
Sustainability Risk Management

The Company recognizes sustainability risks, or ESG risks, encompassing Environmental, Social, and Governance aspects associated with business operations. These risks may impact the Company's ability to create long-term value and achieve sustainable growth. As such, the Company is committed to effective risk management to create opportunities and mitigate potential impacts on profitability, competitiveness, corporate image, reputation, and business continuity. Sustainability risks are key factors influencing both short and long-term sustainability transformation. The Company also emphasizes strengthening collaboration among internal and external stakeholders, as well as fostering a corporate culture aligned with long-term sustainable development targets.

Therefore, the Company integrates ESG risk management into its corporate mission and strategic planning. Sustainability Risk and Materiality Analysis is also incorporated into risk management processes at all levels to strengthen stakeholder confidence, enhance preparedness for risk prevention and adaptation, and effectively identify business opportunities arising from such risks. In this regard, COSO (The Committee of Sponsoring Organizations of the Treadway Commission), in collaboration with WBCSD (World Business Council for Sustainable Development), developed guidelines for integrating ESG issues into Enterprise Risk Management (ERM) under the COSO-ERM 2017 framework, which consists of seven key steps.

Risk Management Policy

Details are available on the Company's website:

<https://www.ttwplc.com/en/about-ttw/company-policy#tab-governance-1>

Sustainability Development Policy

Details are available on the Company's website:

<https://www.ttwplc.com/en/about-ttw/company-policy#tab-environmental-1>

Targets for 2025

| Targets | Key Performance Indicators (KPIs) |
|---|-----------------------------------|
| 1. All employees and executives are informed of and acknowledge the Risk Management Policy and Sustainability Development Policy. | 100% |
| 2. The organization's ability to manage ESG risks is maintained at a low to moderate risk level. | 100% |
| 3. Employees and executives in relevant functions receive training on ESG risk management. | 100% |

Long-term Targets

| Targets | Key Performance Indicators (KPIs) |
|--|-----------------------------------|
| 1. The ability to manage ESG risks at a low risk level. | 100% |
| 2. Employees and executives in relevant departments receive training on ESG risk management. | 100% |
| 3. To establish an ESG risk management culture across the organization and its subsidiaries. | 100% |

Performance Results

| Operations | Results | | |
|---|---------|------|------|
| | 2023 | 2024 | 2025 |
| 1. All employees and executives are informed of and acknowledge the Risk Management Policy and Sustainability Development Policy. | 100% | 100% | 100% |
| 2. The organization's ability to manage economic and ESG risks is maintained at a low to moderate risk level. | 100% | 100% | 100% |
| 3. Employees and executives in relevant departments receive training on economic and ESG risk management. | 100% | 100% | 100% |

ESG Risk Assessment Process

1. Establish the governance structure.
2. Understand the business context and strategy, including the organization's risk management process.
3. Identify ESG risk issues.
4. Assess and prioritize relevant ESG risks.
5. Respond to ESG risk issues.
6. Review and improve ESG risk issues.
7. Communicate and disclose ESG risk issues.

ESG Risk Management Structure



Enterprise Risk Management Process

1. The Company's Risk Management Committee, comprising representatives from relevant business functions, is responsible for systematically implementing risk control and mitigation activities to ensure ESG risks within its areas of responsibility are maintained within acceptable levels. These activities are conducted in accordance with the Company's risk management and sustainability policies. The scope of ESG risks includes environmental, social, and governance-related risks arising from business operations that may affect the achievement of the Company's objectives. Such risks must be timely identified and assessed in terms of both likelihood and impact, with ongoing monitoring to ensure continuous and effective risk management.

2. Provide recommendations to the Risk Management, Corporate Governance and Sustainability Committee regarding the appropriateness and adequacy of the Company's ESG risk management system, as well as improvements to enhance the efficiency of the ESG risk management framework.

3. ESG Continuously promote awareness among all employees of the Company to ensure understanding and recognition of the importance of ESG risk management.

4. Report on compliance with the Risk Management Policy and Sustainability Development Policy, including recommendations, to the Risk Management, Corporate Governance and Sustainability Committee every quarter, and subsequently report to the Board of Directors.

