



**BLC**  
Bangkok Lab & Cosmetic

Trusted Solutions For  
Lifelong Well-Being



# SUSTAINABILITY REPORT 2023

## Table of Content

|  |           |
|--|-----------|
| <b>01 Message from the Chief Executive Officer</b> <sup>(2-22)</sup>                           | <b>1</b>  |
| <b>02 BLC At a Glance</b>  | <b>3</b>  |
| About BLC <sup>(2-1)</sup>   | 3         |
| Philosophy, Purpose, Responsibility, Vision, Mission, and Values <sup>(2-23)</sup>             | 4         |
| Business Structure <sup>(2-1)</sup>  | 5         |
| Products and Services  | 7         |
| Intellectual Property Right  | 10        |
| Successful Awards in 2023  | 12        |
| Business Strategy  | 14        |
| BLC's Value Chain <sup>(2-6)</sup>   | 14        |
| Corporate Governance and Code of Conduct   | 16        |
| Risk and Opportunity Management in Business and Sustainability                                 | 33        |
| <b>03 BLC Sustainability</b>   | <b>43</b> |
| Corporate Social Responsibility Policy <sup>(2-23, 2-24)</sup>                                 | 43        |
| Overall Sustainability Goals of the Company  | 45        |
| Sustainability Governance Structure <sup>(2-9)</sup>   | 46        |
| Roles and Responsibilities in Sustainable Development Management <sup>(2-12, 2-13, 2-14)</sup> | 46        |
| Stakeholder Engagement <sup>(2-29)</sup>   | 51        |
| Materiality <sup>(3-1)</sup>   | 54        |
| Impact Boundary of Material Issues on Stakeholders <sup>(3-2)</sup>                            | 56        |
| Highlights of Sustainability Performance   | 60        |
| <b>04 Economic and Governance Dimension</b>  | <b>63</b> |
| Innovation Management and Development  | 63        |
| Data Privacy and Cyber Security  | 70        |

|  |            |
|--|------------|
| Supply Chain Management .....  | 77         |
| <b>05 Environmental Dimension .....</b>                                      | <b>94</b>  |
| Environmental Management Systems .....                                       | 94         |
| Climate Change Management .....  | 110        |
| Biodiversity.....  | 121        |
| <b>06 Social Dimension .....</b>   | <b>126</b> |
| Human Capital Development and Management .....                               | 126        |
| Product Responsibility.....  | 136        |
| Human Rights.....  | 153        |
| Occupational Health and Safety.....  | 158        |
| Community and Society Development .....                                      | 165        |
| Customer Relationship Management .....                                       | 175        |
| <b>07 About this Report.....</b>   | <b>191</b> |
| Sustainability Reporting Approach <sup>(2-3, 2-4)</sup> .....                | 191        |
| Reporting Boundary <sup>(2-2)</sup> .....                                    | 191        |
| Assurance of Sustainability Report <sup>(2-5)</sup> .....                    | 191        |
| Contact Channels <sup>(2-3)</sup> .....                                      | 192        |
| <b>08 Appendix .....</b>   | <b>193</b> |
| Economic and Governance, Social, and Environmental Performance Summary ..... | 193        |
| GRI Content Index .....  | 211        |
| Reader Survey on the Sustainability Report in 2023 .....                     | 219        |

## 01 Message from the Chief Executive Officer <sup>(2-22)</sup>

---

At present, the overall pharmaceutical industry has a growth trend averaging 7% per year due to people returning for hospital treatments, and the global trend of healthcare awareness. Additionally, Thailand is transitioning into an aging society, where in the year 2023, Thailand has an elderly population of 12.8 million or 19.40% of the total population in the country. This leads to a continuous expansion in medical demand within the healthcare system. Furthermore, there is a shortage of labor, especially skilled labor, coupled with the technological changes impacting the labor market, affecting the transformation of work patterns and essential skills. The Thai labor market still experiencing structural problems related to the supply of the workforce not being aligned with the demands of the labor market, both in terms of quantity and quality. The pharmaceutical industry is one of the targeted industries supported by the government, with the main development goal according to the objectives of the 13th National Economic and Social Development Plan (2023-2027) being to strategize for Thailand to become a high-value medical and healthcare hub through the promotion of workforce development, which will contribute to elevating the future growth of the Thai labor market in the pharmaceutical industry.

In this regard, the Company has set strategies to drive growth through **4P Innovation**, which includes: **1) Product Innovation** - the Company conducts research and development of modern generic drugs and new generic drugs to substitute for imported drugs. The focus is on medicines for diseases with high prevalence rates in the population, in order to support the increase of the elderly population in Thailand and the growing global health trends, **2) Place Innovation** - focuses on expanding into the hospital market, as well as expanding distribution channels to online platforms, modern trade, and e-commerce, allowing consumers to have greater access to the Company's diverse range of products, **3) Process** - building brand awareness for the Company's products, by proactively communicating marketing activities through both offline and online channels, **4) People** - the Company has personnel with long-standing expertise in the pharmaceutical industry, as well as an excellent sales team to expand the market share. Additionally, we have business partners ready to drive growth together with Bangkok Lab, both domestically and internationally.

In conducting the current business operations of the Company, we recognize the importance of operating under good governance, ethics, code of conduct, transparency, and social responsibility. We also focus on producing new generic drugs with high growth rates and drugs that support the growth of aging society. The development of new generic drugs involves planning of timeline of the development and distribution, which will be launched immediately after the expiration of the patent of the original drug. We emphasize increasing sales of the Company's new generic drugs to customers in both public and private hospitals, while also managing the product

portfolio by introducing more herbal medicines, cosmeceuticals, supplements, and animal medicines. This is to maintain long-term profitability by utilizing domestic herbal extracts as raw materials.

Furthermore, the Company is also developing more comprehensive distribution channels. The Company focuses on common household medicines and cosmetics through online channels, modern trade, and e-commerce as distribution channels for cosmetic products and dietary supplements. This is to create awareness and drive sales through online platforms, including international distribution channels such as Laos, Cambodia, Vietnam, Myanmar, Hong Kong, Indonesia, China, and the Middle East countries.

Additionally, the Company has strategized in terms of production processes, emphasizing confidence in safe and high-quality products through internationally standardized manufacturing processes such as GMP, ISO 9001, ISO/IEC 17025, ISO 22000, GHP, HACCP, etc. Modern technology is utilized to assist in all production and quality control stages. The Company also focuses on personnel development in various aspects such as knowledge, skills, and attitudes. This involves both external and internal training, participating in seminars, attending educational field trips, and encouraging professional development. The Company has formulated a human resources development plan that aligns with its goals and business plans, and effectively driving the 4P Innovation strategy will reinforce the Company's ability to continuously achieve growth targets and sustainable development goals.

Lastly, as the Chief Executive Officer of Bangkok Lab and Cosmetic Public Company Limited, I would like to thank all stakeholder groups for their trust and support towards the Company's operations in all aspects. The Company will continue to be committed to and aware of sustainability responsibility towards the society, leading to maximizing benefits for society going forward.

Mr. Suvit Ngampoopun

Chief Executive Officer

Bangkok Lab and Cosmetic Public Company Limited

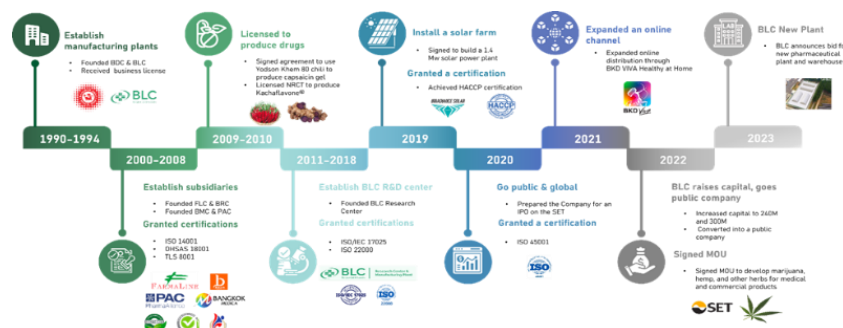
## 02 BLC At a Glance

### About BLC <sup>(2-1)</sup>



- Bangkok Lab and Cosmetic Public Company Limited (BLC)
- Stock Symbol: BLC
- Founded: September 30, 1992
- Listed on the Stock Exchange of Thailand: June 21st, 2023
- Listed Capital: 300,000,000 Baht
- Total Employees: 1,057 people <sup>(2-7)</sup>
- Head Office Address: 48/1 Moo 5 Nong Chae Sao Road, Nam Phu Subdistrict, Mueang Ratchaburi Ratchaburi, Thailand 70000
- Website: <https://www.blcplc.com>

Bangkok Lab and Cosmetic Public Company Limited (BLC) is a manufacturer and distributor of modern pharmaceutical products, herbal products, animal medicines, cosmetics, dietary supplements, and other health products. It was founded by 3 pharmacists: Mr. Suwit Ngampoopun, Mr. Subhachai Saibour, and Mr. Somchai Phisphahutharn. Since the beginning, the Company has placed great importance on access to quality medicines, hoping that Thai people will have greater access to quality medicines. BLC has grown to become a comprehensive healthcare solutions group. Moreover, with the Company's modern pharmaceutical technology knowledge, BLC has conducted research and development to produce herbal extracts under internationally standardized processes and has conducted studies to demonstrate clinical evidence of product efficacy, making it an accepted alternative treatment alongside conventional treatment. With its commitment to growing the business based on knowledge and innovation, BLC has always offered high-quality products for consumers, contributing to health security and sustainable economic growth.



## Philosophy, Purpose, Responsibility, Vision, Mission, and Values <sup>(2-23)</sup>



### Philosophy

Quality means value of life



### Purpose

Trusted solutions  
for lifelong well-being

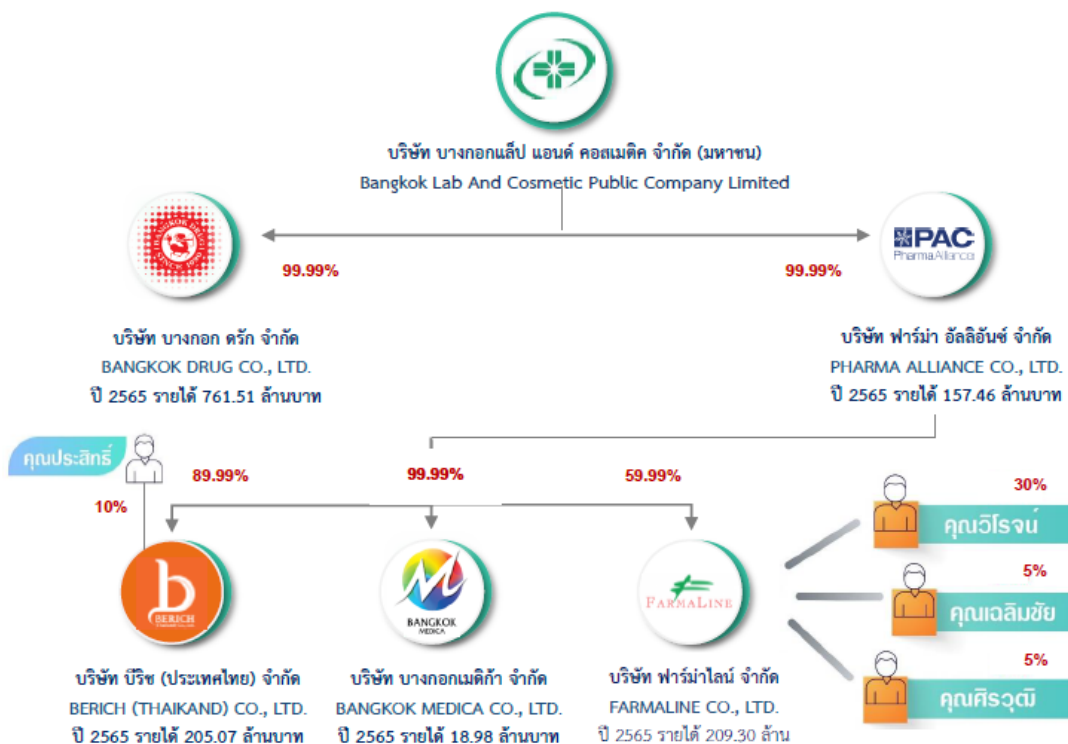


### Responsibility

Responsible for patients,  
healthcare professionals,  
employees, local communities,  
shareholders, environment

|                                  |   |
|----------------------------------|---|
| <b>Vision</b> <sup>(2-23)</sup>  | Leader in innovative healthcare   |
|                                  | Operate under good governance   |
|                                  | Integrate Thai wisdom   |
|                                  | Creat values for customers  |
| <b>Mission</b> <sup>(2-23)</sup> | Promote innovation and implementation of standard management systems in various areas, in order to develop quality and safe products. |
|                                  | Encourage the adoption of technology in operations for improvement.   |
|                                  | Conduct business by adhering to legal compliance, customer requirements, social responsibility, and reducing environmental impact.    |
| <b>Values</b> <sup>(2-23)</sup>  | <b>Social + Environmental Responsibility</b>  |
|                                  | Being responsible towards society and the environment   |
|                                  | <b>Morality</b>   |
|                                  | Having moral, following laws, ethics and standards  |
|                                  | <b>Innovation</b>   |
|                                  | Ready to develop innovations, create new ideas and practices  |
|                                  | <b>Loyalty</b>  |
|                                  | Maintaining honesty and goodwill towards all stakeholders   |
|                                  | <b>Excellent Performance</b>  |
|                                  | Aiming for excellent performance to achieve maximum efficiency and effectiveness  |

## Business Structure <sup>(2-1)</sup>



BLC operates a business in manufacturing and distributing modern pharmaceutical products in the categories of generic drugs and new generic drugs, herbal medicines, animal drugs, cosmetics, dietary supplements, and other products to 5 subsidiaries under the Company's trademarks. These companies handle product distribution and delivery through various sales channels. The distribution is business-to-business (B2B) to customers such as drugstores, public and private hospitals, private companies, retail stores, and through modern trade channels like supermarkets and convenience stores. Products are distributed both domestically and internationally. BLC also sells products directly to consumers (B2C) through online channels. Additionally, it undertakes Original Equipment Manufacturing (OEM) for companies or business owners who want to produce their own products.



The business structures of the 5 subsidiaries focus on distribution and marketing to reach target groups, as well as maintaining inventory warehouses and distribution centers through various sales channels. The subsidiaries also support business management operations, with details as follows <sup>(2-1, 2-2)</sup>

| Subsidiary Name                        | Nature of Business  |
|--|---|
| 1. BANGKOK DRUG CO., LTD. ("BDC")      | Selling modern pharmaceutical products, including both generic and new generic drugs. The product categories focusing on pain relievers, musculoskeletal and joint medications, dermatological medications, etc. Additionally, it distributes herbal medicine products and nutritional supplements. |
| 2. PHARMA ALLIANCE CO., LTD. ("PAC")   | Engaging in business operations that provide services for inventory management, procurement systems, accounting and finance systems, information technology systems, and transportation systems to the Company. It also conducts activities related to international partner sourcing and export.   |
| 3. BANGKOK MEDICA CO., LTD. ("BMC")    | Conducting business in the sale of pharmaceutical products for animals.   |
| 4. BERICH (THAIKAND) CO., LTD. ("BRC") | Conducting business in the sale of skincare and beauty products.  |
| 5. PHARMALINE CO., LTD. ("FLC")        | Distributing modern pharmaceutical products, including both generic and new generic drugs, with a focus on medications for the digestive system, respiratory system, and infectious diseases.   |

## Products and Services

The Company's products can be divided into 2 groups as follows:

### 1. Pharmaceuticals

- Modern Pharmaceutical Products, Generic Drugs, and New Generic Drugs

The modern pharmaceutical products that the group manufactures and distributes are generic and new generic drugs. These are drugs that have the same active ingredients as the original or patented drugs whose patents have expired. The Company produces modern pharmaceutical products in both generic and new generic drugs under the Company's trademarks. These have the same active ingredients as the original drugs, in various forms such as tablets, capsules, powders, liquids, creams, and gels. The Company's modern pharmaceutical drugs include groups related to bones and joints, skin, digestive system, respiratory system, antimicrobials, pain relievers, blood and blood-forming organs, urinary system, nervous system, and antipsychotic drugs.



- Herbal Medicines

Herbal medicine products are produced using extracts from herbs, with raw materials sourced domestically such as chili, phlai, black galangal, aloe vera, and karyiat. The medicines are produced according to international standards under the Company's trademarks. The various forms of herbal medicines include tablets, capsules, powders, liquids, creams, and gels, mainly in the category related to bones and joints, to serve as an additional alternative to modern medicine.



## • Animal Medicines

Medicine products for economic animals such as pigs, poultry, beef cattle, dairy cattle, and aquatic animals are manufactured and distributed under the Company's trademarks. These are used to treat infectious diseases that may occur on farms and to maintain the full health and strength of animals, without leaving residues in animal products.



## 2. Other Health-Related Products

### • Cosmetics

Cosmetic products for facial and body care in various forms such as creams, cold creams, gels, etc. are manufactured and distributed under the Company's trademarks. Additionally, the Company provides Original Equipment Manufacturing (OEM) services for companies or business owners who want to produce their own products. Approximately 83% of the cosmetic products sold by the Company are manufactured by outsourced companies, while 16% are produced and distributed by the Company's subsidiary, and 1% are OEM products manufactured for external parties.



## • Food Supplement

The Company manufactures and distributes dietary supplements under the Company's trademarks related to joint care, muscles, bones, and eye care in various forms such as tablets and powders.



## • Other Products

Other products include: 1) Products used in medical devices, such as silicone gels for surgical wounds, developed using advanced silicone technology from a world-class research institute, and lubricating gels; and 2) Hazardous products such as mosquito repellent sprays, etc.



## Intellectual Property Right






From the continuous research and product development, BLC has been registered patents and trademarks with the Department of Intellectual Property, Ministry of Commerce, with the following details:






| Trademarks         | Picture   | Category               | Registration Number | Registration Date                | Expiration Date                  |
|--------------------|---|------------------------|---------------------|----------------------------------|----------------------------------|
| 1. COSY III        |   | Extract                | 180103480           | April 7 <sup>th</sup> , 2019     | February 1 <sup>st</sup> , 2028  |
| 2. Alerlast        |   | Extract                | 180103481           | April 7 <sup>th</sup> , 2019     | February 1 <sup>st</sup> , 2028  |
| 3. VSIII           |   | Cosmetic               | 180104011           | July 24 <sup>th</sup> , 2019     | February 6 <sup>th</sup> , 2028  |
| 4. Zingiber        |   | Extract                | 180120011           | November 28 <sup>th</sup> , 2019 | June 25 <sup>th</sup> , 2028     |
| 5. Cafiin-III      |   | Extract                | 180124117           | February 18 <sup>th</sup> , 2020 | July 24 <sup>th</sup> , 2028     |
| 6. Celltera        |   | Extract                | 180101047           | May 27 <sup>th</sup> , 2020      | January 11 <sup>th</sup> , 2028  |
| 7. Momorcare       |   | Extract                | 180101048           | May 28 <sup>th</sup> , 2020      | January 11 <sup>th</sup> , 2028  |
| 8. Gilmela         |   | Extract                | 180101049           | May 27 <sup>th</sup> , 2020      | January 11 <sup>th</sup> , 2028  |
| 9. Rejeunia        |   | Extract                | 180101050           | May 27 <sup>th</sup> , 2020      | January 11 <sup>th</sup> , 2028  |
| 10. RéZeuRek       |   | Extract                | 190131086           | December 14 <sup>th</sup> , 2020 | August 15 <sup>th</sup> , 2029   |
| 11. Dempbide       |   | Extract                | 190133606           | January 13 <sup>th</sup> , 2021  | August 29 <sup>th</sup> , 2029   |
| 12. Kaemfercura    |   | Extract                | 190134505           | January 13 <sup>th</sup> , 2021  | September 5 <sup>th</sup> , 2029 |
| 13. Planabel       |   | Extract                | 200101633           | May 17 <sup>th</sup> , 2021      | January 14 <sup>th</sup> , 2030  |
| 14. Synberosa      |   | Extract                | 200110370           | May 17 <sup>th</sup> , 2021      | March 19 <sup>th</sup> , 2030    |
| 15. SIRmatik       |   | Extract                | 200110371           | May 17 <sup>th</sup> , 2021      | March 19 <sup>th</sup> , 2030    |
| 16. Kantamat       |   | Extract                | 200110372           | May 17 <sup>th</sup> , 2021      | March 19 <sup>th</sup> , 2030    |
| 17. Matumii        |   | Extract                | 220125665           | May 19 <sup>th</sup> , 2023      | July 21 <sup>st</sup> , 2032     |
| 18. Company's name |  | Manufacturing facility | 230102265           | November 3 <sup>rd</sup> , 2023  | January 18 <sup>th</sup> , 2033  |
| 19. Company's logo |  | Manufacturing facility | 230102263           | November 3 <sup>rd</sup> , 2023  | January 18 <sup>th</sup> , 2033  |

| Petty Patent | Category                       | Registration Number | Registration Date                | Expiration Date                   |
|--------------|--------------------------------|---------------------|----------------------------------|-----------------------------------|
| 1. 13992     | Black galanga capsule          | 1603002607          | December 23 <sup>rd</sup> , 2016 | September 22 <sup>nd</sup> , 2024 |
| 2. 17957     | Spring bitter cucumber capsule | 1703000121          | January 25 <sup>th</sup> , 2017  | October 24 <sup>th</sup> , 2024   |
| 3. 14963     | Black galanga capsule          | 1703000300          | February 23 <sup>rd</sup> , 2017 | November 22 <sup>nd</sup> , 2024  |
| 4. 14239     | Chili extract                  | 1703000301          | February 23 <sup>rd</sup> , 2017 | November 22 <sup>nd</sup> , 2024  |
| 5. 18556     | Chili spray                    | 1703000858          | May 19 <sup>th</sup> , 2017      | February 18 <sup>th</sup> , 2025  |
| 6. 14928     | Antimicrobial spray            | 1703001212          | July 7 <sup>th</sup> , 2017      | April 6 <sup>th</sup> , 2025      |
| 7. 21194     | Brahmi extract                 | 1703002472          | December 12 <sup>th</sup> , 2017 | September 11 <sup>th</sup> , 2023 |
| 8. 15211     | Green tea extract              | 1803001872          | August 21 <sup>st</sup> , 2018   | May 20 <sup>th</sup> , 2024       |
| 9. 21444     | Mixed black galanga            | 1803001873          | August 21 <sup>st</sup> , 2018   | May 20 <sup>th</sup> , 2024       |
| 10. 21301    | Cocculus extract               | 1903000502          | February 27 <sup>th</sup> , 2019 | November 26 <sup>th</sup> , 2024  |
| 11. 21300    | Mullilam extract               | 1903000503          | February 27 <sup>th</sup> , 2019 | November 26 <sup>th</sup> , 2024  |
| 12. 20038    | Fermented shatavari extract    | 2003000088          | January 15 <sup>th</sup> , 2020  | January 14 <sup>th</sup> , 2024   |
| 13. 19017    | Spring bitter cucumber extract | 1703002473          | December 12 <sup>th</sup> , 2017 | September 11 <sup>th</sup> , 2023 |
| 14. 21299    | Ginger extract                 | 1803000382          | February 7 <sup>th</sup> , 2018  | February 7 <sup>th</sup> , 2022   |
| 15. 18007    | Centella asiatica extract      | 1803000383          | February 7 <sup>th</sup> , 2018  | November 6 <sup>th</sup> , 2023   |
| 16. 17958    | Shatavari extract              | 1803000550          | March 2 <sup>nd</sup> , 2018     | December 1 <sup>st</sup> , 2023   |
| 17. 22410    | Noni extract                   | 1803002828          | December 4 <sup>th</sup> , 2018  | September 3 <sup>rd</sup> , 2024  |
| 18. 20550    | Cannabis extract               | 1903002293          | September 6 <sup>th</sup> , 2019 | May 20 <sup>th</sup> , 2024       |


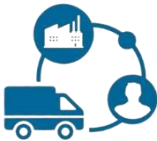



## Successful Awards in 2023

In 2023, BLC received as many as 10 prestigious and proud awards, which were the result of collaboration from all sectors, including the Board of Directors, management, and personnel of the Company who worked with full efficiency, as well as continuous support from all stakeholder groups. The awards received are as follows:

|   |   |
|---|---|
|    | <p>Certificate of Appreciation - Biotechnology Business Development Project for Sustainable Entry into the Capital Market</p>       |
|    | <p>Outstanding Labor Relations and Welfare Award for the Year 2023, National Level</p>  |
|   | <p>Award for Outstanding Safety, Occupational Health and Working Environment for the Year 2023, National Level (Platinum Level)</p> |
|  | <p>Award of Honor for Importers of High-Quality Health Products by the Food and Drug Administration</p>                             |
|  | <p>Thailand Trust Mark (T-Mark) Certificate from the Department of International Trade Promotion (DITP), Ministry of Commerce</p>   |

|   |  |
|---|--|
|    | <p>CSR-DIW Continuous Award for the Year 2023 from the Department of Industrial Works</p>  |
|    | <p>Organization Supporting the 20th National Herbal Expo and Annual Academic Conference on Thai Traditional Medicine, Folk Medicine and Alternative Medicine</p> |
|    | <p>Bangkok Lab and Cosmetic Public Company Limited to be a listed company on the Stock Exchange of Thailand</p>  |
|   | <p>1st TRADING DAY of Bangkok Lab and Cosmetic Public Company Limited on the Stock Exchange of Thailand</p>  |
|  | <p>Certified with Good Import Practices (GIP Plus) for importing or ordering health products into the Kingdom</p>  |

## Business Strategy

|   |  |  |
|---|--|--|
| <b>Research and Development</b><br>  | <b>Sustainable Supply Chain Management</b><br>  | <b>Technology</b><br>   |
| <p>Focusing on research and development, along with producing quality and safe products that meet international standards.</p>  | <p>Efficiently managing the supply chain, covering processes from raw material procurement, production, quality inspection, storage, transportation, and product delivery to clients or consumers.</p> | <ul style="list-style-type: none"> <li>Utilizing technology to develop production processes.</li> <li>Expanding product distribution channels through electronic platforms.</li> </ul> |
| <b>Clients and Consumers</b><br>  | <b>Human Resources</b><br>   |  |
| <ul style="list-style-type: none"> <li>Developing quality and safe products to meet the needs of clients and consumers.</li> <li>Aiming to create satisfaction and maintain good relationships with clients.</li> </ul> | <p>Developing personnel's skills, knowledge, capabilities, and attitudes to promote efficient work performance and readiness for change.</p>   |  |

## BLC's Value Chain <sup>(2-6)</sup>

The Company places great importance on managing the business value chain to ensure that the Company's operations are efficient and sustainable, while delivering quality and safe products and services to customers and creating value for all stakeholder groups. Value chain management covers both primary activities and supporting activities as follows:

## Quality Products and Services for Consumers

### Primary Activities

#### Raw Material Management



- Select and procure raw materials from multiple high-quality manufacturers to reduce the risk of relying on a single manufacturer and enhance competitiveness.

#### Production and Operations



- Committed to producing products with modern production systems, aiming to minimize impacts on communities and the environment, such as dust, noise, odors, and wastewater, while adhering to human rights principles, safety and health, as well as treating employees and partners fairly.
- Have a team of engineers and technicians who can promptly troubleshoot and work together to resolve any issues that may arise.

#### Storage and Distribution of Products and Services



- Have an efficient warehouse system and product transportation, with space-saving arrangements and reduced risk of product damage.

#### Marketing and Sales



- Have a team responsible for market research and developing new products to design offerings that meet market and customer demands, ensuring the Company's products have good quality at appropriate costs.

#### After-Sales Service



- Have an efficient and sincere after-sales service team that evaluates customer satisfaction and is open to feedback and suggestions from customers.

## Business Infrastructure

### Support Activities

#### Human Resource Management



- Encourage regular training and skill development for the management and employees.
- Provide welfare, equipment, and tools to enable employees to work smoothly, feel engaged, and dedicate themselves to the organization's development.

#### Technology Development for Products and Services



- Support innovations to drive more efficient work processes, alongside creating social benefits by focusing on using technologies that are user-friendly and deliver maximum benefits.

#### Procurement



- Adhere to trade conditions with partners to ensure transparent procurement processes.
- Do not conduct any transactions with partners listed in the database of the Anti-Money Laundering Office (ALMO).

#### Infrastructure Projects



- Constantly monitor, develop, and update critical work systems with current technologies to accurately, efficiently and timely support all personnel in the organization and customers.

## Corporate Governance and Code of Conduct

### 1) Overview of Corporate Governance Policy and Practices <sup>(2-23, 2-24)</sup>

The Company recognizes the importance of good corporate governance as it is crucial for promoting efficient and sustainable operations of the Company for the maximum benefit of all stakeholders. Therefore, the Board of Directors has established the Corporate Governance Policy, covering key content such as the structure, roles, duties and responsibilities of the Board of Directors, sub-committees, management, including the nomination and remuneration of directors and management, independence of the Board from management, director development, performance evaluation of directors, supervision of subsidiaries, as well as transparent, clear and auditable management by the management, adhering to the Corporate Governance Code 2017 of the Securities and Exchange Commission (SEC). This serves as a guideline for the Board of Directors in governing the Company towards long-term good performance, reliability for all stakeholders, ethical operations, conducting business that benefits society and reduces environmental impacts, as well as the ability to adapt to changing business conditions. It aims to create sustainable value for the business, in line with the aspirations of the business sector, investors, the capital market and society as a whole.

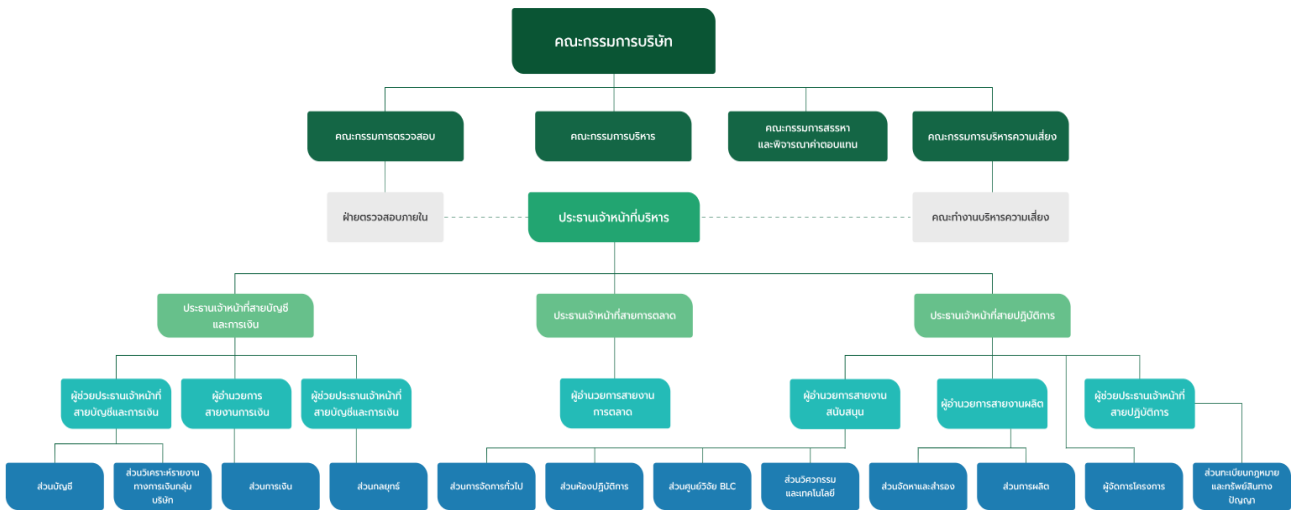
The 8 principles of good corporate governance that the Company strictly adheres to, and practices are as follows:

- **Principle 1** Establish Clear Leadership Role and Responsibilities of the Board
- **Principle 2** Define Objectives that Promote Sustainable Value Creation
- **Principle 3** Strengthen Board Effectiveness
- **Principle 4** Ensure Effective CEO and People Management
- **Principle 5** Nurture Innovation and Responsibility Business
- **Principle 6** Strengthen Effective Risk Management and Internal Control
- **Principle 7** Ensure Disclosure and Financial Integrity
- **Principle 8** Ensure Engagement and Communication with Shareholders

In addition, the Board of Directors also considers the following practices:

- Competitiveness and good operating performance, taking into account long-term impacts.
- Ethical business conduct, respect for rights, and accountability to shareholders and stakeholders.
- Benefiting society and developing or reducing negative environmental impacts.
- Ability to adapt to changing environment.

## 2) Corporate Governance Structure <sup>(2-9)</sup>



The Company has a management structure approved at the 5/2023 Board Meeting on November 13<sup>th</sup>, 2023, as follows:

Board of Directors (2-9, 2-10, 2-11)

The Company's Board of Directors comprises executive directors, non-executive directors, and independent directors, a total of 7 directors. All directors met the qualifications as stipulated in Section 68 of the Public Limited Companies Act B.E. 2535(1992) and complied with the regulations outlined in the Capital Market Supervisory Board Announcement No. 39/2016 regarding the approval and authorization for the issuance of new shares, dated September 30<sup>th</sup>, 2016, including all subsequent amendments.

| Board Composition       | Number (person) |          |          | Ratio (%)   |
|-------------------------|-----------------|----------|----------|-------------|
|                         | Male            | Female   | Total    |             |
| Executive Directors     | 3               | -        | 3        | 43%         |
| Non-executive Directors | 1               | -        | 1        | 14%         |
| Independent Directors   | 3               | -        | 3        | 43%         |
| <b>Total</b>            | <b>7</b>        | <b>-</b> | <b>7</b> | <b>100%</b> |

The list of the Company's Board of Directors, totaling seven individuals, is as follow.

| Name                                 | Position   | Date Appointed                  | Years in Position  |
|--------------------------------------|--|---------------------------------|--------------------|
| 1. Asst. Prof. Dr. Wanchai Sutananta | <ul style="list-style-type: none"> <li>Chairman</li> <li>Independent Director</li> <li>Chairman of the Audit Committee</li> <li>Chairman of the Nominating and Remuneration Committee</li> </ul> | December 9 <sup>th</sup> , 2020 | 3 Years, 1 Month   |
| 2. Mr. Worathep Gorgitpoonpol        | <ul style="list-style-type: none"> <li>Director</li> <li>Independent Director</li> <li>Member of the Audit Committee</li> <li>Member of the Nominating and Remuneration Committee</li> </ul>     | December 9 <sup>th</sup> , 2020 | 3 Years, 1 Month   |
| 3. Dr. Thanadol Ruksapol             | <ul style="list-style-type: none"> <li>Director</li> <li>Independent Director</li> <li>Member of the Audit Committee</li> <li>Chairman of Risk Management Committee</li> </ul>                   | December 9 <sup>th</sup> , 2020 | 3 Years, 1 Month   |
| 4. Mr. Suvit Ngampoopun              | <ul style="list-style-type: none"> <li>Director</li> <li>Chief Executive Officer (CEO)</li> <li>Member of the Nominating and Remuneration Committee</li> </ul>                                   | October 16 <sup>th</sup> , 1992 | 31 Years, 2 Months |
| 5. Mr. Subhachai Saibour             | <ul style="list-style-type: none"> <li>Director</li> <li>Executive Director</li> <li>Member of Risk Management Committee</li> </ul>  | October 16 <sup>th</sup> , 1992 | 31 Years, 2 Months |
| 6. Mr. Somchai Phisphahutharn        | <ul style="list-style-type: none"> <li>Director</li> <li>Executive Director</li> <li>Member of Risk Management Committee</li> </ul>  | October 16 <sup>th</sup> , 1992 | 31 Years, 2 Months |
| 7. Mr. Suraslip Ngampoopun           | <ul style="list-style-type: none"> <li>Director</li> <li>Executive Director</li> </ul>   | December 9 <sup>th</sup> , 2020 | 3 Years, 1 Month   |

Notes:

- All board members were appointed at the Extraordinary Shareholders' Meeting No. 2/2022 on November 9<sup>th</sup>, 2022, to assume their positions following the Company's conversion into a public limited company. All 7 board members were appointed to their positions since the Company has become a limited company. Board members 1–3 and 7 were appointed at the

Extraordinary Shareholders' Meeting No. 1/2020 on December 9<sup>th</sup>, 2020, while board members 4–6 were appointed on October 16<sup>th</sup>, 1992 (since the Company's establishment).

