

## CLIMATE STRATEGY

In recent years, the increasing global temperatures have led to severe climate change, impacting not only the environment but also the economy, communities, people, and all living beings that rely on nature for their livelihoods. Therefore, all relevant sectors must be prepared to mitigate and adapt to the multidimensional impacts that may occur. In response to this, countries around the world have come together to organize the 28th Conference of the Parties (COP28) to the United Nations Framework Convention on Climate Change (UNFCCC), held in 30 November - 13 December 2023. Representatives from various countries, including Thailand, in attendance. The conference encouraged all sectors to expedite the transition from fossil fuels to renewable energy in order to achieve the goal of limiting global temperature rise to no more than 1.5 degrees Celsius above the pre-industrial baseline temperature of the year 1850 or 2393 in the Buddhist calendar, as stated in the Paris Agreement and the United Nations Framework Convention on Climate Change (UNFCCC). Thailand has demonstrated its commitment by setting a target to reduce greenhouse gas emissions by 40 percent by 2030 and by 60 percent within 2035.

WHA Industrial REIT Management Company Limited ("REIT Manager"), acting as the REIT Manager of WHA Industrial Leasehold Real Estate Investment Trust ("Trust") and WHA Industrial REIT Manager I Development Public Company Limited, acting as the Property Manager, the subsidiaries of WHA Corporation PCL. ("WHA Group"), We have been closely monitoring COP28 and aware of the issue of climate change and align our efforts with the Paris Agreement's goal of limiting global temperature increase to 1.5 degrees Celsius. We prioritize sustainable development strategies that consider environment, society, and governance (ESG) to prevent violations of rights towards individuals, legal entities, or stakeholders in various sectors as WHA Group. This includes respecting the livelihoods of communities and ensuring access to various resources.

Through the process of analyzing climate change, by both assessing and mitigating the risks that impact the organization directly and indirectly. WHA Group recognizes that climate change is not only a challenge but also an important opportunity to leverage environmental technology potential and create sustainable value for the business. WHA Group has been proactively managing risks and opportunities in this regard for several years. WHA Group measures and controls greenhouse gas emissions in Scope 1, Scope 2 and Scope 3, ensuring ongoing monitoring of progress in reducing greenhouse gas emissions to align with both business and national goals. WHA Group has the intention to continuous development to ensure a sustainable business operation.

The significant transition throughout the past several years is the development of renewable energy. The WHA Group has been offering renewable energy services to its customers to reduce carbon emissions from conventional energy sources. This includes projects such as solar rooftop, solar car park, and solar floating energy projects. In 2023, the WHA Group achieved its target of signing agreements for the purchase and provision of renewable energy systems totaling 311 megawatts. This is expected to reduce greenhouse gas emissions by up to 51,497 tCO<sub>2</sub>e per year. The WHA Group has set a goal to further increase the signing of agreements for the purchase and provision of renewable energy systems to reach 600 megawatts by the year 2026. In addition, WHA Group has the intention to continuously increase the proportion of renewable energy in its operations. For example, they have installed solar panels on the water treatment plant at WHA Eastern Industrial Estate (Map Ta Phut), which can reduce electricity consumption by up to 315,857 kilowatt-hours per year. They have also installed solar panels on the roofs of the parking buildings at WHA Eastern Seaboard Industrial Estate 2 and WHA Eastern Seaboard Industrial Estate 4, which can reduce electricity consumption from the traditional power generation system by up to 352,015 kilowatt-hours. For the year 2023, WHA Group installed solar panels on office buildings at the WHA Eastern Seaboard Industrial Estate 3 and implemented a Floating Solar project at the WHA Eastern Seaboard Industrial Estate 1. These projects were able to reduce electricity consumption from the conventional power generation system by up to 675,089 kilowatt-hours per year. Furthermore, the group has studied the installation of solar panels in conjunction with batteries,

which has helped reduce electricity consumption from the original system by 1,150 megawatt-hours per year, equivalent to 4 million baht annually. In addition to that, in the past year, WHA Group has promoted various measures and expanded controls to reduce greenhouse gas emissions up to Scope 3 within the diverse stakeholders, including contractors, customers, logistics activities, as well as public utilities and energy in all dimensions. In 2021, WHA Group achieved carbon neutrality and is fully committed to reaching the goal of net-zero carbon emissions by 2030. These initiatives mark a significant transition for the group towards a new era of environmental consciousness.

## **MANAGEMENT APPROACH**

WHA Group acknowledges the urgency of the challenges posed by climate change and has accelerated its efforts in line with relevant action plans. WHA Group is aware that its business activities rely on natural factors such as rainwater for sourcing and producing water, as well as sunlight for renewable energy services. Therefore, the impacts of climate change, such as floods, droughts, or hurricanes, can directly affect the operations of the WHA group's businesses and Trust's asset investments. Furthermore, these climate change events can also have cascading effects on other stakeholders, including internal stakeholders like employees and external stakeholders such as customers and communities, who may benefit from the WHA Group's business operations proceed smoothly, and conversely, they would be adversely affected if the companies' operations are disrupted due to climate change.

