Sustainability Policy and Practices (2024 Revision)

Saha Pathanapibul Public Company Limited ("Company") is committed to conducting business sustainably in accordance with the vision of its founder, Dr. Thiam Chokwatana, and the company's vision, which states: "We strive to lead in fulfilling consumer needs and enhancing their quality of life." This commitment is based on principles of good corporate governance, transparency, accountability, and social responsibility, as well as the conservation of natural resources and environmental protection. The company places a high priority on its stakeholders across the business value chain and consistently advances technology and innovation to foster shared economic, social, and environmental values. The company's approach aligns with the sustainable business development guidelines of the Securities and Exchange Commission (SEC), Thailand, and various international standards, driving the company's growth in a concrete, stable, and sustainable manner across three dimensions: environmental, social, and governance. The process can be divided into 5 main steps as follows:

Process 1: Analysis of the context and relationship between the business and stakeholders, and identification of relevant issues to determine the organization's key sustainability topics (Materiality)
Process 2: Formulating the organization's sustainability policy (Policy)
Process 3: Defining the organization's sustainability strategy (Strategy)
Process 4: Implementing sustainability into practice (Implementation)
Process 5: Disclosing sustainability information (Disclosure)

The company conducts its business sustainably by establishing the following sustainability strategies:

1. Require all directors, executives, and employees at every level to adhere to the company's principles of good corporate governance, business ethics, and other policies. Ensure that relevant departments convey these policies to all stakeholders, both internal and external to the organization.
2. Formulate a comprehensive organizational sustainability strategy that includes good governance, enterprise risk management, and measures to address potential future risks.
3. Implement assessments and responses to sustainability-related risks impacting the company across economic, social, environmental, and governance dimensions. Ensure these key issues are considered in business planning, decision-making, and operational processes to maintain organizational stability and sustainability.

The company demonstrates a strong commitment to social responsibility and prioritizes environmental issues, dedicating itself to sustainable development across its entire value chain. This practice is in line with the expectations of its stakeholders and adheres to essential principles of Environmental, Social, and Corporate Governance (ESG). The company has implemented the "7 Sustainability Practices," which are outlined as follows:

1. Good Corporate Governance

The company is committed to conducting its business with transparency, fairness, and accountability to all stakeholders. Every step of the operations is subject to scrutiny, ensuring adherence to laws, regulations, rules, procedures, and company-related policies, regulations, announcements, and orders. These include good corporate governance, risk management, business continuity management, accounting and financial policies, policies concerning shareholders, employees, society, and the environment, anti-corruption and anti-bribery measures, safety, occupational health, and the work environment, among others. The following guidelines are observed:

1.1 Acknowledge the roles and responsibilities of the company's board of directors as leaders who create sustainable value for the business.
1.2 Establish the objectives and primary goals of the business with sustainability in mind.
1.3 Enhance the effectiveness of the board of directors' management.
1.4 Recruit and develop senior executives and manage personnel.
1.5 Promote innovation and responsible business practices.
1.6 Ensure the existence of appropriate risk management and internal control systems.
1.7 Maintain financial reliability and transparency in disclosures.
1.8 Support the organization's stakeholder engagement and communication.
1.9 Conduct business in strict compliance with laws, regulations, and relevant business operation rules.
1.10 Encourage employees within the company group to recognize the importance of strict compliance with laws, regulations, and business operation rules.
1.11 Operate the business in accordance with anti-corruption laws.

Commitment: To be an organization recognized as a leader in good corporate governance.
Goal: The company provides comprehensive disclosure of its governance practices.

2. Instilling Awareness and Developing Human Resources

Promote virtues, ethics, and social and environmental responsibility as the organizational culture. Ensure all employees perform their duties with honesty, integrity, and ethical conduct, manage risks responsibly, and fulfill social and environmental commitments. Facilitate communication and support continuous training and education to embed these values into the organizational culture. Take care of employees' well-being, foster a positive work environment, and create a happy workforce while enhancing operational efficiency to meet organizational goals.