- There are 4 non-executive board members, namely board members 1–3 and 7.
- The Company's Board of Directors possesses appropriate capabilities for the Company's operations and maintains a balanced distribution of power between Management and the Board of Directors, with the Chairman of the Board being an independent director.

Details of attendance at the Board of Directors meetings for the years 2021 to 2023 are as follows:

| Name                                 | Number of Meetings Attended |                                  |
|--------------------------------------|-----------------------------|----------------------------------|
|                                      | Board of Directors Meetings | General Meetings of Shareholders |
| 1. Asst. Prof. Dr. Wanchai Sutananta | 6/6                         | 1/1                              |
| 2. Mr. Worathep Gorgitpoonpol        | 6/6                         | 1/1                              |
| 3. Dr. Thanadol Ruksapol             | 6/6                         | 1/1                              |
| 4. Mr. Suvit Ngampoopun              | 6/6                         | 1/1                              |
| 5. Mr. Subhachai Saibour             | 6/6                         | 1/1                              |
| 6. Mr. Somchai Phisphahutharn        | 6/6                         | 1/1                              |
| 7. Mr. Suraslip Ngampoopun           | 6/6                         | 1/1                              |

### Sub-committees

The Board of Directors has appointed four sub-committees, namely the Audit Committee, Executive Committee, Risk Management Committee, and Nomination and Remuneration Committee.

- **Audit Committee**

The names and number of meetings attended by the Audit Committee are as follows:

| Name                                 | Position                        | Number of Meetings Attended / Total Meetings in 2023 |
|--------------------------------------|---------------------------------|--|
| 1. Asst. Prof. Dr. Wanchai Sutananta | Chairman of the Audit Committee | 5/5  |
| 2. Mr. Worathep Gorgitpoonpol        | Member of Audit Committee       | 5/5  |
| 3. Dr. Thanadol Ruksapol             | Member of Audit Committee       | 5/5  |

- **Executive Committee**

The names and number of meetings attended by the Executive Committee are as follows:

| Name                              | Position                       | Number of Meetings Attended /<br>Total Meetings in 2023 |
|-----------------------------------|--------------------------------|---|
| 1. Mr. Suwit Ngampoopun           | Chairman of Executive Director | 11/11   |
| 2. Mr. Subhachai Saibour          | Member of Executive Director   | 11/11   |
| 3. Mr. Somchai Phisphahutharn     | Member of Executive Director   | 11/11   |
| 4. Mr. Surasilp Ngampoopun        | Member of Executive Director   | 10/11   |
| 5. Mr. Alongkorn Leela-Uppatikarn | Member of Executive Director   | 11/11   |
| 6. Mr. Wongsatorn Ngam-Anek       | Member of Executive Director   | 11/11   |
| 7. Mr. Rachain Sittisang          | Member of Executive Director   | 11/11   |
| 8. Ms. Anuporn Pattravanichkun    | Member of Executive Director   | 11/11   |
| 9. Ms. Supaporn Kumyoo            | Member of Executive Director   | 11/11   |
| 10. Ms. Woranuch Kongsupapsiri    | Member of Executive Director   | 11/11   |
| 11. Ms. Phiraya Chanpatya         | Member of Executive Director   | 11/11   |
| 12. Mr. Pakorn Thongklawe         | Member of Executive Director   | 11/11   |

- **Risk Management Committee**

The names and number of meetings attended by the Risk Management Committee are as follows:

| Name                          | Position                                 | Number of Meetings Attended /<br>Total Meetings in 2023 |
|-------------------------------|--|---|
| 1. Dr. Thanadol Ruksapol      | Chairman of Risk Management<br>Committee | 4/4   |
| 2. Mr. Subhachai Saibour      | Member of Risk Management Committee      | 4/4   |
| 3. Mr. Somchai Phisphahutharn | Member of Risk Management Committee      | 4/4   |

- **Nomination and Remuneration Committee**

The names and number of meetings attended by the Nomination and Remuneration Committee are as follows:

| Name                                 | Position  | Number of Meetings Attended / Total Meetings in 2023 |
|--------------------------------------|---|--|
| 1. Asst. Prof. Dr. Wanchai Sutananta | Chairman of the Nominating and Remuneration Committee | 1/1  |
| 2. Mr. Worathep Gorgitpoonpol        | Member of the Nominating and Remuneration Committee   | 1/1  |
| 3. Mr. Suvit Ngampoopun              | Member of the Nominating and Remuneration Committee   | 1/1  |

- **Executive**

As of December 31, 2023, the Company has a total of 10 executives, as follows:

| Name                               | Position  |
|------------------------------------|---|
| 1. Mr. Suvit Ngampoopun            | Chief Executive Officer / Chief Marketing Officer |
| 2. Mr. Suphachai Saibour           | Chief Operating Officer                           |
| 3. Mr. Somchai Phisphahutharn      | Chief Financial Officer                           |
| 4. Ms. Anuporn Pattravanichkun     | Executive Director of Accounting & Financial      |
| 5. Ms. Phiraya Chanpatya           | Assistant Chief Financial Officer                 |
| 6. Mr. Pakorn Thongklawe           | Assistant Chief Financial Officer                 |
| 7. Ms. Woranuch Kongsupapsiri      | Executive Director of Marketing                   |
| 8. Mr. Wongsatorn Ngam-Anek        | Executive Director of Support                     |
| 9. Mr. Rachain Sittisang           | Executive Director of Manufacturing               |
| 10. Mr. Alongkorn Leela-Uppatikarn | Assistant Chief Operation Officer                 |

Information on the policies and roles and responsibilities of the Company's Board of Directors and Sub-Committees can be found on Bangkok Lab's website in the 2023 Annual Report (Form 56-1), Section 7. Corporate Governance Structure and Key

Information on the Board of Directors, Sub-Committees, Executives, Employees, and Others.

<https://www.blcplc.com/th/investor-relations/document/annual-reports>

### 3) Criteria for Board and Subcommittee Nomination <sup>(2-10, 2-17)</sup>

The Company recruits individuals to be appointed as Board of Directors and top executives through the Nomination and Remuneration Committee. The Committee consists of 2 independent directors out of a total of 3 members. They are responsible for considering, selecting, and screening qualified individuals in accordance with the Company's regulations, and nominating suitable candidates in order to have professional and diverse directors. This is done by considering the structure, size, and composition of the Board and proposing views to the Board of Directors for approval before presenting the names to the shareholders' meeting for appointment. The criteria and procedures for recruiting directors have been established however, the Company plans to analyze the skills and experiences of the directors according to the nature of the business, based on the Board Skill Matrix principle in 2024, and will disclose such information accordingly.

Information on the policies and roles and responsibilities of the Company's Board of Directors and Sub-Committees can be found on Bangkok Lab's website in the 2023 Annual Report (Form 56-1), Section 8. The key corporate governance performance report and Attachment 1 with details about directors, executives, and controlling persons can be accessed through the website.  
<https://www.blcplc.com/th/investor-relations/document/annual-reports>

### 4) Performance Evaluation of Directors and Top-Level Executives <sup>(2-18)</sup>

The Board of Directors determines that a performance evaluation must be conducted at least once a year, in the form of both collective and individual evaluations. The evaluation results will be used as a framework for reviewing the performance of duties, problems, and obstacles. The evaluation results will be analyzed for the directors' performance of duties, as well as for recommendations to improve and develop operations going forward. The scoring levels are based on the evaluation criteria as follows:

| Scoring  | Criteria         |
|----------|------------------|
| 100 - 90 | Excellence       |
| 89 - 80  | Good             |
| 79 - 70  | Moderate         |
| 69 - 60  | Fair             |
| < 60     | Need Improvement |

Summary of the Directors' Self-Evaluation for the Year 2023: It was found that the performance evaluation results of all Directors and Top-Level Executives were at the **"Excellence level"** across the board. The details are as follows:

| Topic  | Target in 2023 | Performance in 2023 |
|--|----------------|---------------------|
| The Board of Directors                                     | 90%            | 93.41%              |
| The Audit Committee  | 90%            | 97.08%              |
| The Nomination and Remuneration Committee                  | 90%            | 92.08%              |
| The Risk Management Committee                              | 90%            | 97.17%              |
| The Board of Directors and Individual Subcommittee Members | 90%            | 93.50%              |

#### 5) Compensation Policy of the Executive Committee and Management <sup>(2-19, 2-20)</sup>

The compensation for the Board of Directors and sub-committees must receive approval at the shareholders' meeting, with input from the Nomination and Remuneration Committee. The Nomination and Remuneration Committee will provide feedback by considering the roles, responsibilities, job performance, and the Company's performance. A comparison will be made with the compensation of directors in similar industries. The results of the consideration will be presented to the Board of Directors to review the compensation of the Board of Directors and subcommittees. The Board of Directors will approve the compensation for the Chief Executive Officer to align with job performance, with input from the Nomination and Remuneration Committee. The Chief Executive Officer will review the compensation of the executives, considering and proposing compensation (both monetary and non-monetary), as well as other appropriate benefits, based on the responsibilities, performance, and the Company's overall results. The consideration of compensation must consider long-term incentives. Additionally, the compensation for executives each year will be paid within the annual budget framework which is reviewed and approved by the Board of Directors.

The compensation for the executives includes salary, bonuses, and other forms of compensation such as social security contributions and provident fund contributions.

#### 6) Remuneration for the Board of Directors, Executive Directors, and Management <sup>(2-21)</sup>

- The remuneration for the Company's Board of Directors includes meeting allowances per session as follows.

(Unit: Baht)

| Position | 2021        | 2022   | 2023   |
|----------|-------------|--------|--------|
|          | per session |        |        |
| Chairman | 15,000      | 15,000 | 30,000 |
| Director | 15,000      | 15,000 | 25,000 |

The remuneration for the Company's Board of Directors and subcommittee members in 2023 has been approved by the resolution at the 2023 Annual General Meeting of Shareholders on March 27<sup>th</sup>, 2023. The remuneration for the directors will be provided only to independent directors, and the total remuneration for the Board of Directors is capped at 990,000 baht. The remuneration for the Company's Board of Directors from 2021 to 2023 was as follows:

(Unit: Baht)

| Name                                 | Position | Remuneration   |                      |                |
|--------------------------------------|----------|----------------|----------------------|----------------|
|                                      |          | 2021           | 2022                 | 2023           |
| 1. Asst. Prof. Dr. Wanchai Sutananta | Chairman | 105,000        | 105,000 <sup>1</sup> | 150,000        |
| 2. Mr. Worathep Gorgitpoonpol        | Director | 105,000        | 105,000              | 130,000        |
| 3. Dr. Thanadol Ruksapol             | Director | 105,000        | 105,000              | 130,000        |
| 4. Mr. Suvit Ngampoopun              | Director | -              | -                    | -              |
| 5. Mr. Subhachai Saibour             | Director | -              | -                    | -              |
| 6. Mr. Somchai Phisphahutharn        | Director | -              | -                    | -              |
| 7. Mr. Suraslip Ngampoopun           | Director | -              | -                    | -              |
| <b>Total</b>                         |          | <b>315,000</b> | <b>315,000</b>       | <b>410,000</b> |

Note: <sup>1</sup>The Company paid a meeting allowance in excess of the amount for which the director ranked 1<sup>st</sup> attended the meeting. This is because the Company stipulated that the meeting allowance should be paid before the meeting, and on that day, the aforementioned director was unable to attend. The Company has since changed the payment method to be made after the meeting and has received the meeting allowance refund from the director within the first quarter of 2023.

- **The remuneration for the subcommittee members** includes meeting allowances per session as follows.

- **Audit Committee**

(Unit: Baht)

| Position                        | 2021        | 2022   | 2023   |
|---------------------------------|-------------|--------|--------|
|                                 | per session |        |        |
| Chairman of the Audit Committee | 15,000      | 15,000 | 30,000 |
| Member of the Audit Committee   | 15,000      | 15,000 | 25,000 |

(Unit: Baht)

| Name                                 | Position                        | Remuneration |         |         |
|--------------------------------------|---------------------------------|--------------|---------|---------|
|                                      |                                 | 2021         | 2022    | 2023    |
| 1. Asst. Prof. Dr. Wanchai Sutananta | Chairman of the Audit Committee | 75,000       | 60,000  | 135,000 |
| 2. Mr. Worathep Gorgitpoonpol        | Member of the Audit Committee   | 75,000       | 75,000  | 115,000 |
| 3. Dr. Thanadol Ruksapol             | Member of the Audit Committee   | 75,000       | 75,000  | 115,000 |
| Total                                |                                 | 225,000      | 210,000 | 365,000 |

## - Risk Management Committee

(Unit: Baht)

| Position                              | 2021        | 2022   | 2023   |
|---------------------------------------|-------------|--------|--------|
|                                       | per session |        |        |
| Chairman of Risk Management Committee | 15,000      | 15,000 | 30,000 |
| Member of Risk Management Committee   | 15,000      | 15,000 | 25,000 |

(Unit: Baht)

| Name                          | Position                              | Remuneration |        |         |
|-------------------------------|---------------------------------------|--------------|--------|---------|
|                               |                                       | 2021         | 2022   | 2023    |
| 1. Dr. Thanadol Ruksapol      | Chairman of Risk Management Committee | 45,000       | 60,000 | 105,000 |
| 2. Mr. Subhachai Saibour      | Member of Risk Management Committee   | -            | -      | -       |
| 3. Mr. Somchai Phisphahutharn | Member of Risk Management Committee   | -            | -      | -       |
| Total                         |                                       | 45,000       | 60,000 | 105,000 |

- Nomination and Remuneration Committee

(Unit: Baht)

| Position  | 2021        | 2022   | 2023    |
|---|-------------|--------|---------|
|   | per session |        |         |
| Chairman of the Nominating and Remuneration Committee | 15,000      | 15,000 | 15,000* |
| Member of the Nominating and Remuneration Committee   | 15,000      | 15,000 | 15,000* |

หมายเหตุ : \*The Nomination and Remuneration Committee meeting was held on February 10<sup>th</sup>, 2023.

(Unit: Baht)

| Name                                 | Position  | Remuneration |        |        |
|--------------------------------------|---|--------------|--------|--------|
|                                      |   | 2021         | 2022   | 2023   |
| 1. Asst. Prof. Dr. Wanchai Sutananta | Chairman of the Nominating and Remuneration Committee | 15,000       | 30,000 | 15,000 |
| 2. Mr. Worathep Gorgitpoonpol        | Member of the Nominating and Remuneration Committee   | 15,000       | 30,000 | 15,000 |
| 3. Mr. Suvit Ngampoopun              | Member of the Nominating and Remuneration Committee   | -            | -      | -      |
| Total                                |   | 30,000       | 60,000 | 30,000 |

The summary of the total remuneration received by the committee is as follows:

(Unit: Baht)

| Name                                 | Position   | Remuneration |         |         |
|--------------------------------------|--|--------------|---------|---------|
|                                      |  | 2021         | 2022    | 2023    |
| 1. Asst. Prof. Dr. Wanchai Sutananta | <ul style="list-style-type: none"> <li>Chairman</li> <li>Independent Director</li> <li>Chairman of the Audit Committee</li> <li>Chairman of the Nominating and Remuneration Committee</li> </ul> | 195,000      | 195,000 | 315,000 |
| 2. Mr. Worathep Gorgitpoonpol        | <ul style="list-style-type: none"> <li>Director</li> <li>Independent Director</li> <li>Member of the Audit Committee</li> <li>Member of the Nominating and Remuneration Committee</li> </ul>     | 195,000      | 210,000 | 275,000 |

| Name                          | Position   | Remuneration |         |         |
|-------------------------------|--|--------------|---------|---------|
|                               |  | 2021         | 2022    | 2023    |
| 3. Dr. Thanadol Ruksapol      | <ul style="list-style-type: none"> <li>Director</li> <li>Independent Director</li> <li>Member of the Audit Committee</li> <li>Chairman of Risk Management Committee</li> </ul> | 225,000      | 240,000 | 365,000 |
| 4. Mr. Suvit Ngampoopun       | <ul style="list-style-type: none"> <li>Director</li> <li>Chairman of Executive Director</li> <li>Member of the Nominating and Remuneration Committee</li> </ul>                | -            | -       | -       |
| 5. Mr. Subhachai Saibour      | <ul style="list-style-type: none"> <li>Director</li> <li>Executive Director</li> <li>Member of Risk Management Committee</li> </ul>  | -            | -       | -       |
| 6. Mr. Somchai Phisphahutharn | <ul style="list-style-type: none"> <li>Director</li> <li>Executive Director</li> <li>Member of Risk Management Committee</li> </ul>  | -            | -       | -       |
| 7. Mr. Suraslip Ngampoopun    | <ul style="list-style-type: none"> <li>Director</li> <li>Executive Director</li> </ul>   | -            | -       | -       |
| Total                         |  | 615,000      | 645,000 | 955,000 |

Total compensation for the Executive Committee and Management is divided into 2 parts.

- **Monetary compensation**

Executive Committee members serving in executive roles do not receive any compensation beyond what is provided for their executive roles. The compensation for executives is as follows.

| Type of executive compensation | 2023            |                      |
|--------------------------------|-----------------|----------------------|
|                                | Number (person) | Value (million baht) |
| Salary                         | 10              | 28.18                |
| Bonus                          | 7               | 0.98                 |
| Other compensations            | 10              | 1.10                 |
| Total                          |                 | 30.26                |

- **Non-monetary compensation** includes company cars, fuel expenses, insurance premiums, and the right to purchase IPO stocks.

Note: Executives holding positions in both the Company and its subsidiaries will not receive additional compensation from the subsidiaries.

## 7) Policy on Director Development Program

The Company aims to continuously promote the development of personnel at all levels, providing them with knowledge and capabilities for career advancement. An orientation program is provided for new directors to understand the organization's operations, roles, and responsibilities. The Company also encourages continuous knowledge and development for directors in all areas, enabling them to perform their duties effectively in line with changing external circumstances and sustainable development of the Company.

## 8) Policy on Preventing Conflicts of Interest <sup>(2-15)</sup>

The Company places importance on transparent consideration of various transactions for the benefit of both the Company and its shareholders. Therefore, emphasis is given to preventing transactions that may constitute conflicts of interest, whether they are related or unrelated transactions. Prohibitions and considerations have been outlined to ensure that the board executives, and employees of the Company understand how to adhere to the Conflicts of Interest Policy. For example, directors, executives, and employees of the Company must avoid entering into connected transactions with themselves and/or related parties that may cause conflicts of interest with BLC and its subsidiaries. They must not engage in any actions that conflict with the interests of BLC or its subsidiaries or seek personal and/or related parties' benefits. In cases where such transactions are necessary, those must be proposed to the Audit Committee for consideration and opinion before seeking approval from the Board of Directors in accordance with good corporate governance principles and compliance with securities laws. This includes overseeing compliance with securities laws concerning connected transactions and the Company's policies on connected transactions or related party transactions. Directors and executives must not participate in expressing opinions or approving matters in which they have direct or indirect interests or conflicts of interest. The terms used in this policy shall have the meanings prescribed in the laws on public limited companies, securities and exchange laws, and the notifications, rules and orders of the Securities and Exchange Commission, the Capital Market Supervisory Board, the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand ("SET") ("Securities Laws").

Information on Conflict-of-Interest Prevention Policy can be found in the 2023 Annual Report (Form 56-1), Section 6: Corporate Governance Policy, on the Company's website. <https://www.blcplc.com/th/investor-relations/document/annual-reports>

## 9) Business Code of Conduct

Bangkok Lab and Cosmetic Public Company Limited (BLC) has established a business code of conduct to ensure the efficient operation of the Company, achieving its set objectives and goals, as well as providing guidelines for conducting business based on responsibility, transparency, and integrity. These guidelines encompass everyone in the organization, from directors, executives, and employees, to adhere to operating practices. The details are as follows:

### Section1 Code of Conduct for the Board of Directors, Executives, and Employees

Directors, executives, and employees must respect laws, rules, regulations, and traditions related to the business. They must conduct themselves with morality, integrity, fairness, and avoid illegal and unsavory acts. They must not seek personal benefits from their positions, maintain unity, work responsibly and diligently with honesty, use working time efficiently, develop themselves, uphold the Company's reputation, respect one another, maintain confidentiality, use and safeguard the Company's assets and information carefully, not using the Company's assets or information for personal gain or to benefit others, and exercise their political rights correctly according to the law without causing misunderstanding with the Company.

### Section2 Code of Conduct of the Company

The Company's code of conduct establishes clear guidelines for conducting business transparently, fairly, and without infringing on the rights of all stakeholder groups. It covers shareholders, customers, business partners, creditors, competitors, employees, government agencies, as well as communities, society, and the environment. The Company strictly adheres to relevant laws and regulations, considers social and environmental impacts, and encourages employees to comply with the guidelines.

This Business Code of Conduct is reviewed and evaluated annually for its adequacy and appropriateness to ensure alignment with changing contexts. The policies and practices are communicated to all stakeholder groups. Additionally, the Company has other related policies such as the Corporate Social Responsibility Policy, Conflict of Interest Prevention Policy, Policy on Insider Information and Securities Trading by Directors, Executives and Employees, Personal Data Protection Policy, etc.

Information on the Code of Conduct can be found on the Company's website under the "Sustainability" section, under the "Sustainable Management" sub-section on Good Corporate Governance:

<https://www.blcplc.com/storage/document/sustainability/governance/blc-code-of-conduct-th.pdf>

## Whistleblowing and Complaint Handling <sup>(2-16, 2-26)</sup>

The Company has established a whistleblowing and complaints policy concerning matters related to corporate governance or operational oversight from all stakeholders, whether from internal (personnel) or external parties. The Company requires complaints to be made in writing and submitted or followed up through the following channels:

**Whistleblowing and Complaints (Non-Corruption Related)**

**Receiving Complaints:** Human Resources Manager

**Email:** complaint@bangkoklab.co.th

**Company Mailing Address:** Bangkok Lab and Cosmetic Public Company Limited

48/1 Moo 5, Nong Chae Sao Road, Nam Phu Subdistrict, Mueang Ratchaburi,  
Ratchaburi 70000

In 2023, the Company did not receive any complaints from stakeholders. Therefore, the number of complaints related to misconduct was 0 cases <sup>(2-27)</sup>. Additionally, the Company did not receive any complaints from employees to change various operational approaches, such as compensation, benefits, or other related matters, and there were no agreements made between employees and the Company <sup>(2-30)</sup>. However, the Company received 32 suggestions through the Idea Form channel in 2023, and these suggestions have been implemented.

### 10) Policy and Practices on Anti-Corruption

The Company establishes an organizational culture that raises awareness of the dangers of corporate corruption, promotes ethical values, and enhances confidence among all stakeholders. This is aimed at effectively combating corporate corruption, with the following details:

- 1) Directors, executives, and employees of the Company must adhere to the following guidelines.
  - Adhere to the practices outlined in this Anti-Corruption Policy, business ethics, as well as the rules, regulations, and provisions of the Company strictly. They must not engage in any form of corruption, whether directly or indirectly.
  - Do not engage in any actions that indicate an intention to commit corruption, including giving or receiving benefits in connection with individuals associated with the Company, in matters for which one has a responsibility, both directly or indirectly to obtain benefits for the organization, oneself, or any related parties.

- Do not overlook or ignore instances of corrupt practices related to the Company. When such incidences are observed, it is a duty to report them to the responsible individuals and collaborate in verifying the facts.
  - Has the duty and responsibility to oversee and utilize the Company's assets for the maximum benefit of the Company, and not to use them for personal or other related parties' benefits.
- 2) The Company will protect individuals who reject corruption or report incidents of corruption to the Company.
  - 3) Individuals engaged in corruption, which is a violation of ethical principles, will be subject to penalties per the Company's regulations and may face legal consequences.
  - 4) The Company establishes appropriate and efficient internal audit processes and control systems consistently, including in financial, accounting, data recording, and other areas. Additionally, the Company implements risk management systems to prevent corruption.
  - 5) The Company implements human resource management processes that reflect its commitment to anti-corruption measures and places importance on disseminating knowledge and awareness to personnel within the organization regarding practices to counter corruption.

• **Whistleblowing and Reporting Complaints Regarding Corruption** <sup>(2-16, 2-26)</sup>

**Receiving Complaints:** Chairman of the Audit Committee

**Email:** fraud-complaint@bangkoklab.co.th

**Company Mailing Address:** Bangkok Lab and Cosmetic Public Company Limited

No. 48/1 Moo 5, Nong Chae Sao Road, Nam Phu Subdistrict, Mueang Ratchaburi, Ratchaburi 70000

In 2023, training and knowledge-sharing sessions on anti-corruption were conducted for employees. Employees from all departments have acknowledged the information related to this issue, with 88% responding through Google Forms. **In 2023, there were no complaints or reports received from external sources related to anti-corruption**, whether through email or postal mail <sup>(2-27)</sup>. Additionally, there were no notifications or information provided by the Securities Commission's office and the Stock Exchange to clarify news or information.

More details on Bangkok Lab's Anti-Corruption Policy can be found on the Company's website.

<https://www.blcplc.com/th/sustainability/sustainability-in-governance-dimension>

## 11) External Organization Memberships <sup>(2-28)</sup>

BLC has joined memberships and/or collaborated with various external government and private agencies to drive efficient operations of the Company in order to meet stakeholder expectations while continuing to deliver economic and social value.

| Organization   | Number of years as a member | Role of Bangkok Lab   |
|--|-----------------------------|---|
| Ratchaburi Chamber of Commerce   | More than 5 years           | Committee   |
| Ratchaburi Federation of Thai Industries   | More than 5 years           | Chairperson   |
| Pharmaceutical Intellectual Center, Silpakorn University   | More than 5 years           | Committee   |
| Ban Chat Charoen School  | More than 5 years           | Chairperson of the Education Committee  |
| Wat Nam Phu School   | More than 5 years           | Chairperson of the Education Committee  |
| Nong Nang Phrao School   | More than 5 years           | Chairperson of the Education Committee  |
| Thai Pharmaceutical Manufacturers Association  | More than 5 years           | Committee   |
| Ratchaburi Social Security Office  | More than 5 years           | Subcommittee  |
| Ratchaburi Minimum Wage Committee  | More than 5 years           | Subcommittee  |
| Ratchaburi Child Protection and Juvenile Observation and Protection Center   | More than 5 years           | Committee   |
| Pharmaceutical Association of Thailand   | More than 5 years           | Member  |
| Industrial Pharmacist Association (Thailand)   | More than 5 years           | Member  |
| Community Pharmacy Association (Thailand)  | More than 5 years           | Member  |
| Ratchaburi Labor Welfare and Protection Office   | More than 5 year            | Committee to Evaluate Business's Excellent Performance in Labor and Welfare, Ratchaburi Province. |
| National Herbal Policy Committee, Department of Thai Traditional and Alternative Medicine, Ministry of Public Health | More than 5 years           | The committee in the area of Trade and Investment   |

| Organization  | Number of years as a member | Role of Bangkok Lab  |
|---|-----------------------------|--|
| The College of Herbal Pharmacy of Thailand              | More than 5 years           | Consultant   |
| Thai Pharmacies Association                             | More than 5 years           | Consultant   |
| The Pharmacy Council of Thailand                        | More than 5 years           | Consultant   |
| Department of Thai Traditional and Alternative Medicine | 2 years                     | Chair of the Working Group to Drive the Promotion and Development of Herbal Product Champions (Black Turmeric) |

## Risk and Opportunity Management in Business and Sustainability

### • Risk Management Policy <sup>(2-25)</sup>

The Company is committed to creating value including for its stakeholders sustainably. However, in the current and future business operations, the Company is constantly exposed to risks. The Company acknowledges the importance and necessity of implementing an international standard risk management system within the Company and has established a risk management policy. This policy was approved at the Board of Directors Meeting and has been annually reviewed. Additionally, a risk management manual has been developed as a guideline for management and all employees, incorporating the principles of COSO ERM 2017 to assess risks. The risk assessment process is divided into three main steps:

1. Preliminary Assessment: This involves evaluating the nature of the business by analyzing data from the business model.
2. Business Unit Assessment: This step assesses the operational practices to determine if there are control processes in key steps to prevent risks. The results are summarized to identify the risk areas, categorized as high, significant, moderate, or low risk.
3. Post-Implementation Assessment: the assessment is conducted after measures have been implemented to reduce risk levels.

In this regard, the Board of Directors emphasizes the importance of risk management in conjunction with strategic planning. A Risk Management Committee has been appointed to establish frameworks, and assess, approve, and monitor risk management plans. Simultaneously, the Audit Committee is tasked with controlling, overseeing, and ensuring appropriate risk management. This is to ensure that risk management systems are being effectively implemented throughout the organization. The Company has adopted the Three Lines of Defense Model

for reviewing the operations of risk management. It designates the First line as the risk owners, the Second line as the risk management working group or Supervisors overseeing risk management, and the Third line as the Internal Auditors. The results of risk management operations will be reported to the Board of Directors every quarter.

- **Risk Assessment Criteria**

The Company has established risk assessment criteria for the Company by considering both the likelihood of occurrence and the impact on the business, including financial loss, business objectives, reputation, information technology systems, customer satisfaction, time, employee operations, hazards and safety, and compliance with standards. The risk criteria are categorized into 4 levels: low, medium, high, and very high, which are represented by the colors green, yellow, orange, and red respectively. For each risk level, risk management guidelines will be determined within a specified timeframe, as shown in the following table.

| Definition |                | Guideline   | Timeframe       |
|------------|----------------|---|-----------------|
| Red        | Very High Risk | The top executives should be the risk owners responsible for developing the risk management plan. | Within 3 months |
| Orange     | High Risk      | The top executives should be the risk owners responsible for developing the risk management plan. | Within 6 months |
| Yellow     | Moderate Risk  | The executives should be the risk owners in monitoring and managing the current ongoing risks.    | -               |
| Green      | Low Risk       | The executives should be the risk owners in regularly monitoring events.                          | -               |

- **Risk Management Plans**

The risk management planning covers the entire value chain of the Company, comprising 6 areas as follows:

1. **Strategic Risks**

Risks arising from inappropriate strategic planning and implementation, including misalignment between policies, strategic objectives, the corporate structure, competitive environment, resources, and environment, impacting the group's objectives or goals.

## 2. Operation Risks

Risks arising from all operational processes, due to lack of good corporate governance or inadequate internal controls. This covers factors related to processes, equipment, information technology, personnel operations, and asset security.

## 3. Financial Report Risks

Risks related to financial liquidity, profitability, and financial reporting.

## 4. Compliance Risks

Risks from non-compliance with laws, rules, and regulations.

## 5. ESG Risks

Risks arising from the Company's operations that impact the environment and society, both internally and externally.

## 6. Emerging Risks

Risks that may arise in the near future and could impact the Company's business operations.

# • Risk Factors for the Company's Business Operation

## 1. Strategic Risks

### • Risk of New Product Development Research Not Meeting the Market Launch Deadline

The success of launching new products in the market within the specified timeframe involves various interrelated factors, including the ability to effectively research and develop products with efficacy, quality, and safety, preparation of documentation for product registration, and approval from government agencies. Any delays in these processes will delay the new product launch and marketing plans, resulting in opportunity costs, loss of market share gains, impacts on operations, and financial position.

To mitigate these risks, the Company has implemented preventive measures through joint meetings between the marketing, sales, and R&D departments. A feasibility report and marketing plan are prepared for selected new products. A comprehensive timeline is established covering R&D, analytical method development, and preparation of documentation for product registration with government agencies. Adequate human resources are allocated accordingly. Therefore, these risks remain at a manageable level.

## 2. Operation Risks

### • Highly Competitive Risks: Competitors' Substitute Products Competing Against Company's Products

The pharmaceutical industry is highly competitive. Currently, the Company's main revenue comes from the sale of modern pharmaceutical products, including generic and new generic drugs. The Company does not employ a price reduction strategy but focuses on product quality and building an accepted brand. However,

to mitigate these risks, the Company has implemented preventive measures such as emphasizing sales of high-profit margin products, building good relationships and clear marketing plans for sales to both major and minor partners, and having research, development, and commercialization plans for the modern pharmaceutical products that the Company wants to focus on.

- **Risks from Difficulty in Adjusting Product Prices**

In the past 2-3 years, the COVID-19 situation and the Russia-Ukraine war have impacted the production and transportation of all types of goods, leading to shortages and price increases of raw materials and packaging. In particular, reliance on imported active pharmaceutical ingredients (APIs) for production means the rising costs cannot be avoided. Furthermore, the profit margins of new generic drugs will gradually decline due to increasing competition. Revenue from government hospital channels is also limited as they have to procure at reference median prices, preventing the Company from adjusting prices above the median. For other products like cosmetics, herbal products, and dietary supplements in highly competitive categories, the Company may not be able to immediately adjust prices, potentially impacting profit margins. Due to these factors, the Company has implemented risk mitigation strategies such as closely monitoring sales of products sensitive to raw material price adjustments, analyzing sensitivity, and monitoring impacts on gross profit margins, as well as developing a procurement plan for raw materials and packaging to order in large quantities each time, allowing for price negotiation with suppliers.

- **Risk from Raw Material and Packaging Shortages**

Due to the ongoing impact of the Russia-Ukraine war on raw material and packaging prices in 2023, manufacturers including the Company have had to stock up inventory to support production plans. The Company has implemented risk mitigation strategies such as identifying products that are sensitive to price adjustments and have high gross profit margins, as well as considering entering into forward purchase agreements for key active pharmaceutical ingredients.

- **Inventory and Product Returns Management Risks**

Since expired or deteriorated inventory negatively impacts the Company's operating results, regular meetings are held among relevant departments to monitor inventory status. Planning and Customer Service Department considers this information when reviewing production plans to maintain appropriate inventory levels. The Sales Department will consider appropriate strategies for clearing near-expiry products. Additionally, the Company has a policy of accepting 100% product returns, provided the returns occur within 2 calendar years from the sales date. This applies in cases where customers purchase large quantities and are unable to sell all the products.

- **Risk from Granting Credit to Trade Debtors**

The Company recognizes the risk from trade debtors' payment obligations, as their defaults could impact the Company's liquidity. Therefore, the Company has implemented the following risk prevention measures:

1. The credit department and accounts receivable department closely monitor overdue accounts every month. For long-overdue debtors, there are criteria for enhanced monitoring and suspending further sales if it is determined that the customer lacks liquidity.
2. The Company has appointed Zuellig Pharma, a comprehensive healthcare service provider, to handle product distribution, as well as collection monitoring and payments for government hospitals, private hospitals, and clinics. This helps streamline distribution and improve the Company's liquidity management.

- **Risk from Relying on Personnel with Specialized Knowledge (Pharmacists, Scientists) at a High Proportion**

The Company has over 100 pharmacists and scientists, who are vital resources. If the Company is unable to retain these personnel or find suitable replacements for those who resigned, it may impact the quality and quantity of research and development work, as well as product quality control. To mitigate the risk of staff shortage, the Company has implemented preventive measures such as establishing a recruitment process to match pharmacists and scientists with suitable roles, providing a mentorship system for new employees, regularly planning to recruit knowledgeable and qualified personnel matching job requirements, and having a fair and appropriate remuneration policy for employees at all levels.