Therefore, WHA Group is committed to expanding its business growth while maintaining a sustainable balance for the economy, environment, and society. They aim to play a significant role in the industrial sector, as well as in public utilities and energy management, including addressing greenhouse gas emissions, which are a major cause of global warming. Therefore, WHA Group has studied global trends in addressing these challenges, particularly through the COP28 conference. WHA group closely monitors and plans its operations in accordance with policies, laws, and regulations at both national and international levels, which are becoming increasingly stringent each year. This is done to reduce the impact of climate change and decrease greenhouse gas emissions and the use of fossil fuels by transitioning to renewable energy. This supports the shift away from fossil fuels that Thailand agreed upon at the recent COP28 conference. The government has set a goal for Thailand to achieve carbon neutrality by 2050 and net-zero greenhouse gas emissions by 2065. WHA Group has already achieved carbon neutrality in 2021 and aims to reach net-zero emissions by 2050. These efforts position the group as a leader in the real estate industry in Thailand in addressing climate change.

WHA Group has established an Environmental Quality, Energy Conservation, and Biodiversity Policy, which is continuously reviewed and adjusted to align with global trends and changing circumstances. The core principle of this policy is to promote the adoption of new innovations in development and business operations. It emphasizes and encourages the use of green energy, such as solar power, to reduce greenhouse gas emissions from WHA Group's activities and minimize the impact on biodiversity. In addition, WHA Group has adopted the Task Force on Climate-Related Financial Disclosure (TCFD) framework to manage risks associated with climate change. This includes integrating risk into strategies, analyzing and assessing risks, ranking risk management efforts, and tracking outcomes. WHA Group conducts analysis of data related to risks, impacts, and opportunities arising from climate change in line with the TCFD guidelines.

WHA Group will regularly review and improve its policies on environmental quality, energy conservation, and biodiversity to ensure they are up to date. This is done to drive the effectiveness and transparency of environmental operations, promoting maximum efficiency for the economy, environment, and society in line with the established policies and objectives.

## GOVERNANCE

The Board of Directors has assigned to Risk Management and Compliance Department to work together with Risk Management and the Risk Management Committee of the WHA Group in conducting discussions and evaluating risks from both external and internal factors. These risks include strategic risks, operational risks, financial risks, compliance risks that may impact the Trust's. The department will then report the outcomes to the Board of Directors at least twice a year to ensure close monitoring of the outcomes. Additionally, they will oversee and manage risks within an acceptable risk appetite and work towards achieving the set objectives.

## STRATEGY AND RISK MANAGEMENT PROCESS

The REIT manager believes that implementing an effective risk management plan to address climate change-related issues will empower them to effectively navigate the challenges that arise from volatile weather conditions, such as droughts and floods. Therefore, the REIT manager demonstrates a strong commitment to managing risks associated with climate change from in the planning processes for selecting project locations. This includes strictly adhering to land-use regulations and laws and ensuring responsible land utilization and assesses the country's geographical structure for each investment project to ensure appropriate management of significant climate change impacts in the area. WHA Group has developed policies on environmental quality management, energy conservation, and biodiversity to create motivation for employees at all levels, including management and general staff. These policies aim to raise awareness of operational objectives related to climate change within the organization and demonstrate the important role of management in achieving these goals. Additionally, WHA Group emphasizes the consideration of the impacts of climate change from the planning stage of industrial development projects and various public infrastructure systems within WHA Group. In addition, various preventive measures have been implemented and will be applied throughout the project's operations. There are also assessments and evaluations of risks related to climate change, which is considered a key issue in organizational risk management to prevent potential impacts on direct customer business operations. The following measures are implemented:

- Identify significant risks based on hazards, vulnerability, and exposure.
- Understand the impacts of climate change on business operation.
- Evaluate the effectiveness of existing mitigation measures, and
- Address future challenges imposed by climate change.

