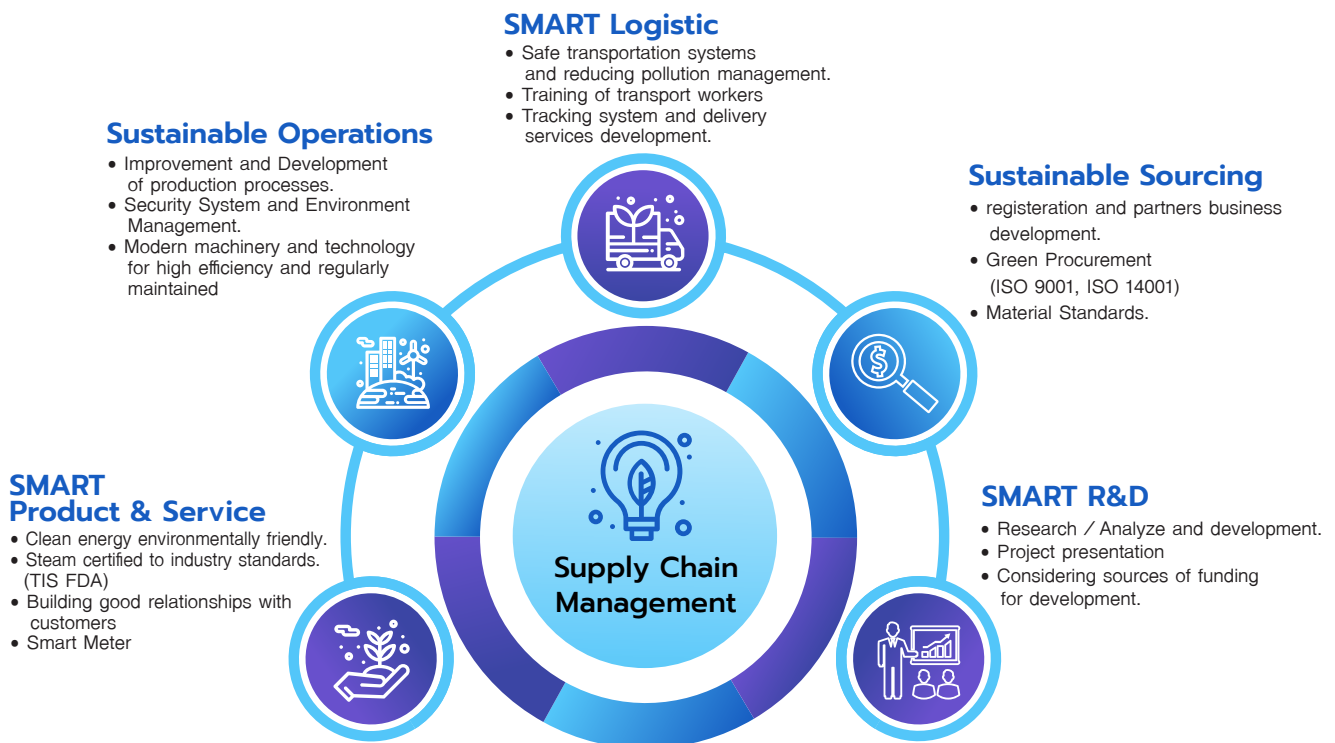


SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Ratch Pathana Energy Public Company Limited operates in the energy sector, specializing in electricity and steam production and distribution. The company is committed to ensuring energy security across the entire value chain, from upstream to downstream, through the production and development of clean energy. Emphasizing safety and environmental responsibility, the company integrates community engagement and local benefits in alignment with green energy principles. Sustainable supply chain management in energy production encompasses the coordination and oversight of all activities related to energy production, including raw material sourcing, production, storage, transportation, and distribution. The goal is to enhance operational efficiency while minimizing environmental impact.

