

Climate Action

Thai Union Feedmill Public Company Limited (“TFM”) is a subsidiary of Thai Union Group PCL and forms an integrated part of the Group’s climate strategy, governance and disclosure boundary. The Group’s science-based GHG reduction targets, validated by the Science Based Targets initiative (SBTi) in alignment with the 1.5°C pathway of the Paris Agreement, are consolidated at Group level and include TFM’s operations within Scope 1 and Scope 2. The following disclosures set out TFM’s position on climate-related public policy, governance, executive remuneration linkage, and climate-focused memberships, in line with ESG indicator requirements

Our Climate Policy & Commitment

As part of Thai Union Group’s SeaChange® 2030 strategy, TFM is committed to supporting national and international climate initiatives that promote decarbonization, climate resilience, and sustainable business operations across the seafood and feed value chain.

TFM supports science-based and Paris Agreement-aligned climate policies and regulations that accelerate the global transition to a low-carbon economy. The company supports credible climate-related mechanisms and regulatory frameworks, including emissions reduction initiatives, energy efficiency policies, renewable energy transition programs, and carbon pricing mechanisms that contribute to limiting global warming to 1.5°C.

Key commitments include:

- Supporting Thai Union Group’s commitment to reduce Scope 1 and Scope 2 greenhouse gas emissions by 42% by 2030 from a 2021 baseline
- Supporting the Group’s commitment to achieve net-zero greenhouse gas emissions across the value chain by 2050
- Supporting the Group’s commitment to phase out coal use in manufacturing operations by 2030
- Strengthening process-level GHG tracking and energy efficiency programs
- Embedding climate considerations into financial planning and investment decisions



Responsible Climate Engagement

TFM is committed to ensuring consistency between its climate-related positions and the positions taken by trade associations and industry organizations of which the company is a member. TFM conducts an annual review of its memberships and engagement activities to assess alignment with the company's climate commitments and Science-Based Targets initiative (SBTi)-aligned pathway.

Where material misalignment is identified, TFM will engage directly with the relevant association to advocate for alignment with climate science and the Paris Agreement. Escalation actions may include formal dialogue, submission of position statements, review of participation status, or reconsideration of membership where significant and unresolved misalignment persists.

Climate Governance & Climate Scenario Analysis

TFM recognizes climate change as a strategic business risk and opportunity. Oversight of climate-related matters is integrated within the company's Enterprise Risk Management (ERM) framework and governed by the Board of Directors and relevant management committees.

The Board regularly reviews climate-related risks, decarbonization progress, energy transition initiatives, and sustainability performance to ensure alignment with TFM's long-term strategy and Thai Union Group sustainability commitments. The Risk Management Committee, which includes a Board member, reviews climate-related risks as part of TFM's Enterprise Risk Management framework on a quarterly basis, monitors progress against GHG reduction targets, and reports findings to the Board. Climate-related risks, including transition and physical risks, are incorporated into strategic planning, operational risk management, and investment decision-making processes.

TFM aligns its climate-related disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) through the adoption of Thai Union Group's climate governance, risk management, strategy, and metrics and targets framework. Climate-related information is disclosed in line with internationally recognized reporting frameworks, including TCFD and IFRS Sustainability Disclosure Standards (ISSB/IFRS S1 and S2).

To enhance transparency and support stakeholder accessibility, TFM will continue strengthening climate-related disclosures and plans to develop a TCFD content index referencing relevant sections within sustainability and climate-related reporting documents.

TFM recognizes the importance of formal climate scenario analysis in assessing the resilience of its strategy and operations under different climate pathways. The company intends to conduct a structured climate scenario analysis, including assessment of business impacts under 1.5°C and higher warming scenarios, aligned with TCFD recommendations and IFRS S2 requirements. TFM plans to complete this assessment and publish findings, including qualitative business impacts across its operations and value chain, by 2027. In the interim, climate-related transition and physical risks are managed through TFM’s Enterprise Risk Management framework.