<b>RISK MANAGEMENT PROCESS</b>			
<b>RISK IDENTIFICATION</b>	<b>RISK ASSESSMENT</b>	<b>RISK RESPONSE AND MITIGATION MEASURES</b>	<b>RISK REPORTING, MONITORING, AND COMMUNICATION</b>
<ul style="list-style-type: none"> <li>• Identification of internal and external risk, along with business impacts.</li> <li>• Categorization of identified risks under four categories: Strategic, Financial, Operation and Compliance.</li> </ul>	<ul style="list-style-type: none"> <li>• Calculation of risk levels following standardized assessment criteria.</li> <li>• Prioritization of risks based on risk profile and appetite.</li> </ul>	<ul style="list-style-type: none"> <li>• Determine actions to respond, mitigate potential impacts and ultimately reduce high level risks to acceptable levels</li> <li>• Measures are implemented to mitigate the impacts and provide relief to those affected before they experience the consequences.</li> </ul>	<ul style="list-style-type: none"> <li>• Communication of risks to all executive and employees to build a strong risk management culture.</li> <li>• Report risk management action plans, results and progress to Board of Director twice a year.</li> <li>• Optimize internal communication channels to disseminate relevant risk information.</li> </ul>

The impacts of climate change, such as resource scarcity, volatility in raw material prices, and changes in laws and regulations related to business operations, directly affect the Trust's business operations, including financial aspects and reputation. The Trust is aware of these risks and has incorporated climate change issues into its organizational risk management to prevent, mitigate, and minimize the impacts of various risks that may arise interconnectedness of the value chain, from the upstream activities to the downstream operations. As part of its risk management approach, WHA Group has established a timeframe for risks associated with physical changes (Physical Risk) and risks associated with transitions (Transition Risk). These timeframes are categorized as short-term (1-3 years), medium-term (3-10 years), and long-term (10 years and beyond). This includes implementing projects and plans to adapt to physical risks, including a physical risk adaptation plan and a plan to adapt to risks from environmental regulations. These measures aim to handle various future risk scenarios through scenario analysis.

## SCENARIO ANALYSIS

The REIT Manager has conducted an analysis of the climate change situation. The scenario analysis follows the guidelines of the TCFD and encompasses two scenarios based on the Representative Concentration Pathways (RCP) framework developed by the Intergovernmental Panel on Climate Change (IPCC). These scenarios provide a simulated projection of greenhouse gas emissions. The scenario analysis takes into account the newly emerged regulations and targets, such as achieving carbon neutrality by the year 2050 and reaching net-zero greenhouse gas emissions by the year 2065. The scenarios are referenced based on the type of risk as follows:

### PHYSICAL RISK

**SCENARIO 1: RCP 8.5 Business as Usual (4 Celsius)** The policies addressing climate change issues are still not stringent enough, and greenhouse gas emissions remain high. The risks associated with physical changes, transitional changes, and the impacts of climate change persist. This may lead to increased temperatures, water scarcity, and more volatile and severe weather conditions. And assume that there is no significant difference in business opportunities compared to the current situation.

**SCENARIO 2: RCP 2.6 Low future Carbon (1.5 Celsius)** There is a rapid transition towards a low-carbon economy, driven by the development of new technologies and policy changes aimed at limiting global temperature increase to no more than 1.5 degrees Celsius.

### THE PHYSICAL RISKS AND TRANSITION RISKS ASSOCIATED WITH CLIMATE CHANGE

The REIT Manager has identified the financial risks associated with climate change and its impact on the following areas, as detailed in the table below:

TYPE OF PHYSICAL RISKS	FINANCIAL IMPACT	
	BUSINESS AS USUAL + 4 °C	LOW FUTURE CARBON + 1.5 °C
<p><b>Acute Risk:</b> The increasing volatility and severity of weather patterns, including the occurrence of natural disasters, pose significant risks to Trust's operational areas.</p>	<ul style="list-style-type: none"> <li>The client's business operations in the industrial estate may be temporarily halted due to natural disasters, impacting both their confidence in Trust and the image of their business. Additionally, there can be indirect repercussions on the supply chain management, such as the</li> </ul>	<p>The impact is less severe on maintenance expenses and revenues if the global temperature increases by no more than 1.5 degrees Celsius. The severity and frequency of natural disasters will be lower than anticipated in the case of a temperature increase of</p>

