Climate Change Management and Net Zero Transition Policy

Praram 9 Hospital Public Company Limited

1. Commitment and Objectives

Praram 9 Hospital Public Company Limited (the "Company" or the "Hospital") recognizes that climate change represents both a strategic risk and opportunity that may affect business continuity, operating costs, patient safety, shareholder confidence, and the long-term expectations of stakeholders.

The Company has established this Policy to integrate climate change management into corporate governance, Enterprise Risk Management (ERM), strategic planning, and business operations in order to systematically manage climate-related impacts, risks, and opportunities, while supporting the transition toward a low-carbon organization.

The Company has a long-term commitment to pursue Net Zero Emissions by 2050 (B.E. 2593). In doing so, the Company prioritizes the reduction of greenhouse gas (GHG) emissions from actual operations as a first principle and will develop interim targets, action plans, and performance indicators in line with data readiness, available technologies, operational constraints of the Hospital, Thailand's climate policy direction, and relevant international practices.

The objectives of this Policy are to:

1. establish the Company's direction and operating principles for climate change management in alignment with relevant international standards;
2. drive the low-carbon transition and support the Company's long-term objective to pursue Net Zero Emissions by 2050 (B.E. 2593);
3. integrate climate-related risks and opportunities into corporate governance, risk management, strategic planning, and organizational management in a systematic manner;
4. support the reduction of GHG emissions from operations and promote the efficient use of resources and energy; and
5. support transparent, reliable, and standards-aligned climate-related disclosures.

2. Scope of the Policy

This Policy serves as a framework for the Company's operations and covers business activities, medical services, the use of energy and resources, procurement, building and facility management, supporting systems, as well as engagement with suppliers, contractors, service providers, and other relevant stakeholders across the value chain.

The Company will consider the scope of GHG management and the preparation of its Carbon Footprint for Organization (CFO) report to cover both direct and indirect GHG emissions, as appropriate, taking into account data readiness, the materiality of emission sources, and developments in relevant standards.

3. Long-Term Net Zero Objective

The Company has a long-term commitment to support the transition toward a low-carbon organization and to pursue Net Zero Emissions by 2050 (B.E. 2593).

The Company's approach to achieving this objective will be based on the principle of decarbonization at source. Key areas of focus include improving energy efficiency, managing resources efficiently, promoting clean or renewable energy as appropriate, developing GHG monitoring and reporting systems, green value chain management, and engagement with relevant suppliers and stakeholders.

For residual GHG emissions that cannot yet be reduced through technical or operational measures, the Company may consider carbon removal mechanisms or carbon offsetting in accordance with recognized standards. Such mechanisms shall be used as complementary measures after prioritizing emissions reduction at source and shall not be used as a substitute for actual operational emissions reduction.

Details of interim targets, measures, performance indicators, implementation timelines, and responsible functions will be established in the Company's strategy, action plans, annual plans, or relevant departmental plans, taking into account the business context, data readiness, technology, budget, space limitations, and regulatory requirements.

4. Frameworks and Reference Standards

The Company will prepare, monitor, and disclose information on GHG emissions and climate change by considering alignment with relevant frameworks, standards, and guidelines, including:

1. the GHG Protocol Corporate Standard for corporate GHG accounting and reporting;
2. IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, which build on the TCFD

framework and serve as a basis for sustainability-related and climate-related financial disclosures;

3. science-based target-setting approaches, such as the Science Based Targets initiative (SBTi), as appropriate. Such reference does not imply that the Company's targets have been validated by SBTi, unless and until the Company obtains official validation in the future;
4. Joint Commission International (JCI) Accreditation standards, particularly the Global Health Impact (GHI) requirements;
5. GRI Standards (Universal Standards 2021) and other relevant topic standards;
6. Carbon Footprint for Organization certification or verification systems under relevant authorities, such as Thailand Greenhouse Gas Management Organization (Public Organization) (TGO); and
7. applicable laws, regulations, and guidelines issued by relevant regulators in relation to climate change, sustainability disclosure, and environmental management.

The Company will continue to develop its data systems and GHG data collection processes to support performance monitoring, emissions trend analysis, and the development of emissions reduction plans in subsequent phases.

5. Implementation Guidelines to Support the Net Zero Transition

To support the Company's long-term objective to pursue Net Zero Emissions by 2050 (B.E. 2593), the Company will implement the following key approaches:

5.1 Energy and Resource Efficiency

The Company will promote the efficient use of energy and resources in buildings, engineering systems, medical service processes, and hospital support systems, while considering measures that are appropriate to hospital operations, patient safety, quality of care, and applicable requirements.

5.2 Clean and Renewable Energy

The Company will consider promoting the use of clean or renewable energy as appropriate, taking into account space availability, technologies, costs, energy system reliability, and operational constraints of the Hospital, in order to support long-term GHG emissions reduction.

