

Business Impact Assessment: Social Cost of Carbon (SCC) 2024

Global challenges and transformations are affecting both business and society across multiple dimensions. These include geopolitical uncertainties that exert pressure on trade and investment, the energy transition that compels organizations to shift toward clean energy and reduce dependence on fossil fuels, and climate risks that trigger severe natural disasters and disrupt supply chains. Additionally, climate finance is playing an increasingly critical role in access to capital and long-term business viability. The loss of biodiversity is another key factor threatening food security and natural resources. Supply chains must adapt to become more sustainable, transparent, and traceable. The rapid advancement of digital and artificial intelligence technologies presents both opportunities and risks that organizations must manage with care. Meanwhile, competition to attract top talent is intensifying globally. These factors underscore the urgent need for organizations to develop resilience, sustainability, and agility in order to maintain long-term competitiveness.

Charoen Pokphand Group has assessed the social impact value of its greenhouse gas emissions resulting from business operations. This includes impacts on agriculture and livestock sectors, risks from resource and energy use, and negative effects on biodiversity, public health, and community well-being. This assessment is reflected through the calculation of the Social Cost of Carbon (SCC), which represents the annual cost of environmental and social impacts per unit of greenhouse gas emissions. The Group has set the average SCC at USD 208 per ton of CO₂e, using a 2% discount rate.

In 2024, Charoen Pokphand Group, operating in 23 countries and economic zones worldwide, reported Scope 1 and 2 greenhouse gas emissions totaling 5.82 million tons of CO₂e, which equates to a total social carbon cost of approximately USD 1.21056 billion.

Source: EPA Report on the Social Cost of Greenhouse Gases: Estimates Incorporating Recent Scientific Advances (November 2023)

(https://www.epa.gov/system/files/documents/2023-12/epa_scghg_2023_report_final.pdf)