Climate-Linked Executive Remuneration and Incentives

IMPLEMENTATION OF INTERNAL CARBON PRICING

Phase 1 (2024-2025)
 focuses on feasibility through a shadow carbon pricing study, aiming to define factory-level targets and assess integration with incentive structures.

Phase 2 (starting 2026)
 will embed an operational internal carbon pricing model tied directly to performance evaluations and financial incentives, strengthening the link between environmental performance and business outcomes.

Senior management is responsible for implementing climate strategy, monitoring GHG reduction initiatives, and driving progress toward TFM’s net-zero ambitions through cross-functional collaboration across operations, engineering, sustainability, procurement, and finance teams.

TFM integrates climate-related KPIs into annual business objectives and performance reviews for relevant executives and management personnel. Since 2024, Thai Union Group has initiated a feasibility study on internal carbon pricing and climate-linked incentive mechanisms to strengthen climate accountability in decision-making and future remuneration structures.

The study focuses on Scope 1 and 2 emissions and evaluates a shadow carbon price of USD 28 per metric ton CO₂e to support energy efficiency, decarbonization initiatives, and alignment with the Group’s science-based targets and net-zero ambitions.

Key performance indicators linked to climate performance may include:

- Reduction of Scope 1 and Scope 2 greenhouse gas emissions
- Energy efficiency improvement
- Renewable energy adoption
- Progress toward decarbonization roadmap milestones
- Delivery of energy and carbon reduction projects
- Improvement of environmental and sustainability performance indicators.

Climate-Related Collaboration and Industry Engagement

TFM supports collaborative climate action through participation in sustainability and climate-related initiatives led by Thai Union Group and relevant industry platforms. The company engages with stakeholders, customers, suppliers, and industry partners to support greenhouse gas reduction, responsible sourcing, energy transition, and climate resilience across the value chain.

TFM participates in climate and sustainability-related industry engagement through Thai Union Group's SeaChange 2030 platform, the Aquaculture Stewardship Council (ASC) certification program, and the Sustainable Fisheries Partnership. TFM contributes to supplier decarbonization through the Shrimp Decarbonization Project, which supports farm-level emissions reduction and low-carbon feed sourcing. TFM also contributes to climate-related discussions and capacity-building activities through sustainability networks, customer engagement initiatives, supplier collaboration programs, and industry forums that promote responsible and low-carbon business practices.

Greenhouse Gas (GHG) Reduction Targets and Phase-Out of Carbon-Intensive Fuel Sources

TFM's climate strategy is aligned with Thai Union Group's climate commitments and supports the Group's Science Based Targets initiative (SBTi)-aligned decarbonization pathway and long-term net-zero ambition.

In line with Thai Union Group's approved climate strategy, TFM supports the Group's commitment to reduce absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions by at least 42% by 2030 from the 2021 baseline since 2022. This near-term target is aligned with climate science and the SBTi framework and covers manufacturing operations under operational control across the Group, including TFM operations.

The Group's climate targets and decarbonization commitments were formally endorsed through Thai Union Group's sustainability and governance processes and are overseen through Board-level governance and management climate oversight mechanisms.