TYPE OF PHYSICAL RISKS	FINANCIAL IMPACT	
	BUSINESS AS USUAL + 4 °C	LOW FUTURE CARBON + 1.5 °C
	<p>inability to deliver products on time and an increase in product prices.</p> <ul style="list-style-type: none"> <li>• Increased cost from flood management and prevention expenses.</li> <li>• Increased cost from increased insurance premium payment.</li> <li>• Damage to assets and properties, such as infrastructure deterioration and premature wear and tear, can result in additional expenses for maintenance and repairs of buildings or machinery.</li> </ul> <p><b>Impact:</b> Medium <b>Period:</b> Short to Medium (1-5 years)</p>	<p>more than 4 degrees Celsius. Therefore, there will be a lower impact on maintenance costs and revenues.</p> <p><b>Impact:</b> Low <b>Period:</b> Medium to Long (More than 5 years)</p>
<p><b>Acute Risk:</b> The increasingly severe and frequent fluctuations in weather conditions, including droughts, pose a risk to the operational areas of WHA Group</p>	<ul style="list-style-type: none"> <li>• The insufficient water supply to meet the demands of customers within the industrial estate can impact the trustworthiness of WHA Group and the confidence of its customers. However, the group has planned to effectively manage water resources by increasing the capacity of Reclamation Water production. This will reduce dependence on natural water sources to the maximum extent possible.</li> <li>• The increased cost resulting from the expenses incurred in sourcing water resources.</li> <li>• Customers may reduce their production capacity, resulting in reduced water demand and subsequently decreased revenue. Furthermore, this could be a reason for customers to decide to relocate their facilities to other countries or areas.</li> </ul> <p><b>Impact:</b> Medium <b>Period:</b> Short to Medium (1-5 years)</p>	<ul style="list-style-type: none"> <li>• Drought-related problems would have a lesser impact on financial capital and R&amp;D costs at a lower temperature increase of 4 degrees Celsius.</li> </ul> <p><b>Impact:</b> Low <b>Period:</b> Medium to Long (More than 5 years)</p>
<p><b>Acute Risk:</b> Increasingly severe and unpredictable weather conditions, including storms, thunderstorms, and lightning.</p>	<ul style="list-style-type: none"> <li>• Thunderstorms and lightning can cause damage to the assets of Trust, which can impact overall operations, such as</li> </ul>	<ul style="list-style-type: none"> <li>• Minor impacts to operation if the global temperature increases by no more than 1.5 degrees Celsius. The severity and frequency of natural disasters would be</li> </ul>

TYPE OF PHYSICAL RISKS	FINANCIAL IMPACT	
	BUSINESS AS USUAL + 4 °C	LOW FUTURE CARBON + 1.5 °C
	<p>increased repair and maintenance costs and higher insurance premiums.</p> <ul style="list-style-type: none"> <li>• Damage to assets and properties, such as infrastructure deterioration and premature aging, can result in additional expenses for maintenance and repairs of buildings and machinery.</li> <li>• Indirect impacts from supply chain management, such as delayed product deliveries and increased product prices, can occur as a result.</li> </ul> <p><b>Impact:</b> Medium <b>Period:</b> Short to Medium (1-5 years)</p>	<p>lower than anticipated compared to a scenario where the global temperature rises by more than 4 degrees Celsius. Consequently, there would be minimal effects on maintenance costs and revenue.</p> <p><b>Impact:</b> Low <b>Period:</b> Medium to Long (More than 5 years)</p>
<p><b>Chronic Risk:</b> Increasing mean temperature</p>	<ul style="list-style-type: none"> <li>• The increasing average temperature may result in inadequate ventilation within buildings and warehouses, prompting tenants to request building improvements or additional equipment installation to enhance heat dissipation efficiency. Consequently, Trust may incur higher operating and maintenance expenses.</li> <li>• The use of construction materials such as metal sheets for the building's roof may deteriorate more quickly, leading to increased maintenance costs</li> </ul> <p><b>Impact:</b> Medium <b>Period:</b> Short to Medium (1-5 years)</p>	<ul style="list-style-type: none"> <li>• In this case, the risk is low and the impact is less than when the temperature increases by 4 degrees Celsius. However, it may result in a slight lack of ventilation inside the buildings and warehouses. Therefore, the tenant may request building improvements or additional equipment installation to enhance heat dissipation efficiency, which may increase the operating/maintenance costs.</li> <li>• The construction materials used in the building may deteriorate or be damaged quickly.</li> </ul> <p><b>Impact:</b> Low <b>Period:</b> Medium to Long (More than 5 years)</p>

TYPE OF TRANSITION RISK	FINANCIAL IMPACT	
	BUSINESS AS USUAL + 4 °C	LOW FUTURE CARBON + 1.5 °C
<p><b>Policy &amp; Legal:</b> Changes in laws and regulations related to greenhouse gas reduction, such as the declaration of using construction materials that do not emit greenhouse gases, are expected to be enforced by</p>	<ul style="list-style-type: none"> <li>• The anticipated impact on business and finance is not significant since the laws are not yet enforced in 2025. Additionally, the current risk management measures and operational strategies are considered</li> </ul>	<ul style="list-style-type: none"> <li>• The government may need to comply with laws and regulations related to greenhouse gas emissions by the year 2030, with a tendency to prioritize heavy industries.</li> </ul>

