

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

Climate change is a critical issue that presents businesses with risks across economic, social, and environmental dimensions, including carbon taxation and the risks associated with climate change such as floods, droughts, and other natural disasters. In response, C.P. Group has closely monitored the impact of its business operations on climate change and has set targets and strategies to address these challenges. This includes promoting the increased use of renewable energy, incorporating cutting-edge innovations and technologies into production processes, implementing green transportation, sourcing sustainable raw materials without deforestation, expanding green areas through tree planting, and fostering collaboration with stakeholders to reduce carbon emissions. Additionally, the Group has invested in Carbon Removal technologies, all of which are central to achieving the goal of Net Zero greenhouse gas emissions by 2050.

Charoen Pokphand Group has evaluated the social impact of greenhouse gas emissions resulting from its business activities, which include effects on agriculture and livestock, water scarcity risks, negative impacts on biodiversity and surrounding communities, as well as the increasing climate change effects each year. The social cost of carbon (SCC) is calculated by estimating the annual social and environmental impact costs of greenhouse gas emissions. This cost has been assessed at 204 USD per ton of CO₂e, under the condition of a 2% discount rate. In 2023, Charoen Pokphand Group, operating across 21 countries and economic zones globally, emitted 5.82 million tons of CO₂e, resulting in a social carbon cost of 1,187 million USD.

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)