Supply Chain Management in Energy Production Processes



Sustainable Supply Chain Management Practices

The company prioritizes the management of the supply chain by establishing guidelines for practices with partners that promote the development of product/service quality and sustainably manage relationships together. The company believes that this approach can foster potential development, create competitive advantages, and effectively manage business risks for both the company and its partners in the long term. This is achieved through the establishment of policies and practices as follows:

1. **Supplier Selection System:** We have a supplier selection system in supply chain that conducts in compliance with the law, adheres to safety and occupational health standards, and is environmentally friendly. The supplier are engaged based on fair competition, equality, and mutual respect, while acknowledging and managing suppliers' risks to establish appropriate actions for risk prevention and resolution.
2. **Community Engagement:** We consider local suppliers in order to maintain efficiency in building and strengthening relationships within the areas where we operate.

3. **Respect for Human Rights:** We respect human rights and treat our partners and their workforce fairly, in accordance with internationally recognized standards. We foster relationships based on mutual understanding and cooperation, exchanging knowledge, collaborating on development, and enhancing the value of products and services for mutual growth.
4. **Compliance with Trade Agreements:** We adhere to commercial agreements and ensure the accuracy of information provided. In instances where obligations cannot be fulfilled, we engage in proactive negotiations with suppliers to jointly find solutions and prevent potential damage.
5. **Confidentiality and Information Protection:** We protect the confidentiality of our suppliers sensitive information and refrain from using such information for personal gain or the benefit of any third party without proper authorization.
6. **No Unwarranted Gifts or Benefits:** We do not request, accept, or agree to accept assets or any benefits that fall outside of commercial agreements.

The company firmly believes that the esteemed reputation and strong sense of corporate responsibility upheld by the Group will be extended to all suppliers in every procurement process, whether related to goods, services, or business operations.

To ensure ethical business practices throughout the supply chain, Ratch Pathana and Affiliates have established a Supplier Code of Conduct in alignment with relevant regulations, legal requirements, and industry standards. This framework is designed to encourage suppliers to operate with integrity, uphold human rights, ensure fair labor practices, maintain workplace health and safety, and manage environmental responsibilities sustainably. Compliance with this Code of Conduct is an essential component of all commercial agreements and contractual considerations when engaging with suppliers.

1. Business Ethics

Suppliers of Ratch Pathana and Affiliates are required to conduct their business in accordance with universal ethical principles. The key guidelines include:

- 1.1 Business Integrity, Corruption, and Bribery.** Suppliers must adhere to ethical business standards and fully comply with the Group's anti-corruption policy, which strictly prohibits fraud, extortion, deception, or bribery in any form. Any supplier found engaging in bribery—either by offering or accepting illicit payments—will face immediate contract termination. The Group will not be held liable for any losses incurred by the supplier due to such termination. Additionally, suppliers involved in corrupt activities may be subject to legal prosecution.
- 1.2 Compliance with Regulations.** The Company's business suppliers must operate in full compliance with applicable laws, including transnational, national, and local laws, as well as regulations governing business operations and the necessary permits required in each respective location.
- 1.3 Confidentiality.** The Company's business suppliers must prevent any leakage of confidential information belonging to the Company. They must not use the Company's information for unlawful purposes and/or for personal gain and/or for commercial advantage.
- 1.4 Conflict of Interest.** The Company's business suppliers must provide written notification in the event of any conflict of interest arising from interactions between the Company's employees or personnel and the business partners.
- 1.5 Gifts and Rewards.** The Company's business suppliers acknowledge that the Company's employees shall neither give nor accept gifts, rewards, or souvenirs that may influence business decisions or result in unfair advantages, except for gifts exchanged in accordance with customary business practices.
- 1.6 Disclosure of Information.** The Company's business suppliers must maintain accurate records and disclose business, environmental, social, structural, and financial information in compliance with relevant laws and regulatory requirements.
- 1.7 Intellectual Property Protection.** The Company's business suppliers must respect and avoid any infringement of patents or intellectual property rights belonging to others and the Company. Business partners must use intellectual property and trade secrets of others, the Company, and its affiliates strictly in accordance with defined usage conditions. Unauthorized disclosure of the Company's intellectual property without prior permission or consent is strictly prohibited.