Identification of ESG Risk Issues

The Company conducted a sustainability issue assessment to identify matters affecting stakeholders and the organization’s long-term sustainability, with the collaboration of executive management and the Sustainability Committee. The Company prioritized sustainability topics in accordance with the Global Reporting Initiative (GRI) Standards and the principle of Double Materiality. As a result, a total of 19 material sustainability issues were identified.



Sustainability Material Issues

| | | |
|--|---|---|
| 1. Biodiversity Management (E) | 8. Employee Potential Development (S) | 15. Corporate Governance (G) |
| 2. Environmental Supply Chain Management (E) | 9. Products and Services Responsibility (G) | 16. Employment and Employee Stewardship (S) |
| 3. Social Supply Chain Management (S) | 10. Climate Change Management (E) | 17. Safety and Occupational Health Management (S) |
| 4. Social and Community Stewardship (S) | 11. Respect for Human Rights (S) | 18. Anti-Corruption (G) |
| 5. Water Management (E) | 12. Using Resources Efficiently (E) | 19. Waste and Unused Materials Management (E) |
| 6. Risk Management (G) | 13. Energy Conservation (E) | |
| 7. Business Continuity (G) | 14. Tax Management (G) | |

Note:

G (Economic/Corporate Governance) dimension: 6 issues

S (Social) / Human Rights dimension: 6 issues

E (Environmental) dimension: 7 issues

The Company utilizes the survey results to identify ESG risks and emerging risks through a questionnaire-based assessment tool. This process evaluates the impacts of business operations in relation to key stakeholder groups. The identified risks are categorized into Environmental, Social, and Governance aspects, in line with the organization’s material sustainability issues.

1. Environmental risks

| Sustainability Issues | Risk Issues | Impacts (Positive/Negative) | | Sustainability Issues | Risk Level (Low-Medium-High) |
|--|--|--|--|--|------------------------------|
| | | Organization | Stakeholders | | |
| 1. Biodiversity Management | The decline or loss of species diversity may lead to ecosystem imbalance in business operation areas. | <ul style="list-style-type: none"> ☞ Increased competitive advantage in the tap water business. ☞ Environmental responsibility image. ☞ Higher corporate costs from fines and remediation. ☞ Disputes and complaints regarding violations of environmental laws and regulations. | <ul style="list-style-type: none"> ☞ Ecosystems face increased risks from diseases, pests, and climate change. ☞ Increased risks to hygiene, health, and safety. | <ul style="list-style-type: none"> ☞ Communicate the biodiversity policy to executives and employees as a guideline for operational practices. ☞ Implement environmental management projects in collaboration with relevant departments. ☞ Control the tap water production process to meet established standards, including managing resource use and waste to prevent impacts on the ecosystem in business operation areas. ☞ Strictly comply with environmental laws and regulations. | Low-Medium |
| 2. Environmental Supply Chain Management | Some suppliers do not meet the international environmental standard ISO 14001, which may impact the Company's business operations. | <ul style="list-style-type: none"> ☞ Credibility and recognition by customers and business partners. ☞ Corporate image for producing environmentally friendly products and services. ☞ Sustainable business strategy that aligns with international environmental standards and incorporates green procurement practices. ☞ Increased production or service costs resulting from the use of environmentally friendly materials. ☞ Increased organizational expenses due to fines and remediation costs. ☞ Disputes and complaints concerning breaches of environmental laws and regulations. | <ul style="list-style-type: none"> ☞ Enhance business competitiveness. ☞ Increased environmental-related business requirements. ☞ Increased health, safety, and risk concerns associated with the use of environmentally friendly products or services. | <ul style="list-style-type: none"> ☞ Disseminate the Company's quality, environmental, and supplier code of conduct policies to executives, employees, and partners including suppliers and contractors to provide guidance for proper operational practices. ☞ Provide training on occupational health and safety and business ethics to partners, suppliers, and contractors. ☞ Conduct on-site inspections of key or high ESG-risk partners, suppliers, and contractors (ESG Audit). ☞ Ensure strict compliance with environmental laws and regulations. ☞ There are channels in place to receive complaints from suppliers. | Low-Medium |

