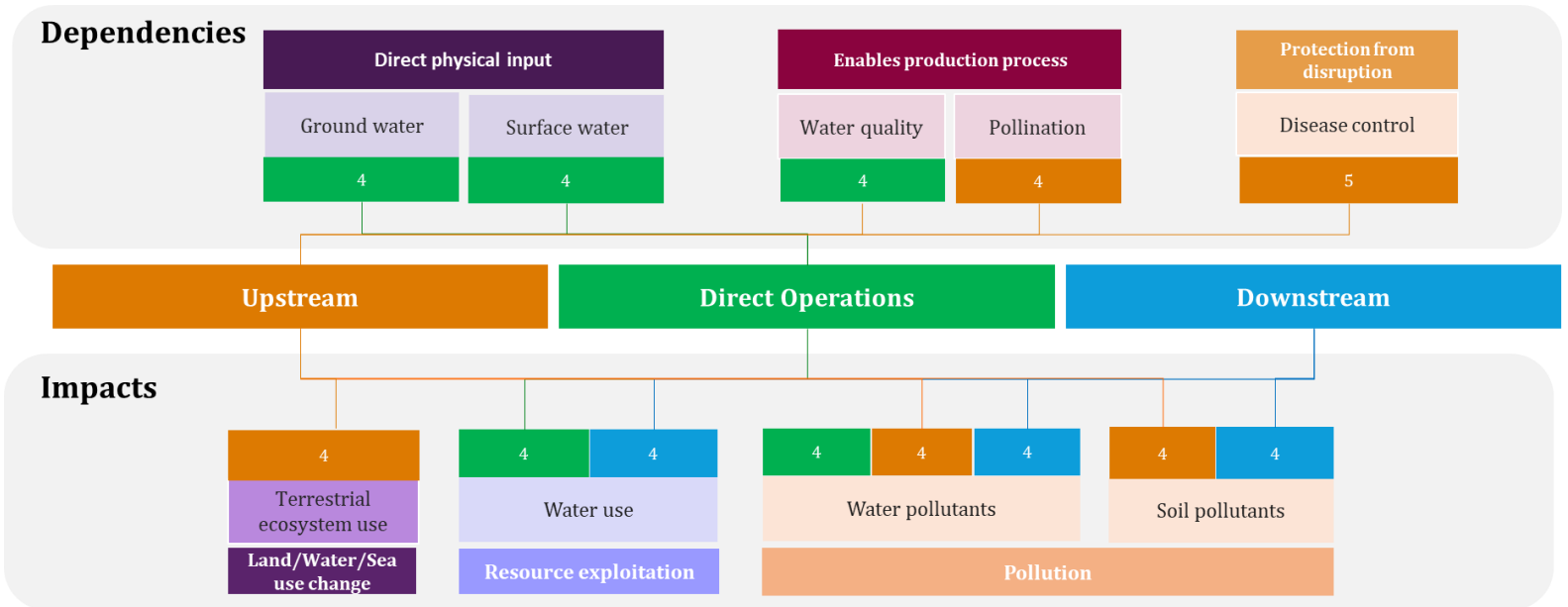


E - Evaluate

The evaluation of sector-level impact and dependency scores is conducted with the ENCORE tool. In order to use the ENCORE tool to assess impact and dependency scores, Osotspa activities were translated into the Global International Classification Standard (GICS) nomenclature used in ENCORE (→ [link to ENCORE nomenclature](#))



The diagram shows nature-related impacts and dependencies that have been identified as priority to Osotspa business based on the ENCORE sector-level assessment along with the adjustment from Osotspa business model and current concerns.