Commitment: To be a leading organization in developing knowledgeable and skilled human resources throughout the value chain, with a focus on sustainable development.
Goal: Ensure that the company's executives and employees receive annual training and development in sustainability.

3. Respecting Human Rights and Labor Practices

The company treats its employees and workers by considering human rights principles and fair labor practices. It ensures a discrimination-free environment, offering equal opportunities throughout the recruitment and hiring stages, as well as ensuring fair compensation, comprehensive training, and pathways for career advancement. The company values the rights and dignity of all individuals, ensuring that employees, workers, and partners are treated with fairness and respect. It prioritizes human dignity and is committed to safeguarding the well-being of its employees, workers, and company assets, all while upholding the rights and safety of others. Additionally, it is dedicated to protecting personal rights, maintaining confidentiality, responsibly handling information, and utilizing personal data in full accordance with legal standards.

Commitment: To be an organization recognized for respecting human rights by all stakeholders.
Goal: Complaints and/or lawsuits related to human rights violations, including violations of labor protection laws, are “zero”.

4. Workplace Safety, Occupational Health, and Work Environment Management for Employee Health and Well-being

The company prioritizes managing and ensuring that the workplace is safe, maintains occupational health standards, and provides a good working environment for employees. The company has established operational procedures and standards to prevent illness, diseases, or hazards that may arise from work and the working environment, and to ensure that there are no negative impacts on environmental issues in various operational areas. This commitment extends to prioritizing employee health and fostering employee engagement within the organization.

Commitment: To be an organization recognized as a leader in occupational health and safety management in the workplace, and to enhance the health and well-being of employees.
Goals: 1. Zero work-related accidents.
2. Increased employee engagement evaluation results every year.

5. Anti-Corruption Measures

The company recognizes the importance and is committed to completely opposing both the giving and receiving of bribes and corruption. It has consistently engaged in endorsing the declaration of intent for the Thai Private Sector Collective Action Against Corruption (CAC). This dedication is outlined as policies and practices that supplement the company's code of business ethics and recommended practices for work, guiding the directors, executives, and employees in their conduct.

Commitment: To be an organization trusted by all stakeholder groups in matters of anti-corruption.
Goal: The company shall have no complaints and/or lawsuits related to corruption in any department, including within the organization and among key partners.

6. Economic Growth for Community and Social Development

The company prioritizes the importance of all stakeholders and actively encourages and assists partners, vendors, and stakeholders across the business chain to adhere to the principles of sustainable development. The following practices are implemented:

6.1 Establish guidelines aimed at enhancing customer satisfaction by addressing their needs regarding product quantity, quality, and service as promised, while also acknowledging the business's obligations to its customers. This encompasses the entire process from product and service design, sourcing and transporting raw materials, production of products and services, delivery and service provision, marketing and sales, all the way through to customer use of products and services until the end of the product and service lifecycle.

6.2 Establish guidelines for sustainable supply chain management that encompasses everything from choosing business partners to overseeing their operations, ensuring they adhere to the established code of conduct and specified practices. Define procurement criteria and focus on enhancing the capabilities of partners to foster mutual sustainable growth.

6.3 Encourage the active participation of local communities and relevant stakeholders by fostering an environment of open communication, equality, and mutual respect for diverse perspectives. Work towards enhancing the quality of life and reinforcing community resilience to enable sustainable self-sufficiency. Participate in solving problems and creating a livable society together by continuously organizing social assistance and development projects.

6.4 Collaborate with government bodies, business associates, and various stakeholders to engage in the creation and implementation of the company's sustainability policies and practices.

Commitment: To be an organization trusted by all stakeholder groups.
Goals:
1. The company shall have no complaints and/or lawsuits from customers, partners, government agencies, business allies, and other stakeholders.
2. Foster local communities to leverage their expertise for enhancing regional prosperity.
3. Initiate projects or events that strengthen and nurture partnerships.
4. Expand initiatives and projects focused on Corporate Social Responsibility (CSR), engaging employees at every level and involving all stakeholders.