TYPE OF TRANSITION RISK	FINANCIAL IMPACT	
	BUSINESS AS USUAL + 4 °C	LOW FUTURE CARBON + 1.5 °C
the government in 2030, with heavy industries being the priority group affected.	<p>sufficient, and Trust can manage and mitigating this risk effectively.</p> <p><b>Impact:</b> Low</p> <p><b>Period:</b> Short to Medium (1-5 years)</p>	<ul style="list-style-type: none"> <li>• Changes in laws and regulations regarding greenhouse gas emissions may result in higher construction material costs.</li> <li>• Increased operational costs due to changes in climate regulations.</li> <li>• Private sector may need to reduce carbon dioxide or greenhouse gas emissions through Cap &amp; Trade programs and Carbon tax policies. These laws could have long-term impacts on the business strategies and objectives of Trust, including increased operational costs.</li> </ul> <p><b>Impact:</b> Low</p> <p><b>Period:</b> Medium to Long (More than 5 years)</p>
<p><b>Technology:</b></p> <p>The changing trends and advancements in renewable energy technologies may lead to new demands and expectations from customers. However, these factors are not considered to have a significant impact as existing technologies are capable of meeting the customers' renewable energy needs sufficiently.</p>	<ul style="list-style-type: none"> <li>• The increasing demand for alternative energy is driven by the rising cost of energy and, as a result, The REIT Manager is currently exploring opportunities for rooftop rentals. One such strategy is the installation of solar panels to generate electricity for internal use within buildings and warehouses.</li> <li>• Considering the low impact, due to the technology related to renewable energy that is offered to customers, as well as being used within the WHA Group itself. This enables efficient and timely response to customer needs.</li> <li>• The development of new and rapidly changing technologies may potentially cause business disruptions, leading to temporary setbacks.</li> </ul> <p><b>Impact:</b> Low</p> <p><b>Period:</b> Medium to Long (More than 5 years)</p>	<ul style="list-style-type: none"> <li>• All sectors have a significant need for increased use of renewable energy, driven by various policies and regulations promoting renewable energy adoption. The REIT Manager is currently exploring opportunities for rooftop rentals. To promote the use of renewable energy to seize business opportunities and meet the demands of customers, especially through the installation of solar panels for electricity generation within buildings and warehouses.</li> <li>• Considering the low impact, due to the technology related to renewable energy that is offered to customers, as well as being used within the WHA Group itself. This enables efficient and timely response to customer needs.</li> <li>• The development of new technologies that could potentially cause business disruption due to rapid technological changes. <b>Impact:</b> Low</li> </ul>

TYPE OF TRANSITION RISK	FINANCIAL IMPACT	
	BUSINESS AS USUAL + 4 °C	LOW FUTURE CARBON + 1.5 °C
		<b>Period:</b> Medium to Long (More than 5 years)
<p><b>Market:</b></p> <p>Due to the rapid advancement of technology, customers from certain industrial sectors have been developing their production processes by incorporating machinery and robots to enhance efficiency and reduce costs. Furthermore, there is an increasing demand for environmentally friendly buildings (both in terms of construction processes and controlling greenhouse gas emissions).</p>	<ul style="list-style-type: none"> <li>• Due to the rapid changes in technology, customers may seek to improve their production processes by utilizing machinery or robotics to increase efficiency and reduce costs. As a result, the demand for factory space may decrease. However, WHA Group introduces various innovations to meet the evolving needs of customers and provide solutions that can adapt to changes over time.</li> <li>• The decrease in demand for certain products and services is due to changing customer preferences and needs.</li> </ul> <p><b>Impact:</b> Low</p> <p><b>Period:</b> Medium to Long (More than 5 years)</p>	<ul style="list-style-type: none"> <li>• Due to rapid changes in technology, customers may need to upgrade their production processes by using machinery or robots to increase efficiency and reduce costs. As a result, there is a decrease in the space requirement within factories. However, WHA Group utilizes various innovations to present to customers to meet their ever-changing needs and provide solutions that can be adaptable over time.</li> <li>• Customers are placing increasing importance on green energy and renewable energy. Trust collaborates with WHA Group to offer renewable energy solutions to customers to meet their demands.</li> <li>• The decreasing demand for certain products and services is due to changing customer preferences and needs.</li> </ul> <p><b>Impact:</b> Low</p> <p><b>Period:</b> Medium to Long (More than 5 years)</p>
<p><b>Reputation:</b></p> <p>The stakeholders of Trust may have an increased interest in environmental issues and demand that Trust takes measures to reduce greenhouse gas emissions.</p>	<p>If Trust fails to meet the expectations and demands of stakeholders (such as customers, investors, communities, and society) regarding environmental responsibility and raising awareness about climate resilience, it could have an impact on its reputation and lead to long-term financial consequences.</p> <p><b>Impact:</b> Low</p> <p><b>Period:</b> Medium to Long (More than 5 years)</p>	<p>If Trust fails to meet the expectations and demands of stakeholders (such as customers, investors, communities, and society) regarding environmental responsibility and increasing awareness of climate resilience, it could have an impact on its reputation and lead to long-term financial consequences. If stakeholders lose confidence in the Trust, it can undermine the company's reputation and have financial implications in the long run.</p> <p><b>Impact:</b> Low</p> <p><b>Period:</b> Medium to Long (More than 5 years)</p>