- **Risk from Relying on Key Founding Executives Who Have Reached Retirement Age**

The 3 key founders and executives - Mr. Suvit Ngampoopun (Chief Executive Officer), Mr. Somchai Phisphahutharn (Chief Financial Officer), and Mr. Subhachai Saibour (Chief Operating Officer) - have over 30 years of experience in the pharmaceutical industry and have been driving forces of the Company. Currently, all 3 have reached retirement age. However, given their robust knowledge, expertise, experience, and health conditions, the Company has entered into employment agreements with them to continue serving as key executives while also providing guidance and closely mentoring their successors. The Company has established a succession plan for all executive positions and implemented measures to groom the successors to be ready for future key leadership roles.

Additionally, the founders will nominate qualified representatives as directors proportionate to their shareholdings. The Company has a policy of establishing a management structure with knowledgeable and experienced personnel and proper checks and balances. This will enable the Company to operate the business efficiently with good corporate governance going forward.

- Risk from Potential Damage Due to Product's Unsafe Conditions

The safety of modern pharmaceutical products, cosmetics, animal medicines, herbal products, and dietary supplements is a critical factor. Even a slight error, such as product contamination, containment of foreign substances or expired products, could significantly impact the credibility of all the Company's products. In the past, the Company has never faced any lawsuits or complaints from individuals or agencies regarding such issues. However, to mitigate potential risks, the Company has implemented risk reduction measures by emphasizing research and development, raw material selection, and meticulously designed production processes at every step to ensure the quality and reliability of the Company's products for consumers. The Company has obtained numerous international quality certifications such as HACCP, PIC/S-GMP, GHP, ISO 9001, ISO 14001, ISO 22000, ISO/IEC 17025, and ISO 45001.

#### 4. Financial Report Risk

- Liquidity Risk

As of December 31<sup>st</sup>, 2023, the Company had a liquidity ratio of 3.9 times and a quick ratio of 3.0 times. It had a cash conversion cycle of approximately 246 days, with an average collection period of 235 days and a payment period of 74 days, reflecting improved liquidity for the Company. However, with future operating cash flows, undrawn credit facilities as of December 31<sup>st</sup>, 2023, along with the Company's close weekly liquidity management to ensure the management that the Company will have sufficient working capital for its current needs and for the next 12 months.

- Non-Compliance with Loan Agreements Risk

Banks will evaluate based on the separate financial statements of the business. If the Company fails to comply with these conditions, the banks have the right to call for the repayment of all outstanding loans. This situation could impact the liquidity of the Company.

Regarding other conditions set by multiple banks, such as maintaining the proportion of major shareholders, changes in directors or management, and restrictions on dividend payments, the Company has acknowledged and agreed to cancel these conditions. This agreement has been effective since the Company's registration on the Stock Exchange of Thailand onwards.

- Interest Rate Change Risk

Currently, the cost of borrowing from financial institutions is mostly determined by floating interest rates. An increase in interest rates would result in higher borrowing costs, thereby reducing the Company's profit-making ability. In 2023, the Monetary Policy Committee (MPC) announced an adjustment in interest rates to

lower the level of financial policy, which had been relatively accommodative due to the country's improving economy and the Company's consistently good performance and positive relationship with financial institutions. As a result, the Company obtained borrowing rates lower than the MLR (Minimum Lending Rate) on its term loan. Additionally, the Company used funds raised to repay loans, which helped reduce interest expenses during the year.

- **Exchange Rate Risk**

In 2023, the Company imported raw materials and packaging materials from abroad, accounting for 12% of total purchases, mostly denominated in US dollars. Historically, the Company has not been significantly impacted by negative fluctuations in exchange rates due to clear risk management guidelines in place to mitigate exchange rate risks to an acceptable level. The Company does not aim to generate profits from exchange rates and regularly reports foreign currency usage for each contract to assess and continuously reduce exchange rate risks every week.

## 5. Compliance with Laws, Rules, and Regulations Risk

- **Business-Related Legal Compliance Risks**

The pharmaceutical business is subject to extensive legal regulation and oversight by various regulatory bodies, requiring compliance with licensing requirements as prescribed by law. Failure to comply with regulations may result in penalties, fines, and/or product recalls, which could adversely affect business operations and the Company's credibility. In the past, the Company has never been prosecuted or penalized by regulatory authorities for non-compliance with relevant laws related to its business operations. Nevertheless, the Company has outlined risk reduction strategies as follows:

1. Establishing a dedicated department responsible for managing legal and intellectual property matters.
2. Develop comprehensive operational manuals covering all aspects and critical procedures in legal and intellectual property operations. This includes the registration of pharmaceutical and herbal products, key licensing applications related to product registration renewal, and license renewal, as well as monitoring legal changes and ensuring compliance with regulations.
3. Establish plans for the registration of pharmaceutical and herbal products on an annual and monthly basis. These plans are used to guide the relevant department's operational activities, including tracking progress status.
4. Monitor closely any changes in various relevant laws.

## 6. ESG Risks

### Environmental

- Risk of non-compliance with wastewater laws and regulations

In the drug production processes of the Company, a large amount of water is used and wastewater is discharged, which must go through treatment processes to ensure the discharged water is safe for humans, animals and the environment, and meets the regulatory standards stipulated by law. From the risk assessment, two issues were identified as potential risks in this area:

- **Very High Risk:** Risk from employees lacking knowledge and understanding about wastewater quality, and lack of cooperation from departments and employees.
- **High Risk:** Increased production capacity leads to higher water usage, and the wastewater treatment system may be inadequate to handle the increased volume.

If the Company fails to comply with the regulations, it may face penalties or fines, which would impact the Company's credibility and operational performance. To provide assurance, the Company has guidelines to mitigate these potential risks by establishing a wastewater management practice, along with a project to improve the wastewater treatment system. This is implemented continuously and regularly, with wastewater treatment system inspections every 4 months. Communication and public relations are also conducted through the PR department, emails, Line app and noticeboards to raise awareness and understanding among employees on this issue.

- Risk of improper waste segregation

Waste and residues from the pharmaceutical industry must be managed strictly. If waste is not managed efficiently, leaks occur, or with improperly disposed of, it can impact the organization's personnel, the environment, and surrounding communities. Therefore, the Company must implement strict waste management practices. The risk assessment found that improper waste segregation, especially for waste from production processes, poses a high risk. This may occur from employees lacking knowledge about proper waste segregation, lack of continuous communication with employees, and unclear labeling of waste bins. To manage this risk, the Company has established a waste management practice, conducts waste disposal monitoring, segregates waste according to regulations, creates new waste bin label types, and communicates lists of expired/unused waste materials. Monitoring is also conducted continuously to evaluate the effectiveness of these measures.

- Risk of failure to obtain environmental management system certification

Since the Company aims to operate in compliance with the environmental management system standard (ISO 14001), failure to meet the established targets may result in the Company not obtaining environmental system certification. To ensure certification, the Company has defined operational guidelines, monitors compliance obligations monthly, assesses legal compliance every 6 months, and established a monitoring and measurement schedule.

- Risk related to reducing greenhouse gas emissions

From the organization's quantitative target to reduce greenhouse gas emissions by 5% annually, using 2023 as the base year for collected emissions data, the Company assessed that there is a high risk of not achieving this business target due to factors such as increased energy use from higher production volumes, lack of employee cooperation, inaccurate greenhouse gas emissions calculations, etc. However, to ensure the target is met, the Company has established a 2024 greenhouse gas emissions reduction project and announced a greenhouse gas (carbon footprint) policy for all employees to be aware of and comply with. Training is also provided to those involved in greenhouse gas emissions assessments. Communication about reducing emissions is conducted, including reviewing and changing the emissions calculation methodology to be product-based.

## Social

- Risks related to training programs

Currently, the pharmaceutical industry is highly competitive, personnel need to be continuously trained to enhance their skills and knowledge to work rapidly and meet demands. From the risk assessment, it was found that if the Company cannot provide training courses that meet the needs of each department, especially specialized professional courses, it may lead to delays in operations and impact work processes. To mitigate this risk, the Company conducts training needs assessments before formulating the annual employee training plan, procures/changes training formats instead of in-house training such as public training or online courses to accommodate time constraints, and prepares information at least 2 months before the scheduled training.

Additionally, the Company faces the risk of being unable to train employees according to the legally required proportion of employees that must receive skills development training. This could negatively impact the Company's operations. The risk assessment identified the following causes: 1) Course certification submissions not being approved, 2) Course certification submissions not meeting the specified timelines, 3) Difficulty in certifying courses related to specialized professions that do not align with types of skills upgrade training, 4) Errors in the course certification submission process not meeting conditions. To reduce this risk,

the Company has established an annual course certification submission plan and strictly complies with Thailand's Skill Development Act.

## 7. Emerging Risks

### • Cyber Threat Risk

The risk of cyber threats is crucial and represents one of the primary risks in the global business landscape, impacting the Company's operations, particularly various systems such as the network, financial and accounting systems, enterprise resource planning (ERP) systems, and Smart Pay. These systems contain personal and critical data owned by the Company. In the event of issues with the Company's information technology systems, unauthorized access to personal information can significantly impact the Company's operations and reputation. Therefore, there are plans and investments in place to develop systems to accommodate new technologies and establish measures to mitigate cyber threats, such as: Defining access rights to information technology systems for employees based on classification levels and data management, Installing security devices (Firewalls) and regularly updating them to prevent network system breaches and warn of attack, Establishing a network of backup data centers to handle emergencies in cloud systems, reporting the results of cyber threat assessments and prevention measures to the executive committee every six months. Except in cases of significant cyber threats, immediate reporting is required.

### • Risks from Climate Change

Climate change is a global issue that all sectors prioritize and is considered an emerging risk. Climate change may lead to droughts and more prolonged or severe flooding, resulting in shortages of certain plants or raw materials that BLC uses in producing herbal medicines. BLC recognizes this risk and therefore emphasizes using easily available and commonly used herbal plants to reduce the risk of struggling to obtain rare raw materials.

Additionally, since BLC's facilities are located adjacent to a reserved forest area where forest fires frequently occur each year, climate change may exacerbate drought conditions and increase the likelihood of forest fires. To mitigate this risk, BLC has implemented a forest fire prevention program to reduce the chances of forest fires occurring and prevent their spread toward the factory premises. Forest fire prevention boundaries are established twice a year.

Information on risk management can be found on Bangkok Lab's website in the 2023 Annual Report (Form 56-1), Section 2. Risk Management: <https://www.blcplc.com/th/investor-relations/document/annual-reports>




## 03 BLC Sustainability

---

Bangkok Lab and Cosmetic Public Company Limited (BLC) is committed to conducting business while maintaining an appropriate (right balance) in all aspects of sustainability, including corporate governance, social, and environmental. The Company has initiated a corporate social responsibility policy to respond and provide a framework for sustainable operations. This ensures that the Company can effectively achieve sustainable operations while truly maintaining a balance of sustainability in all dimensions.

### Corporate Social Responsibility Policy <sup>(2-23, 2-24)</sup>




The Company recognizes the importance of conducting business growth sustainably under corporate social responsibility (CSR). We focus on operating their businesses with integrity, ethics, and code of conduct, with a keen emphasis on caring for stakeholders responsibly. We also emphasize on sustainable investment that considers environmental, social and governance (ESG) performance. The Company hopes that conducting business under corporate social responsibility will benefit society as a whole, while also driving the Company's growth. The Company has established a corporate social responsibility policy divided into 8 categories as follows:

|   |  |
|---|--|
|  | <p><b><u>Conducting Business with Fairness</u></b></p> <p>The Company is committed to conducting business with honesty, fairness, ethics, and a determination to compete fairly in accordance with ethical code of conduct, and laws. Additionally, the Company respects the intellectual property rights of others. We have also established a Code of Conduct, Good Corporate Governance Policy, and Corporate Social Responsibility Policy to lay the foundation for operations that all employees at every level must adhere to.</p> |
|  | <p><b><u>Anti-Corruption Measures</u></b></p> <p>The Company has its operations with transparency, adheres to a code of conduct, upholds good corporate governance principles, and complies with laws related to preventing and combating corruption, giving or receiving bribes and gifts to/from government officials or private sector. We have established an Anti-Corruption Policy for directors, management, and employees to strictly adhere to.</p>   |
|  | <p><b><u>Respecting Human Rights</u></b></p> <p>The Company has established a Human Rights Policy in accordance with international standards, building knowledge and conducting ongoing assessments. We treat stakeholders with respect, considering equality and freedom on an equal basis, and ensure that our business operations are not involved in human rights</p>  |

|   |   |
|---|---|
|   | violations, either directly or indirectly. We also instil awareness among our personnel to strictly adhere to human rights principles.  |
|    | <p><b><u>Treatment of Employees</u></b></p> <p>The Company recognizes the importance of human resource development and treats employee fairly. We focus on respecting employee rights, fair employment practices, fair compensation, providing appropriate welfare benefits, maintaining a safe and healthy working environment. We support and encourage employees to express their opinions on the Company's operations.</p>  |
|    | <p><b><u>Responsibility towards Customers and Consumers</u></b></p> <p>The Company is committed to utilize standardized, modern, efficient, internationally recognized and environmentally friendly technologies to develop high-quality products and services. We focus on maximizing customer satisfaction and benefits by dealing with customers honestly, implementing an effective complaint management system, and maintaining customer information confidentiality.</p>          |
|  | <p><b><u>Environmental and Energy Conservation</u></b></p> <p>The Company places great importance on environmental conservation. We strictly control our products and services to comply with all relevant environmental laws and regulations. This includes preventing and mitigating negative environmental impacts. We are also committed to reducing greenhouse gas emissions by decreasing the use of fossil fuels and increasing the utilization of renewable energy sources.</p> |
|  | <p><b><u>Community and Social Development</u></b></p> <p>The Company recognizes that we are part of the community and society. We are ready to provide assistance and contribute to social development. We cooperate in various activities with communities surrounding our operational areas, and efficiently respond to incidents impacting communities, society and the environment arising from our operations.</p>   |
|  | <p><b><u>Innovation and Its Dissemination</u></b></p> <p>The Company aims to operate its businesses efficiently by applying innovations to maximize benefits for society, the environment, and stakeholders. We will share information about our operational innovations to stakeholders through various channels such as Form 56-1 and Sustainability Reports.</p>   |

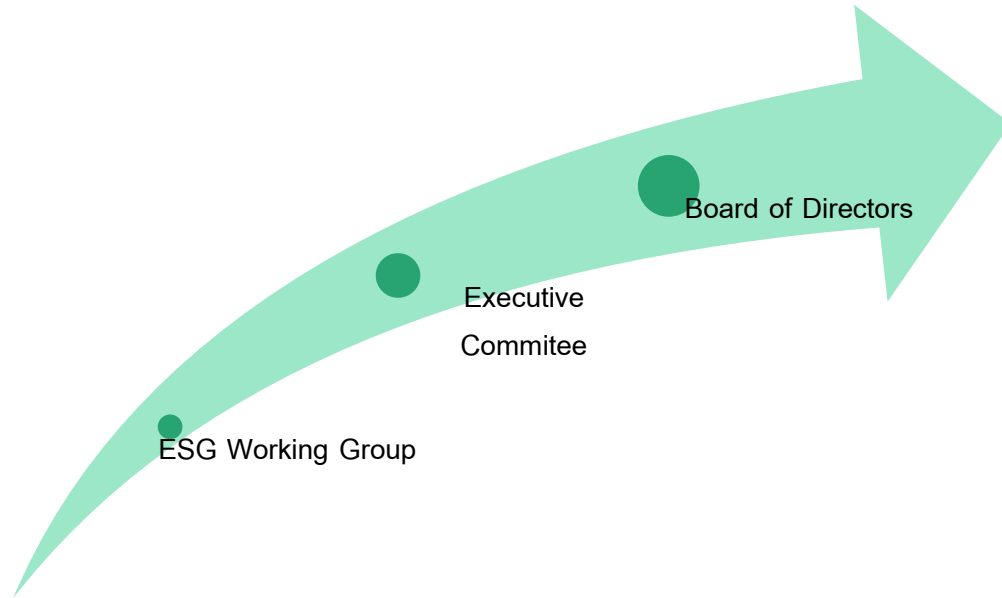
## Overall Sustainability Goals of the Company

Currently, the Company is developing draft sustainability goals covering environmental, social, and economic and corporate governance dimensions. This is to effectively determine the direction for the Company's sustainability operations. It will be proposed to the Board of Directors for approval and will be formally disclosed in Sustainability Report 2024.

|  |   |
|--|---|
|  <p>Environmental</p>             | <ul style="list-style-type: none"> <li>▪ Reduce greenhouse gas emissions by 5% from 2023 per product weight, aiming for Carbon Neutral and achieving Net Zero by 2050.</li> <li>▪ Reduce landfill waste disposal to zero, compared to 2023 levels.</li> <li>▪ Reduce use of external electricity, switch to using energy from solar farms for no less than 50% of total energy usage.</li> <li>▪ No environmental complaints from surrounding communities.</li> </ul> |
|  <p>Social</p>                    | <ul style="list-style-type: none"> <li>▪ Provide employee training of no less than 80 hours/person/year.</li> <li>▪ Set a target of employee satisfaction rating of no less than 90%.</li> <li>▪ Set a target of social activities satisfaction rating of no less than 85%.</li> </ul>  |
|  <p>Economic and Governance</p> | <ul style="list-style-type: none"> <li>▪ No complaints of corruption, conflicts of interest, insider trading by directors, executives and employees.</li> <li>▪ Develop no less than 2 new generic drug innovations per year.</li> <li>▪ Develop no less than 1 innovative product every 2 years.</li> </ul>  |

## Sustainability Governance Structure <sup>(2-9)</sup>

The Company has two structures, i.e.: the Board of Directors and the Executive Committee., as shown below:



## Roles and Responsibilities in Sustainable Development Management <sup>(2-12, 2-13, 2-14)</sup>

### 1) Board of Directors

Oversee the Company's operations to ensure ethical conduct, such as establishing a corporate governance policy, code of conduct manual for directors, executives, and employees of the Company, as well as disclosing it and ensuring compliance and monitoring of its implementation.

1. Perform duties with responsibility, care, and honesty, as well as comply with laws, objectives, Company's articles of association, and resolutions of shareholders' meetings, except for matters that require prior approval from shareholders' meetings, such as matters required by law to obtain resolutions from shareholders' meetings, connected transactions, and acquisition or disposition of significant assets according to the regulations of the Stock Exchange of Thailand or other government agencies.
2. Oversee the Company's operations to ensure ethical conduct, such as establishing a corporate governance policy, code of conduct manual for directors, executives, and employees of the company, as well as disclosing it and ensuring compliance and monitoring.

3. Consider and approve the Company's business policies, targets, operational plans, business strategies, and annual budgets, as well as regularly review the appropriateness of various policies annually.
4. Consider and appoint individuals who possess the qualifications and do not have any prohibited characteristics prescribed by the Public Limited Companies Act B.E. 2535 (and amendments) and the Securities and Exchange Act, including relevant notifications, rules, and/or regulations, to serve as directors of the Company in the case of a vacancy in the Board of Directors for reasons other than retirement by rotation.
5. Consider and appoint independent directors by considering the qualifications and prohibited characteristics of independent directors according to the Securities and Exchange Act, notifications of the Capital Market Supervisory Board, as well as relevant notifications, rules, and/or regulations of the Stock Exchange of Thailand, or propose in the shareholders' meeting for appointment as independent directors of the Company, based on the recommendations of the Nomination and Remuneration Committee.
6. Consider and appoint the Audit Committee with qualifications as prescribed by the Securities and Exchange Act, notifications of the Capital Market Supervisory Board, as well as relevant notifications, rules, and/or regulations of the Stock Exchange of Thailand, based on the recommendations of the Nomination and Remuneration Committee.
7. Consider and appoint the Executive Committee by selecting from the directors, executives, or external individuals, as well as determine the scope, authority, duties, and responsibilities of the Executive Committee, based on the recommendations of the Nomination and Remuneration Committee.
8. Consider and appoint other sub-committees to assist in performing the responsibilities of the Board of Directors.
9. Consider and change the authorized directors who can bind the Company.
10. Appoint any person to conduct the Company's business under the control of the Board of Directors or grant authority to such person as the Board of Directors deems appropriate, and the Board of Directors may revoke, terminate, change, or amend such authority.
11. Consider and approve the acquisition or disposition of assets of the Company or its subsidiaries, investment in new businesses, and any operations, unless such transactions require approval from the shareholders' meeting, in accordance with the Securities and Exchange Act, notifications

of the Capital Market Supervisory Board, and/or relevant notifications, rules, and/or regulations of the Stock Exchange of Thailand.

12. Consider and approve connected transactions, unless such transactions require approval from the shareholders' meeting, in accordance with the Securities and Exchange Act, notifications of the Capital Market Supervisory Board, and/or relevant notifications, rules, and/or regulations of the Stock Exchange of Thailand.
13. Consider and approve the payment of interim dividends to shareholders when the Company has reasonable profit to do so and report such dividend payment to the shareholders' meeting at the next meeting.
14. Arrange for the preparation of financial statements as of the end of the Company's fiscal year, audited by the auditor, to be presented to the annual general meeting of shareholders for approval.
15. Arrange for the preparation of financial statements as of the end of each quarter, reviewed by the auditor, and perform other duties related to the Company's business as assigned by the shareholders.

However, the Company has not yet defined the roles and responsibilities of the Board of Directors related to sustainability. We will determine the roles and responsibilities regarding sustainability and disclose them in the Sustainability Report in 2025.

## **2) Executive Committee**

1. Define the Company's policies, targets, strategies, annual operating plans, annual budgets, and management authorities to propose for approval by the Board of Directors.
2. Control and oversee the Company's operations to comply with the objectives, regulations, rules, orders, policies, targets, strategies, operating plans, and annual budgets approved by the Board of Directors, resolutions of the Board meetings and/or shareholders' meetings in an efficient and favourable manner for the business condition. Provide management consultation and advice to senior executives, including approving the appointment of necessary consultants for the company's operations within the budget approved by the Board of Directors.
3. Consider and approve normal business transactions of the Company and its subsidiaries, including spending on investments, financial transactions with financial institutions for opening accounts, borrowing, mortgaging, guaranteeing, and others, as well as buying, selling/registering

land ownership for business transactions of the Company and subsidiaries, within the approved financial limits and/or authority table set by the Board of Directors.

4. Determine the Company's organizational structure, management level, and effective management covering selection, training, hiring, and termination of the Company's executives or senior management. This may be delegated to the Chief Executive Officer, Chair of the Department, Managing Director, Deputy Managing Director, or Assistant Managing Director to sign employment contracts on behalf of the Company.
5. Oversee and approve matters related to the Company's operations and may appoint or assign any person to act on behalf of the Executive Committee as deemed appropriate. The Executive Committee can revoke, change or amend such authority.
6. Screen and provide opinions on matters requiring approval from the Board of Directors, except for activities that the Board has assigned to other sub-committees.
7. The Company shall propose an employee as the secretary through approval of the Executive Committee.
8. Perform other duties as assigned by the Board of Directors.

The delegation of authority, duties and responsibilities to the Executive Committee is not in a manner that would allow the Executive Committee or those authorized by the Executive Committee to approve any transaction in which they or persons who may have a conflict of interest (as defined in the notifications of the Securities and Exchange Commission) may have interests or may receive benefits, or may have other conflicts of interest with the Company or its subsidiaries. The approval of such transactions must be proposed to a meeting of the Board of Directors and/or the shareholders' meeting of the subsidiary, as the case may be. This excludes the approval of transactions with normal business terms and conditions with clearly defined scopes in accordance with the policies and criteria approved by the shareholders' meeting or the Board of Directors.

### **3) ESG Working Group**


The Company recognizes that conducting business must consider environmental and social aspects along with good corporate governance in order to drive the business according to sustainable practices. Additionally, the Stock Exchange of Thailand (SET) has encouraged listed companies to consider sustainable business operations by incorporating environmental, social, and governance (ESG) factors into their business practices. Therefore, the Company has a plan to appoint an ESG Working Group to integrate organizational management towards international sustainability standards. The roles, duties, and responsibilities of the ESG Working Group are as follows:




1. Establish appropriate sustainability guidelines and action plans in alignment with policies.
2. Oversee, monitor, and review sustainable development operations. Drive implementation and encourage participation in projects under the sustainable development framework with relevant internal and external units.
3. Foster a sustainable development culture. Communicate to directors, management, employees at all levels, business partners, and all related parties to build understanding and awareness of sustainable development.
4. Report on sustainable development performance and prepare a sustainability report to present to the Executive Committee.



## Stakeholder Engagement <sup>(2-29)</sup>

Bangkok Lab and Cosmetic Public Company Limited (BLC) places great importance on the opinions and participation of stakeholders throughout the business value chain. This is to develop operational approaches that can meet the needs and expectations of all stakeholder groups, in order to build confidence among all stakeholders.

In 2023, the Company analyzed and prioritized stakeholders related to its operations throughout the value chain, following the GRI Standards 2021 guidelines. This was done by considering the level of positive and negative impacts on stakeholders, as well as the level of influence stakeholders have on the Company's operations. The assessment identified a total of 6 stakeholder groups, with the top 3 most important being: (1) Regulatory Authority, (2) Customers and partners, and (3) Employees. We regularly communicate with all stakeholder groups through various channels to assess and identify the issues that each group is interested in and expects the Company to address efficiently.

| Stakeholder <sup>(2-29)</sup>   | Channel   | Issues or Expectations  | Approach to Responses  |
|---|---|---|--|
| <b>Regulatory Authority</b><br> | <ul style="list-style-type: none"> <li>Communication via Line application and email</li> <li>Contact and communication through agency representatives with the Company</li> </ul>                                       | <ul style="list-style-type: none"> <li>The Company should monitor market trends, directions, and demands.</li> <li>Manufacturers should learn about the basics of governance and the environment, as well as share their business success strategies and the Company's ESG practices.</li> <li>The Company must be able to comply with changing future regulations, practices, or laws.</li> <li>Develop innovations and research to be on par with other countries.</li> </ul> | <ul style="list-style-type: none"> <li>Operate in compliance with relevant laws or regulations.</li> <li>Participate in testing for standards to certify production and product quality.</li> <li>Continuously research and develop to maintain high product quality.</li> </ul> |
| <b>Customers</b>  | <ul style="list-style-type: none"> <li>Communication through agency representatives with the Company.</li> <li>Communication through various events, and the representatives will visit 1-2 times per month.</li> </ul> | <ul style="list-style-type: none"> <li>Receive accurate information about products and services.</li> <li>Products are reasonably priced.</li> <li>Pricing competition is transparent.</li> </ul>   | <ul style="list-style-type: none"> <li>Practice transparent, fair, and auditable corporate governance.</li> <li>Have an anti-corruption policy.</li> <li>Implement quality management systems like</li> </ul>  |

| Stakeholder <sup>(2-29)</sup>   | Channel  | Issues or Expectations   | Approach to Responses   |
|---|--|--|---|
|                        | <ul style="list-style-type: none"> <li>Participate in academic seminars with the Company app. 3-4 times per year.</li> </ul>   | <ul style="list-style-type: none"> <li>Receive quality products and services.</li> <li>Ability to quickly resolve any issues that arise.</li> <li>Maintain confidentiality of customer information.</li> </ul>   | <p>GMP, GHPs &amp; HACCP, ISO 9001, ISO 14001, ISO 22000, ISO 45001, etc.</p> <ul style="list-style-type: none"> <li>Adhere to ethics of maintaining customer data confidentiality.</li> <li>Invite customers to visit production processes.</li> <li>Develop high quality products that meet customer needs.</li> <li>Strictly enforce confidentiality of customer information.</li> </ul> |
| <b>Partners</b><br>   | <ul style="list-style-type: none"> <li>Communication through procurement agency channels.</li> <li>Communication via email.</li> <li>Annual visits to suppliers/vendors.</li> </ul>  | <ul style="list-style-type: none"> <li>Comply with contracts and mutual agreements.</li> <li>Conduct business together in a transparent, fair, and equality.</li> <li>Maintain confidentiality of supplier/vendor information.</li> </ul>  | <ul style="list-style-type: none"> <li>Increase efficiency of operational processes related to procurement.</li> <li>Strict enforcement of maintaining confidentiality of supplier/vendor information.</li> </ul>   |
| <b>Employees</b><br> | <ul style="list-style-type: none"> <li>Communication through channels like Facebook, email, and Line.</li> <li>Communication through agency representatives with the Company.</li> <li>Daily "Morning Talk" meeting for employees.</li> <li>Information updates via Facebook, announcement boards, and monthly newsletters.</li> </ul> | <ul style="list-style-type: none"> <li>Good compensation, opportunities for career advancement, and Company stability.</li> <li>Suitable working environment and space.</li> <li>Adequate and well-maintained equipment for performing duties.</li> <li>Employee welfare and safety in the workplace.</li> </ul> | <ul style="list-style-type: none"> <li>Provide training and promote continuous skills and knowledge development for employees.</li> <li>Engage in collaborative activities between management and employees.</li> <li>Establish policies and plans for human resource development.</li> <li>Establish guidelines and practices for occupational safety and health.</li> </ul>               |

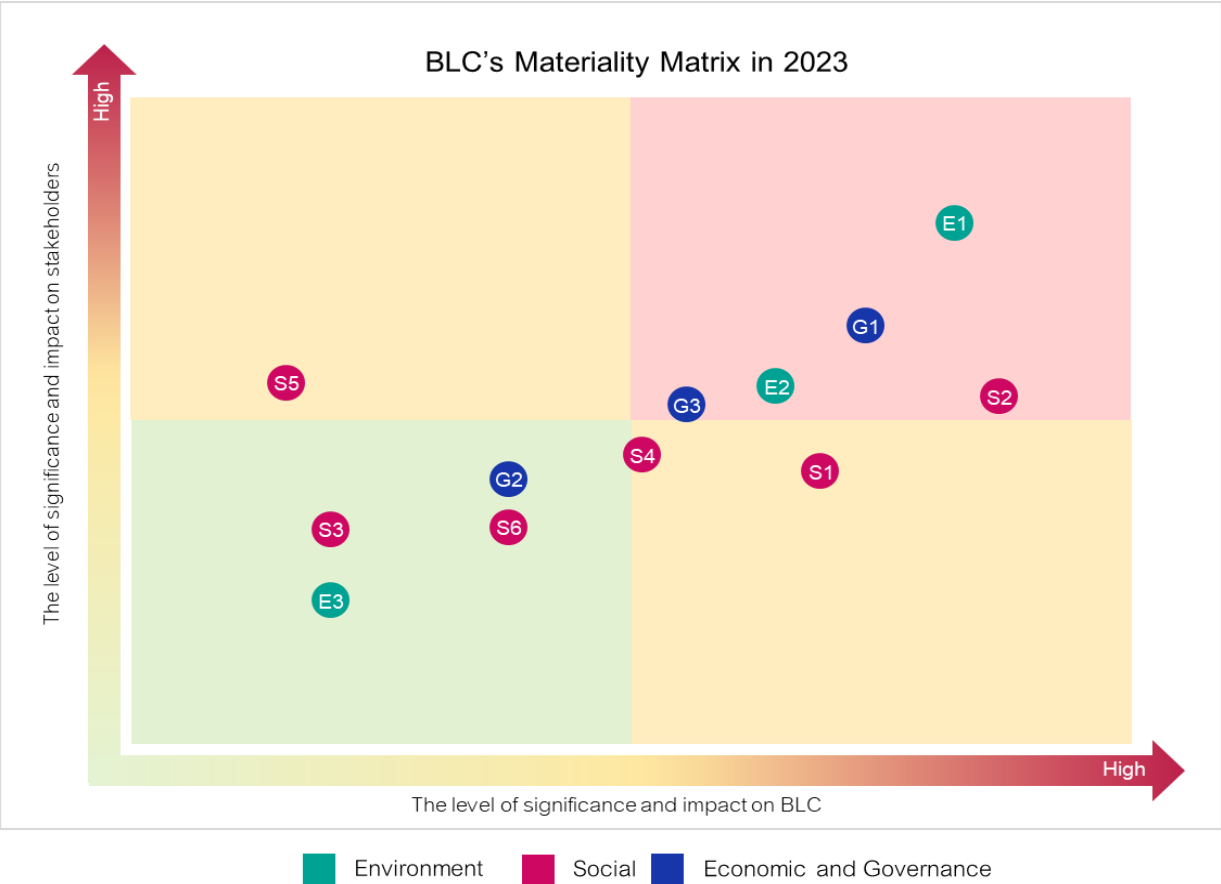
| Stakeholder <sup>(2-29)</sup>   | Channel   | Issues or Expectations  | Approach to Responses   |
|---|---|---|---|
|   |   |   | <ul style="list-style-type: none"> <li>• Create a succession plan to plan for career growth in key positions.</li> </ul>  |
| <b>Shareholders/ Investors/ Analysts</b><br><br> | <ul style="list-style-type: none"> <li>• Public relations through the Company's YouTube, Facebook, and the Company progress updates.</li> <li>• Adequate and widespread communication channels already in place.</li> <li>• Contact channel via the SET (Stock Exchange of Thailand) website.</li> <li>• Quarterly meetings through annual general shareholder meetings.</li> </ul> | <ul style="list-style-type: none"> <li>• Good compensation, opportunities for career advancement, and the Company stability.</li> <li>• Suitable working environment and space.</li> <li>• Adequate and well-maintained equipment for performing duties.</li> <li>• Employee welfare and safety in the workplace</li> <li>• Risk management system</li> <li>• Robust auditing and control systems.</li> </ul> | <ul style="list-style-type: none"> <li>• Practice transparent, fair, and auditable corporate governance.</li> <li>• Pay appropriate dividends.</li> <li>• Disclose information transparently.</li> <li>• Develop business strategies.</li> <li>• Comprehensive manage risks.</li> </ul> |
| <b>Society and Community</b><br><br>           | <ul style="list-style-type: none"> <li>• Public relations through posting announcements at the factory.</li> <li>• Annual meetings with the community and factory visits for community leaders.</li> <li>• Communication through agency representatives with the Company.</li> </ul>  | <ul style="list-style-type: none"> <li>• Reduce environmental impacts on surrounding communities.</li> <li>• Maintain production safety according to defined safety standards.</li> <li>• Participate in community development, create jobs and income to build stability for people in surrounding communities.</li> </ul>   | <ul style="list-style-type: none"> <li>• Comply with occupational safety and health practices.</li> <li>• Improve efficiency of resource utilization and reduce greenhouse gas emissions.</li> </ul>  |




## Materiality <sup>(3-1)</sup>

The Company has analysed and identified material sustainability issues by considering risks and new challenges, both domestic and international, as well as issues that are important in the same industrial sector. In addition, it also considers the interests and needs of internal and external stakeholders. The process used in assessing material issues is in accordance with the GRI Standards 2021 sustainability reporting standards, consisting of 4 main steps as follows:

|  |  |
|--|--|
|  <b>1. Identify material issues</b>   |  <b>2. Prioritize material issues</b>   |
| <p>The Company considers the context and direction of operations within the Company, as well as taking into account international sustainability standards (S&amp;P Global, SASB, and MSCI), peer companies in the industry, and global risk trends (WBCSD, World Economic Forum and Allianz), and the impacts and opportunities on the Company, both short-term and long-term. Additionally, the Company incorporates the expectations of stakeholders as one of the components in identifying material issues.</p> | <p>Prioritize issues related to sustainability according to the Materiality Principle, considering the level of impact significantly affecting the business operations of the Company, including expectations and interests of stakeholders through engagement with various stakeholder groups throughout the value chain and from our management.</p> |
|  <b>3. Verify material issues</b>   |  <b>4. Review material issues</b>   |
| <p>The management and Board of Directors of the Company review the accuracy and completeness of material issues and consider approving significant issues to confirm alignment with the context, objectives, and strategies of the Company.</p>  | <p>Reviewing material issues and consistently disclosing information through engagement with internal and external stakeholders to develop the annually sustainability report.</p>   |

From the process, we identified a total of 12 material issues, covering environmental, social, economic and governance dimensions.