2. Human Rights and Labor Practices

Ratch Pathana and Affiliates partners are required to respect labor rights and treat workers fairly in accordance with international standards. The following principles outline the expected practices:

- 2.1 Respect for Human Rights.** Ratch Pathana and Affiliates' suppliers must acknowledge, respect, and promote the human rights of all stakeholders in alignment with the Universal Declaration of Human Rights. This includes employees as well as vulnerable groups such as women, children, minorities, migrant workers, contract laborers, and local communities. They must be treated with the utmost respect for human dignity, ensuring the avoidance of any form of discrimination or demeaning actions based on differences such as race, skin color, gender, ethnicity, language, religion, country of origin, nationality, disability, culture, or social status. Ratch Pathana and Affiliates' suppliers ensure equal treatment for all individuals, regardless of their status.
- 2.2 Freedom of Labor.** The suppliers must not engage in any form of forced or involuntary labor under any circumstances.
- 2.3 Child Labor.** The suppliers must not employ child labor below the legal minimum age and must not assign work to individuals under 18 years old during nighttime hours or in hazardous environments.
- 2.4 Treatment of Female Workers.** The suppliers of the company and affiliates must ensure the protection of female workers from engaging in work that could endanger their health and safety. In the case of pregnant employees, business partners are required to provide protections and benefits as stipulated by law.
- 2.5 Compensation and Benefits.** Business partners must provide fair and lawful wages, along with legally mandated benefits, to their employees. The wages paid must not be lower than the minimum wage prescribed by law, and workers must receive any applicable compensation and statutory benefits as required.
- 2.6 Working Hours.** Business partners must ensure that employees do not work beyond the legally mandated hours, including overtime and work performed on holidays.
- 2.7 Equal Treatment.** The suppliers must uphold principles of equality and refrain from discriminatory practices in employment, compensation, training, promotion, termination, or dismissal. Discrimination based on gender, race, skin color, religion, age, marital status, pregnancy, political views, or disability, among other factors, is strictly prohibited.
- 2.8 Termination of Employment.** The suppliers must comply with all legal requirements concerning employment termination and must not unlawfully terminate employment contracts. Termination must be based on lawful and justifiable grounds with clear evidence demonstrating that the dismissal aligns with legal provisions affecting employee performance.
- 2.9 Humanitarian Considerations.** The Group's business partners must respect employee rights and strictly prohibit any form of physical, verbal, or psychological abuse, including harassment or intimidation of any kind.
- 2.10 Freedom of Association and Collective Bargaining.** The suppliers must respect the rights and freedoms of their employees to join or refrain from joining associations, unions, or federations, as well as to engage in collective bargaining activities.
- 2.11 Community Engagement:** The suppliers must establish and maintain active participation in community engagement initiatives to foster strong and effective relationships within their operational areas.
- 2.12 Community Impact Management:** The suppliers must systematically assess, document, and control any potential environmental impacts that their operations may have on surrounding communities.
- 2.13 Business Partner and Supply Chain Management:** The Group's business partners must prioritize the assessment and monitoring of their own business partners, subcontractors, or affiliates to ensure compliance with relevant laws and operational standards. Additionally, they should conduct risk assessments, evaluate performance, and implement corrective measures to address any identified issues or deficiencies.

3. Environmental Responsibility

The suppliers of Ratch Pathana and Affiliates are required to comply with all applicable environmental laws, regulations, and standards while continuously striving for improvement. Additionally, they must adhere to specific environmental requirements related to the products and services they provide. The key environmental practices are as follows:

- 3.1 Environmental Policy:** The suppliers must acknowledge and align with the Group's policies on quality, environmental protection, safety, and energy conservation. They are expected to share responsibility for safeguarding the environment by complying with all relevant laws and regulations.
- 3.2 Environmental Management Throughout the Product/Service Lifecycle:** The suppliers must commit to enhancing energy efficiency and minimizing pollutant emissions throughout the entire lifecycle of their products and services.
- 3.3 Chemical and Hazardous Waste Management:** The suppliers are required to identify, classify, and control waste and hazardous materials generated from production processes and operational activities before releasing them into the environment.
- 3.4 Water Pollution Control:** The suppliers must monitor, control, and treat wastewater from production processes, operational activities, and sanitation systems to ensure compliance with environmental standards before discharge.
- 3.5 Air Pollution and Greenhouse Gases:** The suppliers are required to classify, monitor, control, and treat the discharge of waste and by-products from combustion processes in production and operational activities before being released into the external environment. They are also committed to reducing greenhouse gases through various mechanisms.
- 3.6 Contaminated Soil and Groundwater:** The Group's partners must take measures to prevent the risk of soil and groundwater contamination during production/service processes and manage these risks appropriately.