| Sustainability Issues | Risk Issues | Impacts (Positive/Negative) | | Sustainability Issues | Risk Level (Low–Medium–High) |
|------------------------------|---|--|--|---|------------------------------|
| | | Organization | Stakeholders | | |
| 3. Water Management | Natural water sources used for tap water production face issues with quality and insufficient quantity. | <ul style="list-style-type: none"> ☞ Low-quality and insufficient raw water increases the Company's production or service costs. ☞ Flooding impacts the tap water production process and creates obstacles in supplying water to the Provincial Waterworks Authority. | <ul style="list-style-type: none"> ☞ Charges for tap water or other consumable water services. ☞ Access to water resources for domestic consumption. ☞ Occupation or livelihood. ☞ Sanitation, risks, and safety related to the use of tap water or local water sources. | <ul style="list-style-type: none"> ☞ Communicate quality and environmental policies to executives and employees as guidelines for operational practices. ☞ Monitor water-related situations or implement water resource conservation projects in collaboration with relevant agencies. ☞ Set the organization's water management objectives. ☞ Control the tap water production process and customer service to ensure compliance with established standards. ☞ Production of tap water in accordance with the Zero Discharge standard, with no water released to the external environment. ☞ Strictly comply with environmental laws and regulations. | Low–Medium |
| 4. Climate change management | <ul style="list-style-type: none"> ☞ Natural water sources used for tap water production are affected by salinity intrusion from sea water. ☞ Drought reduces the quantity of natural water sources used for tap water production, making them insufficient and of lower quality. | <ul style="list-style-type: none"> ☞ The cost of tap water production increases due to the need to improve water quality to meet the required standards. ☞ Competitive advantage in the tap water business increases. ☞ The organization's expenses increase due to fines and carbon tax. | <ul style="list-style-type: none"> ☞ Access to natural resources decreases. ☞ Environmental business requirements increase. ☞ Sanitation, risks, and safety related to quality of life and property decrease. ☞ Environmental laws or regulations, such as carbon tax. | <ul style="list-style-type: none"> ☞ Communicate quality and environmental policies, as well as greenhouse gas management policies, to executives and employees as guidelines for operational practices. ☞ Assess the organization's greenhouse gas emissions (CFO) across Scope 1, 2, and 3, including the product carbon footprint (CFP). ☞ Joined the Thailand Carbon Neutral Network (TCNN) under the Thailand Greenhouse Gas Management Organization (TGO) as an organization initiating greenhouse gas emission reduction efforts. ☞ Served as a pilot organization for the CALO initiative toward Net Zero under the Thailand Carbon Neutral Network (TCNN) of the Thailand Greenhouse Gas Management Organization (TGO). ☞ Established organizational targets for greenhouse gas emission management. ☞ Strict compliance with applicable environmental laws and regulations. | Low |