|    |    |                         |
|---|---|--|
| Environment   | Social  | Economic and Governance  |
| E1 Environmental Management System<br>E2 Climate Change Management<br>E3 Biodiversity | S1 Human Capital Development and Management<br>S2 Product Responsibility<br>S3 Human Rights<br>S4 Occupational Health and Safety<br>S5 Community and Society Development<br>S6 Customer Relationship Management | G1 Innovation Management and Development<br>G2 Data Privacy and Cyber Security<br>G3 Supply Chain Management |

## Impact Boundary of Material Issues on Stakeholders <sup>(3-2)</sup>

| No.         | Materiality   |  |                 | Reporting Boundary                                   |   |  |   |  |  |
|-------------|---|--|-----------------|--|---|--|---|--|--|
|             | Bangkok Lab and Cosmetic<br>Public Company Limited (BLC)            | GRI Standards  | SDGs            | Within the organization                              |   |  |   |  | Outside<br>the organization                                      |
|             |   |  |                 | Operating and within the Group                       |   |  |   |  |  |
|             |   |  |                 | Bangkok Drug Company Limited<br>Ratchathewi, Bangkok | Farmaline Company Limited<br>Ratchathewi, Bangkok | BeRich (Thailand)<br>Company Limited<br>Ratchathewi, Bangkok | Bangkok Medica<br>Company Limited<br>Ratchathewi, Bangkok | Pharma Alliance<br>Company Limited<br>Ratchathewi, Bangkok |  |
| Environment |   |  |                 |  |   |  |   |  |  |
| 1           | Environmental Management<br>System (Waste, Water, Air<br>Pollution) | <ul style="list-style-type: none"><li>■ GRI 3-3 Management of material<br/>topics</li><li>■ GRI 303 Water and wastewater</li><li>■ GRI 305 Air pollution</li><li>■ GRI 306 Waste</li></ul> | SDG 6<br>SDG 12 | -  | -   | -  | -   | -  | Employees, Society<br>and Community, and<br>Regulatory Authority |
| 2           | Climate Change Management   | <ul style="list-style-type: none"><li>■ GRI 3-3 Management of material<br/>topics</li><li>■ GRI 302 Energy</li><li>■ GRI 305 GHG Emissions</li></ul>                                       | SDG 7<br>SDG 13 | -  | -   | -  | -   | -  | Employees and Society<br>and Community                           |
| 3           | Biodiversity  | <ul style="list-style-type: none"><li>■ GRI 3-3 Management of material<br/>topics</li><li>■ GRI 304 Biodiversity</li></ul>   | SDG 15          | -  | -   | -  | -   | -  | Employees and Society<br>and Community                           |



| No.    | Materiality  |   |                                    | Reporting Boundary                                   |   |  |   |  |   |
|--------|--|---|------------------------------------|--|---|--|---|--|---|
|        | Bangkok Lab and Cosmetic<br>Public Company Limited (BLC) | GRI Standards   | SDGs                               | Within the organization                              |   |  |   |  | Outside<br>the organization                                     |
|        |  |   |                                    | Operating and within the Group                       |   |  |   |  |   |
|        |  |   |                                    | Bangkok Drug Company Limited<br>Ratchathewi, Bangkok | Farmaline Company Limited<br>Ratchathewi, Bangkok | BeRich (Thailand)<br>Company Limited<br>Ratchathewi, Bangkok | Bangkok Medica<br>Company Limited<br>Ratchathewi, Bangkok | Pharma Alliance<br>Company Limited<br>Ratchathewi, Bangkok |   |
| Social |  |   |                                    |  |   |  |   |  |   |
| 4      | Human Capital Development and<br>Management              | <ul style="list-style-type: none"><li>GRI 3-3 Management of material topics</li><li>GRI 401 Employment</li><li>GRI 404 Training and Education</li></ul>   | SDG 4<br>SDG 8<br>SDG 10           | /  | /   | /  | /   | /  | Employees   |
| 5      | Product Responsibility                                   | <ul style="list-style-type: none"><li>GRI 3-3 Management of material topics</li><li>GRI 416 Customer Health and Safety</li><li>GRI 417 Marketing and Labeling</li></ul>   | SDG 12                             | /  | /   | /  | /   | /  | Employees, Customers,<br>Partners, and<br>Regulatory Authority  |
| 6      | Human Rights   | <ul style="list-style-type: none"><li>GRI 3-3 Management of material topics</li><li>GRI 405 Diversity and Equal Opportunity</li><li>GRI 406 Non-discrimination</li><li>GRI 408 Child Labor</li><li>GRI 410 Security Practices</li></ul> | SDG 5<br>SDG 8<br>SDG 10<br>SDG 16 | /  | /   | /  | /   | /  | Employees, Customers,<br>Partners, and Society<br>and Community |

| No.                     | Materiality  |  |                                    | Reporting Boundary                                   |   |  |   |  |                                     |
|-------------------------|--|--|------------------------------------|--|---|--|---|--|-------------------------------------|
|                         | Bangkok Lab and Cosmetic<br>Public Company Limited (BLC) | GRI Standards  | SDGs                               | Within the organization                              |   |  |   |  | Outside<br>the organization         |
|                         |  |  |                                    | Operating and within the Group                       |   |  |   |  |                                     |
|                         |  |  |                                    | Bangkok Drug Company Limited<br>Ratchathewi, Bangkok | Farmaline Company Limited<br>Ratchathewi, Bangkok | BeRich (Thailand)<br>Company Limited<br>Ratchathewi, Bangkok | Bangkok Medica<br>Company Limited<br>Ratchathewi, Bangkok | Pharma Alliance<br>Company Limited<br>Ratchathewi, Bangkok |                                     |
| 7                       | Occupational Health and Safety                           | <ul style="list-style-type: none"><li>GRI 3-3 Management of material topics</li><li>GRI 403 Occupational Health and Safety</li></ul> | SDG 3<br>SDG 8                     | /  | /   | /  | /   | /  | Employees and Partners              |
| 8                       | Community and Society Development                        | <ul style="list-style-type: none"><li>GRI 3-3 Management of material topics</li><li>GRI 413 Local Communities</li></ul>              | SDG 3<br>SDG 4<br>SDG 10<br>SDG 11 | /  | /   | /  | /   | /  | Employees and Society and Community |
| 9                       | Customer Relationship Management                         | <ul style="list-style-type: none"><li>GRI 3-3 Management of material topics</li></ul>  | SDG 8<br>SDG 9                     | /  | /   | /  | /   | /  | Employees, Partners, and Customers  |
| Economic and Governance |  |  |                                    |  |   |  |   |  |                                     |
| 10                      | Innovation Management and Development                    | <ul style="list-style-type: none"><li>GRI 3-3 Management of material topics</li><li>GRI 203 Indirect Economic Impacts</li></ul>      | SGD 8<br>SDG 9                     | /  | /   | /  | /   | /  | Employees, Partners, and Customers  |








| No. | Materiality  |  |                 | Reporting Boundary                                   |   |  |   |  |  |
|-----|--|--|-----------------|--|---|--|---|--|--|
|     | Bangkok Lab and Cosmetic<br>Public Company Limited (BLC) | GRI Standards  | SDGs            | Within the organization                              |   |  |   |  | Outside<br>the organization                            |
|     |  |  |                 | Operating and within the Group                       |   |  |   |  |  |
|     |  |  |                 | Bangkok Drug Company Limited<br>Ratchathewi, Bangkok | Farmaline Company Limited<br>Ratchathewi, Bangkok | BeRich (Thailand)<br>Company Limited<br>Ratchathewi, Bangkok | Bangkok Medica<br>Company Limited<br>Ratchathewi, Bangkok | Pharma Alliance<br>Company Limited<br>Ratchathewi, Bangkok |  |
| 11  | Data Privacy and Cyber Security                          | <ul style="list-style-type: none"><li>GRI 3-3 Management of material topics</li><li>GRI 418 Customer Privacy</li></ul>   | SDG 9<br>SDG 16 | /  | /   | /  | /   | /  | Employees,<br>Shareholders, Partners,<br>and Customers |
| 12  | Supply Chain Management                                  | <ul style="list-style-type: none"><li>GRI 3-3 Management of material topics</li><li>GRI 204 Procurement Practices</li><li>GRI 308 Supplier Environmental Assessment</li><li>GRI 414 Supplier Social Assessment</li></ul> | SDG 8<br>SDG 16 | /  | /   | /  | /   | /  | Employees and<br>Partners                              |

## Highlights of Sustainability Performance







### Economic and Governance

|   |  |
|---|--|
|  | Developing an innovative production process using water as a solvent instead of ethanol can help BLC reduce costs by 39,321.60 baht. |
|  | There were zero incidents of cyber threats and complaints regarding personal data breaches.  |

### Environment

|   |  |
|---|--|
|    | Reduced electricity usage by 1.514 megawatts per year from implementing the solar farm project, or 26.25% of the total electricity consumption within the factory.   |
|   | Received registration for the organization's carbon footprint and obtained certification from the Greenhouse Gas Management Organization (Public Organization) or TGO.   |
|  | From the measure to reduce the use of unnecessary lighting systems, BLC was able to save 982.8 kilowatt-hours of electricity per year or 5,012.28 baht per year on electricity costs.  |
|  | From the measure to reduce the fresh air temperature supplied to Air Handling Unit (AHU) No. 15, BLC was able to increase the energy efficiency ratio (EER) of the air conditioning unit by 7.44%. Additionally, it could save 867.2 kilowatt-hours of electricity per year, or 4,422.72 baht per year on electricity costs. |
|  | From the measure to replace air conditioning units with reduced efficiency, BLC could increase the energy efficiency ratio (EER) by 42.61%, while saving 13,944.58 kilowatt-hours of electricity per year, or 71,117.34 baht per year on electricity costs.  |
|  | From the measure to reduce compressed air leakage, BLC could reduce energy consumption by 24,215.65 kilowatt-hours per year and save 123,499.8 baht per year on electricity costs.   |
|  | The total amount of non-hazardous recyclable waste was 48.45 tons, or 37.88% of the total waste generated within the Company.  |

## Social

|   |  |
|---|--|
|    | There was 1 case of injury resulting in work stoppage.   |
|    | There were 0 complaints from communities regarding the operations of the Company.  |
|    | There were 0 cases or instances of non-compliance with regulations and/or rules concerning the health and safety impacts of products and services, product and service information and labeling, and marketing communications. |
|    | The customer satisfaction assessment regarding the quality management perspective of BLC was at the highest satisfaction level.  |
|    | The customer satisfaction assessment score for BDC's product and service sales was 88.67%, which is an excellent level.  |
|  | There were 0 complaints regarding customer relationship management.  |



## **Sustainability Management Economic and Governance Dimension**

## 04 Economic and Governance Dimension

---

Bangkok Lab and Cosmetic Public Company Limited focuses on conducting business responsibly by adhering to corporate governance principles, business code of conduct, regulations, and practices of the domestic and international pharmaceutical industry. The Company implements strict and comprehensive risk management. Additionally, the Company places importance on innovation management and development, personal data protection and cybersecurity, and supply chain management. Its goal is to operate under good governance with morality, ethics, transparency, and social responsibility. In 2023, the Company's sustainability management of economic and governance dimension is detailed as follows.

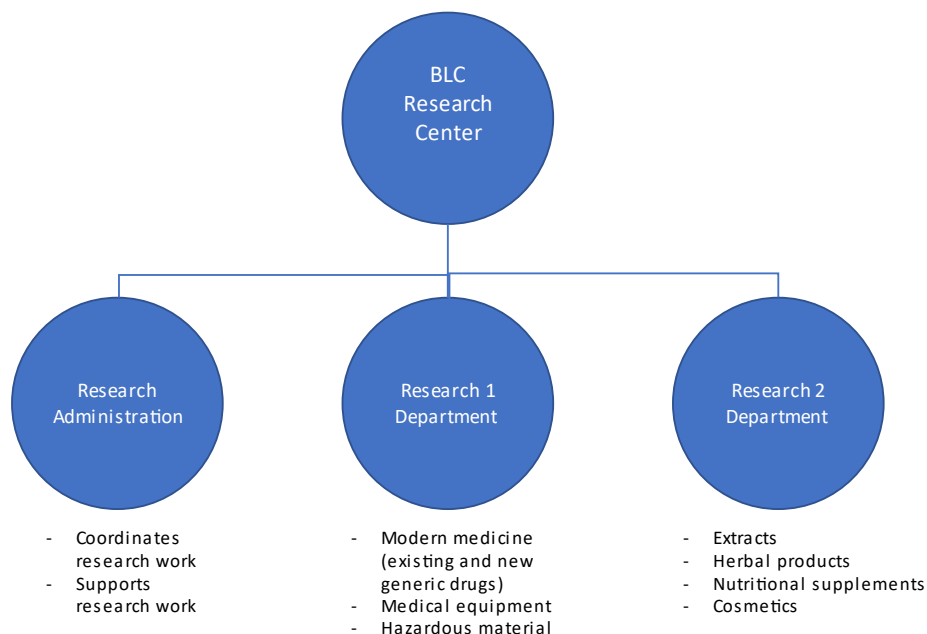
### Innovation Management and Development



The development of innovation is essential to business development to catch up with global changes. This includes the shifts in customer needs, markets, laws, and regulations, as well as other changes such as resources that may affect product manufacturing or services. The Company, as a leading pharmaceutical company provider, places great importance on innovation research and development, which includes both product innovation and process innovation, with an aim to adapt to any potential change. This can help the Company respond to customer needs and create opportunities to enter new markets, leading to revenue increase. The Company is fully aware that a lack of development will hinder its ability to catch up with the change, which may lead to a loss of market share and eventually loss of income.

#### 1) Policy and Management <sup>(3-3)</sup>


The Company recognizes the importance of innovation management and the integration of innovation in its vision and mission. The pharmaceutical industry is an industry that requires constant development to timely respond to changing needs and situations that keep shifting over time. Thus, to create business stability, the Company has founded BLC Research Center to research, investigate, develop products and innovations. Moreover, the Company has implemented strategies that address the importance of medicines on the Thai Innovation List registered with the National Science and Technology Development Agency (NSTDA), which utilizes innovation and knowledge in researching and producing. Collaborative research and development on innovation were also taken with both public and private research institutes. The BLC Research Center consists of Research Administration Department, Research 1 Department, Research 2 Department as shown in the diagram below.




Besides establishing BLC Research Center <sup>(203-1)</sup> that aims to develop new product innovations and research for possibilities that will create opportunities for the Company, the Company has established Quality Control Cycle (QCC) Committee. This committee is dedicated to support, advise, and raise awareness on problem solving through relevant activities and knowledge building for employees. It aims to enhance employees' ability to innovate new solutions and systematically develop problem-solving and analytical skills. Moreover, it can contribute to the improvement of working processes and production efficiency within the Company.

Furthermore, the Company has included innovation-related practice in its Social Responsibility Policy, which applies innovation in the Company's operations to maximize benefits for the society, environment, and stakeholders.

## 2) Our Goals (Short term/Long term) <sup>(3-3)</sup>

|   |  |
|---|--|
|  | Approve product formulations within expected timeline, achieving at least 80% of all products which newly introduced in 2023 research plan.                            |
|   | Approve product formulations within expected timeline, achieving 100% of all products in 2023 research plan.   |
|   | Certify all 100% of product formulations within 3 months after expected deadline (in case the Company cannot certify product formulations within the agreed timeline). |
|   | Approve product formulations within 3 months after expected timeline, achieving 100% of products which could not be approved within timeline.                          |

|   |  |
|---|--|
|  | Launch at least 2 new generic drugs on sale per year |
|---|--|

### 3) Action Plan and Implementation <sup>(3-3)</sup>

- **Invent, Research and Development Innovation**

The main objective of BLC Research Center is to oversee the research and development of all innovations and products of the Company. This includes internal research and collaboration with external agencies in innovation development. BLC Research Center consists of 3 departments as follows:

- Research Administration Department – responsible for and coordinate research-related activities with customers and external agencies, as well as supports operations of BLC Research Center.
- Research 1 Department – responsible for research and development of modern medicines (generic and new generic drugs), medical devices, and hazardous substances.
- Research 2 Department – responsible for research and development of extracts, herbal products, cosmetics, and dietary supplement products.

Moreover, the Company has appointed “Design Committee” with responsibilities to approve research and product development results for further product registration and production.

- **Managing Innovation Risks**

The Company has integrated new generic drugs into its business strategy. To facilitate this incorporation, a thorough risk assessment was conducted to address potential challenges in timely product development. These challenges may arise from various factors, such as 1) shifts in the research and development agenda, 2) increasingly stringent regulatory frameworks, 3) insufficient employee knowledge, and 4) manpower constraints. Such risks could potentially jeopardize the Company's business objectives. However, with existing internal control taken into consideration during risk assessment process, the assessment result shows that risk level of this issue is in “Medium”, or “Tolerable”, level. Thus, no further control measure is needed.

- **Product Development for the Society**

The Company places the highest priority on product research and development, meticulously selecting standardized raw materials and employing manufacturing processes that utilize the least harmful solvents and heavy metals. Each raw material undergoes rigorous analysis to ensure it meets product criteria before being incorporated into the formulation. This comprehensive approach is designed to guarantee the safety of both employees and consumers throughout the entire manufacturing process. For instance, the Company has

diminished the use of Methylene Chloride solvent due to its carcinogenic properties and potential to cause genetic abnormalities. This adjustment aims to mitigate the risks associated with Methylene Chloride accumulation in both the Company's products and its workforce. Furthermore, the Company has refined the formula of its brain nourishment product, leveraging proprietary herbal extracts that have been meticulously researched and developed in-house. To enhance accessibility, particularly for elderly individuals who may have difficulty swallowing, the supplement has been formulated into an instant drink powder with a palatable taste and flavour. Additionally, the Company has replaced sweeteners in its dietary supplement products with alternatives that pose no risk to consumers' health.

- **Enhancing Employee Capability to Improve Work Processes**

In addition to research and development for innovation, the Company actively invests in employee development to enhance work processes through QCC and Kaizen initiatives, fostering a culture of creativity and innovation. These activities empower employees to find new ways to improve processes, providing opportunities to refine skills, problem-solving abilities, and systematic analysis. Furthermore, the activity also serves as platforms for employees to showcase their potential, exchange ideas, and foster strong relationships within the organization.

- **Communication on Research and Innovation**

The Company maintains transparent communication throughout its research and innovation endeavors by sharing progress updates via the BLC Research Center Project Step document every month with customers from each business unit. Additionally, meetings are organized every four months to discuss work progress with customers of each research department. Research and development outcomes are reported to the Design Committee for product registration and production and communicated to customers of each business unit. For Company-owned products, which are innovated and promoted through marketing campaigns, the Marketing Department is responsible for overseeing sales planning and communication across multiple channels, including the Company's Facebook and Instagram accounts.

#### 4) Activities or Projects Related to Innovation <sup>(3-3)</sup>




In 2023, BLC Research Center has organized activities and projects related to innovation as follows:


| Project/Activity  | Details   | Responsible Party                            |
|---|---|--|
| Reducing Methylene Chloride in existing and new generic drugs | From 2020 to 2023, the Company conducted research and development aimed at minimizing Methylene Chloride usage in its production processes. By 2023, the Company successfully | Research<br>1 Department<br>Design Committee |

| Project/Activity  | Details  | Responsible Party                            |
|---|--|--|
|   | decreased its Methylene Chloride usage by 140.4 kilograms, resulting in cost savings equivalent to 7,020 Thai Baht.  |  |
| Sweetener replacement   | In 2023, the Company has replaced sweetener used in CALZA DIETARY SUPPLEMENT PRODUCT, CALZA C DIETARY SUPPLEMENT PRODUCT, SYNOVAR POWDER DIETARY SUPPLEMENT PRODUCT to an alternative that poses no risk.  | Research<br>2 Department<br>Design Committee |
| Reformulating dietary supplement products from using ethanol solvent to water | In 2023, the Company revamped its dietary supplement products, transitioning from ethanol solvent to water in both tablet and instant drink powder formulations. This reformulation affected a total of six products, leading to a reduction in ethanol usage by 655.36 kilograms and cost savings amounting to 39,321.60 Thai Baht. | Research<br>2 Department<br>Design Committee |

Furthermore, the Quality Control Cycle (QCC) Committee has organized activities to promote internal development as follows:

| Project/Activity | Details   |
|------------------|---|
| QCC Activity     | In 2023, the Company initiated a Quality Control Cycle (QCC) activity, inviting participation from employees across all departments to foster innovation and process improvement while enhancing their skills. Employees formed groups to analyze issues and devise solutions, with the opportunity to submit their projects for consideration in a contest aimed at identifying viable and practical initiatives for broader adoption across the Company.  |
| Kaizen Activity  | Kaizen activity empowers individual employees to identify and address daily challenges by designing innovative solutions. The Company facilitates this process by providing a Kaizen Suggestion Form for employees to document their daily issues and propose solutions. Employees are encouraged to demonstrate the effectiveness of their solutions through tangible results. Those who submit suggestions are eligible for benefits such as a Employee Value Added Points, which may influence compensation considerations for the following year. Additionally, successful submissions may be further recognized through participation in QCC Day activities, offering opportunities for additional prizes. |

| Project/Activity | Details   |
|------------------|---|
|                  |   |
| QCC Day          | <p>QCC Day serves as a platform to highlight employee projects stemming from the QCC Activity. Three selected projects are presented to a committee, with the winning project receiving a cash prize. Additionally, prizes are allocated to ten Kaizen projects to encourage broader participation.</p> <p>In the previous year, the group that innovated to increase the number of reusable HPLC Columns won the QCC Activity. Their calculations indicate that this project could yield cost savings of 41,610 Thai Baht for the Company.</p> <div data-bbox="634 993 1261 1770">   </div> |

| Project/Activity | Details  |
|------------------|--|
|                  |  |

Additionally, the Quality Control Cycle Committee has established qualitative operational targets for each activity. The objective is to incentivize all departments to utilize outcomes from the QCC activity for quality improvement and process enhancement, while also boosting employee engagement in the initiative to foster internal operational development. This approach aims to instill a sense of pride among employees as they contribute to enhancing their work processes through their projects, ultimately elevating morale and nurturing a sustainable corporate culture centered on internal development.

## Data Privacy and Cyber Security

---

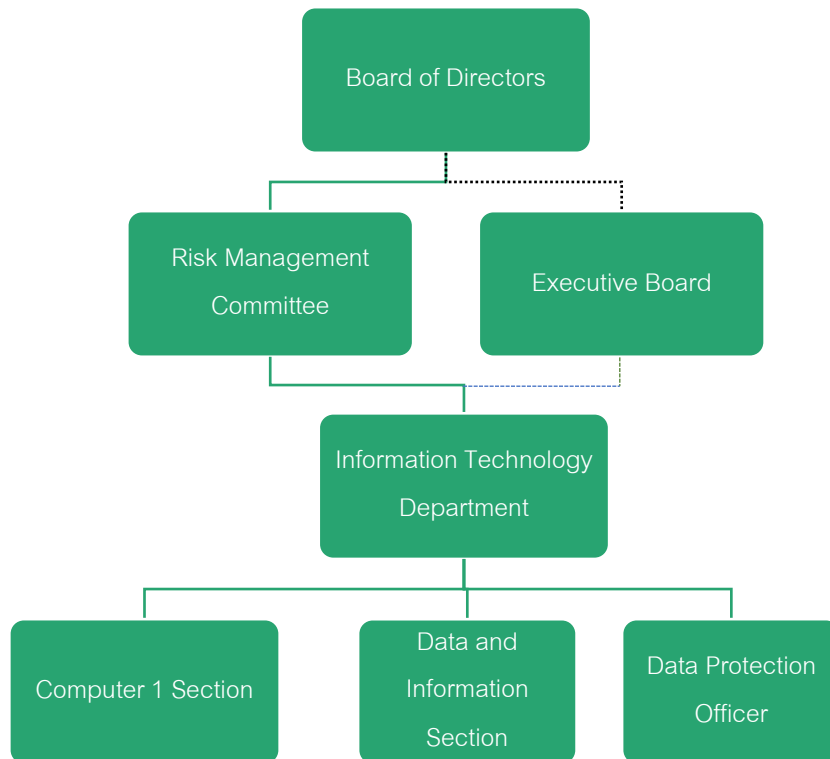
Recognizing the importance of technological advancement and its crucial role in today's era, the Company places high importance on enhancing operational capabilities through technology. Technology is used for data collection and processing to ensure efficient and continuous operations. Simultaneously, the Company acknowledges the significance of managing cybersecurity risks and data loss risks, such as unauthorized access, use, alteration, correction, or disclosure of personal information without authority or consent. Therefore, measures must be taken to protect the data security of the Company, suppliers, and customers, building confidence and trust in providing personal information. Furthermore, this serves as prevention against cyber-attacks, cyber theft, and data fraud, which could disrupt operations, impacting revenue, trustworthiness, and the reputations of the Company and stakeholders.

### 1) Policy and Management <sup>(3-3)</sup>

The Company is committed to conducting operations in compliance with laws and regulations to ensure the data security of the Company and stakeholders. The Company is also dedicated to secure the data system through various measures to mitigate potential information and data security risks. In executing personal data protection and cybersecurity operations, the Company has the following oversight structure.

- **Data Privacy and Cybersecurity governance structure**

The Company has an Information Technology Department as the primary unit responsible for managing, monitoring, and overseeing personal data protection and cybersecurity. This includes the Computer 1 Section and the Data and Information Section, which conduct policy reviews and regularly report to the IT Manager through the IT Talk channel every month. The Company also conducts follow-up meetings to ensure that operations progress according to the set objectives. Additionally, measures for controlling the risk of data breaches are reported every three months. Furthermore, the Company has appointed a Data Protection Officer to report directly to the IT Department on personal data matters.



To manage the data privacy and cybersecurity operations, the Company has management approaches as follows:

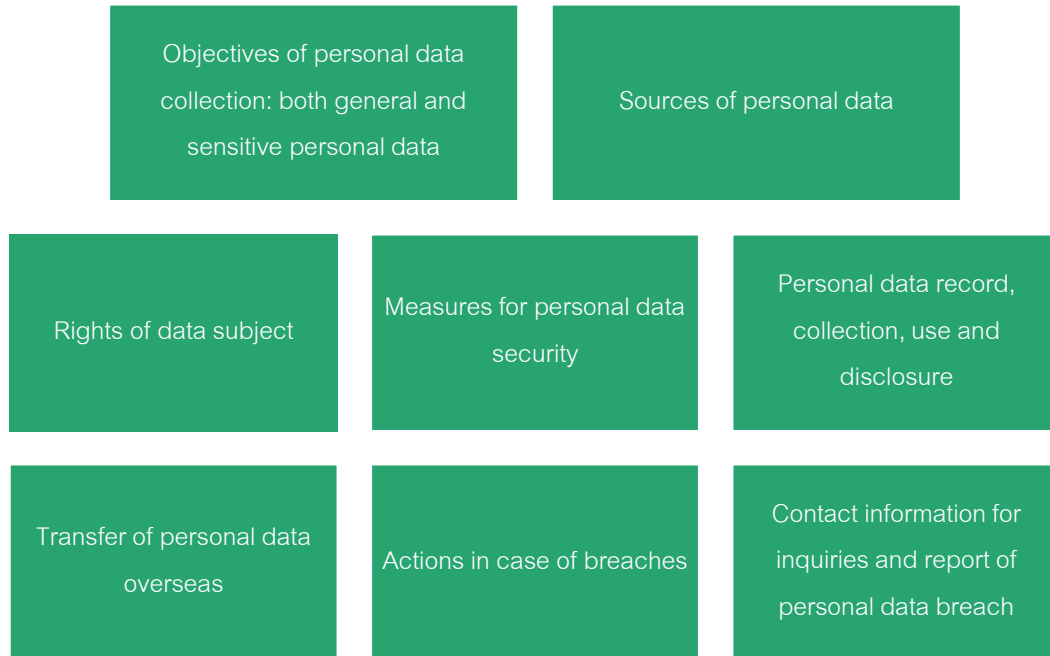
- **Data Privacy Management**

The Company is committed to protect personal data to prevent breaches involving customers, suppliers, employees, and stakeholders. To this end, the Company has developed a Personal Data Protection Policy to comply with the Personal Data Protection Act (B.E. 2562 (2019)). This policy serves as operational guidance for the Company in collecting, using, and disclosing personal data of stakeholders.

For more information about the Personal Data Protection Policy and Privacy Notice, please visit website

<https://www.blcplc.com/en/privacy-notice>

The Personal Data Protection Policy covers the details as follows:



Additionally, the Company has published a Privacy Notice for each group of stakeholders and individuals in contact with the Company. The purpose of the notice is to outline the scope of personal data collected, the sources of data, the purposes of data collection, the consequences of not providing personal data, the disclosure of personal data, data transfer, data retention periods, and the rights of data subjects.

The Company has appointed Data Protection Officers (DPO) as the primary individuals responsible for safeguarding the personal data of all stakeholder groups. Their responsibilities include analyzing, assessing, auditing, providing recommendations, and reporting outcomes for operations related to personal data usage. They are also tasked with developing practices concerning personal data protection, coordinating and collaborating with the Office of the Personal Data Protection Commission. They also play a crucial role in explaining, fostering understanding, and raising awareness among the Company's personnel. The officers are also involved in managing inquiries, providing additional information, and handling incidents of personal data breaches.

- **Information inquiries and report of personal data breach**

The Company has established contact channels for communication regarding personal data, enabling data subjects to exercise their rights, including avenues for lodging complaints in case of personal data breaches. The Company provides the following channels for receiving complaints:

|                                   |   |
|-----------------------------------|---|
| 1. Responsible units              | Personal Data Protection Committee  |
| 2. Data Protection Officers (DPO) | Telephone: +66(0)-3271-9920 or +66(0)-3271-9900<br>E-mail: blc.dpo@bangkoklab.co.th |

Upon receiving contact from stakeholders, the Company has established a process for handling complaints. If contact is made with the Personal Data Protection Committee, the Company will follow the established complaint management procedures. If the contact is directed to the Data Protection Officer, the process will be forwarded to the Information Technology Department, which is directly responsible for handling such matters.

Should an actual personal data breach be confirmed upon investigation, the Company will notify the Personal Data Protection Committee within 72 hours of becoming aware of the breach. In cases where the breach poses a high risk to the rights and freedoms of the data subjects, the group will promptly inform the affected individuals and provide remedial measures.

Further details on handling personal data breaches are outlined in the Company's Personal Data Protection Policy.

- **Cybersecurity Management**

The Company is committed to upholding cybersecurity measures for its information systems as it is critical importance and poses high risk in the contemporary global business landscape. Therefore, the Company has implemented cybersecurity practices in line with international standards, including ISO 27001 for information security management systems. Moreover, these practices adhere to the provisions outlined in the Cybersecurity Act (B.E. 2562 (2019)). Furthermore, the Company has actively communicated and provided training to all employees to ensure their understanding and adherence to these cybersecurity practices.

The aforementioned practices encompass various details such as computer usage guidelines, user registration and password setup, email usage, and third-party system access. These guidelines cover all operational processes of the Company. Additionally, reports on the results of cybersecurity audits and prevention efforts are reported to the Board of Directors every six months. Immediate reports are required only in the event of a significant cybersecurity threat.

Additionally, the Company has established Data and Information Control procedures, enforced in July 2023, to serve as guidelines for maintaining the security of data and information in accordance with the policies, legal requirements, and regulations relevant to the Company. The procedures govern the control of data and information used internally, which is in electronic media form, including creation, importation, modification, storage, access rights assignment, backup and recovery, transfer, deletion, and destruction of data and information used in the Company's management systems. The procedures also designate the responsibilities of personnel involved in carrying out these operations to ensure efficient workflow.

The key details of the Company's practices, procedures, and approaches to manage cybersecurity are as follows:

|   |  |  |
|---|--|--|
| Maintain the security of the server room and computer network equipment within the Company, including authorizing access to server machines to verify identity. | Install firewall and regularly update it every day   | Regularly backup data and establish a network for data backup to cope with emergency situations  |
| Set access rights and usage permissions for information technology systems for employees based on their clearance levels.                                       | Prevent data from being taken out externally by blocking connections to all types of data recording devices, the internet, and accessing websites that are storage or file-sharing sources, unless authorized. | Use Leased line Internet channel for connecting network infrastructure for business units located in Bangkok to transmit crucial operational data. |
| Prepare the computer systems to be compatible with the planned upgrade of the ERP system  | Conduct regular drills for the use of the Company's various information technology systems in emergency situations and ensure at least one business continuity plan per year                                   | Communicate cybersecurity policy and practices in the employee's orientation session   |

## 2) Our Goals (Short term/Long term)<sup>(3-3)</sup>

|   |   |   |
|---|---|---|
| Zero cases of cyber-attack in all forms | Block intrusions 100% to prevent recurrent intrusions from the original sources | All employees working with computer systems must be trained annually. |
|---|---|---|

### 3) Highlighted Performance in 2023 <sup>(418-1)</sup>

The Company achieved the success of the data privacy and cybersecurity as shown in the highlighted performances of year 2023.

|   |             |
|---|-------------|
| Blocking intrusions from external threats and malware                                       | 100 percent |
| Cyber-attacks   | 0 case      |
| Complaints received concerning breaches and losses of customer data<br><sup>(418-1)</sup>   | 0 case      |
| Complaints received from outside parties  | 0 case      |
| Complaints from regulatory bodies   | 0 case      |
| Total number of identified leaks, thefts, losses of customer data <sup>(418-1)</sup>        | 0 case      |
| Percentage of new employees received training in personal data protection and cybersecurity | 100 percent |

### 4) Action Plan and Implementation <sup>(3-3)</sup>

- **Cybersecurity risk assessment and control measures**

The Company conducts risk assessments and implements data leakage control measures regularly. This includes renewing the Maintenance Service Agreement (MA) for Eset NOD32 Business Edition software annually to ensure database updates for virus and data breach detection. Additionally, the Company consistently renews the Fortigate subscription each year to receive feature updates for preventing unauthorized data breaches. Furthermore, data backup is maintained at the DR Site, and emergency drills are conducted annually for preparedness testing.

- **Enhancing the efficiency of cybersecurity threat reporting**

Currently, the Information Technology Department regularly reports to the risk management committee every quarter, detailing the number of intrusions detected. This data is retrieved from the Eset NOD Antivirus Server and Forti Analyze Server, revealing a significant number of intrusions originating from foreign websites and external emails targeting positions above the managerial level. However, both servers are capable of denying access, deleting, and preventing intrusions with a success rate of 100 percent.

As the issue is of paramount importance to the Company, especially in a rapidly evolving cyberspace and technology landscape. therefore, the Information Technology Department has escalated the frequency of reporting,

providing monthly updates to the Engineering and Technology Manager. This enables efficient monitoring and surveillance of cyber intrusions and threats, ensuring enhanced effectiveness in cybersecurity measures.

## 5) Activities or Projects related Data Privacy and Cybersecurity <sup>(3-3)</sup>

### 1. Communicating awareness about ransomware viruses to employees

The Information Technology Department communicated essential information regarding Ransomware viruses, a type of computer malware encrypting or locking files, such as documents, images, and videos, rendering them inaccessible to the user. The encryption means that a password is required to unlock and recover the data. Users are prompted to pay a ransom as stated in the ransom note. The department communicated to the Line Chat aiming to educate employees about Ransomware viruses and prevent them from engaging in activities that could pose risks of exposure to such viruses. There were 627 employees, accounted for 59 percent of total employees, received the communication via internal Line.



### 2. Employee training on information security practices and safeguards

In 2023, the Information Technology Department conducted a training course on "IT Policy, Security Policy" for new employees. The training covered IT security practices to ensure employees understand and are aware of protecting the security and confidentiality of company data, as well as safeguarding the privacy of stakeholder information. A total of 279 new employees attended the training, accounting for 100% of all new hires.

