Climate-Related Risks and Opportunities Management Process

Inter Pharma Public Company Limited (“the Company”) recognizes that climate change may have impacts on its business operations, including operational activities, supply chain, energy and raw material costs, business continuity, as well as the expectations of customers, investors, regulatory authorities, and other stakeholders.

The Company therefore incorporates the management of climate-related risks and opportunities into its sustainability management and enterprise risk management processes. The Company focuses on systematically identifying, assessing, prioritizing, and managing climate-related risks and opportunities, together with continuously monitoring performance and reviewing relevant measures.

The Company adopts the framework of the Task Force on Climate-related Financial Disclosures (TCFD) as a framework for managing and disclosing climate-related information, covering four key areas: Governance, Strategy, Risk Management, and Metrics & Targets.

The Company has established a long-term target to reduce greenhouse gas emissions and is committed to achieving Net Zero by 2050 (B.E. 2593). The Company is also progressively developing short- and medium-term targets, together with practical measures and measurable indicators to monitor and evaluate its progress.

Scope of Climate-Related Risk Management

The Company considers climate-related risks and opportunities across the following areas:

1. Physical Risks

Physical risks arising from the direct physical impacts of climate change, such as flooding, extreme heat, drought, storms, and other severe weather events.

2. Transition Risks

Risks arising from the transition toward a low-carbon economy, including changes in laws and regulations, energy costs, technologies, customer demands, and investor expectations.

3. Climate-Related Opportunities

Opportunities arising from improvements in energy efficiency, the adoption of renewable energy, the development of environmentally friendly products and processes, as well as opportunities to strengthen the Company's long-term competitiveness.

This approach is aligned with the IFRS S2 Climate-related Disclosures standard, which requires consideration of physical risks, transition risks, and climate-related opportunities that may reasonably be expected to affect an entity's cash flows, access to finance, or cost of capital over the short, medium, and long term.

Risk Management Process

1. Climate Risk and Opportunity Identification

The Company identifies climate-related risks and opportunities based on various sources of information, including:

- Enterprise-level risk assessments;
- Sustainability Materiality Assessments;
- Analysis of activities across the Company's value chain;
- Changes in environmental laws, regulations, and related requirements;
- Climate change trends and developments;
- Energy consumption and greenhouse gas emissions data;
- Weather-related events that may affect the Company's facilities and operations;
- Risks associated with suppliers and the supply chain; and
- Expectations of customers, investors, and other stakeholders.

2. Risk Assessment

The Company assesses the severity, likelihood, and magnitude of impacts associated with climate-related risks by considering both qualitative factors and quantitative thresholds.

The assessment covers potential impacts on the Company's strategy, financial performance, and operations. Climate-related risks are also assessed in comparison with other types of enterprise risks in order to determine their relative significance and establish priorities for risk management and mitigation.

3. Risk Response and Opportunity Management

The Company determines appropriate risk responses in accordance with its Risk Appetite and integrates climate-related risk management plans into the Company's business strategy and corporate targets.

Key measures include investment in low-carbon innovation, energy efficiency, renewable energy, and other climate-related initiatives, with the aim of transforming climate-related challenges into opportunities for sustainable growth.

4. Monitoring Review and Reporting

The Company establishes and monitors Key Risk Indicators (KRIs) and progress against climate-related targets on an ongoing basis.

The results of climate-related risk and opportunity management are regularly reported to Management, the Corporate Governance and Sustainability Committee, the Risk Management Committee, the Audit Committee, and the Board of Directors, as appropriate.

This process enables the Company to ensure that its climate-related risk management approach remains effective, up to date, and responsive to changing circumstances and emerging risks.

Climate Risk Management and Adaptation Measures

1. **Physical Risk Assessment**

Physical risks refer to risks arising from the direct impacts of weather conditions and climate change. The Company categorizes physical risks into two types:

1.1 Acute Risks

Acute risks are event-driven risks that may occur suddenly and potentially cause significant damage, such as flooding that may disrupt operations at manufacturing facilities or distribution centers, and storms that may damage buildings, equipment, and other physical assets.

