

TISCO for the Environment



TISCO recognizes the importance of environmental responsibility. Thus, we pay attention to our current and future business operations in parts that related to global climate change. This includes paying attention to the use of resources and energy through risk management and environmental management systems of the Group Companies, contributing to Thailand transition towards sustainable and green economic. In doing so, we refer to the standards for disclosures of financial information related to climate change (Task Force on Climate-related Financial Disclosures: TCFD) covering all 4 basic dimensions as follows:

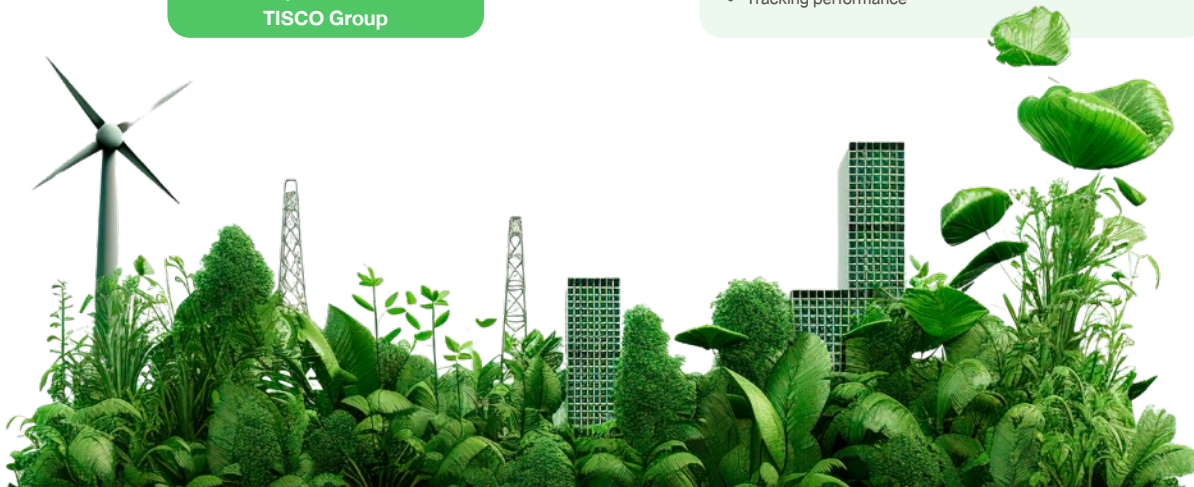
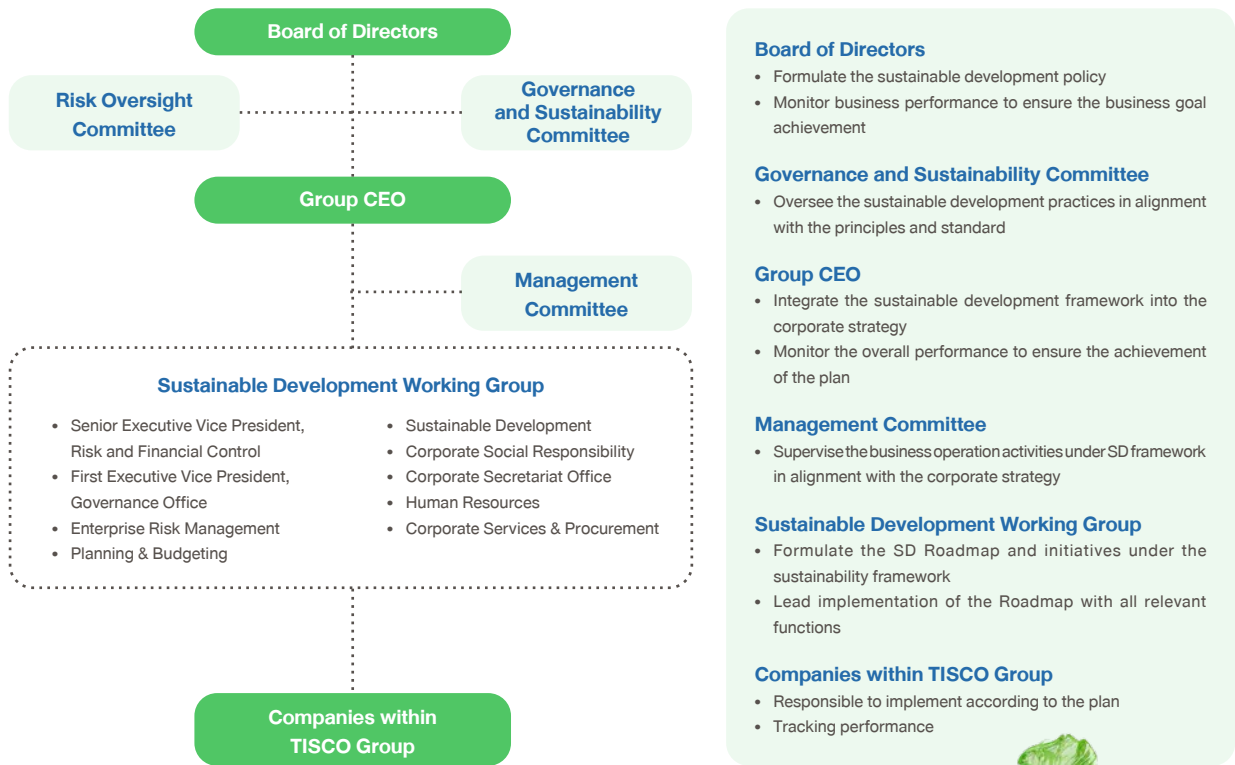


Environmental and Climate Change Oversight



TISCO Group has established an environmental governance structure starting at the Board of Directors level with support from the Governance and Sustainability Committee and the Risk Oversight Committee, to responsible for formulating policies and overseeing operations alignment with principles and standard criteria. In addition, the Chief Executive Officer is responsible for integrating environmental operational strategies into corporate strategies and overseeing management services to achieve goals, while the Executive Committee oversees the management of work plans and activities of each business section, and the Sustainable Development Working Group performs duties formulating plans and activities under the sustainability framework and implementing the plans with all departments.

Environmental and Climate Change Oversight Structure of TISCO Group



To promote efficient energy consumption and environmental conservation, TISCO Group therefore formulates policies to prevent, mitigate, and adapt to the potential impacts of climate change by factoring environmental factors into operational guidelines as follows:

1

Integrating environmental and energy management practices that meet international standards into operations, while to ensure accordance to relevant laws and regulations

2

Incorporating environmental policies into credit approval policies to include environmental risk as one of the factors used for credit consideration, as well as establishing recommendations for credit consideration for industries that involve high environmental risk, ensuring that all projects we support have appropriate environmental management in accordance with relevant laws and standards

3

Committing to environmental and energy conservation by making it the duty and responsibility of all executives and employees to adhere to established policies and guidelines, cooperate in audit process, and report information requested by the Sustainability Development Working Group

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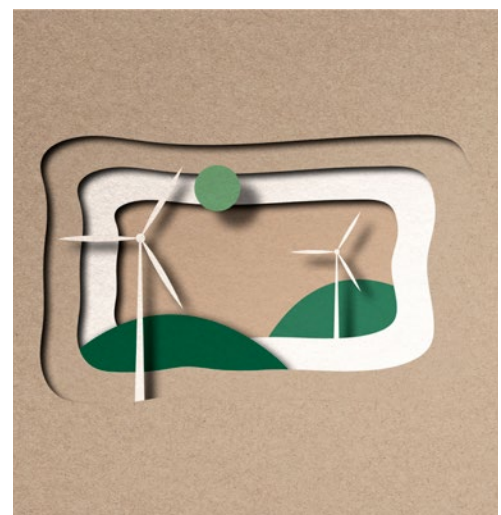
Providing financial services to support environmentally friendly businesses, including energy and biodiversity conservation projects to mitigate climate change impacts

5

Setting clear targets and roadmaps to reduce greenhouse gas emissions, including efficient water management and waste management at the organizational foundation level

6

Raising awareness and increasing participation in reducing greenhouse gas emissions from operations, taken into account sustainability and environmental impact. This includes sharing knowledge both inside and outside the organization



Environmental Strategy



During the transition toward the net zero goal worldwide, it is increasingly important to operate business with consideration to climate change impacts. Hence, giving financial support to businesses that create or receive impacts from the transition is part of the core strategy to which TISCO Group gives priority, including improving tools and internal operations for greater efficiency, reduction of greenhouse gas emissions and appropriate waste management. As such, TISCO Group has set the path for achieving net zero emissions by setting goals in 3 phases as follows:



Goal for Phase 1

Achieve carbon neutrality for Scope 1 and 2 by year 2040

Goal for Phase 2

Achieve net zero greenhouse gas emissions in the operation of TISCO Group in Scope 1 and 2 by year 2050

Goal for Phase 3

Achieve net zero greenhouse gas emissions in Scope 3 in the portfolio of TISCO Group (financed emissions) by year 2065

These goals have been integrated as part of the organization's strategy in line with the sustainability policy. In operating our business, TISCO Group has corporate lending projects for renewable energy such as solar energy businesses and electric vehicle loans. We are also in the process of developing, analyzing and assessing risks, opportunities and impacts from climate change according to the recommendations for Task Force on Climate-Related Financial Disclosures (TCFD) through taking part in training organized by the various agencies of the Sustainable Development Working Group, in order to consistently adhere to the environmental practice guideline and related existing knowledge. On the operational level, TISCO Group has projects to improve electricity efficiency and raises awareness in employees about the thoughtful use of resources and regularly reviews its loan approval policy, considering environmental impact factors. Moreover, we have collaborative projects with trade partners to sustainably develop our supply chain, which were discussed previously in this report.