## Supply Chain Management

---

Sustainable supply chain management is a key strategy for enhancing the Company's competitiveness. This involves incorporating sustainability issues to evaluate environmental, social, and corporate governance impacts that may occur within the supply chain. Sustainable supply chain management covers the entire lifecycle of product and service, from sourcing and procurement of key raw pharmaceutical materials, components, packaging, and consumable materials, to production processes, quality control processes, information technology, storage, transportation, and delivery of products to customers or consumers. It also includes selecting and assessing risks of suppliers to ensure the delivery of values and responsibilities through quality products and services for creating maximum customer satisfaction, and reducing business risks that may negatively impact business's reputation, image, and finances. Therefore, effective supply chain management requires cooperation from suppliers, manufacturers, distributors, and transporters to achieve the Company's sustainability goals and support suppliers' development towards sustainability as well.

### 1) Policy and Management <sup>(3-3)</sup>

Effective supply chain management enhances business stability and mitigates potential risks within the supply chain. It also enhances reliability for customers and partners, fostering a competitiveness and sustainable growth. Bangkok Drug Company Limited (BDC), a subsidiary of BLC, has established procurement guidelines, supplier registration, and certifying of production sources. These procedures are coupled with the development of operational manuals for relevant departments, aimed at efficiently managing suppliers in line with various environmental and social standards, by considering:

1. **Supplier Selection:** The Company has a policy of selecting suppliers that operate sustainably and prioritize good social and environmental practices, including those committed to environmentally friendly operations or have well-structured social risk management systems.
2. **Supplier Assessment:** Criteria have been developed for evaluating suppliers that emphasize social and environmental practices such as provision of employee rights and fair benefits, safety and health measures, and equitable wages.
3. **Contractual Agreements and Employment Conditions:** Employment contracts should contain clauses related to good social and environmental practices such as compliance to labor laws, provision of employee rights and benefits, and the use of materials and resources that can result in a sustainable environment.

4. **Monitoring and Verification:** There is continuous monitoring and verification of supplier practices to ensure strict adherence to policies and conditions relevant to social and environmental issues.
5. **Promotion and Support:** The corporate group supports and promotes good social and environmental practices among suppliers by offering guidance to improve social and environmental policies and practices.
6. **Transparency:** The Company discloses information about its social and environmental policies and practices to the public and all stakeholders.

BLC also follows this operational guideline regarding supplier registration, procurement, registration and deregistration of production sources similar to its subsidiary. However, in drafting employment contracts, BLC will include clearer provisions on social and environmental responsibility in the coming year.

- **Organizational Structure for Supply Chain Management**

To ensure effective supply chain management of the Company, each department within BLC and its subsidiaries collaborates through a structured process of supply chain management which consist of five stages including 1) Procurement and Sourcing, 2) Production, 3) Transportation, 4) Sales and Marketing, and 5) Support for Infrastructure and Standard Systems. Each stage is managed by the departments of each subsidiary within the Company, detailed as follows:

- *Bangkok Lab Cosmetics Limited (BLC) has two departments responsible for the supply chain management:*
  - **Production Department includes two divisions:**
    - **Procurement and Sourcing Division:** Responsible for sourcing raw materials, packaging, various supplies, and production equipment. This process includes supplier selection, registration, and performance evaluation. Additionally, it involves annual audits of supplier production quality and on-site evaluations of suppliers' facilities as appropriate and provides feedback for improvements to ensure alignment with the Company's standards.
    - **Production Division:** Responsible for manufacturing products according to customer demand.
  - **Support Services:** Responsible for supporting infrastructure, including inspections and measurements related to products and production processes, to ensure compliance with relevant standards and requirements. This also includes providing comprehensive academic information both before and after sales.

- **Pharma Alliance Limited (PAC):** the Operation Division is relevant with supply chain management as they are responsible for the distribution of goods in Bangkok and its perimeter. Additionally, PAC manages outsourced transportation contracts to distribute goods to regional and international destinations. PAC also offers product and service sales, as well as pre-sales and after-sales support to customers.
  - Other subsidiaries under BLC, namely Bangkok Drug Limited (BDC), Bangkok Medica Limited (BMC), Berich (Thailand) Limited (BRC), and Pharma Line Limited (FLC), are responsible for product sales and customer service, both pre- sales and after-sales.
- **Procedures for New Supplier (Vendor) Registration**

The Company has developed a comprehensive manual for the registration of new suppliers. This manual serves as a guideline for selecting, evaluating, categorizing, and registering suppliers/vendors. The purpose is to continuously control and develop supplier performance and ensure alignment with the Company's operational management systems. This process encompasses the procurement of all goods/services that impact compliance with product requirements and the Company's management systems. Each stage of supplier registration clearly defines the responsibilities of the relevant departments.

Criteria for supplier registration include assessing the quality of the supplier's products and other necessary aspects, such as after-sales service quality, ease of coordination, and responsiveness to issues. Additionally, in considering supplier selection for registration, the Procurement Department of BLC requires suppliers to provide information on their environmental and social standards. For example, suppliers must operate environmentally according to ISO 14001 standards. In cases where suppliers employ foreign labor, they must comply with legal and Thai labor standards (TLS 80001).

| Activities  | Responsible Person                                      |
|---|---|
| Supplier Registration                                     | Procurement Department, General Administrative 2        |
| Approval of Supplier Registration                         | Manager of Procurement and Reserves Section             |
| Propose the establishment of an Evaluation Committee      | Manager of Procurement and Reserves Section             |
| Appointment of Evaluation Committee                       | Chief Operating Officer                                 |
| Conducting audits and evaluations                         | Supplier Evaluation Committee                           |
| Review of evaluation results                              | Manager of Procurement and Reserves Section             |
| Consideration and approval of standardized supplier list  | Quality Management System Committee                     |
| Approval of the registered list of standardized suppliers | Chief Operating Officer                                 |
| Registration of standard supplier list                    | Manager of Procurement and Reserves Section (Registrar) |

For the new approved supplier (vendor) selection, the Company has currently initiated criteria that encompass environmental and social issues for the selection of new approved vendors. It will be fully implemented by 2024. The draft criteria for implementation include the following key aspects:

1. **Environmental and Social Practices:** Suppliers should engage in responsible environmental and social practices, maintaining a record free from human rights violations, and carefully conducting their operations to minimize environmental impacts, such as efficient use of materials and resources, reducing greenhouse gas emissions, and utilizing clean energy.
  2. **Labor Safety and Health Measures:** Suppliers should have appropriate safety and health measures in place for their employees. This includes conducting risk assessments at the workplace, providing safety and health training, and equipping employees with necessary protective equipment for high-risk tasks.
  3. **Legal Compliance:** Suppliers must comply with all relevant laws pertaining to their business operations, including environmental regulations and labor laws, such as those governing child labor and adherence to environmental standards.
  4. **Community Support:** Suppliers are expected to support and engage in activities that benefit the local community. This could involve supporting educational initiatives, public projects, or contributing to socio-political causes.
  5. **Transparency:** Suppliers should have transparent certification policies and disclose information related to their business operations, including details about production processes, material and resource usage, and environmental management.
  6. **Risk Assessment:** Suppliers should conduct and manage risk assessments related to their business operations, covering social, environmental, or operational risks associated with their service providers.
- **Procedures for Registering and Deregistering of Supplier Production Source Licenses**

The Company prioritizes product safety, implementing a rigorous selection process for high-quality raw materials and maintaining stringent control over production processes. This ensures that all products delivered to customers and consumers meet the highest safety standards. To uphold quality assurance, the Company mandates an annual assessment and review of suppliers' production source certificate. The procedures for registering and deregistering these licenses are well-defined, with clear responsibilities assigned to relevant departments as shown in following pictures.

| Activities   | Responsible Person  |
|--|---|
| Propose the registration of the production source license  | Procurement Department                                    |
| Product Analysis and Inspection  | Operational Unit  |
| Consideration of impact on product and production process or quality product control                       | BLC Research Center, Production Unit and Operational Unit |
| Considering approval or proposing recommendations for registration approval to the Chief Operating Officer | Manager of Procurement and Reserves Section               |
| Evaluation and monitoring the quality performance of production source                                     | Chief Operating Officer                                   |
| Propose approval for the cancellation of the production source.  | Procurement Department                                    |

In assessing the quality of production sources, BLC and PAC consider not only the quality of delivered goods but also implement a self-assessment process for suppliers and subcontractors to evaluate labor practices according to Thai labor standards. This includes stipulations such as prohibiting the employment of workers under the age of 18, requiring employee consent for overtime in routine jobs, and providing hazard notifications in high-risk areas. If a supplier's practices do not comply with or violate Thai labor standards, the Company will request additional details about the incident and develop a training plan to educate suppliers or subcontractors accordingly.



Currently, the Company is actively planning to conduct on-site ESG audits with suppliers, establishing draft criteria for selecting suppliers who require such audits. The details of these criteria include:

- **Reliable ESG Management Systems:** Select suppliers that have reliable ESG management systems and conform to higher standards, such as result-oriented reports aligned with business objectives.
- **Compliance with Laws and Standards:** Select suppliers with a strong track record of compliance with legal and standard requirements, and those without any record of human rights abuses or environmental violations.
- **Risk Management:** Select suppliers that possess strong risk management systems designed to effectively manage and mitigate ESG-related risks.
- **Community Engagement:** Choose suppliers that are actively involved in the community and have credible Corporate Social Responsibility (CSR) activities, such as supporting social projects related to education, health, or environmental conservation.
- **Ongoing Assessment and Improvement:** Select suppliers that have systems in place for ongoing assessment and enhancement of ESG practices to ensure continuous development and improvement.

This draft criteria for selecting suppliers that must undergo an on-site ESG audit is expected to be implemented in 2025.

#### ● Risk Assessment and Mitigation Plans to Reduce Impacts in the Supply Chain

In the business of health products, the safety of customers and consumers is of utmost importance to the Company. Therefore, the Company has a comprehensive and stringent supply chain management process in place to ensure that suppliers and raw material providers to BLC are reliable, with standardized operation, and are regularly evaluated and audited, and can deliver various raw materials with quality and efficiency. However, to prevent and minimize potential impacts from suppliers within the supply chain, BLC conducts risk assessments to identify potential risks posed by suppliers. The objective is to develop corrective and improvement measures. The details of the risk assessment, which may affect the Company, are as follows:

| Direct impact   | Indirect Impact   |
|---|---|
| <ul style="list-style-type: none"> <li>• <b>Risk from the quality of products or services:</b><br/>Receiving poor quality products or services can damage the Company's reputation and result in the loss of customers, thereby missing business opportunities and potentially incurring additional costs to address the issues.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Risk from changes in tax policies or regulations:</b><br/>Changes in tax policies or regulations that affect suppliers or import-export activities can lead to increased costs or impact the profitability of the Company.</li> </ul> |

| Direct impact   | Indirect Impact   |
|---|---|
| <ul style="list-style-type: none"> <li>• Risk from reliance on a few suppliers</li> <li>• Risk from Shortages of raw materials and packaging</li> </ul> | <ul style="list-style-type: none"> <li>• Risk from industry or market changes: Shifts in the industry or market that affect suppliers or the demand for products and services can lead to instability in profit forecasting for the Company.</li> <li>• Risk from pandemics or natural disasters: The outbreak of pandemics or natural disasters affecting the operations of suppliers or the Company itself can lead to risks of profit loss or long-term business disruption.</li> <li>• Risk from suppliers using illegal or child labor:</li> </ul> |

Given the aforementioned risks, the Company has established measures to mitigate supply chain impacts, including:

1. Regular assessment of risks in the supply chain every 6 months or as the situation evolves. These assessments include analyzing potential environmental and social impacts arising from supply chain operations.
2. Establishment of the contingency plan to address risks and minimize impacts during unexpected events, such as conflicts in sourcing raw materials or transporting goods that impact production and exportation may result in raw material shortages. The handling strategies include:
  - Develop a list of products that are sensitive to price fluctuations and have high initial profit margins. These products must have sufficient raw materials and packaging to ensure continuous production. These products are closely monitored, with status reports submitted to relevant departments weekly.
  - Consider making contracts for key pharmaceutical ingredients that are sensitive to price changes and have high gross profit margins.
  - Consider making advance purchase contracts for high-demand raw materials.
  - Conduct monthly meetings with all departments to review raw material inventory levels, procurement plans, and collaboratively develop appropriate solutions to emerging issues.
3. Hold monthly internal meetings with the production planning committee to identify problems, devise solutions, and monitor operational progress.

4. Utilizing IT and communication for supply chain management and planning within the Company, such as employing Dynamic 365 for customer data arrangement, record, and analysis to track and develop an operation in accordance with customer requirement, utilizing Microsoft Dynamic AX 2012 and Smart Order programs for logistics management.
5. Developing communication plans and raising awareness among suppliers about environmental and social risks and sustainable value chain management through BLC i Letters. This journal is published monthly and distributed internally within the organization and on BLC's website (<https://www.blcplc.com/th/document/online-library>). Additionally, BLC also established BLC i Letter newsletter which is printed, and distributed to suppliers, customers, and subsidiaries every 3 months via postal mail.

Example of Newsletter of BLC i Letter



- **Supplier Code of Conduct**

The Company has developed a draft of Supplier Code of Conduct, which is expected to be implemented in 2024. This supplier code of conduct encompasses key areas including environment, human rights, fair employment and working conditions, occupational health and safety, and business ethics. The details are as follows:

1. **Environment:** Suppliers must conduct their business with consideration of the environment and natural resources. Suppliers are required to promote the reduction of plastic use and materials that adversely impact the environment, support the use of renewable energy, and reduce greenhouse gas emissions.
2. **Human Rights:** Suppliers must conduct business fairly and respect human rights. They must not use child or forced labor and must support the prevention of human rights violations in all workplaces.
3. **Fair Employment and Working Conditions:** Suppliers must provide and create a safe and fair working environment for their employees. They must regularly review and assess working conditions and employment terms to ensure compliance with laws and fairness to all employees.
4. **Occupational Health and Safety:** Suppliers must implement guidelines and measures to prevent workplace accidents and occupational diseases. Regular training and education on occupational health and safety must be provided to employees.
5. **Business Ethics:** Suppliers must comply with relevant laws and uphold business ethics in every aspect of their operations.

To monitor compliance with the Supplier Code of Conduct, the Company plans to review annual reports of suppliers, conduct on-site audits at suppliers' premises, and use a mechanism to monitor the ethical practices of suppliers within the network report system by the Company. This will cover all affiliated companies of BLC, with the primary responsibility falling under the Credit Department of PAC, a subsidiary of BLC, tasked in managing, overseeing, and monitoring.

- **Supplier Classification**

BLC has classified suppliers according to the Procurement Department's operational manual into two main categories including:

- Product-specific supplier is a new partner who has sold goods less than three times in a year and has not met the standard supplier evaluation criteria.
- Standard supplier is a partner who has performed consistently throughout the year and has met the evaluation criteria for standard suppliers. This evaluation encompasses the quality of the products, delivery quality, responsiveness to issues, after-sales service quality and ease of coordination,

financial flexibility, and compliance with Thai labor standards. Standard suppliers who meet the evaluation criteria can be registered as standard suppliers. On the other hand, suppliers who have not met the criteria to be evaluated as standard suppliers will be registered as product suppliers.

Currently, the above criteria are being used to evaluate all suppliers who sell products and services related to BLC's product quality. Additionally, BLC is in the process of drafting criteria for categorizing suppliers by adding a dimension that considers their importance to BLC's business which will be presented to the Factory Executive Board. The categorization will consist of Critical Tier 1 Suppliers and Non-Critical Suppliers. The criteria for evaluating and categorizing suppliers in each group include:

1. **Transaction Value:** The Company considers the transaction value with each supplier to assess its significance and associated risk. High-value transactions are typically deemed highly important and high-risk.
2. **Business Importance:** The Company prioritizes suppliers critical to sustainable business operations, considering their strategic, production, or service importance.
3. **Type of Product or Service:** The Company evaluates the type of product or service the supplier provides, emphasizing those crucial to the Company's customer base or target market.
4. **Financial Risk:** Financial risk assessment of suppliers includes evaluating their debt repayment capability, analyzing financial reports, and reviewing their financial status.
5. **Supplier Relationship:** Building strong, sustainable relationships with suppliers is vital for identifying critical suppliers.

In 2023, BLC engaged with 611 suppliers. The details are as follows:

| Category   | Unit   | Year |      |      |      |
|--|--------|------|------|------|------|
|  |        | 2020 | 2021 | 2022 | 2023 |
| Number of Critical Tier 1 Suppliers  | Number | 50   | 50   | 50   | 50   |
| Number of Non-Critical Tier 1 Suppliers                                      | Number | 685  | 700  | 470  | 561  |
| Number of Critical Non-Tier 1 Suppliers                                      | Number | 28   | 28   | 28   | 28   |
| Total Number of New Suppliers  | Number | 677  | 606  | 503  | 482  |
| Number of Local Suppliers (Operating within Ratchaburi Province)             | Number | 130  | 116  | 91   | 91   |
| Proportion of Procurement Budget Spent on Local Suppliers <sup>(204-1)</sup> | %      | 0.19 | 0.19 | 0.18 | 0.16 |

- **Payment Terms**

The payment terms set by the Company for disbursement to suppliers are within 30-120 days, in accordance with the conditions and agreements specified by the purchasing party in the Purchase Order (PO), which has undergone the price comparison process and PO approval by the authorized personnel according to the Authority Approval Table (TOA). The average payment period to suppliers within the Company is listed as follows:




| Company   | The average payment period to suppliers (days) |
|---|--|
| Bangkok Lab and Cosmetic Public Company Limited (BLC) | 64   |
| Pharma Alliance Company Limited (PAC)                 | 93   |
| Bangkok Drug Company Limited (BDC)                    | 137  |
| Berich (Thailand) Company Limited (BRC)               | 88   |
| Farmaline Company Limited (FLC)                       | 109  |
| Bangkok Medica Company Limited (BMC)                  | 73   |

According to the information in the table above, it is found that the delayed payments beyond the company's policy and practice are due to certain subsidiaries of BLC being primary suppliers to BLC itself. These subsidiaries make payments to BLC for purchasing products for further distribution. However, these subsidiaries have experienced delays in payments beyond the terms and practices set by the subsidiaries. The main reason is that the subsidiaries need to use the funds to cover Overdraft (O/D) loans, necessitating an extension of the payment period to creditors, namely BLC.

## 2) Our Goals (Short term/Long term)<sup>(3-3)</sup>

|                              |  |
|------------------------------|--|
| Supplier relation management | Achieve the highest level of supplier satisfaction including: <ul style="list-style-type: none"> <li>Suppliers in Bangkok: 3.65</li> <li>Suppliers in Ratchaburi province: 3.90</li> </ul> In long term target, the average satisfaction level of suppliers is the highest, with no complaints regarding the operations of the supplier. |
|                              | Zero complaints and no instances of non-compliance or violation regarding sustainability issues within the value chain.  |
|                              | Zero sustainability risks among suppliers  |

### 3) Highlighted Performance in 2023

|   |   |
|---|---|
|  | <p>The Company conducted a satisfaction survey among their suppliers. The evaluation topics include service quality, timely payments, fair contract creation, transparent procurement processes, and employee communication etiquette on a scale of 1-4. The survey results revealed that the average satisfaction levels of the suppliers indicate the highest level of satisfaction.</p> <ul style="list-style-type: none"> <li>Suppliers in Bangkok: 3.61 (highest satisfaction level)</li> <li>Suppliers in Ratchaburi province: 3.85 (highest satisfaction level)</li> </ul> |
|  | <p>Zero complaints and no instances of non-compliance or violation regarding sustainability issues within the value chain.</p>  |
|  | <p>Zero sustainability risks among suppliers</p>  |

### 4) Action Plan and Implementation <sup>(3-3)</sup>

The Company has developed a plan to align with policies and operational practices regarding supply chain management issues as follows:

#### 1. Establishing a responsible team or department for supply chain management.

- Assigning responsibilities to all relevant departments, both directly and indirectly involved in supply chain management, with the primary responsibility lying with the Production Department, while support departments are indirectly involved. Meanwhile, the BDC Procurement Department primarily manages the supply chain.
- Creating a handbook or action plan to define the duties and responsibilities of each department.
- Conducting training sessions to enhance the skills and knowledge of relevant personnel.
- The responsible department or unit
  - **Bangkok Lab and Cosmetic Public Company Limited (BLC)** assigns the Production Department as the primary responsible unit for managing the supply chain, with support from assisting departments.
- Duration of Operations: Approximately 6 months to 1 year. Each subsidiary will have short-term and long-term plans. BLC proposes an annual plan along with monthly, quarterly, and yearly progress tracking. If any plan requires more than 1 year to execute, the same plan can be proposed for the following year, with potential adjustments to objectives or implementation

methods to align with the context and present to management for consideration and approval before implementation.

## **2. Establishing a reliable and trustworthy network of suppliers and distributors.**

The Company continuously builds and maintains good relationships with business partners and suppliers, in order to reduce the Company's risks related to procuring raw materials and goods from suppliers. The operating plans are as follows:

The Company consistently builds and maintains positive relationships with suppliers and distributors to mitigate risks associated with sourcing raw materials and various products from suppliers. This is achieved through the following operational plan:

- Organizing regular seminars or joint meetings with suppliers and distributors.
- Establishing agreements or contracts that are clear and mutually beneficial for both parties.
- Conducting regular reviews and adjustments of relationships based on operational contexts and partner expectations.
- The primary responsible department or unit is the Purchasing Department.

## **3. Utilizing information technology for analysis and decision-making of high-value products in supply chain management.**

The Company utilizes information technology to analyze data for high-value decision-making purposes such as selecting the most suitable suppliers, managing relationships with suppliers impacting the supply chain, and analyzing risks within the supply chain. The operational plan includes the following:

- Develop and utilize information technology suitable for analyzing large and complex datasets.
- Establish and utilize database systems to store supply chain data.
- Develop algorithms and business models for data analysis.
- Provide training for employees on the use of information technology for accurate analysis and decision-making.
- The primary responsible department for BLC is the Information Technology Department, while the Information Technology Department of PAC primarily focuses on providing internal training on information technology for subsidiaries of BLC. Besides internal operations within the Company, external IT consulting firms are also hired to assist in technology development. This is done to enhance the efficiency of supply chain management within the Company moving forward.

#### **4. Communicating the progress of supply chain management operations to stakeholders**

The Company communicates the progress of supply chain management internally and externally to stakeholders, aiming to ensure that stakeholders are informed and understand the current status of the Company's supply chain management, and provides opportunities for stakeholders to express their feedback and expectations towards BLC. The Company can then use this feedback and expectations to improve various processes or find ways to meet them. Furthermore, this communication fosters transparency and increases confidence in the Company's operations, leading to sustainable supply chain management in the future. The communication plan for supply chain management within the Company includes the following:

- Prepare reports or summaries of progress weekly or monthly, as appropriate.
- Organize meetings or present performance results to communicate information and gather feedback from stakeholders twice a year.
- Establish suitable communication channels such as emails, online meetings, or internal communication platforms. Regular and consistent communication and information dissemination are implemented, particularly during significant events or when important data arises.
- The responsible department or unit for preparing documents and communicating with stakeholders regarding supply chain management is the Quality Management System Committee (ISO 9001). This committee comprises 12 members, with Ms. Narinthorn Buranapreecha serving as the committee chairperson. Regularly, the committee reports on supply chain management issues to the Factory Executive Board during bi-annual review meetings.

The Company also communicates with suppliers regarding procurement processes, practices, and publicizes various information through diverse channels. These include visiting suppliers at their premises, discussing over the phone, sending information via email, disclosing information on the Company's website, and using the Line official application.

#### **5) Activities or Projects related to Supply Chain Management <sup>(3-3)</sup>**

In 2023, the Company evaluated existing suppliers on social issues, covering labor laws, employment practices, and the provision of appropriate and fair employee benefits. A total of 149 out of 157 suppliers conducted self-assessments, representing 94.90% of all suppliers.

For new suppliers, there are a total of 63. The Company has evaluated 40 of these new suppliers on social issues as per the table below.

| Lists   | Unit       | Number of suppliers |
|---|------------|---------------------|
| Number of new suppliers who were evaluated on social issues <sup>(414-1)</sup>  | Numbers, % | 40/63, 63.49%       |
| Number of suppliers who were evaluated for social impact <sup>(414-2a)</sup>  | Numbers, % | 535/611,<br>87.56%  |
| Number of suppliers identified as having significant negative social impacts, both actual and potential <sup>(414-2b)</sup> | Numbers, % | 0/611, 0%           |

Currently, BLC is developing environmental evaluation criteria for both new and existing suppliers. It is expected that these criteria will be implemented, and supplier evaluations will commence in 2025.

The main activities of the Company in the past year were related to defining and developing action plans to enhance supply chain management efficiency. These included the efficiency enhancement plan for product delivery (raw materials-packaging), quality improvement plan for purchased raw materials and packaging, cost reduction plan for raw materials-packaging, and plan for responding to the demand for waste materials and other products. These plans involved specifying details and summarizing the outcomes of the implemented actions as follows:

1. **Efficiency enhancement plan for product delivery (raw materials-packaging):** aimed to support production demands and meet customer requirements. The main responsibility lies with the Procurement Department, and their performance in the past has achieved the goal of delivering products to the Material Department by more than 90%, with a summarized outcome of 95.68%.

| Target  | Performance |
|---|-------------|
| Deliveries have met the demand of the Material Warehouse Department at a rate of 90% or higher. | 95.68%      |

2. **Quality improvement plan for purchased raw materials and packaging:** to meet the quality requirements of the Company's raw materials and products, as well as the customers. The primary responsibility lies with the Purchasing Department. Previous performance has successfully achieved the following objectives:

| Target  | Performance |
|---|-------------|
| Delivering raw materials-packaging that meet quality requirements at 95% or higher. | 96.43%      |
| Delivering raw materials-packaging that meet quality requirements at 98% or higher. | 99.37%      |

3. **Cost reduction plan for raw materials-packaging:** to meet the requirements of various departments. The main responsibility lies with the Purchasing Department (Ratchaburi), and the performance results are as follows:

| Target   | Performance |
|--|-------------|
| Procurement of goods/services (general) with a value less than 10,000 baht can be completed within 3 business days, considered as 100%, starting from the date the PR is approved.                     | 68.69 %     |
| Procurement of goods/services (specific and specialized) with a value less than 10,000 baht can be completed within 5 business days, considered as 100%, starting from the date the PR is approved.    | 93.43%      |
| Procurement of goods/services (general) with a value of 10,000 baht or more, procurement can be completed within 7 business days, considered as 100%, starting from the date the PR is approved.       | 91.84%      |
| Procurement of goods/services (specific and specialized) with a value of 10,000 baht or more, can be completed within 10 business days, considered as 100%, starting from the date the PR is approved. | 100%        |
| Procurement of goods/services (repairs/outsourced work) can be completed within the lead time specified in the quotation, considered as 100%.  | 100%        |

In order to achieve the objectives outlined in the plan, the Company will monitor progress through Factory Executive Board. In this process, the person responsible for the plan must propose improvement measures, and the Factory Executive Board can recommend and propose guidelines for improvement to the relevant departments to implement and report the results in the next follow-up cycle.

4. **Plan for responding to the demand for waste materials and other products** to support the Company's price competitiveness and increase profits for the Company. The main responsibility lies with the Purchasing Department, which will execute the plan in 2024.



## Sustainability Management Environmental Dimension

## 05 Environmental Dimension

---

Global warming and greenhouse gas emissions are major global issues that have received attention from all countries, as those issues impact rising global temperatures, climate change, and severe natural disasters. Bangkok Lab and Cosmetic Public Company Limited recognizes the importance of these problems and has established policies on social and environmental responsibility to reduce the impacts of its business operations. Additionally, the Company has implemented strategies to manage greenhouse gas emissions by utilizing renewable energy and other significant measures. In 2023, sustainability management in the environmental dimension consisted of an environmental management system, climate change management, and biodiversity, with details as follows.



### Environmental Management Systems

---

Medicine, or pharmaceuticals, are considered essential to human life and are classified as one of the four indispensable factors for humans. However, from another perspective, the production of medicines that do not adhere to environmental standards can also lead to adverse effects, such as water scarcity, air pollution, and Environmentally Persistent Pharmaceutical Pollutants (EPPPs), on both human life and the environment. Therefore, Bangkok Lab and Cosmetic Public Company Limited (BLC) has committed to conduct business with environmental consciousness alongside the production of quality medicines, in line with the Company's philosophy that 'Quality means value of life'.

#### 1) Policy and Management <sup>(3-3)</sup>

BLC is aware of the importance of environmental management, including water, waste, and air pollution. As a result, the Company has formulated a corporate policy, outlined in Policy No. 5 **"Taking the least effect from operation to environment by preventing pollution, managing waste disposal and treating wastewater"**. This policy is used as a management approach for BLC's sustainable operation. This part of the policy aims to reduce negative impacts on the environment and society resulting from the business activities of the Company to the minimum possible extent.

Readers can access full information related to BLC's policy on the website via the link

[https://en.bangkoklab.net/a\\_36776\\_18050\\_History.htm](https://en.bangkoklab.net/a_36776_18050_History.htm), under the title "Policy".



- **Strategy and Management Approach for Environmental Management System**

The Company has established environmental management manuals to ensure that the Company has an efficient environmental operation. These manuals consist of three volumes, as detailed below.

| Manual  | Detail   |
|---|--|
| Regulations regarding the causes leading to environmental impacts                     | The operational procedures regarding the assessment of causes leading to environmental impacts arising from all activities of the Company, spanning from the production processes of goods to service delivery, will be covered comprehensively. This assessment will consider viewpoints from the lifecycle and both internal and external factors, encompassing the necessary compliance requirements. Additionally, it will include details on evaluating the significance levels of the causes that result in environmental impacts.   |
| Regulations regarding environmental monitoring, inspection, and measurement tracking. | Regulations regarding planning, monitoring, and evaluation, including environmental aspects which also include water and air, along with considering inspection results and preparing report. The Environmental Management Committee will oversee and supervise these operations, including those of the Water System Division, Maintenance Division, and Air Conditioning Division. The operational outcomes will be reported in Factory Executive Board meetings.  |
| Work process for the company's environmental management inspections                   | <p>The steps for conducting an area survey to inspect the environment are as follows:</p> <ol style="list-style-type: none"> <li>1. Inspecting the suitability and adequacy of waste bins, waste separation, and the removal of unpleasant odors from the garbage.</li> <li>2. Examining the operation of the Wastewater Treatment System, by physically inspecting it to identify any abnormalities of treatment system.</li> <li>3. Examining the operation of dust collection systems.</li> <li>4. Inspecting the suitability and adequacy of waste storage facilities.</li> <li>5. Examining the use of groundwater within the Company.</li> </ol> |

Besides determination of manuals for overall environmental management, the Company also established specific manuals to be a proper management approach in each environmental topic, as the following details.

## Water and Wastewater

| Manual  | Detail  |
|---|---|
| Regulations regarding wastewater management               | Regulations regarding the identification of wastewater sources and activities leading to wastewater generation, reduction of wastewater volume, maintenance of wastewater treatment systems, determination of inspection frequency, water quality analysis, and wastewater treatment system improvements and corrections.   |
| Work process for maintaining wastewater treatment systems | The principles of Wastewater Treatment Systems operation, maintenance of Wastewater Treatment Systems, initiation of Wastewater Treatment Systems, and wastewater samples collection for water quality testing.   |
| Reference document on energy utilization measures         | <p>Energy and water conservation measures:</p> <ol style="list-style-type: none"> <li>1. Avoid letting water flow continuously while washing face and brushing teeth.</li> <li>2. Regularly check for water leaks, such as from faucets and pipe joints, to reduce unnecessary water loss.</li> <li>3. Use sprinklers or drip irrigation for watering plants instead of hose spraying.</li> <li>4. Avoid watering plants during peak sunlight hours as water will evaporate quickly.</li> <li>5. When cleaning containers, washing clothes, or other items, use a basin to collect water and wash instead of letting water flow directly from the tap.</li> <li>6. Do not discard leftover drinking water; instead, use it to water plants.</li> <li>7. Avoid opening the water tap to its maximum level as it strains the pump, wastes water, and ensure to close the water tap tightly after use every time.</li> </ol> |

## Waste

| Manual                          | Detail   |
|---------------------------------|--|
| Regulations on Waste Management | Guidelines for categorizing types of waste, methods for waste reduction, waste segregation, internal waste transportation within the Company, waste storage arrangements, and waste disposal and treatment procedures. |

| Manual   | Detail   |
|--|--|
| Work process for waste removal from outside the factory premises | Steps for requesting permission to remove waste from the Department of Industrial Works., procedures for contacting waste disposal contractors to collect the waste and reporting the removal of waste from outside the factory premises.  |
| Work process for waste transportation, storage, and disposal     | Waste segregation procedures, internal transportation of waste within the Company, storage arrangements for waste in designated facilities, protocols for handling hazardous chemical spills, inspection and monitoring to ensure proper waste disposal, cleaning of waste storage areas, and determining the frequency of waste disposal. |

#### Air Pollution

| Manual   | Detail   |
|--|--|
| Workflow for maintenance of dust collection systems. | Developing a maintenance plan for dust collection systems, regularly inspecting the operation of dust collection systems, and implementing routine maintenance procedures for dust collection systems. |

#### • Responsible Unit for Water, Waste, and Air Pollution Management

To ensure continuous and efficient environmental management operations, BLC has established a dedicated unit responsible for overseeing this area. This unit is divided into four divisions, each with the main responsibility of controlling, inspecting, monitoring, and reporting progress on water management, waste, and air pollutants to the Environmental Management Committee monthly. The Environmental Management Committee then collects and reports the results of these operations to the Factory Executive Board every six months. The scope and responsibilities of each of these four divisions regarding water, waste, and air pollutant management are as follows:

| Unit                        | Topic                           | Responsibility  |
|-----------------------------|---------------------------------|---|
| Environment and CSR Section | Water and Wastewater Management | <ul style="list-style-type: none"> <li>■ Inspect the organization's operation regarding water pollution control.</li> <li>■ Select an external party to assess wastewater quality from the wastewater treatment system.</li> <li>■ Report the operation of the wastewater treatment system to the government agency.</li> </ul> |

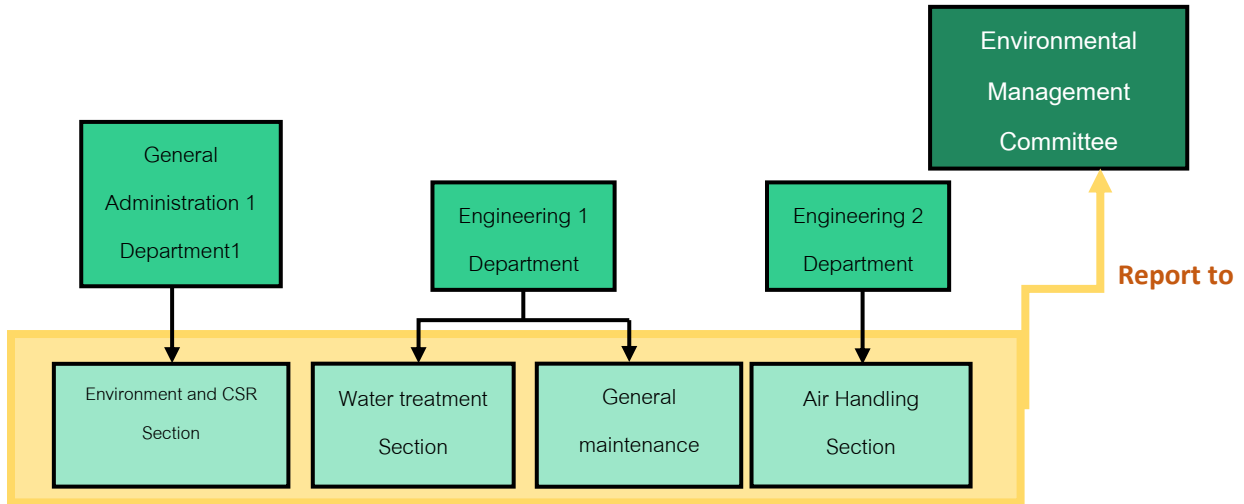
| Unit                    | Topic                           | Responsibility   |
|-------------------------|---------------------------------|--|
|                         | Waste Management                | <ul style="list-style-type: none"> <li>Responsible to select contractors, who have waste disposal licenses, for proper waste treatment and disposal.</li> <li>Report waste management to government agency.</li> </ul>                   |
|                         | Air Pollution Management        | <ul style="list-style-type: none"> <li>Inspect the organization's operation regarding air pollution control.</li> <li>Select an external party to measure the quantity of air pollution emitted from vents.</li> </ul>                   |
| Water treatment Section | Water and Wastewater Management | <ul style="list-style-type: none"> <li>Responsible for maintaining water pollution treatment equipment.</li> <li>Control the operation of the wastewater treatment system to ensure continuous efficiency in its functioning.</li> </ul> |
| Landscaping Section     | Waste Management                | <ul style="list-style-type: none"> <li>Responsible for collecting, transporting, and storing waste generated from the organization's operations</li> </ul>   |
| Air Handling Section    | Air Pollution Management        | <ul style="list-style-type: none"> <li>Responsible for preparing equipment of air pollution treatment.</li> <li>Maintain equipment for air pollution treatment to ensure continuous working efficiency.</li> </ul>                       |

These 4 departments have the responsibility to control and oversee water, waste, and air pollutant management. Additionally, the departments are also responsible for reporting the progress of these activities to the Environmental Management Committee. Ms. Nanthicha Thonghum, (Manager of the Warehouse Department), the chairman of this committee, which is responsible for supervising the organization's environmental operations to ensure compliance with laws and international standards. The details are as follows:

- Oversee the Environmental Management System to comply with ISO 14001 standards.
- Promote and communicate to all employees within the Company to be informed and comply with the environmental management system.
- Operate to ensure the Company's environmental management system is stable and continuously improving.
- The Chairman of the Environmental Management Committee serves as the Environmental Management Representative (EMR), responsible for reporting environmental performance to the

Operations Manager and reporting to the Factory Executive Board during review meetings of executive level.