**PHYSICAL OPPORTUNITY AND OPPORTUNITIES ARISING FROM ENVIRONMENTAL POLICIES AS A RESULT OF CLIMATE CHANGE.**

Financial opportunities for Trust resulting from climate change are detailed in the following table:

OPPORTUNITY	DETAIL/ BUSINESS OPPORTUNITIES	
	BUSINESS AS USUAL + 4 °C	LOW FUTURE CARBON + 1.5 °C
<p><b>Resource Efficiency &amp; Energy Source:</b> Increasing the proportion of renewable energy production.</p>	<ul style="list-style-type: none"> <li>Using more efficient production and distribution processes and utilizing sustainable materials sourced from renewable sources can increase the proportion of energy production from renewable energy sources. For example, implementing alternative and renewable energy projects, such as installing solar panel systems on rooftops, can help reduce electricity costs and minimize greenhouse gas emissions. This presents financial opportunities for Trust.</li> <li>Reducing waste generation and adopting circular economy principles.</li> <li>Enhancing resource and energy efficiency.</li> </ul> <p><b>Impact:</b> Low <b>Period:</b> Medium to Long (More than 5 years)</p>	<ul style="list-style-type: none"> <li>Using more efficient production and distribution processes and utilizing sustainable materials sourced from renewable sources can increase the proportion of energy production from renewable energy sources. For example, implementing alternative and renewable energy projects, such as installing solar panel systems on rooftops, can help reduce electricity costs and minimize greenhouse gas emissions. This presents financial opportunities for Trust.</li> <li>Reducing waste generation and adopting circular economy principles.</li> <li>Enhancing resource and energy efficiency.</li> </ul> <p><b>Impact:</b> Low <b>Period:</b> Medium to Long (More than 5 years)</p>
<p><b>Market:</b> The increasing demand for renewable energy, including environmentally friendly buildings and energy saving initiatives, will provide an opportunity to drive the growth of WHA Group's business.</p>	<p>The market demand for renewable energy, environmentally friendly practices, and energy-efficient buildings presents a significant business opportunity for Trust. WHA Group manages the industrial estate that Trust has invested in and offers a diverse range of services. These services cater to customers' specific needs, such as providing international standard certifications for buildings and their environmental impact. Additionally, WHA Group also offers solar panel installation services to support customers who are interested in utilizing renewable energy sources.</p> <p><b>Impact:</b> Low <b>Period:</b> Medium to Long (More than 5 years)</p>	<p>The market demand for renewable energy, environmentally friendly practices, and energy-efficient buildings presents a significant business opportunity for Trust. WHA Group manages the industrial estate that Trust has invested in and offers a diverse range of services. These services cater to customers' specific needs, such as providing international standard certifications for buildings and their environmental impact. Additionally, WHA Group also offers solar panel installation services to support customers who are interested in utilizing renewable energy sources.</p> <p><b>Impact:</b> High <b>Period:</b> Medium to Long (More than 5 years)</p>

The business strategy and operational approach of Trust also address the risks and opportunities arising from climate change. This ensures that the business model remains flexible and drives continuous organizational development. Based on the assessment of risks associated with climate change mentioned above, Trust collaborates with WHA Group to develop plans to adapt to future risks. The following are the strategies and actions in place:

#### **PHYSICAL CLIMATE RISK PROJECT AND ADAPTATION PLAN**

WHA Group has implemented various projects in the areas where the Trust invests to address physical risks. The details are as follows:

#### **MANAGING FLOOD RISK**

- The REIT Manager selecting areas with low risk of natural disasters or no reported history of disasters for project development: The majority of WHA Group's projects are located in the Eastern Economic Corridor (EEC) region, which has a low risk of natural disasters.
- WHA Group designs and constructs flood prevention systems that are appropriate for the rainfall and water conditions in each project area, including the installation and monitoring of water levels in water storage reservoirs and rainwater retention ponds for every industrial estate project. Also excavates pits to accommodate continuous water drainage in the event of regular flooding. However, it is essential that the design of the drainage system does not impact the natural water systems and surrounding communities by avoiding the construction of barriers to natural watercourses.
- Continuously installation and monitoring of rainfall depth measurements in every industrial estate.
- Inspect and maintain water barriers and water pumps as required to ensure they are always in proper working condition.
- Install water level monitoring and alert systems in the drainage channels of the WHA Saraburi Industrial Land (WHA SIL) in order to provide timely notifications and enable proactive planning and problem prevention in case of flooding.
- Install water level monitoring and alert systems, including SCADA systems, to control the operation of water pumps and closely monitor water levels. Additionally, allocate raw water quantities in the raw water reservoir and water retention ponds within Eastern Seaboard Industrial Estate (Rayong) (ESIE), WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE 1), and WHA Rayong Industrial Land (WHA RIL).
- Establish emergency response plans and procedures, including conducting drills to prepare for and respond to volatile weather conditions.
- Regular assessment of environmental and surrounding area changes in each project.