All in all, TISCO Group has set its environmental information disclosure goal, and in 2023 TISCO Group expanded Scope 1 and 2 emissions disclosures from only the head office building to cover the main operations building, bank branches, and all security company branches, with a goal to disclose information of all operating areas by year 2025, including information disclosures of greenhouse gas emissions under Scope 3 of significant entity in our investment portfolio.

Climate Change Risk Management



TISCO Group has an appropriate risk assessment process with the aim of reducing risks that might impact customers and the organization as well as risk management guidelines under the organization's risk management process in line with the principles of control, oversight and audit (Three Lines of Defense). In doing so, the Board of Directors, the Executive Committee, and responsible agencies are participating to ensure the effective, care, control, and audit of the risk management process.



TISCO Group has begun to develop a climate risk management framework to support the trend of increasingly frequent and severe natural disasters caused by present climate change with consideration to the following:

- Direct physical risk to assets that could lead to direct damage to the operation of TISCO Group through the business sector in the supply chain, for example, floods that resulted in damage to the businesses of TISCO Group customers.
- Indirect risk from the push to transition toward the net zero goal, which will cause long-term impacts from environmental regulation changes especially the transition to being a low-carbon economy, which may impact operating costs or business operations. In any case, these transitions may lead to the development of technologies that enhance business productivity and consumer attitudes that could push for the development of new businesses, all of which can provide business opportunities for TISCO Group.

Climate Risk Management Framework

Risk Identification and Materiality Assessment	Integration into Risk Type Frameworks and Processes	Risk Mitigation	Scenario Analysis and Stress Testing	Risk Metrics, Targets, and Integration in Appetite
<ul style="list-style-type: none"> • Materiality assessment • Group risk identification process • Portfolio and customer classification (including transition risk taxonomy) • Other preliminary environmental risks 	<ul style="list-style-type: none"> • Integration to the existing organization risk management framework and processes: <ul style="list-style-type: none"> • Credit risk • Market risk • Liquidity risk • Non-financial risk 	<ul style="list-style-type: none"> • Reducing the impacts of potential risks by: <ul style="list-style-type: none"> • Accept • Avoid • Transfer • Reduce 	<ul style="list-style-type: none"> • Climate stress test methodology for transition risk and physical risk scenarios • Roadmap for integration of climate risk into internal stress testing framework • Regulatory stress test (credit and market risk) • Liquidity stress test 	<ul style="list-style-type: none"> • Financed emissions and exposure to carbon-related assets • Net zero targets

In assessing climate risk, business groups that need to be prioritized are considered based on the urgency and significance of the impact on stakeholders. The identified risk was integrated into risk management framework and processes according to each risk type

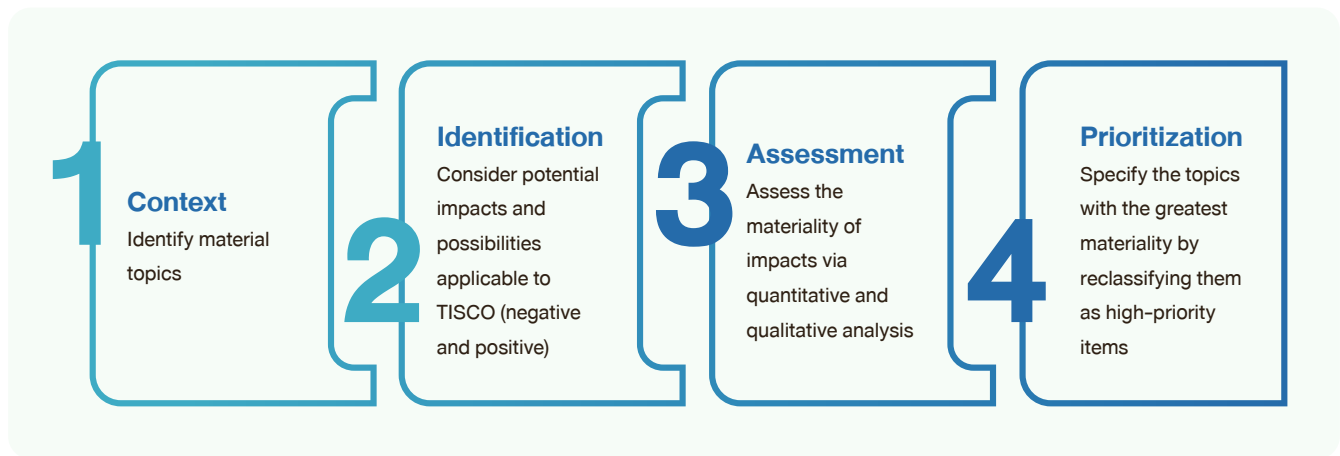
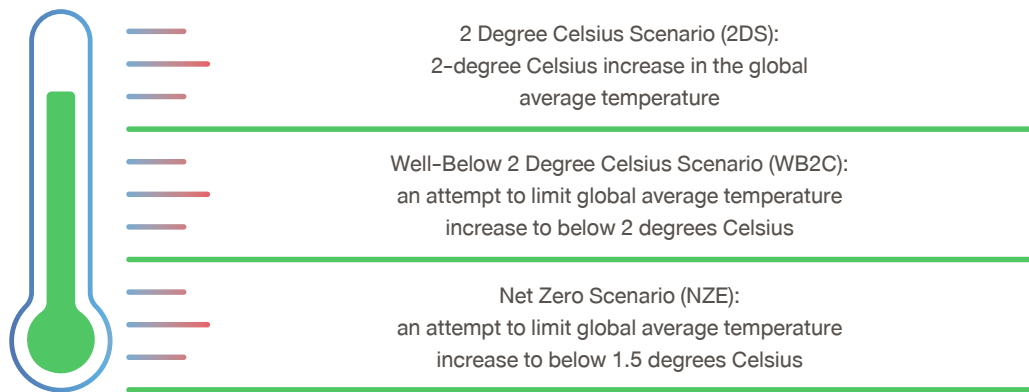
and based on the nature of impacts, including credit risk, market risk, liquidity risk, and non-financial risk such as operation risk, reputation risk, etc. Next, it is necessary to set plans to adapt to or mitigate impacts from such risk, according to set objectives.



Risk Identification and Materiality Assessment

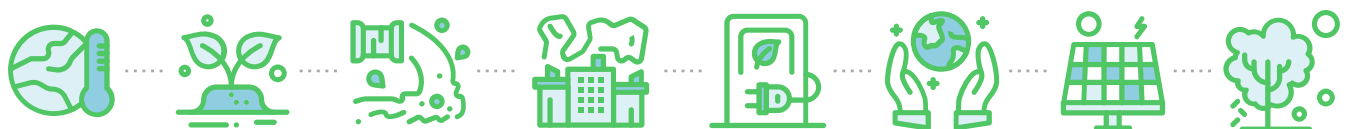
TISCO Group identifies and analyzes risks and opportunities related to climate change that may financially impact TISCO Group by using qualitative analysis through joint discussions involving the internal agencies of the group about possible scenarios, driving factors, and related assumptions, including likelihood and potential impacts from each scenario on customers and the business sector. Then, the information obtained will be selected only for risks and opportunities related to global warming, which are considered material risks and opportunities.