A - Assess



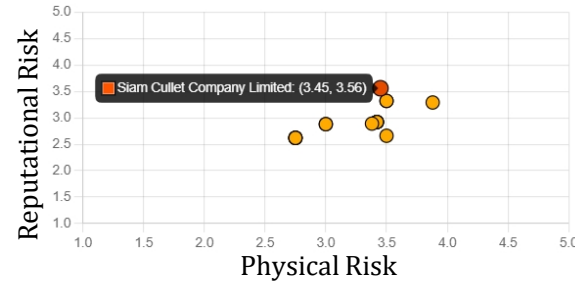
WWF biodiversity risk filter (WWF BRF) is used as a tool to assess the potential biodiversity risks from Osotspa operation and value chain as a location-specific approach. The risks assessed involved both impact- and dependency-related biodiversity risks.

Number of Sites by Risk type



This graphic shows the distribution of the number of sites at different risk levels for all selected sites

Physical Risk vs Reputational Risk



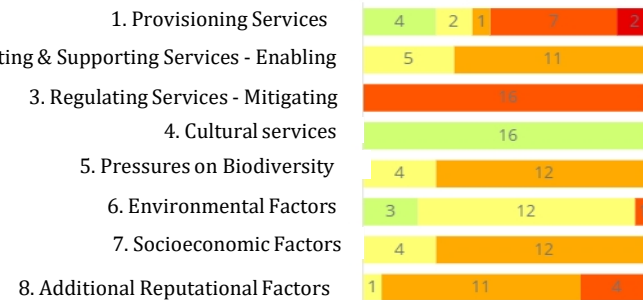
This graphic compares physical risk scores vs reputational risk scores for all selected sites

Number of Sites by Land- or Seascape



This graphic shows, up to 10 land- or seascapes with the highest number of sites and displays the number of sites associated with physical risk scores.

Number of Sites by Risk Category



This graphic shows the distribution of risk across the 8 risk categories for all selected sites

Low risk

Medium risk

High risk

Physical risk

- Land, Freshwater and Sea Use Change

- Air Condition

- Water Scarcity
- Limited Wild Flora & Fauna Availability
- Water Condition
- Fire Hazard
- Plant/Forest/Aquatic Pests and Diseases
- Extreme Heat
- Tropical Cyclones
- Pollution

Reputational risk

- Protected/Conserved Areas
- Other Important Delineated Areas
- Ecosystem Condition

- Key Biodiversity Areas
- Labor/Human Rights

- Resource Scarcity
- Media Scrutiny

Osotspa grouped and considered nature-related risks identified into 2 main risks types that are integrated into Company-wide risk management system which are;

- Biodiversity related risks including (1) water scarcity and low-quality water condition and (2) scarcity in natural resources including flora and fauna
- Emerging risks (the other identified risks from the tool)