1.2 Chronic Risks

Chronic risks refer to longer-term shifts in climate conditions that may gradually accumulate over time, such as increasing average temperatures that may result in higher energy consumption and costs, and changes in rainfall patterns that may affect water availability.

2. **Transition Risk Assessment**

Transition risks arise from structural changes in the economy and society associated with the transition toward a low-carbon economy. The Company considers the following key categories:

2.1 Policy and Legal

Risks arising from changes in policies, laws, regulations, and regulatory requirements, such as carbon taxes, emissions quotas, and increasingly stringent environmental or product standards.

2.2 Technology

Risks arising from the development and adoption of new low-carbon technologies, which may result in existing technologies becoming obsolete and may potentially lead to asset impairment or stranded assets.

2.3 Market

Risks arising from changes in consumer and business demand, particularly as customers and business partners increasingly seek environmentally friendly products and services.

2.4 Reputation

Risks related to the Company's reputation and corporate image. Perceptions that the Company does not adequately address environmental and climate-related issues may adversely affect its ability to retain customers, attract investors, and attract and retain employees.

Climate Risk Register

Type	Climate risks	Potential impacts	Likelihood	Impact	Risk Score	Risk Management Approach
Physical Risk	Flooding / Heavy Rainfall	Potential disruption to manufacturing facilities, warehouses, and transportation	3	4	12 High	• Business Continuity Plan to ensure business continuity or the rapid restoration of critical operations in the event of an emergency or crisis that disrupts business activities. • Emergency Preparedness: Being ready to respond to, prevent, and survive disasters or critical incidents that occur suddenly and unexpectedly.
Physical Risk	Rising Temperatures	Increased electricity consumption and cooling system costs	4	3	12 High	• Energy Efficiency • Solar Rooftop
Physical Risk	Drought / Water Scarcity	Potential disruption to manufacturing processes	2	4	8 Medium	• Water Efficiency • Water Consumption Monitoring

Type	Climate risks	Potential impacts	Likelihood	Impact	Risk Score	Risk Management Approach
Physical Risk	Extreme Weather Events	Potential disruption to the supply chain and distribution activities	3	3	9 Medium	• Supplier Diversification • Contingency Plan
Transition Risk	Increasingly Stringent GHG Regulations	Increased regulatory compliance costs and requirements	3	4	12 High	• GHG Inventory • Climate Action Plan
Transition Risk	Rising Energy Costs	Increased production and operating costs	4	4	16 High	• Renewable Energy • Energy Efficiency
Transition Risk	Increasing Demand for Environmentally Friendly Products	Need to adapt and develop the Company's product portfolio	3	3	9 Medium	• R&D • Sustainable Product Development
Transition Risk	Increasing Investor Expectations on Climate-Related Disclosures	Potential impact on ESG ratings, corporate reputation, and investor confidence	3	3	9 Medium	• Climate Disclosure • ESG Reporting

Climate Risk Management Measures

The Company has implemented measures to mitigate climate-related risks and strengthen its resilience to climate change, as follows:

1. **Energy Efficiency and Renewable Energy**

   The Company has installed a Solar Rooftop system at its manufacturing facility in Phra Nakhon Si Ayutthaya Province to generate electricity from solar energy and support the Company's operations.

   In 2025 (B.E. 2568), the Solar Rooftop system generated approximately 1,160,360 kWh of electricity and contributed to an estimated reduction of approximately 580.06 tCO_2e in greenhouse gas emissions.

   In addition, the Company plans to install a Solar Rooftop system at its Samut Prakan manufacturing facility to increase the proportion of renewable energy used in its operations and reduce its reliance on fossil-fuel-based energy.