Scenarios, Risks, and Opportunities Related to Climate Change



Starting with identifying the key issues for TISCO Group, emphasizing on economic impacts and environmental impacts that, if they occur, would severely affect TISCO Group or stakeholders, including human rights impacts. Impacts should not be deprioritized simply because it is not material to the financial impact of the organization. Instead, impacts should be considered based on the following:

- **Severity of the impact:** Consider according to the size, scope, and unpreventable nature of the impacts and also consider the interest of stakeholders
- **Likelihood of the impact:** Evaluate how probable it is for the impact to occur

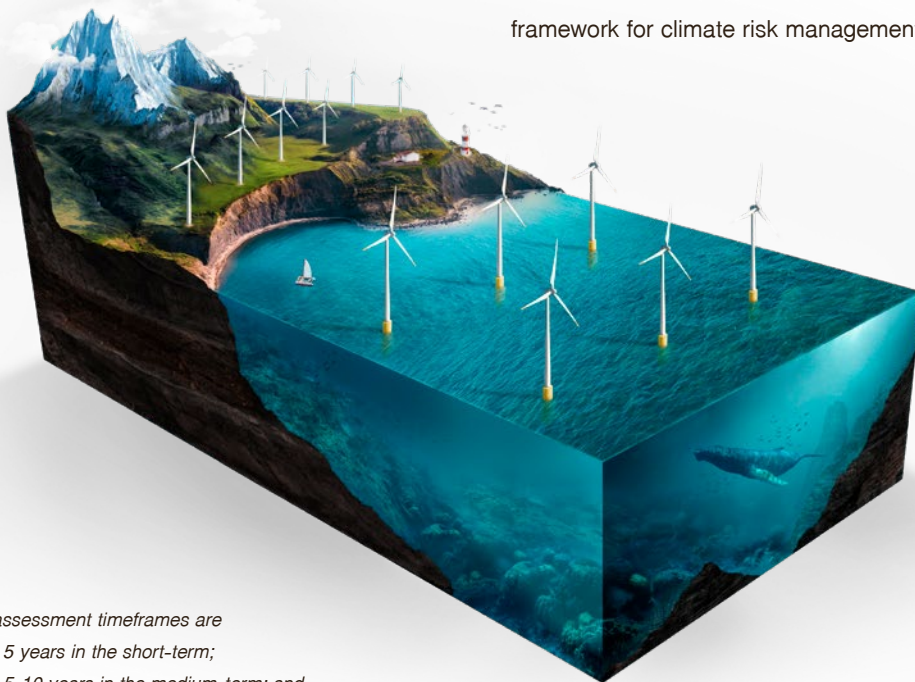


As a result of the priority assessment process, TISCO Group acknowledges the issues and business units that need to be assessed for risks, impacts, and guidelines for controlling risks that may arise from climate change.

Assessments have revealed that acute physical risks could affect operational risk due to potential impacts on systems, data and services from third parties. Nevertheless, TISCO Group specifies and tests its emergency response plans on a regular basis, covering both the head office building and branch offices to serve as preliminary mechanisms for dealing with such risks. Meanwhile, credit risk may also be highly affected due to the impacts on customers' assets and securities, especially from natural disasters such as storms, floods and earthquakes. At the same time, chronic physical risks have affected primarily on the strategic level, such as impacts from the relocation cost for critical infrastructure to avoid damage from the aforementioned scenarios.

As for strategic and credit risk, they are vulnerable to impacts from changes in the economic system (transition risk), which occurs due to new policies that arise from climate change that can impact business operation and lead to loss of income and increased risk of default in customers due to the challenges of adapting to changes in business structure or operation plans.

In conclusion, climate change can impact TISCO Group in the short-term and in the long-term. In the short-term, TISCO Group may be impacted from legal and policy risks, whereby several countries are creating more practice guidelines and requirements such as the carbon tax on goods imports in the European Union and other additional measures being considered by other countries. In the long-term, physical risks such as floods resulting from rising sea levels can also significantly impact the operation of TISCO Group. Therefore, TISCO Group has to perform quantitative assessments to determine the total amount of damage that might occur and prepare plans to accommodate and mitigate these impacts. Currently, TISCO Group is in the process of developing quantitative risk assessment methods to support more comprehensive framework for climate risk management



Notes: The risk assessment timeframes are

- 1) within 5 years in the short-term;*
- 2) within 5-10 years in the medium-term; and*
- 3) over 10 years in the long-term.*

Climate Change Risks and Scenario Analysis

Consideration of the materiality topics from the materiality assessment in 2023 allowed TISCO Group to identify the risk items with the most operational impacts and that are likely to occur in the near future. In addition, we assessed impacts on the Company's portfolio and the overall business operation from the changes by creating assumptions and scenarios.

In the assessment of financial impacts from physical risks, TISCO Group began by assessing the impact from potential increases in bad debts due to floods. The scenarios used for analysis were as follows:

- **Base Case Scenario:** In this scenario, attempts are made to control mean global temperature increase to remain below 2 degrees Celsius when compared to the temperature during the Industrial Revolution.
- **Worst Case Scenario:** In this scenario, there are normal emissions of greenhouse gases (without policies or regulations to control greenhouse gas emissions).



Considering the overall loan portfolio of TISCO Group, most of these loans are domestic loans, so in Thailand context, flood risks are primarily physical risks that can cause significant impacts. Therefore, TISCO Group emphasizes conducting assessments with reference to a study into how natural disaster impact the financial industry (Nie et al., 2023)¹ that demonstrated estimation of negative impacts on banking businesses in different aspects such as damage to the assets of customers and the Bank, business disruption, cost and expenses, which impact the debt repayment capabilities of customers and accelerate defaults that will result in losses to banks, with increasing severity in line with the severity of flood disasters. In addition, we assessed severity based on assumptions about precipitation projections from climate change (Climate Knowledge Portal)² combined with the average amount of precipitation that leads to floods (Theerapong Saovaphak, 1996)³. In doing so, we specified the assessment timeframes to cover the short-term (2023-2030), medium-term (2031-2040), and

long-term (2041-2050). From the consideration of the above components, the level of climate change impact on TISCO Group from climate change is in medium level in the long-term.

As for transition risks, TISCO Group conducted financial impact assessments according to the scenario in which the government releases urgent measures to collect carbon tax to reduce carbon emissions to motivate a reduction in activities contributing to climate change, since this scenario is the most impactful to our operations and has a likelihood of occurring in the short-term following the trend of legal enforcement and drafts of laws in many countries around the world. The scenarios we used in analysis were as follows:

- **Base Case Scenario (Stated Policies Scenario: STEPS):** In this scenario, there are no enforcement of any measures in the short-term, and the government will start to collect carbon tax in the medium-term from year 2040 onward.
- **Worst Case Scenario (Net Zero Emission by 2050 Scenario: NZE):** In this scenario, there will be severe impacts on business due to urgent use of government measures to control environmental impacts by imposing carbon tax guidelines by year 2030.

TISCO Group assessed the financial impacts from the scenario that TISCO Group being required to pay carbon tax in referencing the market price in Singapore⁴. Accordingly, TISCO Group preliminarily assessed the amount of carbon emissions within Scope 1 and 2, so the estimated expense would total approximately 0.4 million baht in the short-term, and this might increase to 6 million baht in the long-term.

The financial impact assessment from climate change based on above scenarios showed that the financial impact from physical risks on non-performing loan (NPL) and transition risk, which could impact operation cost in the short-term and the medium-term, would cause a medium level of impact on the Company's portfolio. Nevertheless, financial impacts may change due to multiple factors such as the difference in geographic, industries, economic activity, and other disaster risks not included in the risk assessment. In any case, TISCO Group will continue to develop methods for analysis and assessment of risks, opportunities and impacts related to climate change under different assumptions to be more comprehensive and accurate as situation changes.



Notes: 1) Nie, O., Regelink, M., & Wang, D., (2023). *Banking Sector Risk in the Aftermath of Climate Change and Environmental-Related Natural Disasters*. World Bank Group, February 2023.

2) *Climate Change Knowledge Portal For Development Practitioners and Policy Makers*. <https://climateknowledgeportal.worldbank.org/country/thailand/climate-data-projections>

3) Theerapong Saovaphak. (1996). *Flood induced rainfall assessment from meteorological satellite data*. https://kukr.lib.ku.ac.th/kukr_es/index.php?/BKN/search_detail/result/214423



4) *Carbon tax*. (2023). National Climate Change Secretariat. <https://www.nccs.gov.sg/singapores-climate-action/mitigation-efforts/carbontax>

Management of Risks and Impacts on TISCO Group's Operations





In addition to the important items requiring attention in the short-term, the materiality assessment process shows risk trends in the long-term and potential preliminary impacts. Thus, TISCO Group has concluded an analysis of climate-related risks that have financial impacts on TISCO Group and prepared mitigation plans as follows:



Physical Risks






Topic	Description of Risk	Possible Impacts on TISCO Group	Mitigation Plan
 Acute Natural Disasters	Droughts and/or floods that increase in severity and frequency Risk timeframe: Short-term to long-term	Damage to the assets of customers and TISCO Group, business disruption, rising operating cost in prevention and remediation, including investment funding in research and development	Regularly review emergency response plan to minimize impacts
 Chronic Natural Disasters	Global temperature increase, weather changes and rising sea level Risk timeframe: Long-term		Establish guidelines for flood risk assessment considering