2. Social risks

| Sustainability Issues | Risk Issues | Impacts (Positive/Negative) | | Sustainability Issues | Risk Level (Low–Medium–High) |
|--|---|--|---|---|------------------------------|
| | | Organization | Stakeholders | | |
| 1. Social supply chain management | A shortage of suppliers or a limited number of key partners due to demographic changes and shifts in people's lifestyles. | <ul style="list-style-type: none"> ☞ Credibility and acceptance from customers or business partners. ☞ Sustainability business strategy with fair and equitable procurement processes. ☞ Increased competitive advantage in the tap water business. ☞ Increased organizational costs due to fines and compensation payments. ☞ Labor-related disputes and complaints concerning violations of labor laws and regulations. | <ul style="list-style-type: none"> ☞ Fair and equitable procurement processes, including enhanced product and service quality through stringent screening procedures, leading to new standards and improved competitive capability. ☞ Violations of labor laws and regulations. | <ul style="list-style-type: none"> ☞ Communicate occupational health, safety, and working environment policies, as well as supplier code of conduct, to management and employees, including suppliers, vendors, and contractors, to serve as operational guidelines. ☞ Provide training on occupational health and safety and business ethics to suppliers, vendors, and contractors. ☞ Oversee fair and equitable procurement processes. ☞ Conduct on-site inspections of key or high-ESG-risk suppliers, vendors, or contractors (ESG audits). ☞ Have a grievance mechanism for suppliers. | Low–Medium |
| 2. Social and community responsibility | Community opposition or disagreement with the construction of a factory near residential areas. | <ul style="list-style-type: none"> ☞ Lack of cooperation from the community. ☞ The organization's expenses increase due to fines and compensation costs. ☞ Community disputes and complaints arising from nuisances such as machinery noise, sludge leakage, and chlorine odor, etc. | <ul style="list-style-type: none"> ☞ Reduced sanitation, risks, and safety. ☞ Changes in daily life, occupations, or social culture compared to the past. ☞ Access to natural resources is limited. | <ul style="list-style-type: none"> ☞ Communicate occupational health and safety and working environment policies to executives and employees as operational guidelines. ☞ Conduct field visits to listen to issues and gather feedback from the community. ☞ Implement projects to address social issues in collaboration with communities and relevant agencies. ☞ Strictly comply with environmental laws and regulations, as well as all other applicable laws and regulations. | Low–Medium |
| 3. Employee capability development | Employees have limited capacity to develop the organization or support new business opportunities. | <ul style="list-style-type: none"> ☞ Decreased work efficiency. ☞ Declining employee satisfaction levels. ☞ Increased employee turnover rate. ☞ Increased employment costs. | <ul style="list-style-type: none"> ☞ Employees lack opportunities for growth and career advancement. ☞ Employees lack motivation at work. ☞ Declining employee quality of life. | <ul style="list-style-type: none"> ☞ Communicate human resources policies to executives and employees as guidelines for operational practices. ☞ Develop a tailored learning and development plan for high-potential employees, distinct from that of regular staff. ☞ Review and revise employee performance evaluation criteria to align with their skills and knowledge. ☞ Review and adjust employee compensation criteria to align with performance evaluation results. | Low–Medium |

| Sustainability Issues | Risk Issues | Impacts (Positive/Negative) | | Sustainability Issues | Risk Level (Low–Medium–High) |
|-----------------------------|--|---|---|--|------------------------------|
| | | Organization | Stakeholders | | |
| 4. Respect for human rights | Disputes and complaints regarding human rights violations. | <ul style="list-style-type: none"> ☞ Decreased confidence in business operations. ☞ Affects the long-term sustainability of the business. ☞ The organization's expenses increase due to fines and compensation payments. ☞ Disputes and complaints regarding human rights violations. | <ul style="list-style-type: none"> ☞ Reduced hygiene, safety, and risk management. ☞ Daily life, livelihoods, or social and cultural practices have been altered. ☞ Human rights violations. | <ul style="list-style-type: none"> ☞ Communicate human rights and non-discrimination policies to executives and employees as guidelines for operational practices. ☞ Provide human rights training for executives and employees. ☞ Conduct comprehensive human rights due diligence (HRDD). ☞ Provide a channel for reporting human rights violations. | Low |

3. Corporate Governance Risks.

| Sustainability Issues | Risk Issues | Impacts (Positive/Negative) | | Risk Mitigation Measures | Risk Level (Low–Medium–High) |
|-----------------------|--|---|--|---|------------------------------|
| | | Organization | Stakeholders | | |
| Corporate Governance | Non-compliance with the company's business ethics. | <ul style="list-style-type: none"> ☞ Reduced confidence in business operations. ☞ Impacts the long-term sustainability of the business. ☞ The organization's expenses increase due to fines and compensation costs. ☞ Disputes and complaints regarding business ethics violations. | <ul style="list-style-type: none"> ☞ Transparency, equity, and fairness in business decrease. ☞ Business ethics violations | <ul style="list-style-type: none"> ☞ Communicate corporate governance, privacy, and business ethics policies to executives and employees as guidelines for operational practices. ☞ Oversee the company's corporate governance processes to ensure transparency and fairness. ☞ Provide a channel for reporting violations or breaches of the company's business ethics. | Low |

In 2025, the Company successfully managed ESG risks in accordance with its defined targets. Throughout the year, there were no negative impacts on the Company's business operations or on any stakeholders.