P - Prepare

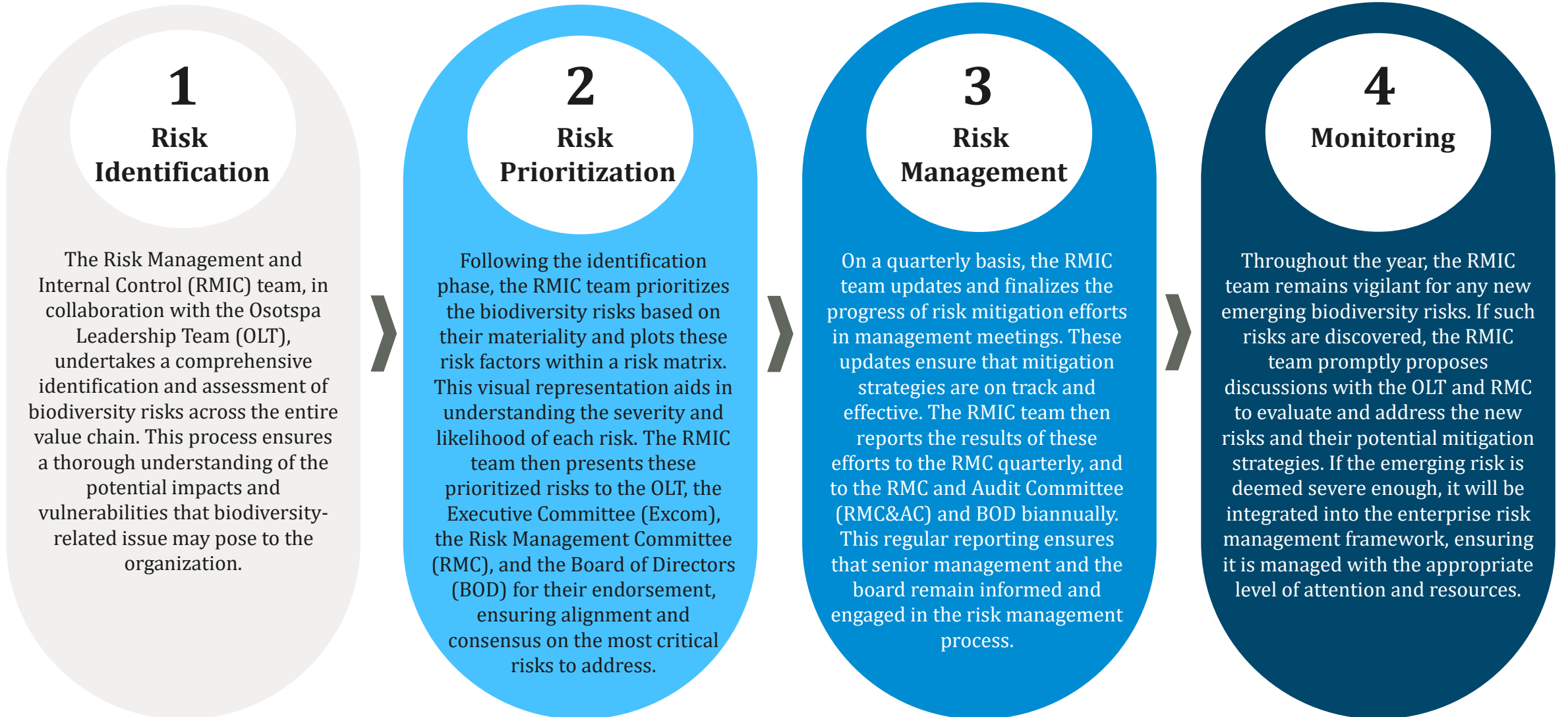
Osotspa Public Company plans to publish its first TNFD report by 2025, detailing our nature-related financial disclosures. This report will offer comprehensive insights into our nature-related risks, dependencies, and impacts, in alignment with TNFD recommendations. The process will involve extensive data collection, stakeholder engagement, and rigorous internal reviews to ensure accuracy and relevance. By December 2025, the finalized report will be published and communicated to all stakeholders, demonstrating our commitment to transparency and sustainability

Our preparation steps for TNFD Report 2025

- **Data Collection:** Gather data on nature-related risks, dependencies, and impacts from various departments.
- **Stakeholder Engagement:** Conduct meetings with key stakeholders to understand their concerns and expectations.
- **Analysis and Assessment:** Analyze the collected data to assess nature-related risks and opportunities.
- **Drafting the Report:** Begin drafting the TNFD report, incorporating insights from the analysis.
- **Internal Review:** Share the draft report with internal teams for feedback and revisions.
- **Board Review:** Present the draft report to the Board of Directors for review and approval.
- **Final Revisions:** Make final revisions based on feedback from the Board and other stakeholders.
- **Design and Formatting:** Prepare the report for publication, including design and formatting.
- **Approval and Sign-off:** Obtain final approval and sign-off from the Board of Directors.
- **Pre-publication Checks:** Conduct final checks to ensure accuracy and completeness.
- **Publication:** Officially publish the TNFD report and distribute it to stakeholders.
- **Communication:** Announce the publication through press releases, social media, and other communication channels.