The Company expects all suppliers to adhere to and comply with the Code of Conduct, conducting business with ethics, transparency, accountability, and against all forms of corruption. This includes promoting fair competition, safeguarding health and safety in the workplace, and fostering sustainable growth together.

Collaboration on Business Ethics and Integrity

In 2024, the company is committed to upholding ethical business practices in collaboration with its partners. This commitment is in line with Thai labor standards and anti-corruption measures. Additionally, the company has expanded its network of partners to jointly sign declarations affirming their dedication to sustainable business ethics, as outlined below:



Sustainable Supply Chain Management Plan

The Sustainable Supply Chain Management Plan aims to create sustainable energy without long-term environmental or societal impacts. It emphasizes efficient resource utilization and flexible supply chain structures adaptable to external environmental changes, minimizing risks to the business and avoiding harm to society or the environment in the long run. Environmental and social factors are considered and incorporated into decision-making and operations to ensure sustainability. The company has therefore developed the following plan and guidelines for implementation.

1. Green Procurement

Ratch Pathana has created a green procurement guide to implement in the procurement process. This is part of the supply chain management policy aimed at minimizing the impact on the environment, focusing on the selection of environmentally friendly products. The company has developed practices for suppliers to help manage environmental, social, and governance (ESG) risks, including enhancing the capabilities of suppliers, particularly in adapting to new government regulations, which may be misunderstood and cause delays in procurement. Therefore, it is important to drive the Ratch Pathana business to smooth and achieve organizational objectives.

2. Partner Selection Criteria

The company has established criteria for selecting partners based on their production capabilities, which meet customer product requirements. This includes evaluating the partner's quality standards, production capacity, adherence to various operational standards, service readiness, transportation, safety, and occupational health practices. Additionally, the supplier operations must align with social and environmental responsibility. The company utilizes questionnaires for initial assessments and conducts follow-up inspections to ensure selected suppliers have sufficient capabilities and reliability. Local suppliers are considered to maintain effective relationships and operations within the community.

3. Management of Key Suppliers Groups

The company manages key partner groups based on high-value procurement criteria and/or partners who are critical to the production process or provide limited products and services. Risk assessment and risk management processes for these partners are a priority, alongside communication and visits to their operations whenever appropriate. These visits help define strategies, set guidelines, and monitor progress in enhancing quality and collaboration with partners to foster continuous improvement in all aspects of the partnership.

Criteria for Identifying Key Suppliers and Management Strategies

The company has established criteria for identifying key Suppliers to enhance the efficiency of procurement processes and minimize risks that could impact the environment, society, and governance (ESG). Partners are categorized into three main groups:

1. Critical Tier 1 Suppliers

Suppliers with high purchase volumes, continuous orders, or those of strategic importance to the company's business.

2. Non-tier 1 Suppliers

Suppliers who provide goods or services to the critical partners, potentially impacting the company's business indirectly.

3. General Suppliers

Suppliers operating under practices and ethics that align with the company's standards and requirements.

In addition, the company emphasizes the development of non-tier 1 suppliers to enable their growth and potential elevation to critical partners in the future, through appropriate support and management strategies.

| Suppliers Group | Number of Suppliers (Companies) | Percentage (%) |
|--------------------------|---------------------------------|----------------|
| Critical Tier 1 Supplier | 7 | 2.89 |
| Non-tier 1 Suppliers | 27 | 11.16 |
| General Supplier | 208 | 85.95 |
| Total | 242 | 100 |

4. Supplier Risk Assessment

The risk analysis in procurement is conducted by evaluating suppliers who have high purchasing volumes or those whose production factors are critical and may affect the delivery of products to customers. Therefore, the company must assess the potential risks that could arise and develop contingency plans to ensure that the risk management is at a level that does not impact customers or the business. Suppliers are also required to assess the risks in their own operations, considering the potential scenarios that may occur and formulating strategies to mitigate any business disruptions.