#### **MANAGING DROUGHT RISK**

- WHA Group implements the Natural Water SCADA project to efficiently manage the utilization of water from natural sources. This includes installing water level monitoring devices in water storage reservoirs and an automated control system for water pumping equipment to closely monitor water levels. Additionally, allocate the raw water quantity in raw water storage tanks and water retention ponds in Eastern Seaboard Industrial Estate (Rayong) (ESIE), WHA Eastern Seaboard Industrial Estate 1 (WHA ESIE 1), and WHA Rayong Industrial Land (WHA RIL).
- Consider local government or private sector water sources that have the potential to increase the raw water supply for industrial customer services (Alternative Raw Water Resources). Study and develop desalination technologies to convert seawater into fresh water (Desalination Technologies).
- Monitor and assess the usage of water from natural sources and provide reports to relevant parties at least once a month to keep them informed.

- Repairing and maintaining the surrounding soil around the water barriers in the water distribution system to prevent erosion and instability.
- Constructed additional ponds and reservoirs to ensure an adequate water supply in the WHA Saraburi Industrial Land (WHA SIL). A new reservoir will be built in the WHA SIL area, increasing the water capacity from 416,671 cubic meters to 800,271 cubic meters. In addition, floating pumps will be installed to maximize the water pumping capability up to the minimum capacity level of the reservoir, which is 998,798 cubic meters.
- Upgrading the groundwater reservoir at WHA Rayong Industrial Land (WHA RIL) to increase the water supply efficiency within the area by a daily increment of 1,121 cubic meters, which accounts for 10% of the water demand.
- WHA Group implements a water reclamation system, which helps reduce reliance on natural water sources. This system enables the reuse of wastewater and reduces the volume of discharged water into public water sources. The project not only reduces the cost of sourcing raw water but also avoids potential conflicts arising from shared resources with the local community. As a result, the project has been considered for license renewal to continue its sustainable business operations.
- Assessing the changes in the environment and the surrounding areas of each project on a regular basis.

#### **MANAGING STORMS AND LIGHTING RISK**

- Selecting maintenance materials and equipment that meet high standards to ensure durability and withstand severe weather conditions.
- Monitor closely the weather conditions and changes through various news channels and inform customers to be prepared.
- Regularly assess the environmental changes and the surrounding areas of each project.

#### **MANAGING RISKS FROM INCREASE IN AIR TEMPERATURE**

- Choose innovative materials for maintenance warehouses that can help reduce internal temperatures and enhance the efficiency of the overall structure, including air ventilation.
- Develop a long-term disaster management and risk mitigation plan.
- Upgrade the infrastructure to accommodate events that may arise from climate change.
- Enhance awareness and capabilities to effectively manage the entire value chain.

#### **TRANSITION CLIMATE RISK ADAPTATION PLAN**

##### **MANAGING POLICY & LEGAL RISK**

- Track relevant legal changes and establish guidelines for effective mitigation actions.
- Plan to increase energy production from renewable energy to reduce greenhouse gas emissions and environmental impact as well as control greenhouse gas emissions.
- Focus on the use of construction materials that reduce greenhouse gas emissions, including the use of high-performance construction materials to reduce the generation of waste, and try to reuse construction materials through processes of recycling and re-use.

##### **MANAGING TECHNOLOGY RISK**

- WHA Group has a plan in place to ensure readiness for solar panel installation during the building design process, allowing immediate installation on the roof. The solar panel installation service is provided by WHAUP, an expert who can offer a full range of services to customers.
- Study various technologies in the reabsorption and storage of carbon dioxide to reduce the impact of climate change in the future.
- Study technologies that impact both construction processes and building materials in order to prepare for technological changes.

## **MANAGING MARKET RISKS**

- Continue to adopt cutting-edge technologies to complement the concept of SMART ECO Industrial Estates, which supports and ensures smoothness of the production of factories, logistics and other businesses processes.
- Design and construct buildings that are environmentally friendly and adhere to international standards.
- Provide alternative energy services, especially solar energy, fully integrated in the Group's buildings and warehouse that can enable customers to reduce energy costs including reducing the environmental impact of customers as well.

## **MANAGING REPUTATION RISK**

- Planning and implementing strategy towards becoming Net Zero while also supporting customer and partners in utilizing and transitioning to renewable energy.
- WHA Group hopes to work together with its customers and partners to reduce climate change challenges throughout its business value chain.