Risk Management

Integrating Biodiversity issues into COSO: Enterprise Risk Management Framework

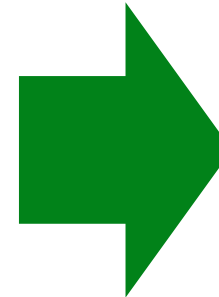


Osotspa's Biodiversity related Risk: Integration to Company Risk Management System



Scape Physical Risk	
1. Provisioning Services	
1.1 Water Scarcity	
1.3 Limited Wild Flora & Fauna Availability	
2. Regulating & Supporting Services - Enabling	
2.2 Water Condition	
2.3 Air Condition	
3. Regulating Services - Mitigating	
3.2 Fire Hazard	
3.3 Plant/Forest/Aquatic Pests and Diseases	
3.5 Extreme Heat	
3.6 Tropical Cyclones	
5. Pressures on Biodiversity	
5.1 Land, Freshwater and Sea Use Change	
5.4 Pollution	
Scape Reputational Risk	
6. Environmental Factors	
6.1 Protected/Conserved Areas	
6.2 Key Biodiversity Areas	
6.3 Other Important Delineated Areas	
6.4 Ecosystem Condition	
7. Socioeconomic Factors	
7.2 Resource Scarcity: Food - Water - Air	
7.3 Labor/Human Rights	
8. Additional Reputational Factors	
8.1 Media Scrutiny	

integrated into
company risk
management
system



	Likelihood		
Likelihood	Rare	Possible	Likely
Definition	Not Happened In 3 Years	Rarely Happened (1-2 times in last 3 years)	Already Happened (3 times or more occasions within last 3 years.)
Impact	Low	Medium	High
Definition	< 100 MB and Other Qualitative Factors	100-250 MB and Other Qualitative Factors	> 250 MB and Other Qualitative Factors

Biodiversity Risk 1: Water scarcity and low-quality water condition

Risk Item	Mitigation Plan
<p>BD1: Water scarcity and low-quality water condition may lead to disruption in production costs of Beverage, PC HCC and OEM Businesses.</p> <p>Risk level: Low Likelihood: Low</p>	<ul style="list-style-type: none">• Regular monitoring the pumping rate and amount of water sources• Regular water treatment/real time monitoring on water quality• Initiate Water reduction & Water efficiency programs to support the efficiency of water usage• Identify alternative sources of water and prepare for Business Continuous Plan (BCP) in case of water shortage• Study about Deep well license and opportunity to get more licenses for prevent the water shortage

Biodiversity Risk 2: Scarcity in natural resources (flora and fauna)

Risk Item	Mitigation Plan
<p>BD2: Scarcity in natural resources (flora and fauna) may lead to key raw material shortage and mainly impact to production costs of Beverage products</p> <p>Risk level: Medium Likelihood: Low</p>	<p>Change</p> <ul style="list-style-type: none">• Sourcing and Qualifying the additional suppliers for key materials.• Seek for alternative sources for key materials supply with different in country of origin.• Seek for substitute supplier to support key raw material supply or replace the key suppliers <p>Collaborate</p> <ul style="list-style-type: none">• Closely monitoring the key material suppliers, sources and market trend to ensure the market supply situation.• Ensure proper inventory level for key materials using in production.• Material usage forecast with the production plan to obtain the accurate data for the best material sourcing plan. <p>Reduce</p> <ul style="list-style-type: none">• Reformulate products' composition to seek the potential of less key materials usage

Emerging Risk: Biodiversity Related Risk



Emerging Risk	Potential Impact	Mitigation Plan
<p>Unseen Climate Effects:</p> <p>Climate change may cause unforeseen disasters, potentially damaging company assets and endangering worker safety, such as extreme heat, cyclones, and fire hazards.</p>	<ul style="list-style-type: none"> • Sudden environmental disasters those may disrupt company's business continuity by damaging company's assets and natural resources' supply. • Damage from natural disasters may cause asset & property losses and human injuries and fatalities • High temperature can cause significant health issues of workers such as heat exhaustion, heat stroke, and other heat stress related illnesses. • High temperature can increase the levels of air pollution and harmful exposures to workers, such as fine particulate matter (PM) pollution, the buildups of air pollution due to air stagnation, etc. • High temperature and humidity can decrease product quality, changes in nutrient composition, color and texture during production, storage and transportation 	<ul style="list-style-type: none"> • Study and Evaluate company's existing properties for create the potential plan to upgrade the existing assets' structure, facilities and equipment as needed based on company's evaluation. • Create the appropriate fire buffer zone between community and operational site and Implementing fire-resistant building materials into building structure. • Establish and enhance the Heat Safety Policies and guidelines on the provision of adequate water supplies, rest breaks, and access to cooler areas for breaks. • Establish the Mandatory Training & Education to build awareness of company's workers in climate change situation and the best practices for preventive measures.