Transition Risks

Topic	Description of Risk	Possible Impacts on TISCO Group	Mitigation Plan
 Legal and Policy Risk	Non-compliance or violation of legal specifications and risk from increased legal stringency and stricter environmental regulations, such as collection of carbon tax or trade barriers, etc.	Increased operating expenses and depreciation in the value of customers' assets or guarantees due to failure to adapt to regulation changes	Monitor regulation changes and provide knowledge and monitor regulation compliance
 Technology Risk	Technology transition may affect changes in business processes or practices, as well as increased costs to develop technology to keep up with the transition.	Technological changes lead to increased investment or decreased demand for high-carbon goods can impact the revenue of customers and decrease their debt repayment ability.	Monitor news about technological advances and changes in order to understand and assess impacts and make plans for dealing with changes
 Market Risk	Changes in consumer behaviors in which environmental and climate change factors are used in the consideration of product purchases, leading to demand and supply changes.	The changes in consumer behaviors can impact the sales figures of manufacturers that are unable to adapt to changes. The decrease in sales impact the debt repayment capabilities of these debtors.	Monitor market changes and take action to improve financial products and services to be environmentally friendly or to create positive impacts on the environment
 Reputation Risk	Market changes in relations to climate and environmental changes lead to negative attitudes toward businesses that might contribute to climate and environmental changes.	Stakeholders could put pressure on TISCO Group. The case of TISCO Group providing of loan support to businesses that negatively impact climate and the environment could lead to a decrease in customer and investor confidence, which can impact the security and operating revenue of TISCO Group.	Review loans in the exclusion list and set an industrial sector strategies regularly, taking into account greenhouse gas emission control targets

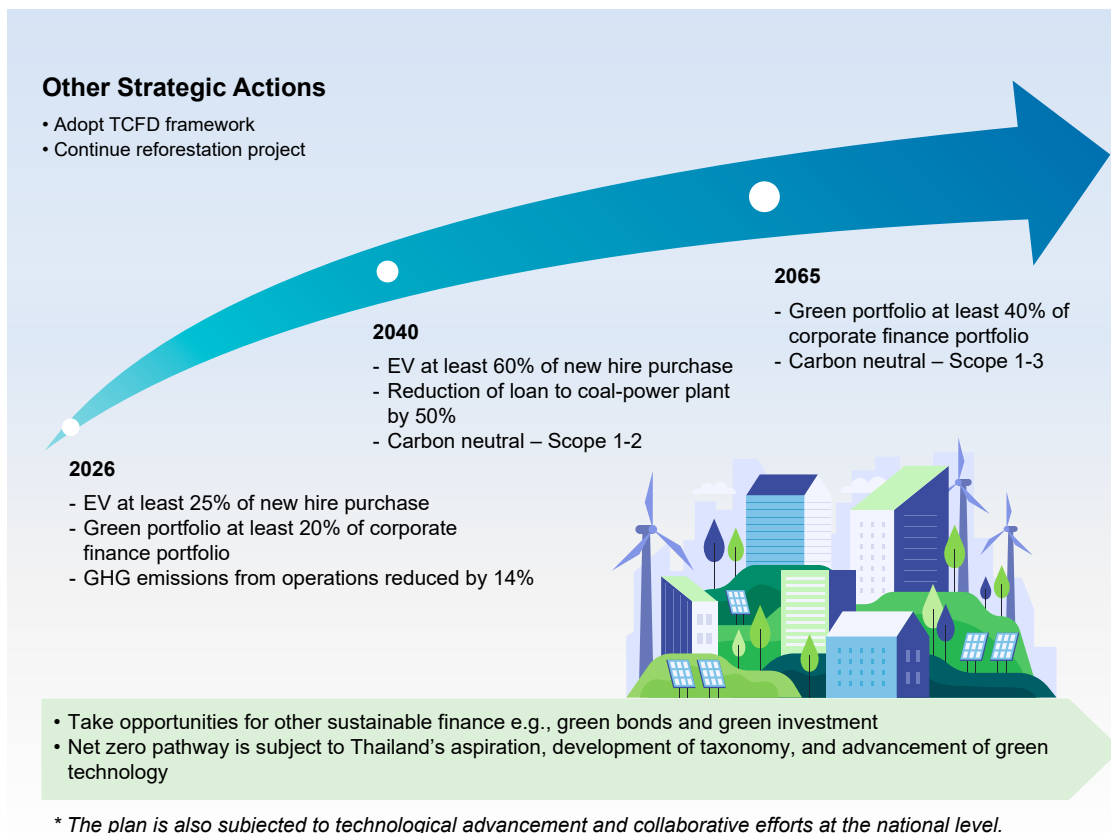


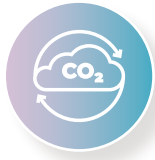
In any case, although climate change leads to business risk, changes in the business sector and awareness about the problem at the present, which this change is leading to business opportunity causing this change to also lead to business opportunity, such as promotion of technologies and innovations that can better meet the changing needs of customers and opportunities for reducing utility expenses. In any case, TISCO Group has identified opportunities and ways to respond to the opportunities as follows:

Opportunities	Description	Business Opportunities or Benefits for TISCO Group	Responses to Opportunities
 <p>Resource Utilization</p>	<p>Use of resources in ways to achieve the best outcomes by reducing loss and increasing productivity such as by using tools and equipment that conserve energy and help reduce greenhouse gas emissions</p>	<p>Reducing operating cost and increased asset value from environmentally friendly business operations</p>	<p>Organizing projects to raise awareness and specify improvement plans for efficient use of energy and resources</p>
 <p>Energy Sources</p>	<p>Use of clean and environmentally friendly energy technologies and cooperate in climate change management</p>	<p>Support for use of technologies that produce clean and environmentally friendly energy such as clean energy transition loans</p>	<p>Set clean energy goals and goals for providing loan support for transition toward cleaner energy</p>
 <p>Products/Services</p>	<p>Development of financial products and services in support of environmentally friendly businesses and expansion of financial services that help reduce climate change impacts</p>	<p>Expand customer base and generate revenue from financial products and services that support environmentally friendly businesses, including customers who need financing</p>	<p>Invent and design new products and services to increase opportunities and options for customers</p>
 <p>Market</p>	<p>Market expansion through support for green finances such as loan for electric vehicles</p>	<p>Expand customer base and generate revenue from financial products and services that support environmentally friendly businesses, including customers who need financing</p>	<p>Modify the proportional direction of our portfolio to prioritize environmentally friendly businesses and connected businesses across the entire supply chain</p>
 <p>Adaptability</p>	<p>Timely adaptation to climate change</p>	<p>Building reputation and increasing the market value of TISCO Group</p>	<p>Analyze business risks and opportunities related to climate change and modify business strategies to respond to climate change management</p>

Metrics and Targets

TISCO Group has specified metrics and targets by dividing them into short-term, medium-term, and long-term target. We have specified success metrics in steps and disseminated our targets in order to drive the organization in a consistent direction, from the level of the Board of Directors, executives to related departments. We then monitor performance according to the set objectives. In our business operation, TISCO Group has specified guidelines for supporting and promoting transition toward the green economy through financing, while at the same time achieving net zero of our Scope 3 emissions. For our operations, TISCO Group has integrated environmental impact management into how we conduct business, covering activities that directly contribute to energy or resource utility reduction. In addition, there are also ongoing carbon offsetting activities through annual reforestation projects.





Performance According to Greenhouse Gas Emissions Targets through Portfolio Management



1 Support for Green Economy Transition

TISCO Group supports and promotes the transition to a green economy through our core business operations by providing loan support to businesses that pursue the UN Sustainable Development Goals or the transition to a low-carbon economy. Our important loan types are as follows:

Corporate Loan

TISCO Group supports the green energy sector to promote production and reservation of energy sufficient for the country's consumption while reducing the use of natural resources, minimizing impacts on the environment from use of fuels that pollute nature's ecosystems, and ultimately reducing climate change impacts. Our goal is to become a bank with expertise in providing consultation to renewable energy and alternative energy power plant entrepreneurs.

Accordingly, in approving such loans, we consider the following risk factors:

- Risk from alternative energy power plant construction, the construction period, investment sum and technology of the electricity generation
- Risk from raw materials in the case of a biomass power plants
- Volatility from weather/natural conditions that could affect solar farm projects, hydro power plants and wind power plants
- Effects on surrounding communities both during the construction and after the power plant construction is completed
- Protests from villagers/people at the site that could affect the project's operations



As part of loan approval process, operators are required to submit a project feasibility study that contains technical details and financial estimates audited by an independent expert in the energy sector who has been approved by TISCO. Moreover, it must be demonstrated that raw materials are adequate for the operation of biomass power plants and that weather and natural conditions that may affect solar power plants, hydropower plants and wind energy power plants are within controllable ranges and are not going to severely impact the operations. At the same time, actions must be taken in full compliance with the law when applying for energy business licenses and follow-ups on energy business licenses after project construction, while ensuring that construction progress and costs follow the project milestones and project budgets. All of this is to ensure that the borrower correctly follow the legal procedure for applying for permission to construct power plants and operating correctly according to the law. The borrower must also prove to have ability to pay off the loan according to


the loan repayment schedule. In addition, in cases where complaints are submitted by persons to be impacted from loan authorization, the borrower must provide detailed clarification and show how the conflict will be managed. TISCO will temporarily delay its loan disbursement until the borrower's planned actions to resolve the conflict are approved.