2. **Greenhouse Gas Inventory**

   The Company has initiated the preparation of its Greenhouse Gas (GHG) Inventory, initially covering Scope 1 and Scope 2 emissions within relevant operational boundaries.

   The Company also plans to progressively improve its data collection and management processes to expand coverage to relevant Scope 3 emissions, as appropriate.

3. **Waste Management**

   The Company implements waste segregation according to the following categories:

   - **General Waste:** The Company engages waste disposal service providers or relevant parties that are duly authorized by local administrative authorities, such as Subdistrict Administrative Organizations (SAOs) or municipalities, and verifies that their permits remain valid.
   - **Recyclable Waste:** The Company sends recyclable waste for disposal or recovery to Type 105 operators that are duly licensed in accordance with applicable laws and regularly renew their operating permits.
   - **Hazardous Waste:** The Company engages Type 101 or Type 106 operators that are duly licensed under applicable laws and maintains the required operating permits on an annual basis.

   The Company recognizes that landfilling, although relatively simple and commonly used by waste disposal operators, may result in long-term environmental impacts, particularly greenhouse gas emissions generated from the decomposition of waste in landfills, as well as energy consumption associated with the collection, transportation, and disposal of waste.

   To mitigate these impacts, the Company has initiated measures to reduce the amount of waste sent to landfill (Landfill Reduction) and progressively reduce its reliance on landfill disposal. Key measures include:

1. Selecting and engaging waste treatment and disposal service providers that can utilize alternative and more environmentally responsible waste management methods.
2. Reducing the amount of used lamps and printer cartridges requiring landfill disposal. The Company segregates packaging materials, such as cardboard boxes and wrapping materials, from other waste prior to disposal. This reduces the volume of waste sent to landfill while enabling paper-based packaging materials to be recycled, thereby reducing the consumption of natural resources and the demand for timber used in paper production.

4. **Water and Wastewater Management**

The Company recognizes the importance of efficient and responsible water resource management. The Company has established systematic water management practices to promote efficient water use, minimize environmental impacts, and support sustainable business operations.

Key initiatives include:

4.1 Efficient Water Use

The Company focuses on appropriate and efficient water consumption across its operations by monitoring and managing water use to maximize efficiency. The Company also promotes the reduction of unnecessary water consumption and continuously improves operational processes to minimize water losses.

4.2 Monitoring and Control of Water Consumption

The Company regularly monitors and records water consumption data to analyze usage trends. The information is used to establish measures to reduce water consumption and improve the efficiency of water resource management.

4.3 Wastewater Treatment and Management

The Company operates appropriate wastewater management and treatment systems prior to discharge into the environment, in compliance with applicable laws and regulatory requirements. These measures aim to minimize potential impacts on surrounding water resources and ecosystems.

4.4 Water Conservation Awareness

The Company promotes awareness among employees regarding the importance of water conservation by encouraging responsible and efficient water use and employee participation in environmental conservation initiatives.

4.5 Supporting Sustainable Business Operations

The Company is committed to continuously improving its water management practices to support its environmental objectives, reduce impacts on natural resources, and strengthen the long-term sustainability of its business operations.

5. Supply Chain Resilience

   The Company recognizes the importance of strengthening the resilience and adaptive capacity of its supply chain to climate-related risks. This encompasses activities from raw material sourcing, supplier management, manufacturing, storage, and transportation.

   The Company focuses on assessing climate-related risks affecting suppliers and business-critical activities, diversifying sources of supply, establishing alternative sources, maintaining appropriate inventory levels, developing and regularly reviewing Business Continuity Plans (BCPs), and continuously monitoring climate conditions and events that may affect operations.

   These measures are intended to reduce the risk of supply chain disruptions, maintain continuity of manufacturing and product delivery, and enhance the long-term stability, resilience, and adaptability of the Company's supply chain.