## **STRATEGIES AND BUSINESS OPPORTUNITIES IN RESPOND TO CLIMATE CHANGE**

WHA Group believes that every crisis comes with opportunities, but this is not the case for the climate change crisis, which cannot be ignored. However, WHA Group has implemented sustainable projects to address the climate change crisis that may impact business operations in both the short and long term. These projects include reducing energy consumption, promoting the use of renewable energy, and minimizing water usage from natural sources for industrial purposes. Additionally, they are implementing circular economy and green economy models to maximize the utilization of resources throughout the lifecycle. For example, WHA Group has developed Water Reclamation systems to reuse wastewater and invests in various technologies to maximize the utilization of waste and leftover materials. Additionally, WHA Group continuously develops solutions in the field of renewable energy to provide efficient access to clean energy for its clients. Furthermore, there are projects aimed at improving energy and resource efficiency within the organization itself.

## **WASTE MANAGEMENT GOALS**

- WHA Group has set a goal to operate their business according to the principles of a complete circular economy by the year 2050 (100% Circularity). They plan to achieve this through three main pillars: Design & Resource, Green Products, and Operation Excellence.
- WHA Group has strategies to operate according to the principles of a circular economy and to achieve Zero Waste management goals. These strategies include:
  - The principle of a circular economy is integrated into the business operations, starting from the design of products and the selection of materials to maximize resource value.
  - Promote the use of renewable energy and recyclable materials in construction and production processes to reduce waste and waste generation.
  - Extending the lifespan of a product through practices like reuse, repair, and refurbishment, as well as bringing back products for upgrades and improvements to match the performance of new ones.
  - Promoting the project of product leasing instead of purchasing.
  - Initiating and transforming business models towards the concept of "Products as a Service" and sharing platforms.
  - Utilizing digital technology to improve business processes.
  - Researching and innovating new materials and technologies to extend the lifespan of materials and products.
  - Collaborating with customers, partners, regulatory agencies, and stakeholders throughout the value chain to promote a circular economy.

- WHA Group targets to optimize proportion of waste to landfill or incineration without energy recovery by 2025.

#### **THE DETERMINATION TO MANAGE CLIMATE CHANGE**

As WHA Group relies directly on natural factors in their business operations and strives to minimize their environmental impact. They recognize the opportunity to leverage technological potential to address these issues seriously. One of the key issues that WHA Group is determined to address as part of its management is greenhouse gas emissions and tackling the problem of global warming. This involves reducing negative impacts and mitigating greenhouse gas emissions, as well as promoting essential infrastructure development, such as promoting renewable energy utilization and utilizing existing technologies. Additionally, WHA Group focuses on studying innovations and technologies that provide sustainable solutions to the issue of global warming, aligning with the global direction in addressing climate change. WHA Group has already achieved carbon neutrality by the year 2022. However, WHA Group continues its commitment to reducing environmental impacts and being part of the solution to climate change, aiming to reach net-zero emissions by the year 2050. WHA Group has established operational strategies to reduce greenhouse gas emissions through various business activities. This includes developing projects and constructing buildings based on resource-efficient principles, maximizing the use of renewable energy sources to minimize greenhouse gas emissions, and setting targets for the installation and distribution of electricity generated from renewable energy sources. WHA Group successfully aimed to achieve 300 megawatts by the year 2023. In addition, WHA Group is committed to addressing climate change issues by promoting the use of renewable energy. This is done through offering solar rooftop installation services to customers. WHA Group acts as an investor for installing solar energy systems on customers' rooftops and also serves as an electricity supplier through long-term power purchase agreements (PPAs). In 2023, WHA Group generated approximately 424 million baht in returns from their solar energy business investments.

In addition, WHA Group has established channels for receiving complaints and feedback from stakeholders, including customers and the surrounding community. These channels are aimed at listening to their opinions and suggestions to improve and develop future operations. WHA Group has implemented a complaint management process that aligns with ISO 14001:2015 standards. This process involves investigating the root causes of complaints, implementing corrective actions, and mitigating recurring impacts. Additionally, appropriate preventive measures are also put in place to prevent the recurrence of similar issues.

For performance measurement criteria, WHA Group places importance on measuring greenhouse gas emissions, including Scope 1, Scope 2, and Scope 3 emissions that impact the atmosphere. The emissions are controlled to comply with relevant legal standards. The report also includes the measurement of ozone-depleting substances (ODS), such as chlorofluorocarbon CFC-11 or its equivalent.

In addition, WHA Group has collaborated with leading educational institutions, private companies, government agencies, and public organizations to establish the "Thailand CCUS Consortium" in 2023. This consortium aims to develop technology for capturing, utilizing, and storing carbon dioxide. The goal is to enhance Thailand's competitiveness in the Carbon Capture Utilization and Storage (CCUS) technology field and drive sustainable and maximum benefits for the future.