### Structure of the agency in charge of water, waste, and air pollution management




In addition to the four divisions and the Environmental Management Committee, BLC has also established an environmental working team under the supervision of the Corporate Social Responsibility Committee (CSR). The environmental working team has the following responsibilities:

1. Provide consultation, review indicators, and manage environmental issues related to product and service activities.
2. Promote sustainable consumption and production, resource utilization, and campaigns to mitigate climate change, including creating environmental value for services.
3. Collaborate to propose operational guidelines to achieve defined objectives.
4. Conduct system documentation, monitor, and report progress on required activities, including coordinating with relevant units to meet requirements.
5. Disseminate system documents and communicate training guidelines to internal stakeholders within the organization.

## 2) Our Goals (Short term/Long term)<sup>(3-3)</sup>

To achieve the policy set by BLC, the Company has determined a target for waste management, as shown below.

| Environmental Topic   | Target   |
|---|--|
| <b>General Waste</b><br> | Decrease general waste by 5% in 2025 compared to 2024. |


Although BLC has not set quantitative targets for water and air pollution management yet, the Company has established qualitative targets for water management. These include enhancing wastewater treatment systems for greater efficiency, along with improving wastewater quality to meet all indices as specified by legal standards. In term of air pollution, the Company has planned the operations and continuous monitoring of air pollutant emissions annually. This is to track and prevent any air pollution problems that may arise from organizational activities.

## 3) Highlighted Performance in 2023

- ISO 14001 Standard

|   |  |
|---|--|
|  | <p>The company has been certified with the ISO 14001:2015 Environmental Management System standard by Intertek Certification Limited, a globally recognized certification body. This certification aims to elevate the organization's environmental management system to meet international standards. Additionally, it ensures that BLC considers the environmental impacts of its business operations and is committed to preventing and minimizing these impacts. This goes hand in hand with continuous improvement in environmental management practices throughout the Company's supply chain.</p> |
|---|--|

- Plate prize of good environmental governance 2023

|   |   |
|---|---|
|  | <p>The Company has demonstrated the commitment of businesses to operate in accordance with environmental management regulations, focusing on proper management of water pollution, air pollution, and waste management. Additionally, the Company has disclosed information on pollution management transparently, allowing public access and participation in problem-solving. In 2023, the Company received an award from the Ministry of Industry for environmental governance to show that the Company is responsible for all aspects of the environment.</p> |
|---|---|

#### 4) Action Plan and Implementation <sup>(3-3)</sup>

BLC has conducted environmental risk assessments in both water and waste management areas according to the "Operational Procedure for determining the other risks and opportunities Environmental, Occupational Health & Safety, and Energy systems. to use as guidelines for identifying, assessing, and managing these risks at a level that the group can control. This is based on the severity of potential impacts and the likelihood of their occurrence. If the risks are deemed high, plans or measures must be considered to mitigate these impacts or opportunities for future risks. In 2023, the assessment results revealed that the risks in water and waste management were high and low, respectively. Consequently, the Company implemented measures to manage wastewater at high level such as wastewater management plans, maintenance of wastewater treatment systems, and projects to upgrade and control Wastewater Treatment Systems in zones 2, 3, and 4 to be the most efficient.

Furthermore, in the past operations of BLC, there have been no complaints from stakeholders or external agencies regarding water, waste, and air pollution management. However, to prevent potential issues concerning wastewater that may not meet the standard criteria as stipulated by the law, the Company has mandated its Environment and CSR Section to inspect the wastewater quality before its further utilization. If the wastewater quality does not meet the standards or legal requirements, the Company will take corrective actions by improving the wastewater quality to meet the standards. Additionally, BLC has upgraded its wastewater treatment system by expanding the system and installing air diffusers. Moreover, BLC has undertaken environmental management projects to address the root causes of wastewater quality issues, such as increasing employee awareness and understanding of wastewater management, adding Effective Microorganisms (EM) to wastewater, and enhancing

wastewater treatment systems' efficiency for better treatment. These efforts aim to facilitate the development and improvement of wastewater management practices to meet the specified standards.

Moreover, the Company has consistently communicated its performance on water, waste, and air pollution management through both internal and external communication. While internal communication within the organization occurs through various channels such as email, newsletters, bulletin boards, knowledge-sharing activities, and employee training, external communication is conducted through the Company's website and corporate publications.

- **Water and Wastewater Management** <sup>(3-3, 303-1, 303-2)</sup>



The wastewater treatment system of BLC comprises 4 zones, as detailed below.

1. Wastewater Treatment System Zone 1 obtains and treats wastewater from the pharmaceutical and other production process and laboratory activities.
2. Wastewater Treatment System Zone 2 obtains and treats wastewater from laboratory activities, cleaning, and food preparation.
3. Wastewater Treatment System Zone 3 obtains and treats wastewater from cosmetics production processes.
4. Wastewater Treatment System Zone 4 obtains and treats wastewater from the production of food supplements.

The treated wastewater is sent to quality testing in accordance with the operational testing standards from the Laboratory Accreditation (ISO/IEC 17025) and the Notification of Ministry of Industry regarding Industrial Effluent Standards (B.E. 2560 (2017)) and the Notification of Ministry of Industry regarding lenient values of Industrial Effluent

Standard from those prescribed in the Notification of Ministry of Industry No. 2 (B.E. 2539 (1996)) regarding Industrial Effluent Standard.

However, due to BLC's support of resource utilization for maximum efficiency and value, the treated water is not discharged outside the organization. Instead, it is utilized for watering plants within the workplace area.

In 2023, BLC continuously developed its wastewater treatment system to enhance its efficiency in treating wastewater to meet the standards specified by law. Previously, BLC used a water pump system to aerate the wastewater, but it transitioned to use a water aerator to provide more aeration. Additionally, BLC is planning to extend the capacity of its existing wastewater treatment system with the aim of accommodating higher wastewater volumes.

- **Waste Management** <sup>(3-3, 306-1, 306-2)</sup>

To manage waste generated by employees, production processes, and other operations of the organization, the Company categorizes waste into four types and disposal of each waste type is different based on its character, as follows:

|   |   |
|---|---|
|   | <p>Hazardous waste items such as chemicals, chemical-contaminated packaging, fluorescent tubes, microbial culture media, and herbal extracts obtained through chemical solvents extraction, among others, are disposed of using appropriate methods by external agencies authorized by the Department of Industrial Works. These hazardous wastes are typically processed into blended fuels, safely landfilled, or incinerated using dedicated hazardous waste incinerators.</p> |
|  | <p>General waste such as PVDC blister packs, sticker paper, supplement food pouches, aluminum foil, straw ropes, and plastics will be disposed of by appropriate methods by external parties authorized by the Department of Industrial Works. These general wastes are either processed into mixed fuel or buried according to sanitary principles.</p>  |
|  | <p>Recyclable waste items such as PVC barrels, metal barrels, paper barrels, blister packs, plastic bags, cardboard boxes, etc., will be disposed of by appropriate methods by external agencies authorized by the Department of Industrial Works. These recyclable waste items will typically be sorted for resale or processed into other raw materials for further use.</p>  |

|  |  |
|--|--|
|  | Wet waste items such as food scraps from the cafeteria, leaf waste from within the factory, herbal residues from the processing in the production process, etc., will be sent to be composted for BLC's agricultural use and herbal cultivation. |
|--|--|

To efficiently manage waste, BLC has assigned the Landscaping Section as the responsible unit for collecting waste and then segregate and store them by waste type at the waste storage facility of the organization. The waste in the storage is then either disposed by external parties or utilized for further purposes. Moreover, the Company also considered the risks associated with improper waste management that could lead to chemical contamination in the environment. Therefore, the Company has assigned the Environment and CSR Section to be responsible for selecting reliable waste disposal contractors who adhere to standards and laws governing waste management rigorously and ethically.

Furthermore, the Company has been encouraging waste segregation efforts to recycle waste materials, which are then sold to external contractors for reuse in other manufacturing processes. In 2023, the Company sold a total recyclable waste of 48.45 tons to external contractors, which generated revenue of 417,070 Baht.

- **Air Pollution Management** <sup>(3-3)</sup>

With a commitment to conduct business sustainably and minimize environmental and social impacts, BLC has mandated external parties to monitor air pollutant levels annually. It aims to ensure that air pollutants released by the organization comply with the operational testing standards from the Laboratory Accreditation (ISO/IEC 17025) and the Notification of the Ministry of Industry regarding prescribing of air pollutant concentrations from factory (B.E. 2549 (2006)).

The Company has also installed air pollution treatment machines, including 19 dust collectors, 4 wet scrubbers, and 11 fume hoods, to ensure that the Company can efficiently treat air pollutants generated from production and operational processes.

Since 2020-2023, the Company has been monitoring the performance of corporate operations in air pollution management as follows. <sup>(305-7)</sup>

| Indicator                         | Unit               | 2563 | 2564  | 2565  | 2566        |
|-----------------------------------|--------------------|------|-------|-------|-------------|
| Nitrogen Oxides (NOx)             | ppm                | N/A  | 0.86  | 3.42  | 53.00       |
| Sulfur Oxides (SOx)               | ppm                | N/A  | 1.41  | 3.01  | Less than 1 |
| Volatile Organic Compounds (VOC)  | mg/ m <sup>3</sup> | N/A  | 2.34  | 8.18  | 2.15        |
| Total Suspended Particulate (TSP) | mg/ m <sup>3</sup> | 8.97 | 5.11  | 53.14 | 33.70       |
| Carbon Monoxide (CO)              | ppm                | N/A  | 15.16 | 33.98 | 114.00      |

N/A data is not available.

## 5) Activities or Projects related to Environmental Management System <sup>(3-3)</sup>

### 1. Watershed Management and Environmental Governance System Planning Project 2023



BLC collaborated with the Ratchaburi Industry Office to participate in the watershed management and environmental governance system planning project on August 29<sup>th</sup> and 31<sup>st</sup>, 2023. This project aims to conduct business site inspections and participation in an exhibition showcasing projects that show the results of implementation according to the principles and procedures for managing good governance and the environmental system. The project reflects the commitment of businesses to conduct operations with consideration for proper pollution management in accordance with the law and transparently disclose pollution management information, allowing public participation and suggestions for problem-solving in line with the corporate governance, environment, and social responsibility.

2. Communication Project for Enhancing Understanding of Environmental Standards Systems



This project aims to communicate the outcomes of environmental management projects related to wastewater management and waste segregation initiatives developed by the Environmental Management Committee. Additionally, the project also assesses the knowledge and understanding of employees after participating in the project. The evaluation results showed that employee's knowledge and understanding regarding the reduction of water pollution reached 98.76%, while waste management knowledge reached 96.68% from the survey of 565 participating employees, or 90.25 % of all employees.

## วันสิ่งแวดล้อมโลก

### WORLD ENVIRONMENT DAY

ประวัติวันสิ่งแวดล้อมโลก

องค์การสหประชาชาติได้กำหนดให้วันที่ 5 มิถุนายน ของทุกปี เป็นวันสิ่งแวดล้อมโลก เพื่อเป็นการรณรงค์ให้ความร่วมมือของประชาชนจากต่างชาติ ในการรักษาความสะอาดให้โลกเป็นถิ่นที่อยู่อ่อาศัยที่ดี

ปีแรกซึ่งตรงกับประเทศต่างๆ ได้จัดขึ้น โดยองค์การประมุขแห่งรัฐของประเทศต่างๆ เช่น สหรัฐอเมริกา ฝรั่งเศส เยอรมนี อิตาลี ญี่ปุ่น ฯลฯ

ได้มีการจัดทำคำขวัญของวันสิ่งแวดล้อมโลกขึ้นเป็นครั้งแรก และนับแต่นั้นการรณรงค์ โดยผู้นำว่าจ้างจากกลุ่มคน 113 ประเทศ ซึ่งนับเป็นการรณรงค์สิ่งแวดล้อมอย่างต่อเนื่องเป็นครั้งแรก และกลายเป็นจุดเริ่มต้นของความร่วมมือระหว่างนานาประเทศทั่วโลก ซึ่งได้มีการกำหนดให้วันหรือสัปดาห์ของประมุขเป็น "วันสิ่งแวดล้อมโลก"

ความสำคัญของวันสิ่งแวดล้อมโลก

สืบเนื่องจากปัญหาสิ่งแวดล้อม การโลกร้อน และผลกระทบจากภัยพิบัติทางธรรมชาติที่เกิดขึ้นอย่างต่อเนื่อง ทำให้ "วันสิ่งแวดล้อมโลก" เพื่อให้เกิดความตระหนักและตื่นตัวด้านสิ่งแวดล้อม รวมทั้งมีการทำงานร่วมกันจากทุกฝ่าย เพื่อให้เกิดการเปลี่ยนแปลงด้านสิ่งแวดล้อม นอกจากนี้ยังได้เกิดจากกิจกรรมต่างๆ ที่ดำเนินการกันขึ้นเป็นประจำอย่างต่อเนื่อง

โครงการสิ่งแวดล้อมแห่งสหประชาชาติ (UNEP)

ได้กำหนดวันสิ่งแวดล้อมโลกสำหรับปีสิ่งแวดล้อมโลก ปี 2566 ว่า

### "รณรงค์ลดพลาสติก"

เพื่อมุ่งเน้นการแก้ปัญหาขยะพลาสติก ที่ใช้แล้วทิ้งอย่างสิ้นเชิง 450 ปี และเป็นสาเหตุสำคัญของปัญหาทางสิ่งแวดล้อม โดยประมาณสามารถเปลี่ยนวันไม่กินวันสิ่งแวดล้อมโลกได้โดยโครงการรณรงค์ที่ยั่งยืน พลาสติก วนกลับสู่โลก พลาสติกที่นำกลับมาใช้ใหม่ และเปลี่ยนไปใช้ของใช้ที่ยั่งยืน #BeatPlasticPollution

การดำเนินงานด้านสิ่งแวดล้อมในประเทศไทย

ตราพระราชบัญญัติสิ่งแวดล้อมแห่งชาติ พ.ศ. 2518

12 กุมภาพันธ์ พ.ศ. 2518  
ตั้งขึ้นสำนักงานคณะกรรมการสิ่งแวดล้อมแห่งชาติ

พ.ศ. 2535 ปรับเปลี่ยนโครงสร้างของสำนักงานคณะกรรมการสิ่งแวดล้อมแห่งชาติ โดยเปลี่ยน 3 หน่วยงาน

- กรมควบคุมมลพิษ
- กรมส่งเสริมการเกษตร
- สำนักงานนโยบายและแผนสิ่งแวดล้อม

## ปัญหาสิ่งแวดล้อมในบริษัท

ปัญหาการทิ้งขยะ

ปัญหาการทิ้งขยะในที่สาธารณะ

ปัญหาการทิ้งขยะในที่สาธารณะ

ปัญหาการทิ้งขยะในที่สาธารณะ

ปัญหาการทิ้งขยะในที่สาธารณะ

ปัญหาการทิ้งขยะในที่สาธารณะ

ปัญหาการทิ้งขยะในที่สาธารณะ

ปัญหาการทิ้งขยะในที่สาธารณะ

วิธีที่จะขยะที่ถูกต้อง

1. จัดถังขยะ

2. แยกประเภทขยะ

3. ทิ้งให้ถูกต้อง

4. ปิดฝาทิ้ง

ถังขยะทั่วไป (สีน้ำเงิน)

- เศษอาหาร
- พลาสติก
- กระดาษ
- แก้ว
- โลหะ

ถังขยะรีไซเคิล (สีน้ำเงิน)

- กระดาษ
- พลาสติก
- แก้ว
- โลหะ

ถังขยะอันตราย (สีแดง)

- สารเคมี
- ยาพิษ
- สารพิษ
- สารพิษ

ถังขยะอันตราย (สีแดง)

- สารเคมี
- ยาพิษ
- สารพิษ
- สารพิษ


จัดทำโดย : คณะกรรมการมาตรฐานสิ่งแวดล้อม ISO 14001

107


#### 4. Environment Talk Project

**วัตถุประสงค์ :** ปัญหาการทิ้งขยะผิดถัง และประเภทถังขยะ

**ปัญหาการทิ้งขยะผิดถัง**




**ประเภทถังขยะ**



| ถังขยะสีน้ำเงิน (ถังขยะทั่วไป)  | ถังขยะสีน้ำเงิน (ถังขยะทั่วไป)  | ถังขยะสีน้ำเงิน (ถังขยะทั่วไป)  | ถังขยะสีน้ำเงิน (ถังขยะทั่วไป)  |
|---|---|---|---|
| <ul style="list-style-type: none"> <li>เศษอาหาร</li> <li>เศษขยะทั่วไป</li> <li>กระดาษ</li> <li>พลาสติก</li> </ul> | <ul style="list-style-type: none"> <li>เศษอาหาร</li> <li>เศษขยะทั่วไป</li> <li>กระดาษ</li> <li>พลาสติก</li> </ul> | <ul style="list-style-type: none"> <li>เศษอาหาร</li> <li>เศษขยะทั่วไป</li> <li>กระดาษ</li> <li>พลาสติก</li> </ul> | <ul style="list-style-type: none"> <li>เศษอาหาร</li> <li>เศษขยะทั่วไป</li> <li>กระดาษ</li> <li>พลาสติก</li> </ul> |

**ปัญหาขยะติดเครื่องจักรในระบบบำบัดน้ำเสีย**



ทัศนียภาพขยะติดเครื่องจักรในระบบบำบัดน้ำเสีย

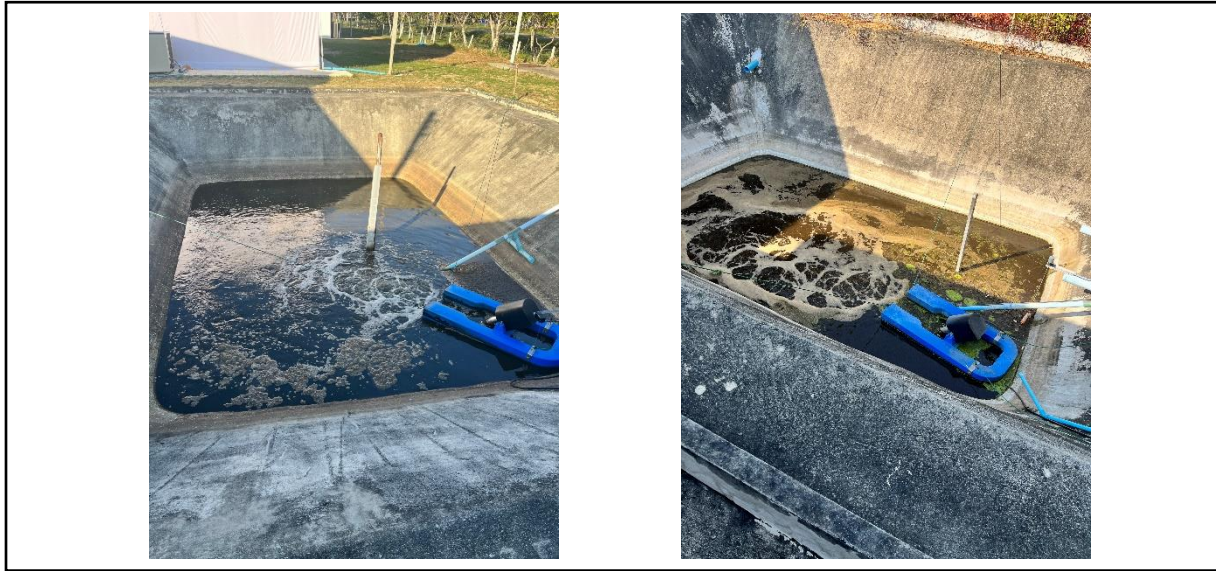
ทัศนียภาพขยะติดเครื่องจักรในระบบบำบัดน้ำเสีย

**วิธีการแก้ไขปัญหานี้ :**

- ก่อนนำขยะ/อุปกรณ์/เครื่องจักร หรือสิ่งใดๆ ในถังขยะไปทิ้ง ควรคิดแยกขยะหรือวิธีอื่นๆ
- การทิ้งขยะหรือสิ่งของใดๆ ลงในถังขยะทิ้งอย่างถูกต้อง อย่าทิ้งน้ำ ขยะอันตราย หรือขยะที่ยาก
- ก่อนนำขยะอันตรายมาทิ้ง ควรแจ้งหน่วยงานหรือผู้ดูแลพื้นที่ก่อนนำขยะอันตรายมาทิ้ง
- หากพบความผิดปกติของถังขยะหรือถังขยะอื่นใด กรุณาแจ้งหน่วยงานที่เกี่ยวข้องทันที

This project aims to communicate environmental problems that occurred within the organization as well as increase employee's knowledge and understanding of environmental management. Moreover, it allows the employees to propose their suggestions for addressing environmental problems, such as waste disposal problems and solid waste contamination in wastewater treatment systems. This also includes listening to the suggestions from employees regarding environmental management. After the implementation of this project, the Company evaluated the knowledge and understanding of 673 employees who participated, or 97.32 % of all employees, and received suggestions regarding water and waste management from them.

## 5. Wastewater Treatment Systems Improvement Project at Zones 2, 3, and 4



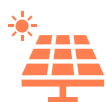
This project aims to improve the efficiency of wastewater treatment systems in zones 2, 3, and 4 to meet the wastewater quality standards as required by the law. The results from the project implementation showed that the wastewater quality in zones 3 and 4 met all standard indicators. Meanwhile, the wastewater treatment system in zone 2 is undergoing a system upgrade.

In the production process of BLC, from raw material sourcing to manufacturing and product distribution, it is inevitable to generate greenhouse gases. These gases contribute to the global challenge of climate change, which requires urgent action to address both positive and negative impacts. In terms of positive impact, climate change can provide business opportunities for BLC. For example, rising temperatures due to climate change may allow pathogens to survive longer in the environment, potentially impacting people's health. Therefore, BLC must prepare to meet the potentially increased demand for medications. BLC may experience negative impacts from climate change, such as water shortages for production processes and increased property damage from more severe disasters. These problems can pose obstacles to BLC's operations. Therefore, the Company is committed to participate in greenhouse gas reduction efforts, starting with internal organizational management to mitigate the impacts of climate change.

### 1) Policy and Management <sup>(3-3)</sup>

- **Social and environmental responsibility policy on carbon footprint**

Bangkok Lab and Cosmetic Public Company Limited (BLC) is well aware that conducting operations with efficiency and considering environmental impacts will effectively contribute to greenhouse gas reduction. Therefore, to allocate resources efficiently and minimize greenhouse gas emissions, coupled with complying with greenhouse gas management in the same direction, the Company has defined “the Social and Environmental Responsibility on Carbon Footprint”. This policy serves as a guideline for all groups of companies to implement measures to reduce greenhouse gas emissions in accordance with the greenhouse gas reduction measures from the Thailand Voluntary Emission Reduction Program (T-VER). The details of the measures to reduce greenhouse gas emissions are as follows:



1. **Supporting the use of renewable energy** through the production of electricity from solar energy or solar cell systems to be used in the manufacturing process to reducing fossil energy consumption while also reducing costs for the group of companies.



2. **Improving the logistics system** for efficient distribution of goods. The Company arranges the sequence of product transportation to follow the same route, whether directly from the Company or from transportation suppliers, aiming to distribute products to customers using the least amount of fuel energy possible.



3. **Selecting high-quality machinery or tools** capable of reducing electricity consumption in the Company's manufacturing process. Although these operations may increase production costs,

---

the Company can produce higher-quality and standard products in line with its marketing strategy of focusing on high-quality products for consumers.

---



4. **Waste disposal and wastewater treatment** in compliance with academic principles and under the regulations and standards of the country. Additionally, the Company is committed to reducing waste disposal through landfill methods with the objective of reducing greenhouse gas emissions. Furthermore, high-quality machinery is selected to minimize waste generation in the production process. Moreover, the Company also selects contractors for industrial waste disposal in accordance with legal requirements.
- 



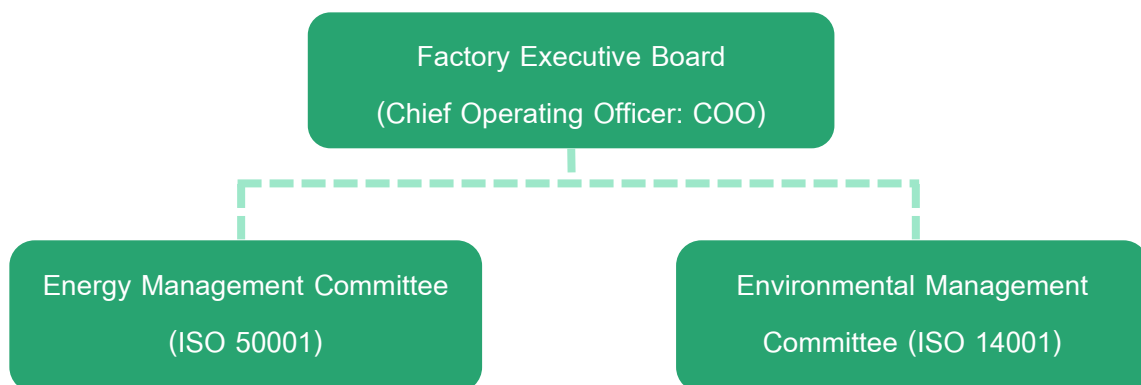
5. **Increasing green space** through tree planting campaigns in the factory areas, which are vacant spaces, to expand green areas for the community. The Company has consistently implemented such initiatives.
- 



6. **Preparation of greenhouse gas emission reports** to monitor progress in continuously reducing greenhouse gas emissions
- 

- **Organizational structure for overseeing climate change**

To ensure that the Company can examine, monitor, and develop climate change management in an appropriate manner and alignment with the organization's context, the Company has appointed committees specifically to govern climate change management. This includes the Energy Management Committee (ISO 50001), and the Environmental Management Committee (ISO 14001). Both committees are responsible for reporting on climate change management to the Factory Executive Board. These two committees comprise members from various internal units appointed by the Chief Operational Officer (COO), who serves as a member of the Factory Executive Board. The governance structure is illustrated in the diagram below.



### ***Energy Management Committee (ISO 50001)***

This committee is appointed by the Chief Operational Officer, with a total of 20 members. Mr. Pongpat Plukam (Engineering 2 Manager) serves as the chairman of this committee, with Mr. Subhachai Saibour (Chief Operational Officer) and Mr. Ramnarong Hirunwatit (Engineering 1 Manager) acting as advisors for this committee. This committee has the following responsibilities:

- Ensure compliance with the energy management system requirements of ISO 50001.
- Develop, implement, maintain, and continually improve the energy management system.
- Execute action plans and continuously improve energy performance.
- Establish necessary criteria and methods to ensure effective operation and control of the energy management system.
- The chairman of the Energy Management Committee is responsible for reporting energy management performance to the Chief Operational Officer and reporting to the Factory Executive Board during review meetings.

Furthermore, to promote energy conservation alongside reducing greenhouse gas emissions, the Energy Management Committee (ISO 50001) is also responsible for developing four conservation measures.



1. **Measure to reduce unnecessary lighting energy consumption:** This measure aims to survey, measurement, and review the usage within the Company's office areas, along with implementing measurement to reduce unnecessary energy consumption.
2. **Measure to decrease the temperature of Fresh Air supplied to Air Handling Unit number 15:** To reduce energy usage in temperature adjustment of air supplied to air handling units with high temperatures, the Company has decided to install a system that draws in fresh air from exhaust air, which has lower temperatures, and send to the AHU system.
3. **Measure to replace inefficient air conditioning units:** Due to some air conditioners within the Company having more than 10 years of service, their operational efficiency has decreased. Additionally, these air conditioners use R-22 refrigerant, which has ozone-depleting potential and contributes to global warming more than newer refrigerants. Therefore, the Company has conducted inspections and replaces these air conditioners with newer ones to reduce energy consumption and enhance efficiency.
4. **Measure to reduce compressed air leakage:** This measure aims to survey, inspection, and improve where compressed air leakage occurs to prevent unnecessary energy loss.




### ***Environmental Management Committee (ISO 14001)***

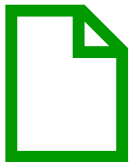



This Committee is appointed by the Chief Operating Officer, with a total of 14 members. Ms. Nanthicha Thonghum (Manager of the Warehouse Department) serves as the chairman of this committee, and Mr. Rachain Sittisang (Executive Director of Manufacture) serves as the committee's advisor. This committee has the following responsibilities:


- Comply with the environmental management system in compliance with ISO 14001 standards.
- Encourage and publicize information for all employees to ensure compliance with the environmental management system.
- Ensure that the Company's environmental management system has stability and continuous improvement.
- The chairman of the Environmental Management Committee (ISO 14001) serves as the Environmental Management Representative (EMR) and is responsible for directly reporting the committee's operations to the Chief Operating Officer and reporting to the Factory Executive Board during management review meetings.

Additionally, the Environmental Management Committee (ISO 14001) has also developed guidelines and methods for resource conservation as an approach for employees and contractors to use resources with the highest efficiency and to help reduce the organization's greenhouse gas emissions which will be implemented in 2024. This committee has established ten guidelines for resource conservation as follows:

| Resource Conservation Approach  |   |
|---|---|
|  | <p><b>1. Use of Light Bulb</b></p> <ul style="list-style-type: none"><li>• Clean the bulbs and lampshades to prevent dust buildup.</li><li>• Replace light bulbs with energy-efficient ones, such as LED bulbs, CFL bulbs, or fluorescent tubes.</li><li>• Choose lamps with reflective surfaces in the room.</li><li>• Use low-wattage light bulbs for areas that need to be continuously illuminated.</li><li>• Turn off lights when not in use for more than 30 minutes.</li><li>• Reduce the number of light bulbs in areas with natural light access, using automatic control systems to manage the on-off lighting in corridor areas.</li></ul> |
|  | <p><b>2. Use of Air Conditioner</b></p> <ul style="list-style-type: none"><li>• Turning On and Off the Air Conditioner:<ul style="list-style-type: none"><li>- Turning on 15 minutes after 8:00 a.m. or at 8:15 a.m.</li><li>- Turning off 15 minutes before 12:00 p.m. or at 11:45 a.m.</li></ul></li></ul>  |



| Resource Conservation Approach  |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>- Turning off 15 minutes before 5:00 p.m. or at 4:45 p.m. and turning it off whenever it does not need to be used in the room for more than 1 hour.</li> <li>• Set the air conditioner temperature to 25-26 °C.</li> <li>• Keep doors and windows closed while the air conditioner is on.</li> <li>• Do not place plants or dry clothes in air-conditioned rooms.</li> <li>• Clean the air conditioner filter regularly.</li> <li>• Do not obstruct the airflow in and out of the external heat dissipation outlets.</li> <li>• Do not obstruct the airflow in and out of the air conditioner.</li> <li>• Do not leave the air circulation fan on when no one is in the room.</li> <li>• Clean the fan blades and grilles regularly.</li> </ul> |
|   | <b>3. Use of Computer and Printer</b> <ul style="list-style-type: none"> <li>• Choose computers with energy-saving features, indicated by the Energy Star symbol.</li> <li>• Turn off computer screens or set them to sleep mode when not in use for more than 15 minutes.</li> <li>• Shut down computers during lunch breaks, at the end of the workday, or when not in use.</li> <li>• Print or copy with duplex printing.</li> <li>• Print or copy documents on reused paper whenever possible.</li> </ul>  |
|  | <b>4. Use of Refrigerators</b> <ul style="list-style-type: none"> <li>• Avoid opening the refrigerator frequently, avoid putting hot items directly into it, and ensure that the refrigerator is installed at least 15 cm away from the wall.</li> <li>• Regularly defrost the freezer compartment to prevent excessive ice buildup.</li> <li>• Keep the refrigerator away from heat sources such as stoves, ovens, or direct sunlight.</li> <li>• Set the temperature inside the regular compartment of the refrigerator to 3-6°C and in the freezer compartment to -15 to -18°C.</li> <li>• Regularly check the door seal of the refrigerator.</li> </ul>  |
|  | <b>5. Use of Water Resources</b> <ul style="list-style-type: none"> <li>• Do not let the water run continuously when washing your face and brushing your teeth</li> <li>• Regularly check for water leaks</li> <li>• Use a sprinkler or watering can instead of a hose for watering plants</li> <li>• Use a wash basin to hold water when washing dishes, clothes, or other items, instead of letting the water run directly from the tap</li> </ul>   |

| Resource Conservation Approach  |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>• Use leftover drinking water to water plants</li> <li>• Do not turn the tap on to full force</li> <li>• Always turn off the tap completely when you no longer need water</li> </ul>  |
|    | <b>6. Use of Paper</b> <ul style="list-style-type: none"> <li>• Use both sides of the paper</li> <li>• Send copies of documents as electronic mail or files instead of paper.</li> <li>• Save and recycle read newspapers or use them for other purposes</li> <li>• Check the accuracy of documents before printing</li> <li>• For fax transmissions of more than 4 pages, send the documents as pdf, word, or excel files via email</li> </ul>  |
|   | <b>7. Use of Fuel</b> <ul style="list-style-type: none"> <li>• Drive at the speed limit set by law.</li> <li>• Do not operate the engine while parking and turn off the engine every time you park for a long period of time.</li> <li>• Carpool when traveling to the same destination.</li> <li>• Plan your trip before you travel.</li> <li>• Check tire pressure to ensure it is appropriate for use, neither too high nor too low.</li> <li>• Regularly check the engine according to the mileage intervals specified in the user manual.</li> <li>• Use communication tools instead of traveling, such as sending documents between departments via email, fax, or using postal services.</li> </ul> |
|  | <b>8. Use of Ink</b> <ul style="list-style-type: none"> <li>• Use refillable ink and toner cartridges.</li> <li>• Use black-and-white ink instead of color ink or use color ink only as necessary.</li> <li>• Check the accuracy of documents before printing to avoid printing errors.</li> </ul>   |
|  | <b>9. Use of Stationery and Office Supplies</b> <ul style="list-style-type: none"> <li>• Reuse envelopes and document sleeves within the department.</li> <li>• Use office materials only as necessary and reuse items such as folders and paper clips.</li> <li>• Share office supplies to reduce unnecessary consumption.</li> </ul>   |


| Resource Conservation Approach  |   |
|---|---|
|  | <b>10. Use of Liquefied Petroleum Gas (LPG)</b> <ul style="list-style-type: none"> <li>• Turn off the boiler when not in production.</li> <li>• Check if LPG leaks during use.</li> <li>• Regularly maintain the boiler.</li> <li>• Use up the LPG completely before replacing the tank.</li> </ul> |

## 2) Our Goals (Short term/Long term)<sup>(3-3)</sup>

To ensure that BLC can effectively and consistently achieve its commitment to reducing greenhouse gases annually, the Company has set the following targets for 2023 and 2024:

|   |   |
|---|---|
| <b>2023</b><br>  | <b>Reduce 10% of greenhouse gas emissions (Scope 1, 2, and 3)</b><br>compared with the 2022 base year.                                      |
| <b>2024</b><br> | <b>Reduce 5% of greenhouse gas emission intensity (Scope 1, 2, and 3) per kilogram of product</b><br>when compared with the 2023 base year. |

## 3) Highlighted Performance in 2023

|   |  |
|---|--|
|  | Received Carbon Footprint for Organization (CFO) certification from the Thailand Greenhouse Gas Management Organization (Public Organization). |
|---|--|

### • Assessment of the Carbon Footprint for Organization (CFO)



To achieve the greenhouse gas emission targets and prepare the greenhouse gas emission report in accordance with the corporate social and environmental policy, the Company began planning to assess the Carbon Footprint for Organization (CFO) starting in 2022. Eventually, in 2023, the Company successfully registered its Carbon Footprint for Organization for the first time and received certification from the Thailand Greenhouse Gas Management Organization (Public Organization), (TGO.)