TISCO Group has long provided financial support to large green energy businesses. In 2023, TISCO continuously provided loan support to environmentally friendly businesses while still maintaining good relationships with customers. Moreover, we explored opportunities to meet various financial service needs in groups related to corporate customers, and the values of loan support for energy projects that contribute to environmental impact reduction were as follows: 1) loans for solar energy production and 2) loans for hydropower production totaling 10,759 million baht or 18.23% of all corporate loans and an increase of over 1,400 million baht from 2022.



SME Loan

In addition to corporate loans, TISCO Group also has a goal to provide financial support to SME entrepreneurs who operate environmentally friendly businesses, including entrepreneurs who are preparing for the direction of Thailand's business sector toward the green economy transition, which is a major challenge for small-scale entrepreneurs to adapt to. Thus, TISCO Group has a goal to promote sustainable growth among SMEs via green financing that prioritize supporting projects that have goals in reducing environmental impacts such as 1) electric vehicle (EV) hire purchase; 2) loans for EV manufacturer and distributor; 3) loans for transitioning business to be environmentally friendly; 4) loans for installing solar rooftops and others. In 2023, our loan figures increased by over 1,700 million baht when compared to 2022. The figures for each loan type are as follows:

	Loans Value (million THB)
EV hire purchase for entrepreneurs	39.77
EV business loans	1,324.56
Loans for transitioning business toward environmental friendliness	427.35
Loans for solar rooftop and others	2.78

Retail Loan

The situation of pollution is worsening every day, whether in terms of climate or PM 2.5, which is harmful to health, and the primary factor contributing to air pollution is vehicle exhaust resulting from use of fossil fuel. As a result, vehicles relying on alternative energy sources such as hybrid vehicles and electric vehicles today are gaining popularity. As a result, the number of electric vehicle manufacturers and importers are increasing. TISCO Group recognizes the importance of dealing with the pollution impacts and sees business opportunities during this period of transition. Thus, with our expertise in the hire purchase business and extensive experience in serving our customers, TISCO Group has developed cooperation with trade partners, especially new partners, to design suitable financial products to support customers toward increasing their use of alternative fuel vehicles in order to contribute to decreasing greenhouse gas emissions in Thailand.

Accordingly, in 2023, TISCO Group provided alternative fuel vehicle hire purchase through trade partners by a total of over 22% of all new hire purchase during the year, consisting of loans for 4,135 electric vehicles, or an increase of 3 times when compared to 2022 or 5.42% of the overall figure of newly registered electric vehicles in Thailand.



2

Greenhouse Emissions in the Company’s Portfolio (Scope 3)

Greenhouse gas emissions in the Company’s portfolio (Scope 3, Category 5 “Investment”) is the major emission for finance and banking sector. Therefore, TISCO Group began developing a system for recording and disclosing data to prepare for setting future targets. In 2023, we collected data and preliminary reports about equity-bonds, debentures and vehicle loans by referring to the calculation and data reporting methods of the Partnership for Carbon Accounting Financials (PCAF).

For equity instruments and debentures in which TISCO Group made investments, they can be classified as shares in SETTHSI group, which TISCO Group would calculate carbon emissions by using the direct method through utilizing greenhouse gas emissions data in Scope 1 and 2

as disclosed in the Bloomberg Terminal, and equity instruments outside of the SETTHSI group and shares outside of the stock exchange, we use the indirect method by using the weighted average greenhouse gas emissions in each industry from the Global Change Data Lab. For vehicle loans, we calculate the average data on vehicle usage each year and the greenhouse gas emissions values of cars and motorcycles.

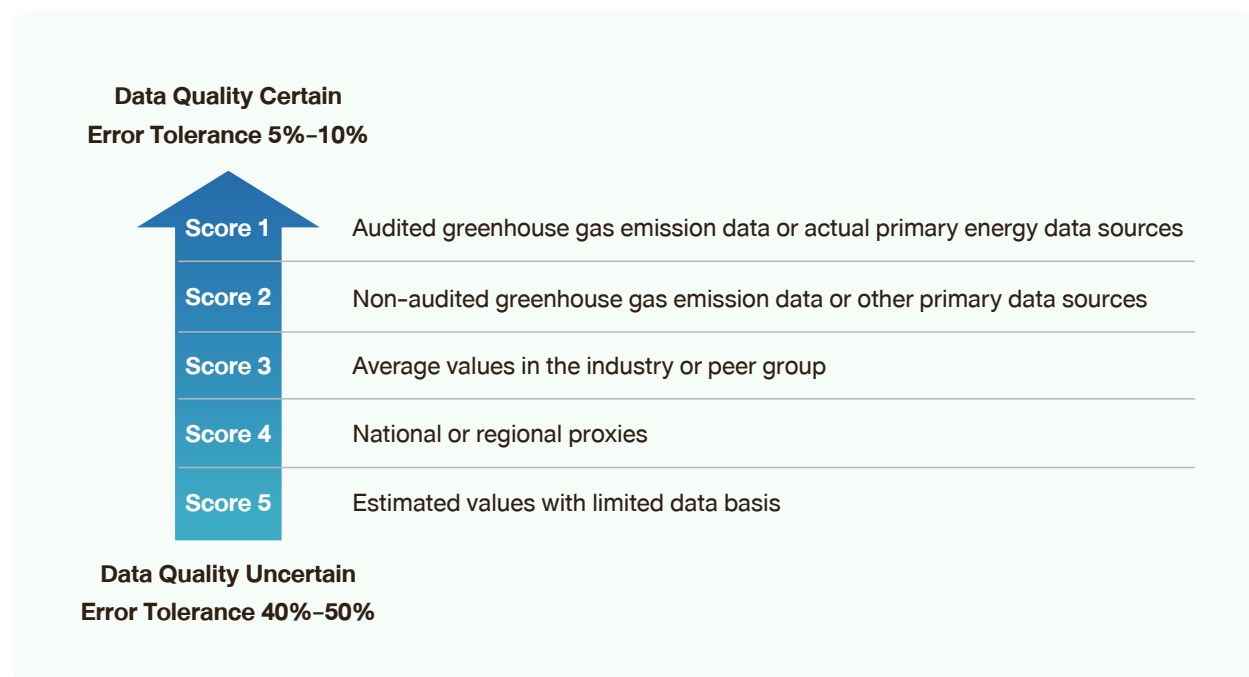
Calculation of greenhouse gas emissions from the financing that we provide (financed emissions) in each asset class requires information about attribution to the bank and all greenhouse gas emissions of borrowers or financed parties.

$$\text{Financed Emissions} = \sum_i \text{Attribution Factor}_i \times \text{Emissions}_i$$

(with i = borrower or investee)

The greenhouse gas emissions data of borrowers or financed parties that are used for calculations may vary in terms of quality due to uses of different assumptions and calculation methods. Accordingly, the Company might not always be able to access high-quality data, so PCAF has set the data quality score to specify the quality of data used to calculate financed emissions. Data quality depends upon assumptions, reliability, and specification of data as well as other potentially influential variables. Data quality scores ranges in level from 1 to 5, in which 5 indicating a high uncertainty in the data used.





Ordinary shares and debentures in the shares listed in SETTHSI, which discloses data on total greenhouse gas emissions in Scope 1 and 2 in the Bloomberg Terminal, have a data quality score of 1, while shares outside of the stock exchange, which are calculated by using the weighted average of greenhouse gas emissions in each industry from the Global Change Data Lab, have a data quality score of 5. Furthermore, vehicle hire purchase loans, which rely on the annual average vehicle usage data and the average greenhouse gas emissions of cars and motorcycles, have a data quality score of 5.

Asset Class	Proportion of Data Disclosure in the Portfolio	Absolute Greenhouse Gas Emissions (tonnes of CO ₂ equivalent)	Data Quality Score**
Equity	100% of ordinary shares	403	4.8
Corporate Bonds	100% of corporate bonds	79	5.0
Car and Motorcycle Hire Purchase	44% of total loans*	383,155	5.0
	Total	383,637	5.0

Notes: *Business loans and others are still in the process of data collection for disclosure.