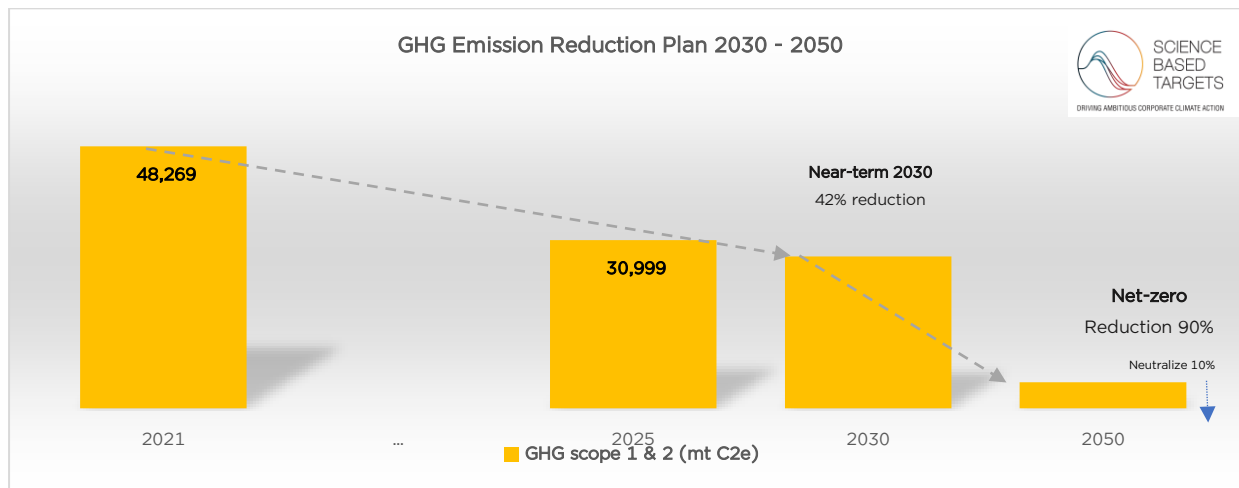
Near-Term Climate Target (2030)

- Reduce absolute Scope 1 and Scope 2 GHG emissions by at least 42% by 2030 from the 2021 baseline
- Coal reduction and phase-out initiatives by 2030

- Aligned with Science Based Targets initiative (SBTi) requirements
- Covers manufacturing operations under operational control, including TFM operations
- Supports operational decarbonization through energy efficiency, renewable energy expansion, cleaner fuel transition, and low-carbon technology adoption
- The near-term target covers 100% of TFM's Scope 1 and Scope 2 GHG emissions under operational control

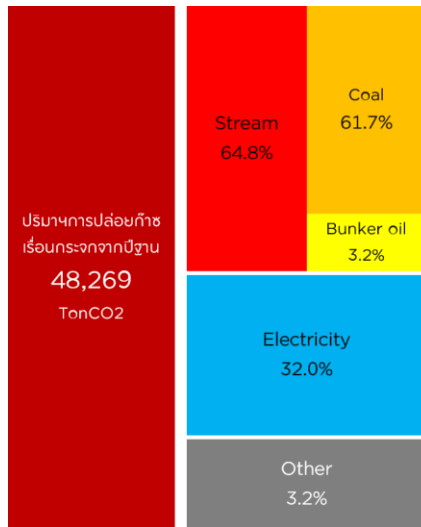
Long-Term Net-Zero Ambition (2050)

- Achieve net-zero greenhouse gas emissions by 2050 in alignment with Thai Union Group's long-term climate ambition
- Supports the transition toward low-carbon and climate-resilient operations
- Includes long-term operational decarbonization and value-chain climate transition efforts
- The long-term target covers 100% of TFM's Scope 1 and Scope 2 GHG emissions under operational control



Key decarbonization actions supporting these commitments include:

- Coal reduction and phase-out initiatives
- Renewable energy expansion, including solar rooftop projects
- Energy efficiency and steam optimization programs
- Cleaner fuel transition and operational improvement projects
- Real-time energy monitoring systems
- Low-carbon technology implementation



Energy Efficiency Improvement

Implementation Guidelines

- Engineering and management improvements such as quality control and temperature control
- Prevent energy loss in systems, e.g., thermal insulation
- Improve machine control efficiency to ensure optimal operation
- Enhance production processes to reduce energy consumption
- Implement effective energy usage control
- Inspect for steam leaks and energy system losses
- Improve boiler and electrical system efficiency
- Strengthen appropriate process control

Personnel Development

- Provide employees with knowledge on energy management
- Promote energy efficiency awareness
- Build awareness of environmental protection and energy conservation

Low Carbon Technology

- Explore and apply new technologies to reduce environmental impact
- Replace fossil fuels with renewable energy (e.g., switching from coal to biomass or natural gas)
- Increase the share of renewable energy usage
- Use solar energy in production processes (e.g., solar water heating systems)

TFM continues to align its climate governance, operational improvement programs, and investment planning with Thai Union Group’s SBTi-aligned climate commitments and long-term net-zero transition pathway.