Climate Governance Structure

Board of Directors

The Board of Directors is responsible for providing overall oversight of climate-related matters and shall:

1. Consider, approve, and review the Company's climate change management policies and approaches to ensure alignment with the Company's operating environment and risk factors, covering business activities and stakeholders across the value chain. Such policies and approaches shall be reviewed at least annually.
2. Oversee the Company's compliance with applicable laws, regulations, requirements, policies, and practices relating to climate change, and promote the effective implementation of such policies throughout the organization.
3. Oversee and monitor the effectiveness of the Company's management of climate-related risks and opportunities to ensure that risks are appropriately controlled and managed.
4. Oversee the disclosure of climate-related information, reports, and performance to stakeholders across the value chain on an annual basis and in accordance with applicable regulatory requirements.
5. Promote and support Management's awareness of and commitment to climate change management.

Corporate Governance and Sustainable Development Committee

The Corporate Governance and Sustainability Committee is responsible for overseeing climate-related strategies and initiatives and shall:

1. Consider, establish, review, and enhance policies, strategies, and action plans relating to climate change to ensure alignment with applicable laws, regulations, guidelines, and relevant standards.

2. Oversee compliance with climate change policies, strategies, and action plans, and regularly monitor climate-related performance and relevant information.
3. Oversee and provide guidance to the **Greenhouse Gas Management Working Group** in assessing and managing climate-related risks and opportunities and implementing appropriate risk mitigation measures in accordance with relevant international standards, before submitting recommendations and relevant matters to the Board of Directors for consideration.

Chief Executive Officer

The Chief Executive Officer is responsible for driving the Company's climate change management and shall:

1. Promote the Company's climate change management initiatives by establishing clear roles, responsibilities, and accountability, as well as allocating appropriate and adequate resources to ensure continuous implementation in accordance with the Company's policies.
2. Ensure that climate-related risks that may affect the Company's business operations are analyzed and assessed, and that appropriate risk management measures are established in alignment with the Company's policies and business strategies.
3. Establish objectives, targets, strategies, action plans, and key performance indicators relating to climate change management in an integrated manner to support business continuity.
4. Encourage suppliers, business partners, and relevant stakeholders to comply with applicable laws, policies, measures, and procedures relating to climate change.
5. Promote awareness and foster a culture of climate change management by continuously communicating relevant information and expectations to employees at all levels and relevant stakeholders.
6. Review performance reports on the implementation of climate-related policies prior to submission to the Corporate Governance and Sustainability Committee and the Board of Directors.

Greenhouse Gas Management Working Group

The Greenhouse Gas Management Working Group is responsible for supporting the Company's greenhouse gas management and shall:

1. Develop the Company's greenhouse gas management policies, action plans, and targets.
2. Establish approaches for managing greenhouse gas emissions covering Scope 1, Scope 2, and Scope 3, as appropriate.
3. Establish systems for the collection, verification, and retention of activity data related to greenhouse gas emissions to ensure that the data are accurate, complete, reliable, and traceable.

4. Prepare the Company's Greenhouse Gas Inventory (GHG Inventory) in accordance with relevant standards, such as ISO 14064-1 or guidelines issued by the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO).
5. Analyze sources of greenhouse gas emissions and prioritize activities and emission sources for greenhouse gas reduction initiatives.
6. Propose and drive greenhouse gas reduction initiatives, energy efficiency measures, renewable energy adoption, and waste management programs.
7. Monitor, evaluate, and report greenhouse gas management performance to the relevant Management Committee or Sustainability Committee at least twice a year, or whenever deemed necessary.
8. Support the disclosure of greenhouse gas-related information in the Company's Sustainability Report and Annual Registration Statement/Annual Report (Form 56-1 One Report).
9. Promote knowledge, awareness, and employee engagement in greenhouse gas emission reduction initiatives.
10. Coordinate with internal and external parties, including government authorities, assurance providers, auditors, and relevant consultants.
11. Review performance, key indicators, and targets, and recommend continuous improvement measures.
12. Perform other duties as assigned by the Chief Executive Officer and/or the Board of Directors.