** Data quality score is calculated according to the financed emissions calculation and reporting standards of PCAF (maximum quality = 1 and minimum quality = 5)

Performance According to Greenhouse Gas Emissions Targets from Operations



TISCO Group gives ongoing importance to greenhouse gas emissions reduction, particularly in Scope 1 and 2, which result directly from the operations of and are under direct control of TISCO Group. In doing so, we have created plans to achieve tangible results as follows:

1. Energy Efficiency

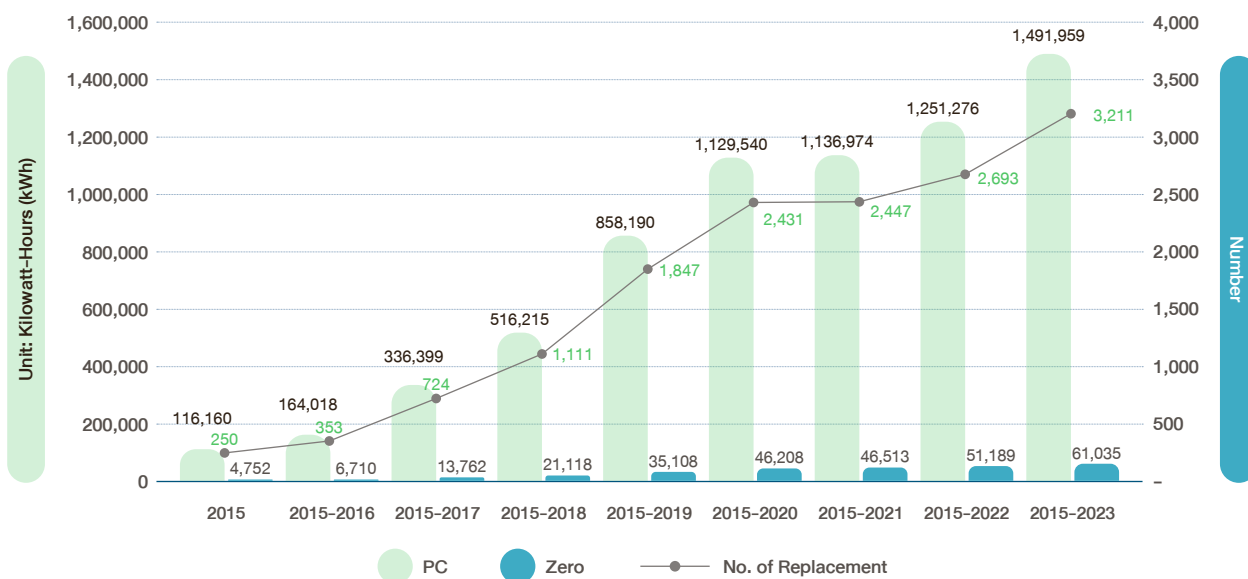
1.1 TISCO Group's management of energy consumption and conservation

Well aware of the importance of energy conservation, TISCO Group has actively promoted and implemented an energy consumption and conservation plan, which not only minimizes our consumption of electricity, but also directly and indirectly reduces impacts from climate change incurred by corporate energy consumption.

TISCO Group has implemented the VDI (Virtual Desktop Infrastructure) project, using virtual computer system to enhance computer performance and energy efficiency. As a result, we have been able to significantly reduce electricity consumption when compared to the use of

personal computers (PCs). Accordingly, it was found that our power consumption decreased from 220 watts per PC to just 9 watts per zero client desktop. This project began to replace computers since 2015 with additional replacements taking place every year. From the start of the project up to 2023, we have replaced a total of 3,211 computers. In 2023, we purchased 518 zero client machines to replace PCs. All 518 zero client machines can be calculated into a cost savings on machines when compared to PC purchases of 6,449,100 baht. From 2015-2023, we were able to reduce our cumulative energy consumption by 1,430,924.35 kilowatt-hours or cumulatively reduced energy consumption by 4,292,773.06 baht. TISCO Group will continue to implement and adjust our plan to replace the PCs with the zero client desktop.

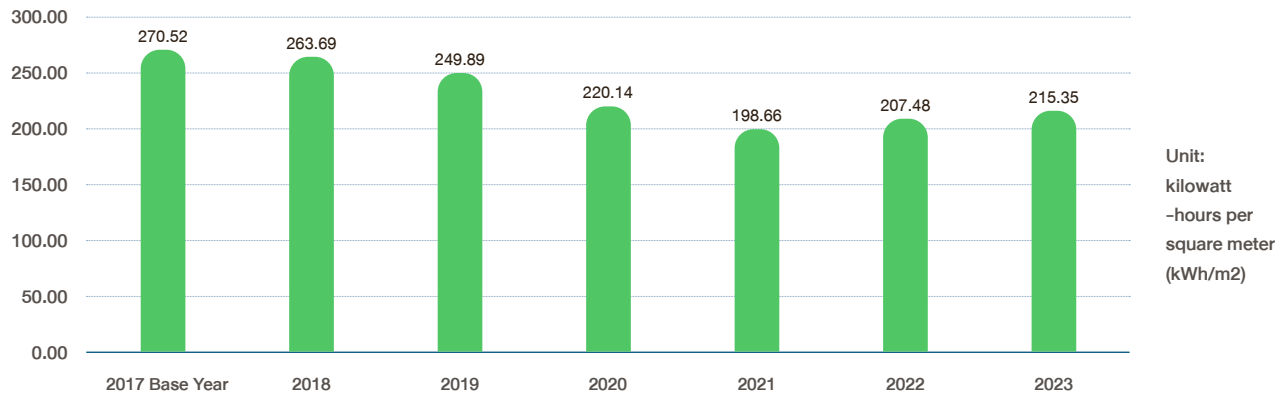
Cumulative Power Consumption Rate of PC Compared to Zero Client





Furthermore, TISCO Group has replaced the lightbulbs in TISCO's buildings with LED bulbs. We also campaign for employees and business partners to use electricity while keeping in mind its value. TISCO Group has a set goal for our electricity consumption in years 2023-2025 to not exceed 250 kilowatt-hours per square meter, and we found that the rate of electricity consumption by companies in TISCO Group that operate inside TISCO Tower was 215.35 kilowatt-hours per square meter, increased by 215,451 kilowatt-hours per year, representing an increase of 3.79% compared to 2022. After the easing of measures of the COVID-19 epidemic situation.

Energy Consumption Rate of All Subsidiaries of TISCO Group Currently Operating inside TISCO Tower Building

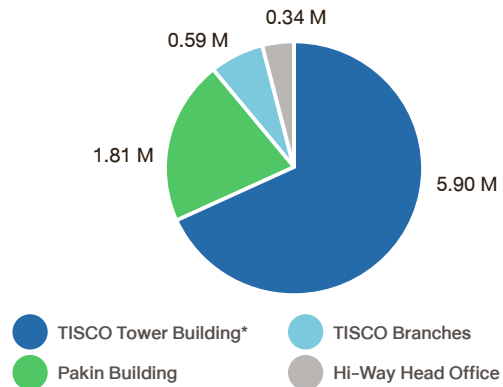


Expansion of the Operating Scope to Cover Every Area

In 2023, TISCO Group began to expand the scope of management and performance monitoring scope. In TISCO Tower, data on the amount of electricity consumption from the cooling water system was also collected for this year. In terms of electricity consumption, the scope of data collection has been expanded to cover all major operating buildings, namely Pakin Building and Hi-Way Head Office, as well as all TISCO branches and we plan to expand the scope to cover all Somwang branches by 2025.

Energy management in other offices and branches will follow the same direction as TISCO Tower, meaning that we will continue to replace the VDI (virtual desktop infrastructure) and LEDs for lighting as well as monitor the use of other electrical equipment. In addition, we plan to install solar panels for bank branches, with a pilot project to start implementing in 9 branches in 2024.

Electricity Consumption in 2023 (kWh)

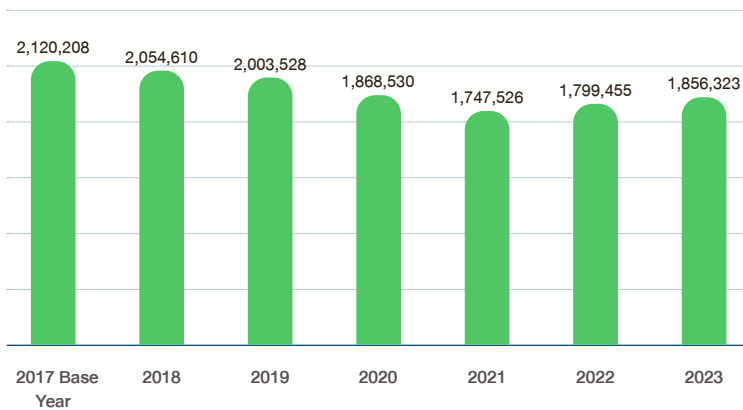


Note: *Not include the electricity consumption of the water-cooling

1.2 Management of Energy Consumption and Conservation with Partners

In underlining the importance of lower energy consumption and better energy conservation, we take this endeavor to heart by working internally and with our partners. TISCO Group operates an energy conservation project jointly with the juristic person of Yommarat Condominium Building, and the management of TISCO Tower occurs under a policy of the condominium building management and control committee that was appointed by the representatives of co-owners, with a building management guideline in place to continuously give importance to reducing consumption and conserving energy. So far, the condominium juristic person has always been able to manage energy efficiently.

