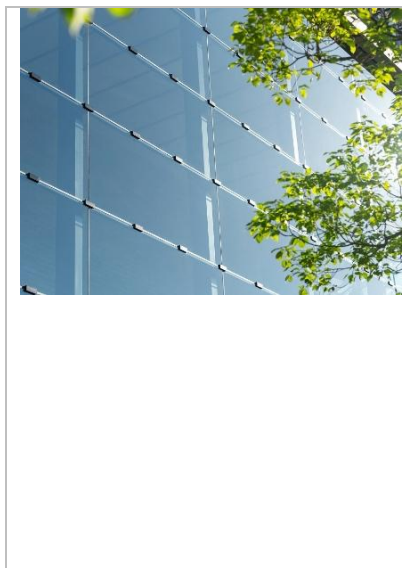


# Climate Adaptation Performance



## 2025 Performance

**50%**

Completed the process of studying and classifying preventive investments related to climate adaptation and prepared to define related expense items.

## Goal

**100%**

Study and develop the Climate Adaptation Expenditure Framework to establish a foundation for transparent financial impact reporting in accordance with IFRS S2.

In 2025, Central Pattana Public Company Limited enhanced its adaptive capacity and strengthened business resilience across the value chain to address climate volatility. The Company translated strategic plans into tangible operational outcomes and financial impacts as follows:

## 01. Physical Risk Assessment and Scenario Analysis Results

- **Coverage of area-level assessments** The Company conducts physical risk assessments by taking the assessment results together with external experts to assess the scenario for TCFD reporting to review and further analyze in accordance with IFRS S1, S2 guidelines by the risk management team. The assessment uses scenario analysis models and geospatial data to analyze both acute and chronic risks under the 2DS/Net Zero and RCP 8.5 scenarios. The assessment covers more than **75%** of the total asset portfolio, limited to the shopping center business. The results identified areas vulnerable to acute risks, such as flooding, in **12** locations, and areas vulnerable to chronic risks, such as water stress, in **8** locations.
- **Financial impact under each scenario** Based on the simulation of the TCFD framework and IFRS S2 requirements, the Company has reviewed the valuation results of potential financial risks in the short, medium and long term, leading to strategy improvement to protect the cash flow and asset value of the organization in a timely manner. The important points from the scenario analysis include:
  - **Risks to income and cash flow** A sudden flood can disrupt business. directly affecting rental income. In addition, more severe physical risks also result in The burden of property insurance premiums has increased. Or there may be restrictions on underwriting in highly fragile areas.
  - **Operating cost management** Higher average temperatures cause air conditioning systems to work harder and affect electricity costs, including water shortages in some areas, which may increase the cost of procuring reserve water resources.
  - **Consideration of a preventive investment plan:** The Company is in the process of considering investment upgrades in building engineering systems to strengthen climate resilience, such as installing permanent flood defenses and improving drainage systems To maintain the asset value base in the long term
  - **Adaptation for society and community, or Safe Haven,** the Company is in the process of studying suitability to further expand the reserve water storage system Because in a state of crisis The community views shopping centers as "Safe area" that can rely on water resources As a result, the originally estimated water reserves for business use may not be enough. The Company therefore considers water management approach to support both business continuity and community support at the same time.
  - **Long-term asset value** If there are no adequate adaptation measures Assets in fragile areas may be at risk of deterioration or decline in market value.

## 02. Achievements in protecting asset value and business continuity

- **Re-engineering flexible buildings** The Company has been working on improving existing assets to support extreme weather conditions, such as upgrading flood protection systems and increasing green space in the project to reduce the urban heat island effect. Representing a total area of **1.87** million square meters.
- **Water management efficiency** from investing in water treatment and reuse systems Including a rainwater collection system, in 2025 the Company was able to reduce its reliance on water from public water sources by **404,616** cubic meters, helping reduce the risk of drought crises and save operating costs of **6.54** million baht
- **Availability of business continuity plans** The shopping center has been assessed as being in an area at risk of flooding. The emergency response plan and BCP plan have been rehearsed to 100%, with Central Hat Yai being the success model for upgrading proactive measures as follows.
  - A standard permanent flood protection system has been installed. A systematic drainage system and protection against water entering the building has been installed around the project area to guarantee the safety of the tenant's structure and assets.
  - With a strong protection system This allows shopping centers to open as usual even in times of crisis. Effectively reduces the impact of business interruption (Zero Business Interruption) and prevents damage to tenants' products.
  - In addition to protecting businesses, Central Hat Yai also acts as a refuge for the community, or Safe Haven, by managing the area as a center for assistance. Coordinate with local agencies to support resources and provide a safe space for surrounding communities during floods, such as opening high-level parking areas. Let people park their cars for free to escape the water and able to maintain important service areas such as Tops supermarkets and drug stores open to sell essential products even in times of crisis

## 03. Value Chain and Community Resilience Results

- **Protecting the supply chain** The Company assessed the physical climate risks of **156** key business partners to prevent potential disruptions, particularly in the construction materials group. As a result, in 2025, the Company incurred no financial losses from project delays caused by climate-related factors.
- **Readiness of tenants and partners** Preparing communication measures and coordinating disaster preparedness with tenants during crises, particularly at projects assessed as having flood risk, to help protect tenants' products and preserve shared income-generating capabilities.
- **Community rehabilitation:** During the recent climate crisis, the Company collaborated with government agencies by opening Central Hat Yai as a disaster relief center, setting up a central kitchen, and distributing relief bags to more than **1,000** households. The Company also provided temporary parking space for more than **800** registered vehicles. The total assistance value, including monetary and in-kind donations as well as non-monetary parking support, was estimated at over Baht **6.6** million, while the avoided damage for the public was estimated at Baht **16–40** million from potential vehicle repair costs.

#### 04. Financial planning results and adjustment indicators

- **Segregation of preventive investment allocations** As the Board of Directors has approved investment budgets for climate resilience measures, these investments are currently included in the budgets for new shopping center construction and ongoing real estate development projects. However, following the Company's designation of climate adaptation as a key corporate-level issue in 2025, the Company is studying and planning to separately classify climate resilience-related expenses from normal project investment budgets. This will enable the Company to track the value of preventive investments and report financial impacts clearly and transparently in accordance with IFRS S2 requirements.
- **Financial risk transfer:** To protect net profit, the Company maintains and renews property insurance and business interruption insurance covering all types of natural disasters, with total coverage of up to Baht 218,000 million. This helps safeguard financial stability and strengthen shareholder confidence even during times of crisis.
- **Value of avoidable damage:** By integrating a proactive adaptation strategy and an effective BCP plan, the Company assesses the return on investment through the ability to empirically prevent business losses, especially in prototype projects like Central Hat Yai, where measures to upgrade structural engineering have helped the Company to
  - **Maintain cash flow stability** by avoiding disruption of rental and service income. Even during times when the surrounding area is experiencing a flood crisis by maintaining trade continuity for both the Company and the tenants.
  - **Reduce the cost of restoring assets** Can prevent damage to the system and important machinery in the foundation level. If damage occurs, there will be maintenance costs and opportunity costs that are many times higher than the value of the preventive investment.
  - **Manage risk costs** Having a standard protection system reduces the chance of actual damage occurring. This has a positive effect on risk assessment in order to maintain risk transfer conditions through comprehensive insurance policies and avoid the burden of the first part of the damages. In the event of a disaster

The Company is in the process of developing a data collection system and financial model to estimate the value of avoidable damages into clearer quantitative numbers to be used to track the effectiveness of preventive investment allocations in order to make them appropriate for further reporting.