5. Supplier Sustainability Evaluation

The company places great importance on managing its partners by establishing evaluation measures to ensure that suppliers adhere to international standards and have the production capabilities that align with the quality of products and services. The company conducts Environmental, Social, and Governance (ESG) on-site audits, alongside key supplier site visits, to ensure that business operations are in compliance with ethical principles and sustainability standards.

These measures help strengthen the relationships and collaboration between the company and the suppliers, promote sustainability development, and reduce risks associated with environmental, social, and governance factors from key and high-risk suppliers. Additionally, they reinforce the company’s commitment to developing a responsible supply chain that creates value for all stakeholders in a sustainable manner.



Supplier Evaluation Results 2024

| Evaluation Criteria | Number of Partners Passing Evaluation (Out of 242 Evaluated) | | | |
|--|---|--------------|-------|----------------|
| | Existing Supplier | New Partners | Total | Percentage (%) |
| 1. Integrity/Transparency/Accountability | | | | |
| No history of corruption in any form | 151 | 91 | 242 | 100 |
| No history of work abandonment | 151 | 91 | 242 | 100 |
| 2. Environmental Management and Responsibility | | | | |
| Certified with environmental standards or complying with environmental regulations (ISO 14001/EIA) | 2 | 4 | 6 | 100 |
| Compliance with environmental laws or regulations, and processes to manage environmental impacts | 2 | 4 | 6 | 100 |
| 3. Labor and Social Responsibility | | | | |
| No use of child labor or illegal migrant labor | 151 | 91 | 242 | 100 |
| Respect for employees' human rights and no violation of basic human rights | 151 | 91 | 242 | 100 |
| Conducting business with social responsibility, with no negative impact on surrounding communities | 151 | 91 | 242 | 100 |
| 4. Conflicts of Interest | | | | |
| Executives/board members do not hold positions in competing bidding companies | 0 | 0 | 0 | 0 |

6. Supplier Development Approach

The company focuses on developing suppliers to grow together sustainably, with the following key approaches:

- **Provision of Information and Expectations:** The company communicates customer needs clearly to its partners, including product standards, quality, and management systems.
- **Knowledge Transfer:** The company supports partners by providing knowledge on production processes and technologies, to collaboratively enhance product quality.
- **Towards Green Procurement:** The company encourages partners to develop environmentally friendly production practices, aligning with the future needs of customers and consumers.
- **Business Conducted with Ethical Principles:** The company advocates for transparency and ethical business practices among partners, fostering trust and sustainable collaboration.

- **Suppliers Growth:** The company supports and develops smaller suppliers, enhancing their capabilities to expand their businesses and become key partners in the future.

These approaches form part of the strategy that strengthens relationships with suppliers, while enhancing the company's and the industry's competitive capabilities.

The company organizes activities to foster collaboration between the company and its partners, aiming to enhance the development of partners' capabilities in ensuring workplace safety, as well as compliance with laws, regulations, and safety and occupational health standards. This is in line with the company's safety and occupational health policies. The goal is to manage workplace safety and achieve zero accidents for employees, contractors, and partners working within the company's premises. The performance results for the years 2022–2024 are as follows:

| Indicator | Unit | Target | | 2022 | | 2023 | | 2024 | |
|--|-------------------------------|-----------|---------------------------|-----------|---------------------------|-----------|---------------------------|-----------|---------------------------|
| | | Employees | Contractors/ Suppliers | Employees | Contractors/ Suppliers | Employees | Contractors/ Suppliers | Employees | Contractors/ Suppliers |
| Fatality Case | Cases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lost Time Injury Frequency Rate: LTIFR | Cases per 200,000 hours | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Occupational Illness Frequency Rate: OIFR | Cases per 200,000 hours | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

SAFETY FIRST