5.3 Systematic GHG Management

The Company will collect, monitor, analyze, and report GHG emissions data in a systematic manner with consideration of material emission sources, including both direct and indirect emissions, in accordance with data readiness and applicable standards.

5.4 Integration of Climate Considerations into Risk Management and Corporate Strategy

The Company will consider integrating climate-related risks and opportunities into strategic planning, enterprise risk management, resource allocation, and relevant business decision-making processes to support business continuity and long-term organizational resilience.

5.5 Supplier and Value Chain Engagement

The Company will promote engagement with suppliers, contractors, service providers, and relevant stakeholders in managing environmental impacts and GHG emissions. The Company will consider integrating environmental and climate-related criteria into procurement processes, supplier assessments, and value chain collaboration, as appropriate.

5.6 Knowledge, Awareness, and Low-Carbon Organizational Culture

The Company will promote knowledge, understanding, and awareness among directors, executives, employees, and relevant functions regarding climate change, efficient resource use, and the role of each function in supporting GHG emissions reduction.

5.7 Appropriate Use of Carbon Removal or Offsetting Mechanisms

The Company may consider carbon removal mechanisms or carbon offsetting for residual GHG emissions that cannot yet be reduced, after implementing emissions reduction measures at source. Any such mechanisms will be considered based on credibility, verifiability, and alignment with recognized standards.

6. Governance, Roles, and Responsibilities

The Board of Directors has an oversight role in relation to this Policy to ensure that the Company's climate-related actions are aligned with its overall direction, strategy, and risk management approach.

The Corporate Governance and Sustainable Development Committee, or any other committee or working group assigned by the Company, is responsible for monitoring, supporting, and reporting progress on climate-related initiatives to the Board of Directors or relevant management bodies, as appropriate.

Senior management is responsible for supporting the implementation of this Policy, determining appropriate operational approaches for their respective functions, and promoting the allocation of necessary resources, personnel, and data systems to support climate change management.

The Company has incorporated sustainability and climate-related indicators as part of the performance evaluation of the President/Chief Executive Officer, senior executives, and relevant functions, in accordance with the Company's established performance evaluation criteria. This is intended to strengthen management accountability for driving sustainability and climate-related objectives, reducing greenhouse gas emissions, improving energy efficiency, implementing the Net Zero Emissions pathway by 2050 (B.E. 2593), and enhancing sustainability performance in line with relevant standards.

Such indicators cover key areas, including performance under the FTSE ESG Ratings criteria, the reduction of Scope 1 and Scope 2 greenhouse gas emissions, and corporate governance performance, in accordance with the criteria determined by the Company on an annual basis. Performance against these indicators will be used as part of the consideration for the variable remuneration of the President/Chief Executive Officer (CEO) and the Deputy Managing Director of Accounting and Finance (CFO), acting as the Head of Sustainability, as well as other relevant senior executives, in accordance with the remuneration policy framework, performance evaluation criteria, and the consideration of the Board of Directors or the assigned committee."

Relevant functions are responsible for implementation, data collection, performance monitoring, and progress reporting in accordance with their respective roles and responsibilities, in order to support the achievement of the direction and objectives set out in this Policy.

The Company will consider integrating climate change and GHG management into strategic planning, risk management, performance monitoring, and the evaluation of relevant functions, as appropriate.

7. Monitoring, Reporting, and Disclosure

The Company will continuously monitor and assess its performance on climate change management and GHG management by considering appropriate indicators, targets, or action plans under the Company's strategy, action plans, or relevant departmental plans.

The Company will promote accurate, complete, and verifiable data collection to support reporting on GHG emissions, energy management, and climate-related actions to management, the Board of Directors, and relevant stakeholders.

The Company will disclose climate-related and GHG information, as appropriate, through the Company's reporting channels, such as the Annual Report (Form 56-1 One Report), the Company's Sustainability Website, or other relevant channels,

taking into account accuracy, transparency, completeness of information, and regulatory requirements.

The Company will monitor and report progress on sustainability, climate-related, and greenhouse gas performance indicators to senior management, relevant committees, and the Board of Directors at appropriate intervals. Such performance results will be incorporated into the performance evaluation of the Chief Executive Officer, senior executives, and relevant functions, in accordance with the Company's established performance evaluation criteria, in order to support effective oversight, performance monitoring, and continuous improvement of the Company's climate-related action plans.

8. Policy Review and Revision

The Company will review this Policy at least annually, or whenever there are material changes in laws, regulatory requirements, international standards, technologies, climate-related circumstances, or relevant business context, to ensure that the Policy remains appropriate and continues to support the Company's long-term direction toward Net Zero Emissions by 2050 (B.E. 2593).