- **Solar Farm**

BLC initiated the installation of solar panels with a power generation capacity of 1.260 megawatts on 15 rai of vacant factory land. This initiative can generate up to 1.514 megawatts of electricity per year from solar energy. BLC began using renewable energy from the solar farm in 2020, and by 2023, it had reduced electricity consumption by 1.514 megawatts, which is 26.25% of the total electricity used in the factory. This reduction is equivalent to a decrease of 757.12 tons of carbon dioxide



equivalent per year. As the average lifespan of these solar panels is estimated to be 25 years, BLC expects the solar farm to reduce the Company's non-renewable energy consumption by 1.514 megawatts per year or saving approximately 7.7 million baht. Moreover, BLC also plans to expand the installation of solar panels by an additional 1.5 megawatts within the factory area and 1 megawatt in new buildings by 2026, aiming to generate an additional 3.76 megawatts of renewable energy per year. This will help reduce the factory's electricity consumption by another 60%, equivalent to a reduction of 1,514.23 tons of carbon dioxide equivalent per year.

#### **4) Action Plan and Implementation <sup>(3-3)</sup>**

As global concerns regarding the severity of climate change impacts are increasing, BLC has conducted and assessment of environmental, energy, and resource risks in accordance with the " Operational Procedure for determining the other risks and opportunities Environmental, Occupational Health & Safety, and Energy systems". This assessment serves as guidelines for the Company to predict and prepare for the severity of potential risks. Through assessments of environmental and energy risks that may impact the Company, considering the severity levels of potential impacts and the likelihood of their occurrence, it was found that these risks are at a high level. Therefore, plans or measures are required to be developed to mitigate the impacts or reduce the likelihood of risks related to greenhouse gas, energy, and resource management.


Furthermore, the Company has also advocated the reduction of fossil fuel energy consumption in all operational activities of the business. For example, all electric forklifts are used to minimize non-renewable energy consumption. Additionally, BLC is currently planning and studying the feasibility of installing new machinery that utilizes excess energy for maximum benefit in product production.

Throughout the organization's operations, the Company has never received any complaints related to climate change, greenhouse gas emissions, or energy management, from both internal and external stakeholders.


Moreover, the Company continuously communicates with all stakeholders regarding greenhouse gas management and energy management within the organization. Communication channels with internal stakeholders include email, newsletters, notice boards, knowledge promotion activities, and employee training. While communication with external stakeholders occurs through the Company's website and newsletters.

5) Activities or Projects related to Climate Change Management <sup>(3-3)</sup>

1. Unnecessary Lighting Energy Consumption Reduction Project

|  |   |
|--|---|
| <p>BLC has conducted surveys, measurements, and reviews of the electricity usage within the office area of the Company. As a result, BLC has reduced 25 light bulbs with a brightness exceeding 600 lux, which is the appropriate level of brightness according to regulations for office spaces. After the implementation of this measure, it is estimated that the Company's office area could save up to 982.8 kilowatt-hours per year <sup>(302-4)</sup> or reduce electricity costs by up to 5,012.28 baht per year</p> |  |
|--|---|

2. Fresh Air Temperature Reduction in Air Handling Unit No. 15. Project

|   |   |
|---|---|
|  | <p>Due to the high temperature of the air injected into this air conditioning system, the Company decided to install pipe system for connecting and adding air from exhaust air, which has a low-temperature, along with measuring the results of the operation. It was found that through the implementation of this measure, the Company was able to increase the energy efficiency ratio (EER) of the air conditioning units by up to 7.44%. Additionally, the Company could save up to 867.2 kilowatt-hours per year <sup>(302-4)</sup> and reduce electricity costs by up to 4,422.72 baht per year.</p> |
|---|---|

### 3. Air Conditioner Replacement Project

Due to some air conditioning units within the Company being over 10 years old, their operational efficiency has decreased. Additionally, these air conditioners use R-22 refrigerant, which has a greater potential for ozone depletion and contributes more to global warming than newer refrigerants. Consequently, the Company inspected and replaced a total of 14 air conditioners. After implementing this measure, the Company has calculated and compared the energy consumption before and after the project. It was found that after replacing the air conditioner, the energy efficiency ratio (EER) increased by up to 42.61%. Furthermore, the Company was able to save up to 13,944.58 kilowatt-hours per year <sup>(302-4)</sup> and reduce electricity costs by up to 71,117.34 baht per year.



### 4. Air Compression Leakage Reduction Project



The Company has conducted surveys, inspections, and improvements to address air leakage points to prevent unnecessary energy loss. After the implementation of these improvements and repairs, the Company estimated that this measure could reduce energy consumption by up to 24,215.65 kilowatt-hours per year <sup>(302-4)</sup> and save electricity costs by up to 123,499.8 baht per year

## 5. Campaign Activity to Increase Awareness of Climate Change among Employees

BLC has promoted knowledge among employees regarding the reduction of greenhouse gas emissions and resource conservation, as well as raising awareness about the impacts of climate change. Through the implementation of this project, it was found that employees had increased knowledge and understanding of reducing greenhouse gas emissions and conserving resources. A total of 565 employees, or 90.26% of all employees, participated in the activities. Subsequently, a knowledge and understanding assessment test was conducted among the employees who participated in the activities related to reducing greenhouse gas emissions and conserving resources, revealing that employees had a knowledge and understanding level of 99.12%

## 6. Tree Planting Activities for Increasing Green Areas



On June 29, 2023, BLC collaborated with the surrounding community and Ban Chat Charoen School in Ratchaburi Province to organize the 'Tree Planting Activity to Increase Green Areas.' The objective was to plant trees to increase green spaces and promote the reduction of carbon dioxide, a cause of global warming. As a result of this activity, the green area was expanded by 50 square meters, with a total of 50 trees planted.

Biodiversity is crucial in maintaining balance in ecosystems, as well as ensuring the sustainability of various life forms, including humans. Both plants and animals play natural roles in providing ecosystem services such as food and medicine. Additionally, they serve as raw materials for the production of goods and services. Disruption or threats to these biological resources can have negative impacts on ecosystems, leading to a shortage of natural resources and affecting the quality of life of people in communities and societies.

As Bangkok Labs and Cosmetics Public Company Limited (BLC) operates a business depending on natural resources, we recognize the significance of biodiversity throughout the value chain encompassing raw materials sourcing, production, and transportation which may adversely impact biodiversity. Additionally, our proximity to protected forest areas highlights the importance of environmental stewardship in the surrounding operational area, as the Company's operations could potentially affect wildlife nearby. Thus, biodiversity is a significant environmental issue for the Company, and we are fully committed to minimize any adverse effects on the environment.

### 1) Policy and Management <sup>(3-3)</sup>

Currently, the Company does not have a specific policy focusing on managing biodiversity. Nevertheless, the Company is committed to minimize environmental impacts by preventing pollution, managing waste, and treating wastewater, all of which could affect all forms of life, including humans and animals in and around the operational areas. The Department of Environment and CSR Section is responsible for overseeing compliance with various pollution control practices that could affect the environment and implements the international environmental management standard (ISO 14001) to enhance environmental management. By 2025, the Company aims to enhance the stringency of its environmental policy by incorporating biodiversity as a key component of its future organizational policy.

### 2) Action Plan and Implementation <sup>(3-3)</sup>

BLC places importance on biodiversity and is dedicated to promote, participate, and fully cooperate with all stakeholders to contribute to the preservation of biodiversity. This is conducted through collaboration and cooperation with government agencies responsible for overseeing the conservation area of Tham Khao Bin Forest Reserve, which is adjacent to BLC's operational area. In the past, BLC has collaborated with government agencies on various activities related to biodiversity conservation. In this regard, BLC has plans to continue working on these initiatives, with a clear plan expected to be outlined by 2025.

### 3) Activities or Projects related to Biodiversity <sup>(3-3, 304-1)</sup>

In 2023, BLC conducted various projects and activities related to surveying and conserving the biodiversity of living organisms in the nearby vicinity of BLC. The details are as follows:

#### 1. Environmental Impact Assessment Survey Project for Solar Farm Construction

According to the Company's objective of reducing greenhouse gas emissions, BLC has launched a solar power plant project. Solar panels have been installed within a 15-acres vacant area on the factory premises. However, to ensure that this initiative does not adversely affect the environment, including human and animal life, as well as biodiversity, and to ensure project safety, BLC conducted environmental and social impact assessments during both the construction and operation phases. Additionally, measures have been developed to prevent, mitigate, or minimize any adverse environmental and safety impacts of the project. The results from the surveys and assessments of the project area related to biological resources on land and in water are as follows:

- **Construction Period:** The impact on flora and fauna, both on land and in water, is at a **low level**. This project is located within the factory boundary which there are no significant plant species, and no rare or endangered wildlife in the area.
- **Operation Period:** The impact on terrestrial and aquatic flora and fauna is at a **low level**. During project execution, there may be water pollution and various waste residues from the factory, which could affect terrestrial biodiversity. However, the project has treated the wastewater before discharge, ensuring compliance with industrial standards set by the Ministry of Industry. Additionally, there are waste residue management projects to prevent adverse environmental impacts around the project area.

Based on the environmental impact assessment results, it can be concluded that BLC's operations are safe and have a low impact on biodiversity. This is due to the strict adherence to environmental laws and standards, continuous monitoring of environmental quality, and the implementation of preventive and corrective measures to minimize potential impacts. The Company is committed to overseeing factory operations to ensure no adverse impact on environmental quality and safety.

## 2. The “Preserving Water: From Mountain to the River” Project

Water is considered a vital factor for sustaining human life and all forms of life, both on land and in water. Recognizing the significance of water, the Company initiated a project under the name "Preserving Water: From Mountain to the River." The objective of this project is to promote community management of water resources in a sustainable and beneficial manner, ensuring that every area has access to a continuous and sustainable water supply. This initiative aims to generate stable livelihoods and income opportunities for communities while fostering sustainable growth. Additionally, it seeks to conserve natural resources, including plants and animals. On August 18, 2565, the Company collaborated with Siam Cement Group to construct water retention dams in Suan Phueng District, Ratchaburi province. A total of 25 representatives from the Company participated in this activity.



## 3. Reforestation Project

Regarding the Company's Sustainability Policy concerning the environmental dimension, one of its objectives is to expand green spaces for the surrounding communities and establish a source for absorbing carbon dioxide. In the future, this area could develop into a habitat for various animal species. Additionally, the project aimed to foster environmental awareness among the participants. On June 29, 2566, the Company conducted a reforestation project in collaboration with Ban Chat Charoen School which is located near BLC's factory. There are 48 participants including representatives from the Company and students from Ban Chat Charoen School.



#### 4. Wildfire Prevention Project

Due to the proximity of BLC's location to a forest reserve, wildfires often occur in the area during the dry season every year. These wildfires may lead to the displacement of wildlife from the forest reserve to the factory area and pose negative impacts on BLC's business operations. Therefore, BLC has implemented a wildfire prevention project to reduce the risk of wildfires occurring at any time or season. The main department responsible for implementing this project is the Engineering 1 Department, which conducts firebreaks twice a year, in April and November. The firebreaks are located approximately 3 to 6 meters away from the BLC 's perimeter fence. These measures help reduce the occurrence of wildfires, prevent wildfires from spreading close to the factory area, and minimize the loss of vegetation and wildlife.





## Sustainability Management Social Dimension

## 06 Social Dimension

---

Bangkok Lab and Cosmetic Public Company Limited is committed to developing its business alongside achieving a balance between economic, social, and environmental aspects. The Company emphasizes conducting business with fairness, anti-corruption practices, respect for human rights, and responsibility towards customers and consumers. In 2023, sustainability management in the social dimension consisted of human capital management and development, product responsibility, human rights, occupational health and safety, community and social development, and customer relationship management, with details as follows.



### Human Capital Development and Management

---

The Company prioritizes the development of efficient human resources to drive the organization forward. Recognizing personnel as a pivotal force within the organization, it is imperative to support all employees in realizing their full potential through professional training tailored to their roles. This human investment facilitates fast and accurate work, leading to reduced production costs, enhanced customer satisfaction, and heightened business competitiveness. Ultimately, these efforts are poised to drive increased profits for the Company in the future. Developing human resources not only generates benefits for the Company but also reflects the Company's commitment to caring for its employees. This initiative boosts employee morale and fosters a positive organizational culture that promotes a conducive learning environment. Such efforts empower employees to grow comprehensively and sustainably within the organization.

#### 1) Policy and Management <sup>(3-3)</sup>

The Company announces its Business Code of Conduct for the entire organization, demonstrating its commitment to conducting business with responsibility, transparency, and accountability, while upholding honesty and respect for the law. This comprehensive code of conduct outlines ethical guidelines for directors, executives, and employees, as well as for the Company. The Company's Business Code of Conduct is readily accessible and can be obtained from the BLC's website (<https://www.blcplc.com/storage/document/sustainability/governance/blc-code-of-conduct-th.pdf> )

Although the Company may adopt varied approaches to manage human capital development based on each Company's product line, they share a common goal: prioritizing the development of human resources. This entails providing support, enhancing knowledge, essential skills, and reinforcing appropriate work behavior aligned with individual responsibilities. Emphasis is placed on fostering a work environment that cultivates happiness among


all employees. The Company has established comprehensive policies and management guidelines for human capital management and development, outlined as follows:





- **Bangkok Labs and Cosmetics Public Company Limited (BLC)** has affirmed dedication to prioritize human capital development through the Business Code of Conduct.
- **Code of Conduct Section 1: Ethical Issues of Directors, Executives, and Employees.** The focus lies on fostering morality and ethics among all employees, encouraging continuous practice and study for acquiring additional knowledge, and enhancing skills and abilities in alignment with the Company's operations. This commitment resonates with the core objective of human capital development. Hence, BLC has designated the Human Resources Department to oversee the management of human capital development. The plan's specifics are outlined as follows:
  - **Establishing Key Performance Indicators (KPIs)** for the Human Resources Department involves planning operations for the entire year and conducting reviews every six months. These operations encompass various aspects such as employee welfare, recruitment, compliance with legal requirements, human capital development, and promotion of lifelong learning. Ensuring that all activities under the responsibilities of the Human Resources Department meet the established objectives. Hence, the Human Resources Department is fully committed to conduct robust human capital development initiatives because every aspect of performance associated with human capital management and development serves as a critical factor in evaluating the overall performance of the HR Department, truly reflecting its effectiveness.

2) Our Goals (Short term/Long term)<sup>(3-3)</sup>




The Company has outlined specific operational objectives tailored to the Company's diverse business ventures and operations, as follows:

Bangkok Lab and Cosmetic Public Company Limited (BLC) has established training objectives aligned with the business plan spanning from 2024 to 2028, covering a five-years period, along with annual targets.

| Target year: 2023   |  |
|---|--|
|  | Ensure training provision aligns with job descriptions at a rate of $\geq 99\%$ .                        |
|   | Conduct training courses in accordance with the annual employee training plan at a rate of $\geq 75\%$ . |

|   |   |
|---|---|
|   | Arrange employee training based on the mandated proportion of skill development for employees, meeting 100% of the specified requirement as per law each year.  |
|                | Maintain employee satisfaction rate and commitment to the Company at a level of 90%   |
| Targets aligned with the business plan spanning from 2024 to 2028, covering a five-year period. |   |
|                | Ensure training is provided according to job characteristics at a rate of $\geq 99\%$ .   |
|   | Organize employee training programs in accordance with the annual employee training plan at a rate of $\geq 75\%$ .   |
|   | Training for employees is arranged in proportion to the workforce, ensuring that skill development is provided to all (100% of the mandated ratio as required by law each year.)  |
|                | Supporting employees in English communication and accommodating OEM activities with international companies through English language learning among employees within the workplace. This initiative ensures that no fewer than 15% of all employees engage in English language learning activities. |
|              | Implement competency-based training programs aimed at equipping employees with the specific competencies required for their respective positions, with no fewer than 6 topics per year as well as adding 5 new topics to the competency-based training curriculum annually.                         |

### 3) Highlighted Performance in 2023

|   |  |
|---|--|
|  | The resignation rate of employees due to performance-related issues is zero. <sup>(401-1)</sup>  |
|  | Employee satisfaction and/or loyalty to the Company is 90.23%, which is an increase of 0.16% compared to 2022 and exceeds the set target of 90%. |
|  | The average training hours per employee stand at 56 hours. <sup>(404-1)</sup>  |

#### 4) Action Plan and Implementation <sup>(3-3)</sup>

The Company has outlined employee training plans for 2023, detailing both mandatory annual courses and department-specific training aimed at enhancing employees' job capabilities. The curriculum includes specifics such as the number of individuals undergoing training, allocated budget, timeframe, and curriculum source. This reflects an analysis of each course's relevance to departmental responsibilities and its necessity for employee development. The training will be categorized into three types:

1. ***Pre-employment training*** focuses on internal conduct within the Company, including familiarization with work regulations, rules, and procedures to enhance understanding and awareness of the Company's management system including orientation training for new employees.
2. ***On-the-job training*** is provided during work hours to support and reinforce the skills required for each position as outlined in the job description. The focus is on fostering understanding and proficiency in job tasks. Supervisors in every department are required to conduct training sessions based on the annual training plan according to the job description at least once a year, with follow-up coordination with the Human Resources Department. Training is offered in two formats including:
  - Lecture-based sessions
  - On the job training
3. **Personnel development training** covers both in-house training and external training (Public Training), facilitated by the Human Development Department. This involves organizing training sessions and sending individuals to attend, focusing on the following topics:
  - ***Competency based training*** emphasizes the development of employees' competencies aligned with the specific requirements of their job roles.
  - ***Training in supplementary*** areas may be provided as necessary or mandated by regulations, with a focus on enhancing skills and fostering professional development.

The Human Resources Department has developed a comprehensive training plan tailored to the varying levels of employees and their job requirements, encompassing both internal and external training initiatives. A thorough training needs assessment survey has been conducted and distributed across all departments, facilitating the creation of individualized projects to be presented to the HR Manager. Following review by the General Management Division Manager and approval by the Executive Director of Support efforts are underway to identify suitable courses and expert instructors to support training across each designated topic such as professional presentation courses (Professional Presentation Skill) during July, 19<sup>th</sup> – 20<sup>th</sup> 2023 with 122 participants.

The Company grants leave entitlements to enhance academic knowledge under the following circumstances:

1. Employees with a minimum of three years of continuous service, demonstrating consistent exemplary performance and a clean disciplinary record, are eligible to request leave for further education.
2. Employees who have been with the Company for at least 6 months are entitled to paid leave to enhance their skills, expertise, and job performance, as per company regulations.

The Company employs clear criteria to evaluate employee performance. These evaluation results are instrumental in determining compensation. The evaluation score is deducted from leave statistics based on predefined criteria, with additional input from supervisors who can provide justifications for the assigned scores, ultimately leading to the calculation of the average net score. The details are outlined as follows:

| Employee levels                                  | Standard criteria                       | specific criteria                        |
|--|---|--|
| Employee below the supervisory level             | Average Net Score<br>50 points or above | Average Net Score<br>67 points or above  |
| Employees at<br>Department Heads or higher level | Average Net Score<br>75 points or above | Average Net Score<br>100 points or above |

Employees eligible for annual bonuses must have completed at least one year of full-time employment, from their date of hire until December 31 of each year, unless exceptions are granted by the Company. Bonuses will be disbursed in the subsequent year; however, it is not deemed obligatory for the Company to provide annual bonuses to employees. The Company reserves the right to cancel or modify this policy as deemed appropriate.

The Company acknowledges the significance of offering comprehensive welfare benefits to employees, aiming to enhance their quality of life. Consequently, welfare programs are structured in accordance with the welfare manual <sup>(401-2)</sup> and are effectively communicated to employees during orientation sessions to foster understanding. Additionally, ongoing communication initiatives ensure that employees are aware of their entitlements. The specifics of the welfare program are outlined as follows:

#### 1. Caring for the work environment and ensuring safety

- Adherence to government-mandated first aid and hygiene standards

#### 2. Annual health check-ups provided once a year as part of the welfare benefits

- The physical examination plan will be tailored to the specific job responsibilities. All expenses will be covered by the company.

#### 3. Healthcare benefits

- Rehabilitation expenses for work-related injuries, as well as those occurring outside of work.
- Maternity benefits and other allowances in compliance with regulations stipulated by the Compensation Fund, Social Security Fund, and Social Security Office.

#### 4. Social Security Fund

- A fund established by law to offer protection and support to employees in instances of illness, childbirth, disability, death, child support, old age, and unemployment.

#### 5. Compensation Fund

- Funds established in accordance with the law to provide protection for employees who fall ill, get injured, or suffer loss due to work-related incidents

#### 6. Essential welfare mandated by law

In addition, the Company has implemented a risk assessment process and response plans aimed at minimizing potential impacts on human resource development issues. This is facilitated through the Human Resources Risk Report, which defines risk events and factors, identifies opportunities, assesses impacts, and categorizes risks. It also evaluates the potential effectiveness in addressing human capital management and development issues.

In 2023, the Company conducted a risk assessment pertaining to the 'Inability to adequately train employees in compliance with the mandatory skill development requirements as per the law'. This risk stemmed from factors such as curriculum non-approval, which did not align with the training standards set by the Department of Skill Development, and errors in course certification submission. To mitigate such risks, the Company has implemented an annual course certification submission plan.

## 5) Activities or Projects related to Labor Management and Human Capital Development <sup>(3-3)</sup>

The Company allocated a budget of 1,050,000 baht for addressing human resource development issues, with actual expenses for employee training and development amounting to 1,034,991.44 baht. In 2023, the Company undertook activities or projects aimed at managing and developing human capital as outlined below:

### Professional Presentation course provided by the Human Resources Department

Additionally, the Human Resources Department of BLC conducts or arranges training sessions to enhance personnel skills across various domains. These training initiatives are divided into two formats: in-house training and external/public training. In 2023, the breakdown of courses aimed at skill development and those supporting employee transition is as follows:<sup>(404-2)</sup>

| Courses  | Type of Courses |            | Scope and Detail   | Number of Participants<br>(person) |
|--|-----------------|------------|--|------------------------------------|
|  | Hard Skill      | Soft Skill |  |                                    |
|  | (/)             | (/)        |  |                                    |
| Employee training courses aimed at skill development |                 |            |  |                                    |
| 1. In-house training programs                        |                 |            |  |                                    |
| Workflow (GI)  | /               |            | Operating procedures/scope of work encompass operational protocols.  | 719/719                            |
| Reference documents (DOC)                            | /               | /          | Key documents relevant to the tasks.   | 719/719                            |
| Procedures (SOP)                                     | /               | /          | Establishment of accurate and structured work procedures.  | 719/719                            |
| Annual employee training sessions                    |                 | /          | Application of Buddhist religious principles and moral values to instill awareness of quality, integrity in work and daily life, and promote teamwork. | 711/730                            |
| Annual fire drills and evacuation exercises          |                 | /          | <ul style="list-style-type: none"><li>Demonstrate proficiency in using fire extinguishing equipment.</li></ul>   | 698/698                            |

| Courses  | Type of Courses |                | Scope and Detail  | Number of Participants (person) |
|--|-----------------|----------------|---|---------------------------------|
|  | Hard Skill (/)  | Soft Skill (/) |   |                                 |
|  |                 |                | <ul style="list-style-type: none"> <li>Conduct fire evacuation drills as per the plan.</li> <li>Participate in disaster victim assistance exercises.</li> </ul>                                 |                                 |
| Business Ethics Policy   |                 | /              | Code of ethics applicable to directors, executives, employees, and the entire group.  | 1057/1057                       |
| <b>2. Training courses external to the organization (financial assistance for training or external learning)</b> |                 |                |   |                                 |
| Subsidiary Governance Program (online) SGP 5/2023  |                 | /              | Principles, roles, and information disclosure training format (Online)  | 21/21                           |
| Participate in training seminars during the CPHI South East Asia 2023 event                                      |                 | /              | Study tours and seminars within the pharmaceutical industry (Public)  | 23/23                           |
| Welfare and labor relations study tour   |                 | /              | Welfare and labor relations study tour (Public)   | 20/20                           |
| Asia's premier exhibition showcasing scientific laboratory equipment and technology                              |                 | /              | Study visits and seminars that unite top distributors and manufacturers of laboratory instruments worldwide, showcasing the latest technology and innovations in the science industry. (Public) | 10/10                           |

## Examples of training activities at Bangkok Lab and Cosmetics Public Company Limited (BLC):

### 1. Firefighting and fire evacuation training course, 2023

- Number of participants: 698 people
- Date: December 9, 2023
- Venue: Kanlapaphruek Meeting Room, BLC.



### 2. Training course on applying Buddhist religious principles and moral values to foster quality consciousness, integrity in work and daily life, and teamwork.

- Number of participants: 679 people
- Date: July 29, 2023
- Venue: BLC



### 3. Professional Presentation Skill Course

- Participants 122 people
- Date: July 19 and 20 2023
- Venue: BLC



## Product Responsibility

---

The primary products of Bangkok Lab and Cosmetic Public Company Limited (BLC) are intertwined with consumer health. Accordingly, BLC prioritizes the enhancement and manufacture of goods of superior quality, with a steadfast commitment to ensure quality control and safety at every stage of production. This dedication extends to aligning manufacturing processes with globally recognized standards such as GMP, ISO9001, ISO/IEC17025, ISO22000, GHP, and HACCP. Additionally, BLC integrates contemporary technologies throughout the manufacturing and quality assurance procedures to assure consumers of safety and excellence of its products. Moreover, BLC also places a strong emphasis on ongoing research and development, including formulating product recipes and employing modern technological advancements in product innovation. In addition, the Company is dedicated to developing environmentally friendly extraction processes and fostering collaborations with universities and various organizations to study efficiency and safety measures. This concerted effort not only meets consumer demands but also underscores the Company's responsibility towards its consumers, thus solidifying its competitive edge and leadership in both the production and distribution of health products in the nation.

### 1) Policy and Management <sup>(3-3)</sup>

BLC places the importance on the continual enhancement of product quality and safety starting from the research and development processes to the final delivery of products to consumers. Moreover, the Company continually seeks opportunities and strategies for operational improvement to better meet consumer demands. To achieve these objectives, the Company has set up the following practices:

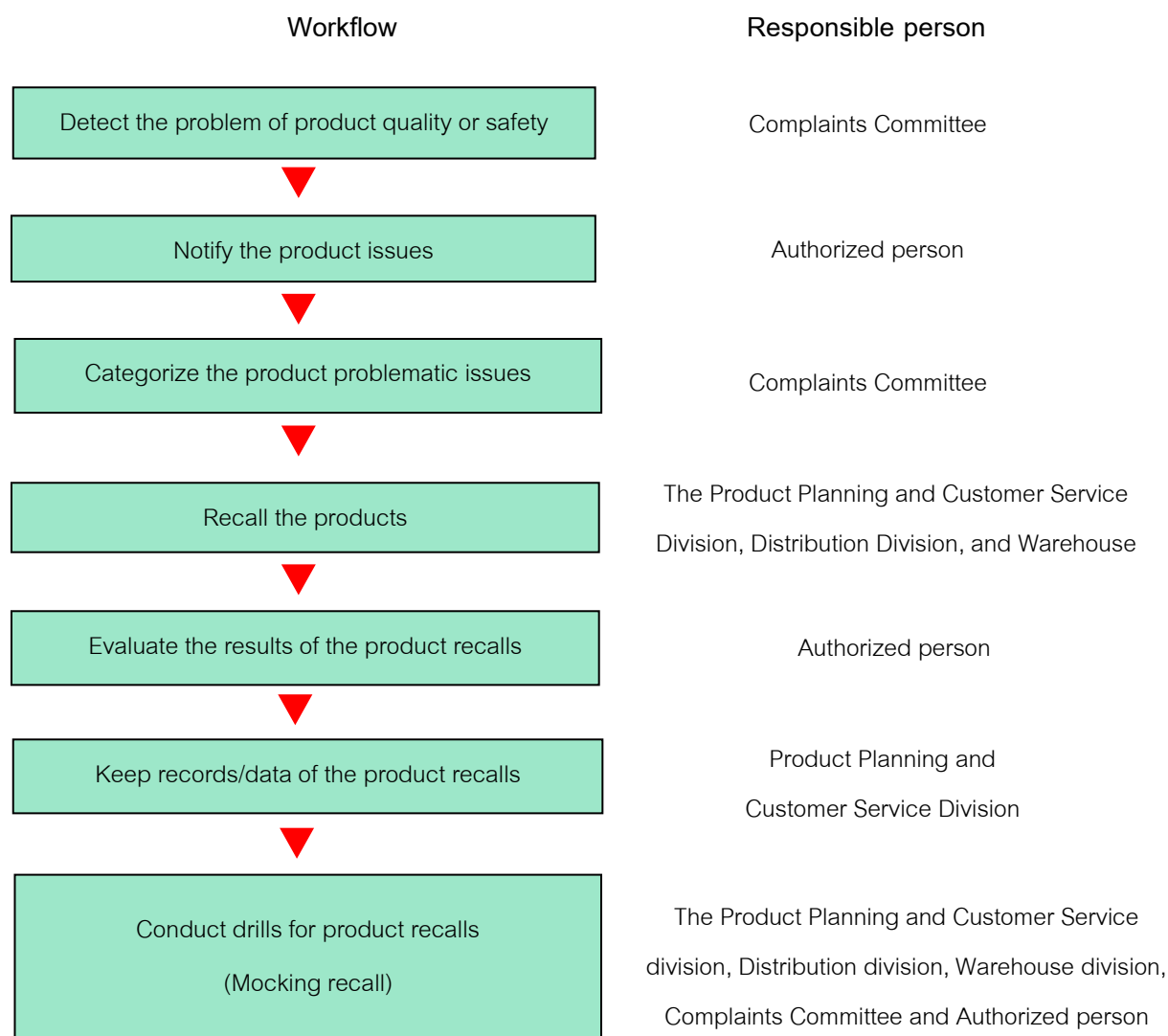
1. Develop and establish criteria for research and development of products to ensure quality, safety, environmental standards, and certification from national and/or international regulatory agencies.
2. Develop, research, and apply innovation and clean technologies for product design to enhance safety, meet standards, and reduce environmental impacts.
3. Analyze and assess health, social, and environmental risks over the product lifecycle to prevent potential impacts.
4. Select high-quality, safe raw materials and packaging materials to improve product manufacturing efficiency.
5. Evaluate and select suppliers and contractors who are responsible for adhering to standards of product manufacturing and service provision.

6. Promote and support environmentally friendly procurement to encourage the use of environmentally friendly products and services.
7. Review the effectiveness of product lifecycle management covering design, sourcing, production, transportation, distribution, and end-of-life product management.
8. Establish quality assurance and quality control systems for products to comply with international standards and promote laboratory capabilities to meet ISO/IEC17025 to build confidence and trust in product quality control and quality assurance.
9. Develop product labels or nutrition labels or labels displaying product safety information and chemical substances for users' awareness.
10. Set up a performance monitoring system and report information regarding product responsibility complied with globally accepted standards.
11. Support and collaborate with government agencies, educational institutions, communities, and other stakeholders to promote sustainable product production and usage.
12. Communicate and raise awareness of product responsibility internally and externally to employees, suppliers, business partners, consumers, and stakeholders consistently.

Furthermore, BLC has implemented a product recall system for goods deemed defective or suspected of being so. The Company has also appointed the Planning and Customer Service Department as the coordinator, to oversee and coordinate with the Delivery Department Warehouse Department, and authorized people to manage product recall procedures. The general operational guidelines for product recall are as follows:

1. The Planning and Customer Service Department takes charge of executing and coordinating product recalls with an appropriate level of urgency, operating independently from the Sales or Marketing Divisions.
2. Product recalls must have written procedures, which should be reviewed and updated as necessary.
3. Product recalls must be able to be executed immediately and at any time.
4. In cases where product recalls are initiated due to defects or suspected defects, relevant regulatory bodies in all countries to which the product was distributed must be promptly notified.
5. Recalled products must be segregated and stored in appropriate areas pending further management decisions.
6. Records and summary reports of product recalls must be maintained, including verification of the consistency between the quantity distributed for sale and the quantity recalled.
7. Regular drills for product recalls and evaluations of the effectiveness of the recall management process.

To ensure efficiency and promptness in the product recall process for defective or suspected defective products, BLC outlines the workflow and segregates duties at each stage, as depicted in the following flowchart:



Additionally, BLC establishes the Product Quality Management Policy serving as a framework for overall product quality management of the Company. The details of this policy are as follows:

1. Adopting various management standard systems and promoting continuous development
2. Adhering to legal requirements, customer needs, expectations of stakeholders, and social responsibilities as part of business operations.
3. Enhancing awareness and potential of human resources to be suitable for operations.
4. Ensuring product and service quality through good operational practices, data integrity, consistent quality management, and concern of product safety.

5. Minimizing environmental impacts in operations by preventing pollution, managing waste, and treating wastewater.
6. Encouraging creativity for creating innovation.
7. Conserving energy by allocating necessary resources to enhance energy efficiency.