7. Encourage Environmental Responsibility

The company acknowledges that sustainable business practices must consider and address the environmental consequences of its operations. Consequently, the company has implemented the following environmental management practices:

7.1 Enhance awareness and comprehension of the environmental consequences—both positive and negative—stemming from various activities, aiming to mitigate the environmental impact resulting from the company's operations.

7.2 Cultivate an organizational culture that encourages all employees to recognize the importance of environmental stewardship. This involves actively engaging in the development and pursuit of methods for energy management and minimizing resource and energy usage to optimize energy efficiency to achieve maximum effectiveness. Efforts should also focus on reducing waste and greenhouse gas emissions to avert, manage, and lessen environmental, community, and social repercussions.

7.3 Engage in business practices that prioritize minimizing environmental impacts, preserving biodiversity, promoting environmental conservation, and adapting to climate change. Establish methods for assessing risks and impacts of climate change on the business, seeking measures to reduce greenhouse gas emissions into the atmosphere, and responding to climate change. This approach aligns with the objectives of the Paris Agreement, which targets achieving net-zero greenhouse gas emissions by 2050. Furthermore, it aims to improve the understanding and awareness of environmental and climate management among employees, customers, business partners, and stakeholders, while disclosing comprehensive performance reports and addressing environmental and climate issues in accordance with the expectations of stakeholders.

7.4 Develop guidelines for waste management, disposal, and pollution control within the organization, focusing on minimizing waste and disposal practices while promoting a circular economy.

7.5 Develop guidelines for greenhouse gas management that encompass the creation of a Carbon Footprint, strategies for minimizing both direct and indirect greenhouse gas emissions, and procedures for carbon credit compensation.

7.6 Promote environmental sustainability throughout the supply chain by choosing suppliers, contractors, and business partners based on their proficiency in environmental management, ensuring alignment with the company's environmental policy.

Commitment: To be recognized as an organization that supports and advocates for the reduction of greenhouse gas emissions.
Goal: To reduce environmental impacts and engage in activities aimed at reducing greenhouse gas emissions every year.

Disclosure of Information

1. Disclose this policy and practices related to sustainability, information, and performance in all dimensions according to the criteria and requirements of relevant agencies, as well as internationally accepted standards. This process is conducted transparently and in a timely manner to demonstrate the organization's commitment to sustainable development.

2. Disclose this policy and practices to executives, employees, workers, and stakeholders to be aware of and adhere to in their work and business operations with the company.

Promoting Morality, Ethics, and Social and Environmental Responsibility as an Organizational Culture

1. Enhance awareness and cultivate a strong ethical framework among executives and employees by implementing thorough communication strategies and offering annual training focused on morality, ethics, integrity, and the foundational principles of effective corporate governance in their professional activities and business practices.

2. Raise awareness and cultivate a sense of accountability for society and the environment among executives and employees by implementing thorough communication strategies and offering annual training on critical environmental and social matters that impact the sustainability of the organization.

3. All employees, regardless of their position within the organization, must comprehend and execute their duties to facilitate the company's attainment of both its immediate and long-term sustainability objectives and goals.

Adherence to Policy

1. For the effective execution of this sustainability policy and its associated practices, it is essential for the company's board of directors and executives to lead by example.

2. The board of directors, executives, employees, and workers at all levels have the duty to support, promote, and align their work with this sustainability policy and practices. This includes communicating and conveying it to subsidiaries and all stakeholders to enhance the organization's sustainable development capabilities, fostering a culture that values balanced benefits across economic, governance, social, and environmental dimensions.

The sustainability policy and practices were approved during the 5th meeting of the company's Board of Directors (#31) on September 19, 2024, and shall take effect from September 20, 2024 onwards.

(Boonchai Chokwatana)
Chairman
Saha Pathanapibul Public Company Limited