GHG emission during 2023-2025

Energy Consumption	Unit	2023	2024	2025
Greenhouse gas emission (Scope 1)	Mt Co2e	53,833	33,908	30,999
Greenhouse gas emission (Scope 2)	Mt Co2e	41,390	20,445	16,575
Total greenhouse gas emission	Mt Co2e	12,444	13,462	14,423

Progress Against GHG Reduction Targets:

- Absolute GHG reduction: Achieved a 36% reduction in 2025 compared with the 2021 baseline and 9% reduction compared with 2024.
- Coal consumption reduction: Achieved a 52% reduction in coal consumption compared with the baseline level through fuel transition and energy efficiency improvement initiatives.
- Solar energy consumption increase: Increased solar energy consumption by more than 246% compared with the baseline level, supporting TFM’s renewable energy expansion and decarbonization strategy.

Climate-Aligned CAPEX and Investment Framework

TFM integrates climate-related considerations into operational planning, capital expenditure (CAPEX) evaluation, and environmental investment decision-making processes in alignment with Thai Union Group sustainability commitments and climate transition strategy.

Climate-related CAPEX and operational investments include:

- Renewable energy and solar rooftop projects
- Energy-efficient equipment upgrades
- Boiler and steam system optimization
- New biomass boiler investment
- Digital monitoring and energy management systems
- Low-carbon operational technologies
- Resource efficiency and environmental improvement initiatives
- Water efficiency and wastewater improvement projects

To strengthen alignment with decarbonization goals, TFM applies a climate-aligned investment screening approach when evaluating significant operational and environmental investments.

The evaluation framework considers:

- Greenhouse gas reduction potential
- Energy efficiency improvement opportunities
- Contribution to decarbonization targets
- Reduction of carbon-intensive fuel dependency
- Climate resilience and operational continuity
- Environmental compliance and risk reduction
- Long-term sustainability and resource efficiency performance
- Alignment with Thai Union Group climate strategy and Paris-aligned transition principles

TFM's investment and operational improvement programs support Thai Union Group's climate commitments and transition toward a lower-carbon business model consistent with the goals of the Paris Agreement.

Climate Risk and Financial Planning

TFM considers climate-related risks and opportunities as part of operational, investment, and long-term business planning processes.

Climate-related considerations are integrated into:

- Operational expenditure (OPEX) planning
- Capital expenditure (CAPEX) planning
- Energy and fuel transition strategies e.g. biomass boiler investment, solar cells etc.
- Infrastructure and operational improvement projects
- Business continuity and climate resilience planning

Climate-related financial considerations include:

- Energy price and fuel cost exposure
- Renewable energy investment requirements
- Energy efficiency improvement investments
- Carbon transition and regulatory risks
- Environmental compliance obligations
- Climate resilience and operational adaptation measures
- Long-term operational sustainability and resource security

Where relevant, climate-related considerations may also support broader strategic planning discussions related to financing, operational expansion, and long-term business resilience.

TFM continues to strengthen climate governance, financial planning integration, and investment decision-making processes in alignment with Thai Union Group's climate commitments, decarbonization strategy, and long-term net-zero transition pathway.

Third-Party Assurance of GHG Data

TFM's greenhouse gas (GHG) emissions and selected environmental performance data, including energy consumption, water use and wastewater management, waste management and several others, are independently verified by LRQA (Thailand) Limited to provide confidence in the accuracy, reliability, and transparency of reported information.

The assurance engagement was conducted in accordance with the AA1000 Assurance Standard (AA1000AS v3) under a Type II moderate level of assurance. The verification covered selected environmental indicators, including Scope 1 and Scope 2 GHG emissions and energy consumption data, for operations under TFM's direct operational control.

Further details are available in TFM's independent assurance statement issued by LRQA.