

Assessment of Impacts Arising from Business Operations: Social Cost of Carbon (SCC) 2025

The evolving global context is affecting businesses and society across multiple dimensions, including geopolitical uncertainty, the energy transition, climate change risks, biodiversity loss, and challenges related to supply chains, access to financing, digital technologies and artificial intelligence, as well as competition to attract high-potential talent. These factors all affect the ability to conduct business and achieve long-term growth.

Charoen Pokphand Group recognizes the importance of managing impacts arising from its business operations, particularly those resulting from greenhouse gas emissions. The Group has therefore assessed the Social Cost of Carbon (SCC) to reflect the value of the economic, social, and environmental damage that may arise from greenhouse gas emissions.

The assessment covers impacts related to agriculture and livestock, resource and energy use, as well as impacts on biodiversity, health, and the quality of life of communities. The average SCC was set at USD 208 per tonne of carbon dioxide equivalent (USD/tCO₂e), based on a 2% discount rate and with reference to the methodology and data presented in the 2023 U.S. EPA report, *Social Cost of Greenhouse Gases: Estimates Incorporating Recent Scientific Advances*.

In 2025, Charoen Pokphand Group, which operates in 23 countries and economies worldwide, generated combined Scope 1 and Scope 2 greenhouse gas emissions of 5.93 million tonnes of CO₂e. Applying the specified SCC to these emissions resulted in an estimated social cost of carbon of approximately USD 1,233.44 million, or USD 1.23 billion.

This figure does not represent an actual cost that Charoen Pokphand Group is required to pay. Rather, it represents an external cost reflecting the potential damage to society and the environment arising from greenhouse gas emissions. The SCC assessment therefore serves as an important tool for raising awareness of the true cost of greenhouse gas emissions and supporting business decision-making related to reducing greenhouse gas emissions, improving energy efficiency, transitioning to clean energy, and investing for sustainable long-term growth.

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)