Emerging Risk 1: Climate change related regulatory transition risk
<u>Description</u> ThaiBev as a leading beverage producer uses large quantities of agricultural raw materials, packaging and surface water in our production process. Our operations and transportation of products emit GHG while our packaging materials can be left behind as waste to landfill. Our business which spans across countries in ASEAN region as well as the UK expose us to various climate change related policy standards, such as carbon tax, extended producer responsibility (EPR), water stewardship, and waste management. The different timing, standards and thresholds, and regulatory schemes for implementation across national boundaries further complicate our adaptation to comply.
<u>Impact</u> • Potential enforcement of tariffs, laws and legal obligations regarding climate change, especially carbon tax, water tariff and Extened Producer Responsiility • Increase in production and operating costs from the tax levied through the enforcement of laws and regulations for climate change mitigation • Increase in investment, production costs and operating costs from the adjustment of production processes and operations to comply with changes in climate change- related regulations • Potential failure to comply with the climate change- related regulations • Potential failure to meet customer demands for low-carbon products and social demands for low-carbon renewable energy • Potential impact on revenues and financial performance • Potential long-term damage to the Company's reputation and image including a license to operate • Potential failure to comply with the international Sustainability Standards Board (ISSB) standard
<u>Mitigating Actions</u> ThaiBev utilizes resources for production in alignment with circular economy concept. Our Net Zero roadmap, which will be submitted to SBTi, will serve as a guide to adjust our operations across all countries. We use internal carbon pricing as a factor in investment consideration in preparation for potential Carbon Tax implementation. We analyze and manage climate-related financial risks and opportunities in line with Task Force on Climate-related Financial Disclosures recommendations and work closely with our external auditor to prepare for adoption of IFRS S1 and S2. To keep ourselves up-to-date with new regulations, we actively participate in various policy advocacy organizations across our countries of operations, e.g., Thailand Voluntary Emission Program. Internally, our Legal teams monitor potential new regulations and alert Sustainable Development Working Team to develop mitigation plans while our Production team continues to look for new technologies and Finance team continue to look for potential funding sources to support any large-scale adaptation which may be required.

Emerging Risk 2: Technology and innovation disruption risk
Description The food and beverage industry is actively developing and applying technologies and innovations to increase production efficiency, reduce dependence on human, save costs in the long run, respond to ever-changing demands of consumers, and gain competitive edge. These technologies are ranging from blockchain which is used for product traceability, artificial intelligence (AI) used in customer interactions and robotics in production line, to new products and service innovations such as plant based and lab grown ingredients. ThaiBev may therefore be adversely affected if we do not pay close attention to technological advancement and innovations.
Impact • The threat of new and smaller entrants, including existing competitors which leads to more intense business competition • Potential impact on revenue and financial performance from an increase in financial costs if unable to fully utilize the technologies invested • Loss of opportunity, competitiveness, customer and consumer bases, including sales and market share if technology is used improperly or inconsistent with the needs of customers and consumers • Impact on corporate value and brand loyalty • Failure to achieve our business growth plans
Mitigating Actions • We study trends, assess the suitability of investments, and invest in digital technologies and innovations to enhance our operations and increase competitiveness. • We adopt the ways of work gained from “ThaiBev Transformation Program” in building new businesses, strengthening our competitiveness and market leadership positions, and unlocking potential through new business opportunities to add value and contribute to the organization. • We collaborate with global-leading universities to incubate startups in F&B industry and enhance activities in ThaiBev’s value chain with new technologies. • ThaiBev’s Research and Development Center and our subsidiary, BevTech Co., Ltd., act as technology and engineering hubs which focus on innovations ranging from products and processes to business models.

Emerging Risk 3: Geopolitical risk
<u>Description</u> Geopolitical risks are deeply interconnected, affecting national and macroeconomic systems, and causing significant disruptions to Thaibev supply chains. The ongoing rivalry between the United States and China include trade disputes, military posturing in the South China Sea, and competition for global influence. Economic decoupling and sanctions also add to the uncertainty in international trade and financial markets. The Middle East remains highly volatile, with escalating tensions between Israel and Iran being particularly concerning. Recent military strikes and ongoing conflicts in Gaza, Lebanon, and Syria pose risks of broader regional war. These conflicts draw in external powers such as the US, Russia, and China, complicating diplomatic efforts and regional stability. Russia-Ukraine War continues to have profound geopolitical and economic impacts. The war has led to significant military and humanitarian crises, with ripple effects on global energy prices and security policies. These challenges necessitate proactive strategies from ThaiBev to ensure operational resilience and sustainable growth amidst evolving geopolitical landscapes.
<u>Impact</u> Political conflicts can lead to changes in trade policies, such as new tariffs and import/export restrictions which can result in raw material cost increase to our production and rises in final prices of our products to consumers in importing countries. Physical conflicts can cause disruptions to availability, delays, logistical challenges and increasing costs in our supply chain. For example, importation of agricultural products can be disrupted while cost of energy and shipping can increase, impacting our production processes and profitability. In extreme cases, population migration due to geopolitical conflicts can potentially impact our workforce availability as well as shifting pool of consumer demand.
<u>Mitigating Actions</u> To mitigate disruptions in our supply chain, we develop a diverse supplier base across different geographic location and build up safety stocks of our raw materials. We regularly conduct comprehensive risk assessment which includes geopolitical risk scenario analysis and mitigation plans, as well as contingency plans to ensure preparedness for different disruptions. Our legal team regularly monitors potential changes in trade policies of our importing and exporting countries for timely adjustments. Our Human Capital team regularly monitors wellbeing of our staff in potential areas of conflicts. We use financial instruments to hedge against commodity price and currency fluctuations.