Electricity Consumption in the Common Areas of TISCO Tower



Unit:
kilowatt-
hours (kWh)

In 2023, the total electricity consumption in common areas totaled 1,856,323 kilowatt-hours per year or an increase of 3.2% when compared to year 2022.



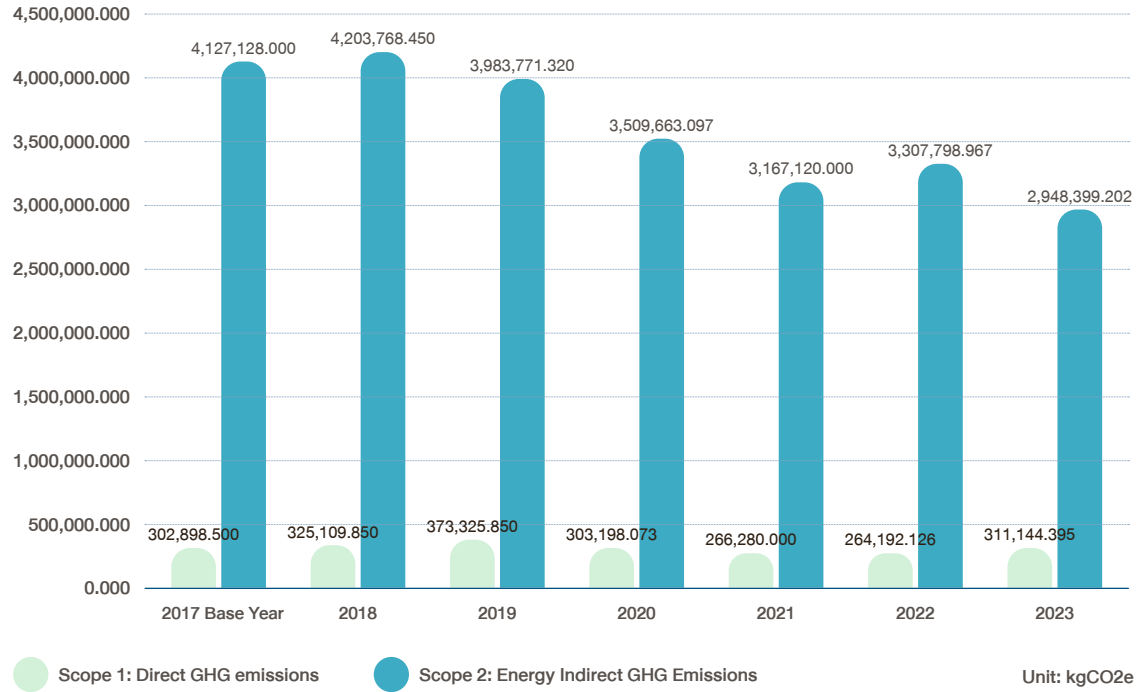
2. Greenhouse Gas Emissions Reduction and Climate Change Management

Climate change is a major issue attracting the attention of the entire world, and all stakeholders are increasingly paying attention to climate change. In terms of greenhouse gas emissions data in Scope 1 and 2, currently, TISCO Group discloses operating data for the Head Office only. However, TISCO Group has begun to collect environmental data from operations in other areas according to our disclosure plan to cover all operating areas by 2025.

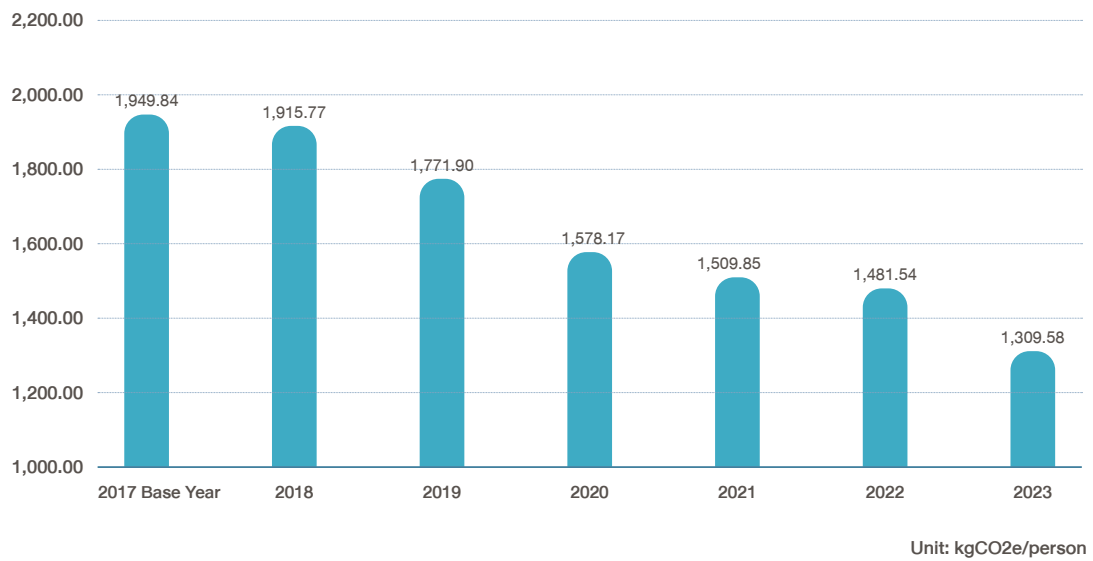
2.1 Greenhouse Gas Emissions Reduction in the Operation of TISCO Tower

In 2023, the total greenhouse gas emissions from the operation of TISCO Tower decreased by 312,447.495 kg.CO₂e (Scope 1 and 2 only) when compared to 2022 or a total reduction of 8.7%, and this is a reduction of 26.4% when compared to 2017 (the base year).

Amounting of Greenhouse Gas Emission from the Operations of Companies in the TISCO Group Located at the TISCO Tower




Average Greenhouse Gas Emissions per Person





2.2 Project with the Stock Exchange of Thailand: Care the Bear: Change the Climate Change by Eco Event

We organized activities to reduce global warming by campaigning for organizations to modify their behaviors to reduce greenhouse gas emission covering both on-site and online activities. These activities included meetings, lectures and seminars and they rely on the 6 Cares principles 1) using public transportation or carpooling; 2) reducing use of paper and plastic from documents and packaging; 3) refrain from using foam for packaging or decorations; 4) reducing electricity consumption or replacing with energy-saving devices; 5) designing decorative materials to make them recyclable; and 6) reducing food waste at events. In doing so, the Stock Exchange of Thailand has created an evaluation form for project members to measure outcomes to create new behaviors in organizations to enhance operating efficiency, reduce expenses and tangibly and sustainably create a good society and environment. In 2023, TISCO Group held 54 eco events and was able to reduce greenhouse gas emission by 724,858.93 tons of CO₂ equivalents or equal to planting of 80,540 trees.

Results of Care the Bear Project	Greenhouse Gas Emissions Reduction (tCO2e)					
	2018	2019	2020	2021	2022	2023
 Events with Reduced Greenhouse Gas Emissions	7.603	4.320	1.232	0.950	25.719	724.859

Other Environmental Performance Outcomes

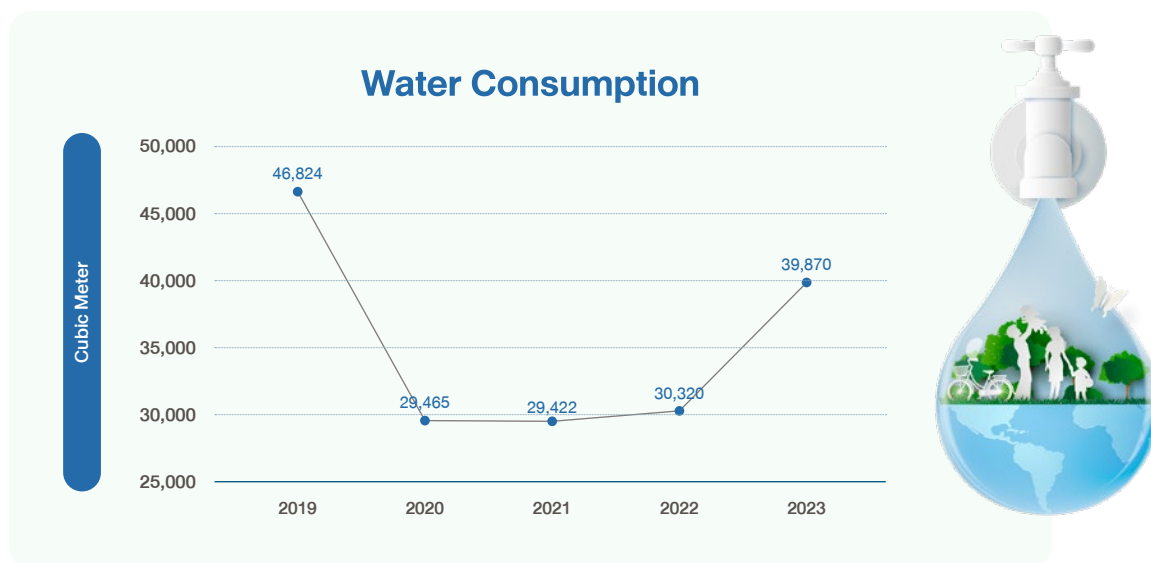
TISCO Group continuously plans and operates according to the sustainable development guidelines and continues to raise awareness in employees for the recognition of the value of resources and the most efficient uses their off in addition to sponsoring environmental conservation activities. In 2023, TISCO Group’s environmental performance according to the Sustainability Development Roadmap was as follows:



1. Water Consumption

TISCO Group advocates for the use of resources in the most worthwhile and beneficial manner. However, due to the Covid-19 situation, using water to frequently clean hands remained necessary for the good hygiene of employees. TISCO Group has set a target to reduce water consumption in 2023–2025 to not exceeding 30,000 cubic metres per year. In 2023, we found that the total water consumption inside TISCO Tower throughout the entire year was 39,870 cubic meters, which exceeded our target and representing an increase of 31% compared to 2022 due to the return to normal operations inside office buildings. In any case, TISCO Group is in the process of considering ways to reduce water consumption. We have a plan to install automatic water faucets in the bathrooms inside the operations building to reduce unnecessary water waste at all main operations buildings such as TISCO Tower, Pakin Building and the Hi-Way Head Office by the end of 2025.

TISCO Group has initiated ways to recycle water inside of office buildings. However, a trial found problems resulting from bacteria and various issues in the cooling water system, so the water recycling project was cancelled. Nevertheless, TISCO still continues to study for other possibilities to help reduce water consumption inside of operations buildings.



2. Waste Management

TISCO Group places an importance to managing waste from the organization’s activities in order to ensure standard management, reduce environmental pollution and promote recycling while developing consciousness and awareness in employees, so they can help push for environmental conservation processes and not only act inside the workplace but also in the daily lives of their families while expanding results to their communities and the environment.

In 2023, TISCO Group took actions according to the following projects:



TISCO Eco Society: We Use, We Sort

TISCO Group continues to pursue environmental projects to achieve sustainable goals in order to change the behaviors of employees and create a culture of resource and environmental conservation in the organization. In doing so, we moved ahead with the “We Use, We Sort” project to expand participation to the condominium juristic person and pushed for stores and communities surrounding our establishment to have awareness about consumption of environmentally friendly products. In addition to creating a foam-free space, we also expanded results to other places of business of TISCO by focusing on campaigning for the change of 3 key behaviors, namely, by 1) carrying cloth bags, 2) sorting trash and

recycling, and 3) sorting food waste. In 2023, our sorting project received excellent cooperation from both employees and building users. This has led to a greenhouse gas emissions reduction of 16.207 tCO2e or equivalent to planting 1,706 large trees. Moreover, we were able to create additional value from recycled waste, which was delivered to buyers to enter the appropriate disposal and recycling processes, or a total of 14,309 baht of donations to the TISCO Foundation to assist underprivileged people according to our objectives. The greenhouse gas emissions reduction amount was certified by the Thai Greenhouse Gas Management Organization under the Low Emission Support Scheme (LESS).

Certification from Thailand Greenhouse Gas Management Organization	Total Greenhouse Gas Emissions Reduction (tCO2e)				
	2019	2020	2021	2022	2023
1. Lighting Replacements for Greater Efficiency *	204.074	374.681	331.359	0	0
2. Trash Sorting for Recycling	19.761	3.576	20.110	7.667	16.207
Total	223.835	378.257	351.469	7.667	16.207

Note: *TISCO Group has replaced all electric lighting equipment in every office since 2019 and requested certification according to the criteria for 3 consecutive years.



In addition, in order to monitor results and disclose quantitative goals in waste reduction, TISCO Group has created work plans to measure the general amount of waste inside the operation areas, and we expect to be able to implement them by 2024, by starting with our head office building before expanding results to other office buildings and branches.

Care the Whale: Circular Based Waste Management

TISCO Group has been continuously participating in the Care the Whale Project to demonstrate our readiness to join together with others to help reduce global warming and to support and campaign for the recycling of waste from business operations to ensure efficient management while reducing environmental impacts and promoting balance and a circular economy at the source with more substantial results consistently with the TISCO Eco Society project, which has been continuously implemented. In 2023, waste can be transferred to the recycling process 750.30 kilograms through this project. In addition, TISCO Group is collaborating with Osotspa Plc, one of the project members, in glass sorting and management.



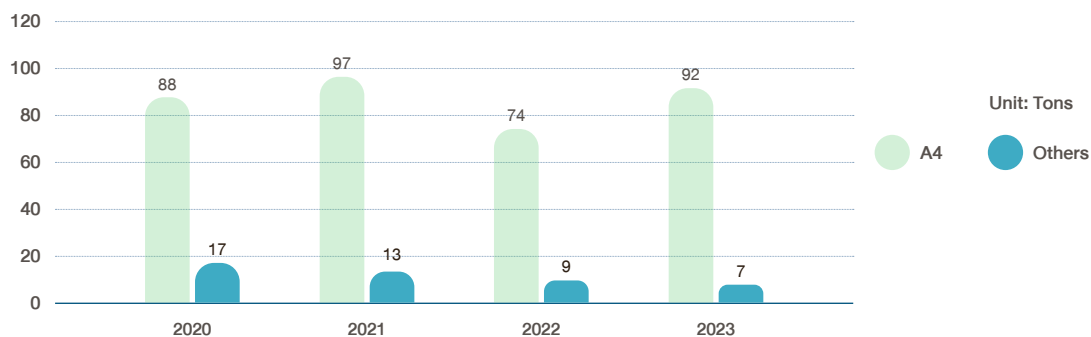
3. Paper Consumption

Paper is a consumable resource required in the internal operations of most financial business activities. Underlining the importance of smarter use of paper, we have developed our products and services so that they respond to the lifestyle of digital-age customers through the paperless concept. Services on digital platforms are offered on our mobile applications which allow customers to access and keep records of financial documents on their smartphones rather than in paper form. Meanwhile,

we have improved the system by making it leaner and more efficient and managed to reduce corporate expenses while promoting knowledge in employees through continuously holding activities and developing electronic learning media.

Accordingly, TISCO Group has a target to reduce paper use in 2023–2025 to be no more than 100 tons per year. In 2023, we found that the use of paper in the operation of TISCO Group at the head office building increased from year 2022 by 19.9%.

Amount of paper used in overall operation of TISCO Group as at Head Office



4. Environmental Conservation

TISCO Group understands natural resources are used directly and indirectly to benefit human living and to significantly contribute to economic and industrial development. However, overuse of natural resources can lead to environmental impacts, global warming and environmental problems, and many parts of the world are currently facing this problem. Therefore, we have been organizing reforestation activities continuously since 1991 to promote environmental conservation consciousness in employees and alleviate impacts stemming from global warming. While our reforestation activities were suspended over the past 3 years due to the fact that Thailand and the rest of the world was facing major challenges resulting from the Covid-19 pandemic at the time, in 2023, TISCO Group has resumed our annual reforestation activities as follows:

TISCO's Permanent Forest Planting Project

TISCO had a project to plant permanent forests in the vicinity of Wang Wiwekaram Temple, Sangkhla Buri District, Kanchanaburi Province. TISCO Group and the local community joint together to oversee this effort over the past 33 years (since 1991) over a total of 10 plots. In 2023, TISCO Group applied for certification by the Thai Greenhouse Gas Management Organization (Public Organization) under the Ministry of Natural Resources and the Environment in the Low Emission Support Scheme (LESS) for 3 plots with an area of 166 rai and over 70,000 trees, which have been assessed to be able to absorb up to 32,472.588 ton of CO₂ equivalents (assessment data as of 7 June 2023).



TISCO Volunteer Reforestation Activities

In July 2023, TISCO group also organized an annual reforestation activity in two areas, one at Wang Wiwekaram Temple, Sangkhla Buri District, Kanchanaburi Province, where TISCO volunteers, government agencies, and the local people joint together to plant 4000 Burma Ironwood trees. The other was at Khung Bang Kachao Green Space Development Area, Samut Prakan Province, where executives and TISCO volunteers also planted 150 trees.

Reforestation Activity at TISCO Funfest Western Region

In September 2023, TISCO Group executives and employees joint together to plant 200 trees at Kasetsart University, Kamphaeng Saen Campus, through CSR activities at TISCO Funfest Western Region. Our objective was to promote engagement in restoring natural balance and increasing green spaces in the area.