Mitigating Actions



Avoidance

- Avoid creating impacts on biodiversity



Reduction

- Reduce the intensity of impact on biodiversity that is unable to avoid



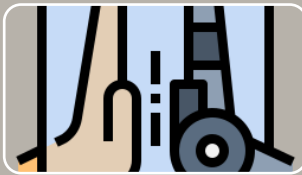
Restoration/Regeneration

- Rehabilitate degraded ecosystem



Offset

- Compensate for the loss of biodiversity



Transform

- change to the suitable method to avoid negative impact on nature

2023-2024 activities



Landfill Avoidance, Waste Reduction

In 2023, Siam Cullet Co., Ltd., a subsidiary of Osotspa responsible for waste management within the group, partnered with ATHIBHATTKIJFAIFAH Co., Ltd., the operator of a biogas electricity generating plant. Together, they repurposed deteriorated beverages as raw material for electricity production. This joint initiative successfully utilized 143,490 kilograms of beverages to generate electricity. Both companies plan to maintain this practice going forward.



Restoration and Offset

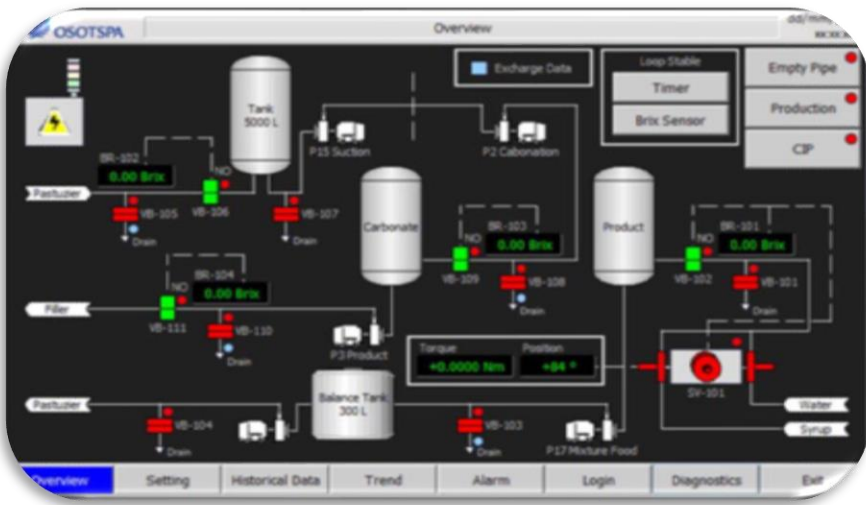
In 2023, Osotspa planted a total of 2,510 trees: 1,649 were planted at Triangular Park next to Piya Phirom Park, 161 were planted on the median strip of the Yellow Line BTS Skytrain from Yaek Lam Sali Station to Kalantan Station, and 690 were planted at the Tree Bank.

2023 activities



Transform, Technology adaptation

In 2023, Osotspa installed solar rooftops at five Osotspa plants, generating a total capacity of 7,218,771 kWh. This resulted in renewable energy production of up to 25,988 GJ and a reduction of 3,609 tCO₂e. These efforts help avoid GHG emissions, supporting better air quality and reducing pollution.



Waste Reduction, Technology adaptation

In 2023, The manufacturing operation integrates automatic product quality measurement technology and an automated control system to replace manual labor. This results in a reduction of product loss and time spent on quality inspection processes at the start of production, Leading to a decrease in product loss of 287,014 kilograms per year.