- **Risk Assessment for Product Responsibility** <sup>(3-3)</sup>

BLC recognizes the importance of risk management for driving growth and sustainable expansion. The Company has established a comprehensive Risk Management Policy, which serves as a framework for managing and responding to potential risks within the organization. Additionally, BLC develops a Product Quality Risk Management Manual to manage quality risks that may arise from changing processes, deviations, or any operations that could impact product quality. These processes aim to minimize the likelihood and impact of quality-related risks to acceptable levels. The risk management process involves the following steps:

|   |
|---|
| <p><b>1. <u>Establishing policies and risk management criteria</u></b></p> <p>BLC sets policies, objectives, scope of responsibility, criteria, and guidelines for risk management aligned with business strategies, plans, and directions. These policies are regularly reviewed annually to ensure alignment with the business plans.</p>   |
| <p><b>2. <u>Setting acceptable risk levels</u></b></p> <p>BLC defines the maximum acceptable risk levels for the Company to be used in risk assessment and management. These thresholds guide the Company in allocating resources appropriately. The accepted risk levels include low and moderate risk levels, which are reviewed annually to ensure alignment with the Company's risk appetite.</p>   |
| <p><b>3. <u>Risk assessment and/or relationship assessment of vision, mission, and strategy</u></b></p> <p>BLC assesses its risks that may affect the achievement of objectives and goals by considering internal and external factors such as the relationship between vision, mission, financial strategies, information system, information for decision-making, stakeholder satisfaction, investment management, human resources, reputation and image, security systems, environment, and laws. The Company manages its risks by prioritizing those risks before considering control systems. If assessed risks are identified at high level, or very high level, the Company will analyze them for management beforehand.</p> |
| <p><b>4. <u>Conducting risk management</u></b></p> <p>BLC specifies methods for developing risk management plans based on their prioritization. Risk management can be approached in various ways such as risk acceptance, risk avoidance, leveraging risk, risk control, and risk diversification.</p>   |

## 5. Monitoring and Auditing

BLC mandates tracking the results of risk management and reports to management level and the Factory Executive Board at least once annually.

In this respect, the Risk Management Policy serves as a comprehensive framework for company-wide adaptation. However, the risk assessment process occurs at the departmental level, where each department within the Company's operation is tasked with identifying and evaluating risk associated with product responsibilities, such as:

|                       |  |
|-----------------------|--|
| Laboratory Department | <p><b>Potential risks:</b></p> <ol style="list-style-type: none"><li>1. Risk arising from incorrect artwork on packaging according to registry and relevant specifications.</li><li>2. Risk from inaccurate reporting of packaging inspection results.</li><li>3. Risk from accepting packaging that is not of quality or rejecting packaging that is of good quality.</li><li>4. Risk from contamination during sampling process.</li><li>5. Risk from inspecting products during process errors.</li><li>6. Risk from inaccurate reporting of quality control results.</li><li>7. Risk from releasing defective products in the final release process.</li></ol> <p><u><b>Adequacy of internal controls:</b></u> Upon evaluating the Company's internal control systems regarding the above-mentioned risk areas, it was found that the effectiveness of internal controls is largely favorable.</p> |
| Production Department | <p><b>Potential risks:</b></p> <ol style="list-style-type: none"><li>1. Risk of product rejection due to production process errors.</li><li>2. Risk of external quality complaints due to production process errors.</li></ol> <p>The above-mentioned risks may be caused by various factors, such as lack of awareness among employees, insufficient knowledge in production, machinery breakdown during the production process, or inappropriate formulation and production methods for scaling production, changes in raw material sources or deterioration of raw materials, etc.</p> <p><u><b>Adequacy of internal controls:</b></u> Upon evaluating the Company's internal control systems regarding the above-mentioned risk areas, it was found that the effectiveness of internal controls is largely favorable.</p>  |

## 2) Our Goals (Short term/Long term)<sup>(3-3)</sup>

### ➤ *Bangkok Lab and Cosmetic Public Company Limited (BLC)*

| Goals                                     | Performance Indicators  |
|---|---|
| Short-term Goals<br>(within 1 – 3 years)  | <ul style="list-style-type: none"> <li>● Zero complaints regarding product damage resulting from laboratory operations.</li> <li>● The quality control rate for all product models and production cycles is 100%</li> <li>● The rate of damaged products, spoiled products or defects does not exceed 3% of the total products transferred to warehouse for each production cycle.</li> <li>● The rate of products requiring reprocessing does not exceed 3% of the total products transferred to warehouse for each production cycle.</li> <li>● The rate of rejected products that fail to meet quality standards does not exceed 1% of the total products transferred to warehouse for each production cycle.</li> </ul> |
| Medium-term Goals<br>(within 3 – 5 years) | <ul style="list-style-type: none"> <li>● Increase the production capacity for tablets, capsules, powders, and creams by 200% by 2027.</li> <li>● Be able to extend the scope of laboratory accreditation under the ISO/IEC17025 standard including quality control for new products.</li> </ul>   |
| Long-term Goals<br>(over 5 years)         | <ul style="list-style-type: none"> <li>● Develop and validate quality control methods for new generic drugs, existing generic drugs, and herbal products following the defined plans by achieving a 100% completion rate.</li> <li>● Reduce 3% of the amount of waste generated from the production process by 2030.</li> </ul>   |

➤ *Bangkok Drug Company Limited (BDC)*

| Goals                                     | Performance Indicators  |
|---|---|
| Short-term Goals<br>(within 1 – 3 years)  | <ul style="list-style-type: none"> <li>● Develop and improve the product return process to be faster and more efficient.</li> <li>● Enhance after sales services to increase customers' satisfaction and convenience.</li> </ul>  |
| Medium-term Goals<br>(within 3 – 5 years) | <ul style="list-style-type: none"> <li>● Cooperate with the product development and production departments to develop and improve quality control processes from the production process to after sales services.</li> <li>● Enhance the product return process to meet customers' needs efficiently.</li> <li>● Establish and maintain trust in the Company's products and services in long run.</li> </ul>         |
| Long-term Goals<br>(over 5 years)         | <ul style="list-style-type: none"> <li>● Become a leader in the market who is responsible for product quality and enhance the Company's trust.</li> <li>● Innovate the product return process to improve customers' convenience and satisfaction.</li> <li>● Establish and maintain reliability of products and services in long run to become a leader in the market and build customers' satisfaction.</li> </ul> |

➤ *Bangkok Medica Company Limited (BMC)*

| Goals                                     | Performance Indicators   |
|---|--|
| Short-term Goals<br>(within 1 – 3 years)  | <ul style="list-style-type: none"> <li>■ Achieve annual sales of 18 million baht.</li> <li>■ Attain a profit margin of 5% for animal pharmaceutical products.</li> </ul>   |
| Medium-term Goals<br>(within 3 – 5 years) | <ul style="list-style-type: none"> <li>● Introduce at least one new product or select supplementary products for humans and animals to boost sales or expand the target group of customers by generating sales between 10 to 18 million baht from new product. Moreover, the targeted sales from new product must be close to or greater than the sales from existing products and consistently maintaining at least 5% of profit margin each year.</li> </ul> |
| Long-term Goals<br>(over 5 years)         | <ul style="list-style-type: none"> <li>● Transition from solely OEM business model to a combined business model including trading business. This includes selling products to general customers,</li> </ul>  |


|  |  |
|--|--|
|  | <p>pharmacies, and clinics without focusing on any single target group of customers.</p> <ul style="list-style-type: none"> <li>• Add online sales channel for general customers.</li> <li>• Aim to achieve an overall profit growth of 5-10% annually.</li> </ul> |
|--|--|

### 3) Highlighted Performance in 2023





|   |   |
|---|---|
|  | <ul style="list-style-type: none"> <li>• Zero incident of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services. <sup>(416-2)</sup></li> <li>• Zero incident of non-compliance with regulations and/or voluntary codes concerning products and service information and labeling. <sup>(417-2)</sup></li> <li>• Zero incident of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship. <sup>(417-3)</sup></li> </ul> |
|---|---|



### 4) Action Plan and Implementation <sup>(3-3)</sup>

BLC aims to manufacture products and services of high quality and safety starting from the procurement of raw materials to the final delivery of products and services to consumers. The operational plans are categorized by types of products of the Company, which can be broken down into two groups as follows:

| 1. Pharmaceuticals   |  |
|--|--|
| <p>Generic Drugs and<br/>New Generic Drugs</p>  | <p>The Company focuses on manufacturing modern pharmaceutical products, specifically current generic drugs, and new generic drugs, that meet international standards. This process begins with the careful selection of key active ingredients from reliable sources, and quality control that is maintained at every stage of production, including analysis and bioequivalence studies for new generic drugs. The overall research and development, registration, and approval process for generic and new generic drugs take approximately 3-4 years to ensure consumer confidence in their effectiveness compared to the original drugs. Furthermore, the various current generic drugs and new generic drugs of the Company have been accepted for inclusion in hospital drug formularies across university hospitals. They are then expanded to various healthcare facilities, including leading hospitals, clinics, and pharmacies nationwide. In this regard, new generic drugs will have a product life cycle ranging from approximately 4-5 years up to over 10 years, depending on the type of drug, market conditions, competition, the replacement of</p> |

|  |   |
|--|---|
|  | <p>new drug types, and the emergence of new treatment technologies. New generic drugs entering the market for the first time will initially have lower prices than imported drugs but with similar efficacy. Therefore, in the initial phase of market entry, the profit margin for new generic drugs is relatively high. Subsequently, medium-sized, and small-sized drug manufacturers will produce similar new generic drugs, but with different qualities to compete on price, leading to a decrease in the profit margin for those types of drugs. Both current generic drugs and new generic drugs play a crucial role in increasing patient access to medications, helping the government integrate drugs into the healthcare system in Thailand, saving budgetary expenses on medications and improving the quality of life for patients sustainably.</p>   |
| <p>Herbal Medicines</p>  | <p>The Company has established the BLC Research Center to incorporate modern technology and innovations, along with conducting research and development to enhance the value of its products. This includes current generic medicines, generic drug types, new generic medicines, Thai herbal medicine products, medicine for livestock, cosmetics, nutritional supplements, and other products. The focus of the research and development is to create herbal medicine products as alternative treatments, complementing the current generic medicines, generic drug types and new generic medicines. The important steps involved in this process are as follows:</p> <ol style="list-style-type: none"> <li>1. Collaborate with universities and research and development organizations in the country to study various types of Thai herbs, including their pharmacological properties.</li> <li>2. Extract herbal plants into standardized extracts to ensure consistent levels of important active ingredients in all dosage forms, promoting efficacy and reliable safety.</li> <li>3. Develop production processes adhering to current Good Manufacturing Practice (GMP PIC/S) standards and provide analytical results supporting the quality standards with a Certificate of Analysis (COA) for both raw materials and finished products.</li> <li>4. Conduct clinical research studies to obtain evidence regarding the efficacy and safety of the products. The results published in medical journals will be considered for advancing innovative herbal products with diverse formats and properties that meet consumer needs</li> </ol> |

|  |   |
|--|---|
| <p>Animal Medicines</p>   | <p>The Company focuses on producing high-quality products for safe use, starting with research and development to ensure efficient, effective, and safe products for people, animals, and the environment. The production of each product is registered with the Food and Drug Administration (FDA), and the manufacturing process complies with FDA standards. The Company carefully selects quality raw materials, conducts laboratory quality checks, and analyzes the products (Certificate of Analysis) to certify the quality standards of both raw materials and finished products. Additionally, the Company provides knowledge for proper veterinary use, and recommends appropriate withdrawal periods, ensuring the health of livestock is robust and free from residues in meat, milk, and eggs. Moreover, there is a commitment to fostering good relationships and collaboration with partners and customers to meet their needs, providing technical advice tailored to requirements, and leveraging expertise from past experiences to maximize benefits for customers and end consumers.</p> |
| <p>2. Other Health-related Product</p>   |   |
| <p><b>Cosmetics:</b> The Company emphasizes the development of products with key elements, as follows:</p> |   |
|                         | <p><u><b>Quality control of the products</b></u></p> <p>This starts from the importation of essential ingredients from reliable sources. Clinical studies are conducted to demonstrate the actual therapeutic or problem-solving benefits for consumers. Additionally, there is documentation certifying safety (MSDS). Products related to facial skincare undergo dermatological tests or hypoallergenic tests by dermatologists from reputable institutions. Furthermore, the label information complies with the standards of the ASEAN countries' harmonization regulations</p>  |
|                         | <p><u><b>Innovative Thinking for Beauty</b></u></p> <p>The Company places the importance on innovative research formulations and modern manufacturing processes, incorporating state-of-the-art machinery and diverse raw materials. This approach aligns with the preferences of contemporary consumers.</p>   |
|                         | <p><u><b>Products with a Natural Ingredient</b></u></p> <p>The Company focuses on researching key substances derived from herbal plants and developing formulations. This involves employing modern and efficient extraction techniques to obtain high-quality extracts.</p>  |

|   |  |
|---|--|
|  | <p><b><u>Environmental Impact Consideration</u></b></p> <p>The Company ensures that product components are not sources of microplastics and are friendly to coral reefs, etc.</p>  |
|  | <p><b><u>Packaging Tailored to Each Product</u></b></p> <p>The Company considers the appropriateness of packaging from the nature of products to maintain the quality of products over their useful life, including sunblock products requiring packaging with tubes that have a thickness of five layers instead of the usual three layers found in typical skincare packaging. This helps protect the cream or lotion from evaporating and ensures the stability of the SPF value.</p> |
| <p><b>Food Supplement and Other Products</b></p>                                  | <p>The Company focuses on producing innovative products supported by scientific evidence and ensuring consumer safety. In addition, during manufacturing process, quality control strictly adheres to standards equivalent to pharmaceutical production. This ensures the final delivery of high quality, effective, and safe products, ultimately contributing to the enhancement and restoration of consumer health effectively.</p>   |

- **Health and Product Safety** <sup>(3-3)</sup>

All products manufactured by BLC undergo quality control to meet international production standards, including Quality Management System (ISO9001), Good Manufacturing Practices (GMP), Environmental Management System (ISO14001), Occupational Health and Safety Management Systems (ISO45001), Thai Labor Standards (TLS8001), Food Safety Management Systems (ISO22000), Energy Management Systems (ISO50001), and Laboratory Quality Management Systems (ISO/IEC17025). This ensures the confidence and trust of consumers in using the Company's products and services.

Furthermore, BLC is committed to provide useful information regarding its products and aiding consumers' decision-making through marketing activities. BLC refrains from engaging in deceptive practices or disseminating misinformation about its products in advertisements or any other communications. All advertisements must be approved by the Food and Drug Administration to ensure compliance with regulations. Additionally, BLC promotes knowledge and understanding of its products and manufacturing standards among all employees through various projects and activities held internally or in collaboration with external parties. We also communicate issues related to product safety and quality standards to all stakeholders. <sup>(417-1)</sup>

In 2023, the Company has zero incident of non-compliance with regulation and/or voluntary codes concerning the health and safety impacts of products and services <sup>(416-2)</sup>, zero incident of non-compliance with regulations and/or voluntary codes concerning products and service information and labeling <sup>(417-2)</sup>, and zero

incidents of non-compliance with marketing communication regulations resulting in penalties or fines. Additionally, there were no instances of non-compliance with non-mandatory business ethics. <sup>(417-3)</sup>.

- **Customers' Complaints Regarding Product Usage**

BLC acknowledges the importance of all complaints received from customers and sets up prompt and effective responses to each issue. Moreover, the Company ensures that appropriate corrective actions are taken and, if necessary, provided reasonable compensation to customers for any damages incurred. In 2023, the Company did not receive any significant complaints from customers regarding to product usage.

## 5) Activities or Projects Related to Product Responsibility <sup>(3-3)</sup>


BLC has held activities and projects related to product responsibility focusing on raising awareness about product quality control standards, such as ISO/IEC17025, etc. The activities or projects conducted and completed in 2023 include the following 9 initiatives:

| 1. Knowledge and Understanding Enhancement Project for Responding to Food Safety Emergency Incidents |   |
|--|---|
| Objective  | To enhance the knowledge and understanding of food safety emergency incidents among BLC's employees and raise awareness of the impacts when such emergencies occur on food safety.  |
| Target   | Over 90 percent of the BLC's employees participated in the project.   |
| Approach   | <ol style="list-style-type: none"> <li>1. Conducting a meeting of the Food Safety Management System Committee</li> <li>2. Planning the project implementation</li> <li>3. Publicizing the event through the Company's communication channels, including internal email and LINE announcements</li> <li>4. Implementing the project to promote knowledge and understanding of Food Safety Emergency Incidents by <ol style="list-style-type: none"> <li>4.1 Publicizing information on how to respond to food safety emergency incidents</li> <li>4.2 Conducting quiz activities from the publicized information through an electronic form</li> </ol> </li> <li>5. Summarizing the project results</li> </ol> |
| Expected Outcome   | Employees were expected to gain increased knowledge and understanding of food safety emergency incidents, enabling them to perform their duties correctly and appropriately. Additionally, they were expected to be more aware of the impacts of such emergencies on food safety when they occur.   |
| Performance  | A total of 94.53 percent of employees participated in the project, meeting the set target.  |

| 2. Knowledge and Understanding Enhancement of Food Label Information Project       |  |
|--|--|
| Objective  | To promote the knowledge and understanding of food labeling information among BLC's employees and to enable them to choose products that are safe for themselves   |
| Target   | Over 90 percent of the Company's employees participated in this project.   |
| Approach   | <ol style="list-style-type: none"> <li>1. Conducting a meeting of the Food Safety Management System Committee</li> <li>2. Planning the project implementation</li> <li>3. Publicizing the event through the Company's communication channels, including internal email and LINE announcements.</li> <li>4. Implementing the project</li> <li>5. Internally publicizing information on food labeling information</li> <li>6. Conducting quiz activity from the publicized information through an electronic form</li> <li>7. Summarizing the project results</li> </ol> |
| Expected Outcome   | Employees were expected to have enhanced knowledge and understanding of food labeling information, enabling them to select products for consumption correctly and appropriately.   |
| Performance  | A total of 96.05 percent of employees participated in the project, meeting the set target.   |
| 3. Enhanced Knowledge Initiative on Good Hygiene Practices (GHPs) Criteria Project |  |
| Objective  | To enhance the knowledge of Good Hygiene Practices (GHPs) criteria of BLC's employee   |
| Target   | Over 90 percent of the Company's employees participated in this program.   |
| Approach   | <ol style="list-style-type: none"> <li>1. Conducting a meeting of the Food Safety Management System Committee</li> <li>2. Planning the project implementation</li> <li>3. Publicizing the event through the Company's communication channels, including internal email and LINE announcements.</li> <li>4. Implementing the project</li> <li>5. Publicizing information on Good Hygiene Practices (GHPs)</li> <li>6. Conducting quiz activity from the publicized information through an electronic form</li> <li>7. Summarizing the project results</li> </ol>        |
| Expected Outcome   | Participated employees were expected to gain understanding on the Good Hygiene Practices (GHPs) which the Company has been certified.  |
| Performance  | A total of 94.35 percent of employees took part in the project, achieving the set target.  |
| 4. Data Integrity Knowledge Enhancing Initiative Project                           |  |
| Objective  | <ol style="list-style-type: none"> <li>1. To enhance understanding of controlling the Company's processes and activities, in which conducted in accordance with Good Manufacturing Practice (GMP) standards,</li> </ol>  |

|  |   |
|--|---|
|  | <p>ensuring compliance with Data Integrity principles, aiming to assure consumers of the safety of the company's products</p> <p>2. To emphasize comprehension of Data Integrity and the ability to apply it accurately in operations, thereby fostering trust in the information utilized within the organization</p>  |
| Target   | Over 90 percent of the Company's employees joined in the project  |
| Approach   | <p>1. Conducting a meeting of the GMDP Committee</p> <p>2. Planning the project implementation</p> <p>3. Publicizing the event through the Company's communication channels, including internal email and LINE announcements</p> <p>4. Implementing the project to promote knowledge and understanding of Data Integrity.</p> <p>5. Publicizing information on Data Integrity</p> <p>6. Conducting quiz activity from the publicized information through an electronic form</p> <p>7. Summarizing the project results</p>     |
| Expected Outcome                                       | <p>1. The employees gained the insights of Data integrity.</p> <p>2. Employees were expected to be conscious of their duties to establish the credibility of the information utilized within the organization and to produce quality and safe products.</p>   |
| Performance  | 93.60 percent of total employees participated in the project indicating the achievement of the set target.  |
| <b>5. Change Control Knowledge Enhancement Project</b> |   |
| Objective  | <p>1. To reinforce knowledge and understanding of procedures for Change Control and steps for identification, review, and approval of changes.</p> <p>2. To emphasize understanding of the Change Control and the accurate applicability in the operations.</p>   |
| Target   | Over 90 percent of the Company's employees joined in the project  |
| Approach   | <p>1. Conducting a meeting of the GMDP Committee</p> <p>2. Planning the project implementation</p> <p>3. Publicizing the event through the Company's communication channels, including internal email and LINE announcements</p> <p>4. Implementing the project to promote knowledge and understanding of Change Control by</p> <p>4.1 Publicizing information on Change Control</p> <p>4.2 Conducting quiz activity from the publicized information through an electronic form</p> <p>5. Summarizing the project results</p> |

|   |   |
|---|---|
| Expected Outcome  | <ol style="list-style-type: none"> <li>1. Employees were expected to gain increased knowledge and understanding of Change Control.</li> <li>2. Employees were expected to be more conscientious in performing their duties to ensure the production of quality and safe products.</li> </ol>  |
| Performance   | 92.74 percent of the entire employees engaged in the project, demonstrating the attainment of the set goal.   |
| <b>6. GMDP-related Criteria Knowledge and Understanding Enhancement Project</b> |   |
| Objective   | <ol style="list-style-type: none"> <li>1. To enhance knowledge and understanding of criteria related to the GMDP system, conducted in accordance with Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP) standards, ensuring consumer safety from the use of the company's products.</li> <li>2. To increase understanding and awareness of Good Importing Practice (GIP) standards.</li> </ol>   |
| Target  | More than 90 percent of the company's workforce participated in the project.  |
| Approach  | <ol style="list-style-type: none"> <li>1. Conducting a meeting of the GMDP Committee</li> <li>2. Planning the project implementation</li> <li>3. Publicizing the event through the Company's communication channels, including internal email and LINE announcements</li> <li>4. Implementing the program to promote knowledge and understanding of GMDP by</li> <li>5. Publicizing information on GMDP criteria</li> <li>6. Conducting quiz activity from the publicized information through an electronic form</li> <li>7. Summarizing the project results</li> </ol> |
| Expected Outcome  | Employees' understanding and knowledge of criteria related to the GMDP system were expected to be increased.  |
| Performance   | Employees' participation in the project amounted to 91.79 percent, meeting the set target.  |
| <b>7. "Let's Get to Know Validation Together" Project</b>                       |   |
| Objective   | <ol style="list-style-type: none"> <li>1. To promote the Validation Committee and the validation process to be known internally</li> <li>2. To ensure employees have a thorough understanding of the validation process and can apply it effectively.</li> </ol>  |
| Target  | Employees of BLC participated in the questionnaire activity, with no less than 90 percent of the total workforce joining in.  |
| Approach  | <ol style="list-style-type: none"> <li>1. Conducting a Validation Committee meeting</li> <li>2. Develop a work plan and propose activity approval to the Employee Value Added Committee</li> </ol>  |

|  |  |
|--|--|
|  | <ol style="list-style-type: none"> <li>3. Preparing the data for dissemination and questionnaire</li> <li>4. Promoting activities through the Company's communication channels, including internal email and LINE announcements               <ol style="list-style-type: none"> <li>4.1. Publicizing the validation information</li> <li>4.2. Conducting quiz activity from the publicized information through an electronic form</li> </ol> </li> <li>5. Summarise the participation results.</li> </ol> |
| Expected Outcome                           | <ol style="list-style-type: none"> <li>1. Employees were expected to be acquainted with the Validation Committee and validation processes.</li> <li>2. Employees were expected to have knowledge and understanding of the validation process and can apply it effectively.</li> </ol>  |
| Performance                                | Employees' participation in the entire project amounted to 93.46 percent, aligning with the set goal.  |
| <b>8. “ISO/IEC17025” Super Fan Project</b> |  |
| Objective                                  | <p>To promote awareness and understanding of the ISO/IEC 17025 Laboratory Standard System among both new and existing employees of BLC</p>   |
| Target                                     | More than 90 percent of employees participated in the activity   |
| Approach                                   | <ol style="list-style-type: none"> <li>1. Holding a meeting of the ISO/IEC 17025 Laboratory Standards Committee</li> <li>2. Developing a work plan</li> <li>3. Implementing “ISO/IEC17025” Super Fan               <ol style="list-style-type: none"> <li>3.1. Publicizing through the Company's communication channels, including internal email and LINE announcements</li> </ol> </li> </ol>  |

|   |  |
|---|--|
|   | <p>3.2. Conducting quiz activity through the Company's electronic form</p> <p>4. Summarizing the activity's results</p>  |
| Expected Outcome  | Employees gained knowledge of ISO/IEC 17025 Laboratory Standards System  |
| Performance   | Employees' participation in the entire project amounted to 97.77%, which met the set goal.   |
| <b>9. "Let's Emphasize ISO/IEC 17025 System Compliance" Project</b> |  |
| Objective   | <p>To promote awareness among BLC's employees regarding the significance and benefits of equipment calibration</p> <div data-bbox="516 632 1344 1045" data-label="Image"> </div>   |
| Target  | BLC's employees participate in the project, accounting for no less than 90 percent of the total employees  |
| Approach  | <ol style="list-style-type: none"> <li>Holding a meeting of the ISO/IEC 17025 Laboratory Standards Committee</li> <li>Planning an action plan, designating responsible persons, and outlining the contents to be publicized</li> <li>Proposing the activity to the Employee Value Added Committee</li> <li>Compiling information for dissemination and questionnaire creation</li> <li>Implementing the project by <ol style="list-style-type: none"> <li>Publicizing through the Company's communication channels, including internal email and LINE announcements</li> <li>Conducting quiz activity through the electronic form</li> </ol> </li> <li>Summarizing the activity's results</li> </ol> |
| Expected Outcome  | Employees were expected to be more knowledgeable on the significance and benefits of equipment calibration   |
| Performance   | Employees' participation in the entire project amounted to 95.05 percent, which met the set goal.  |





The Company is aware of the significance of upholding human rights within the organization. Human rights operations extend beyond mere compliance with applicable laws to foster trust among all stakeholder groups. All activities undertaken within the Company are committed to ensuring there are no human rights violations in the workplace or supply chain, in alignment with human rights principles. If the Company commits human rights violations, the Company will have a serious negative impact on the business and the organization's perception. Therefore, the Company is dedicated to address human rights through its business activities, focusing on employment without discrimination, fair and equal labor management, and enhancing the quality of life for employees, ensuring safe working conditions, refraining from employing child labor or engaging in illegal labor practices, and avoiding actions that violate human rights are essential steps to foster confidence among all stakeholder groups.

### 1) Policy and Management <sup>(3-3)</sup>



The Company has announced BLC's Business Code of Conduct in 2022, encompassing all stakeholder groups across the entire group. Due to the diverse range of products within the Company, the management of human rights issues varies depending on the products of each company. However, a common perception is the emphasis on human rights and the commitment to avoiding violations throughout the supply chain. Policies and guidelines for managing human rights issues are outlined as follows:

**Bangkok Lab and Cosmetic Public Company Limited (BLC)** demonstrates commitment to human rights operations through the Social Responsibility Policy, specifically focusing on the topic of Human Rights (<https://www.blcplc.com/th/sustainability>), highlighting the Company's emphasis on respecting human rights. Enhance equality both internally and externally, ensuring basic rights are upheld and discrimination based on race, nationality, religious, language, ethics, gender, age, educational, class, and disability is prohibited, and including the Company's business does not engage in human rights violations, either directly or indirectly. Moreover, the Company has established a mechanism for protection and compensation, providing opportunities for employees, communities, and society is encouraged to participate in expressing their opinions and provided with channels for filing grievances or complaints for those who have been harmed by rights violations stemming from the Company's business operations. The Company takes corrective action and provides remedies as necessary. To effectively uphold human rights, the Company has undertaken measures to enhance human rights knowledge and awareness among Company's personnel, ensuring adherence to human rights principles on a regular basis, and regularly communicates policies to all stakeholder groups.

## 2) Our Goals (Short term/Long term) <sup>(3-3)</sup>

| Target in 2023  |  |
|---|--|
|  | No child labor is employed in any of the Company's workplaces, encompassing all companies in the group. <sup>(408-1)</sup> |
|  | Zero human rights complaints across the entire group.  |

## 3) Highlighted Performance in 2023

|   |   |
|---|---|
|  | Child labor is not employed in any workplace across the entire group. <sup>(408-1)</sup>      |
|  | No human rights complaints were identified, encompassing the entire group. <sup>(406-1)</sup> |

## 4) Action Plan and Implementation <sup>(3-3)</sup>

BLC delineates guidelines for implementing human rights through the Company's social responsibility policy and complaint system (Complaints and Opinions Submission System), detailed as follows:

| Human Rights Issues  | Policy and Guidance  |
|--|--|
| <p><b>Ensuring fair treatment of employees</b></p> <p>the Company recognizes the significance of developing human resources and treating workers equitably. This is a key factor that will enhance the business's value, bolster competitiveness, and promote sustainable growth in the future. Importantly, the Company adheres strictly to laws and a code of conduct.</p> | <ol style="list-style-type: none"> <li>1. Respect employees' rights in accordance with human rights principles and comply with labor law.</li> <li>2. Establish a transparent hiring process and ensure fair employment conditions, including determining compensation and considering merit performance through a fair performance evaluation process.</li> <li>3. Promote employee development by organizing training sessions, seminars, and academic programs. This includes sending employees to attend various seminars and training sessions aimed at enhancing their knowledge, abilities, and potential. Additionally, foster a positive attitude, morality, ethics, and teamwork among employees.</li> </ol> |

| Human Rights Issues  | Policy and Guidance  |
|--|--|
|  | <ol style="list-style-type: none"> <li>4. Provide a range of welfare benefits for employees, in compliance with legal requirements and additionally exceeding what is reasonably mandated by law.</li> <li>5. Ensure employees can work safely and maintain good hygiene in the workplace by implementing preventive measures against accidents and enhancing employees' safety awareness, including organizing training sessions, and encouraging employees to uphold good hygiene practices, thereby ensuring a consistently safe and hygienic work environment.</li> <li>6. Support and encourage employees to voice their opinions, complaints, or report incidents related to ethical conduct, corruption, or wrongdoing within the organization, also includes providing protection to employees who come forward with such concerns.</li> </ol> |
| <p><b>Ensuring compliance with legal regulations regarding the prohibition of child labor employment</b></p> <p>The Company refrains from employing child labor below the legal age. Furthermore, the Company is dedicated to prohibiting forced labor within its workplace and throughout the supply chain. (Child labor refers to individuals who are at least 15 years old but not yet 18 years old).</p> | <ol style="list-style-type: none"> <li>1. The Company does not hire or endorse the employment of children under 18 years of age, except as mandated by law.</li> <li>2. The Company has diligently adhered to legal obligations through its Human Resources Department.</li> </ol>   |
| <p><b>Respecting community rights</b></p> <p>The Company prioritizes listening to community opinions and supporting community participation.</p>   | <ol style="list-style-type: none"> <li>1. The Company conducts business with a focus on quality, ensuring career stability, occupational health and safety of employees, the welfare of society, community, and the environment. This includes promoting efficient energy management.</li> <li>2. The Company does not engage in activities that threaten society or moral standards, nor does it promote vices.</li> </ol>  |

| Human Rights Issues  | Policy and Guidance   |
|--|---|
|  | <p>3. Encourage employees to actively engage in community, social, and environmental development efforts, fostering a sense of responsibility towards the community and environment among all levels of employees on an ongoing basis.</p> <p>4. Allocate a portion of profits to initiatives that contribute to social and environmental advancement.</p>  |
| <p><b>Complaint Management System</b><br/> <b>Communication (grievances and suggestions)</b><br/> The Company is prepared to address and resolve issues, provide remedies, and follow up on outcomes of all complaints related to human rights violations stemming from business operations.</p> | <p>1. Establish a system for reporting complaints regarding issues impacting employees and stakeholders, and implement a system for managing complaints, opinions, and suggestions, particularly those that may affect employees, the community, or Company operations. The operational outcomes must be notified to complainant in a timely manner. Encourage mutually beneficial relationships between companies and communities, fostering sustainable coexistence.</p> <p>2. Ensure a prompt and effective response to events affecting communities, society, and the environment resulting from Company operations by fully cooperating with government officials and relevant agencies.</p> |

## 5) Activities or Projects related to Human Rights<sup>(3-3)</sup>

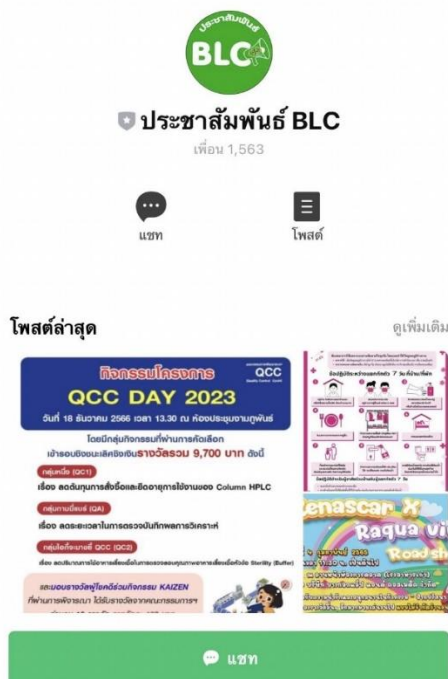
### 1. Training on the topic of knowledge and understanding of human rights<sup>(410-1)</sup>

The Company prioritizes human rights issues in the workplace, emphasizing awareness-raising among all new employees. New employees undergo orientation training before commencing work, and current employees receive policy review training annually. The training topics include communicating comprehensive social responsibility policies to ensure every employee understands the core principles of conducting business with social responsibility as the primary focus. This includes the Thai labor standards system manual and the communication of grievance systems and feedback within the organization, which is overseen by the Human Resources Department.



## 2. Promote Complaint Management System Communication

The Company promoted that they provide communication channels for receiving complaints via email and Line@ (BLC public relations) on October 4<sup>th</sup>, 2023. This communication channel can receive any complaints covering human rights issues, employees across the organization are empowered to lodge complaints and provide feedback. Additionally, the Company has implemented a process for soliciting employee opinions that are beneficial to the Company. To address and rectify the identified shortcomings perceived by employees, they can submit their opinions through the Idea form, the Company's internal system. In 2023, there were no complaints regarding human rights issues, and zero incidents of discrimination were reported. These achievements reflect the Company's successful attainment of its human right's operational goals in 2023.



Occupational health and safety and a good workplace environment are highly crucial for businesses, especially businesses that have operations in plants or factories, which may pose risks towards health and safety issues such as accidents. This can negatively impact employees' lives and overall health, which may also lead to damage to the company's assets. Providing proper occupational health and safety systems will create trust in work-related safety among employees as well as prevent any accidents that may occur, which can lead to business interruption. This interruption can result in loss of reputation and trust, as well as violate laws and regulations related to labor practice and protection, leading to being fined, temporary shutdown, or license termination.


### 1) Policy and Management (3-3, 403-1, 403-4)

The Company has established Corporate Social Responsibility Policy that covers responsible and ethical business operation. One of the important topics in the policy is labor practice, which includes employee safety in operations. This policy highlights employee safety and well-being at work, work-related risk prevention, and employee training on safety. Moreover, BLC has integrated ISO 45001 (Occupational Health & Safety) into its work systems, covering all operational areas and activities of the Company. This is to ensure alignment of the Company's occupational health and safety system with trustworthy standards.





Furthermore, the Company has established policy and objective of its management system, incorporating various standard management systems in operations. This includes compliance with legal requirements and the needs and expectations of stakeholders, enhancing the awareness and capabilities of human resources tailored to the operations. This is to promote safety in the workplace, allowing employee to be involved in consulting and risk and opportunity assessment related to occupational health and safety to strengthen the Company's occupational health and safety system that is proper for the continuous operations.

The executives place great importance in occupational health and safety of both internal and external stakeholders, thus require personnel of all levels to strictly comply with laws and regulations. Moreover, the executives give full support on implementing occupational health and safety standards (ISO 45001) and appointed Occupational Health, Safety and Working Environment Committee through an election among employees, and further appointed Occupational Health and Safety (ISO 45001) Committee. These committees and responsible personnel are tasked to intensively oversee occupational health and safety in the workplace. This shows the Company's commitment in becoming a safe organization free from any safety risks and undesired incidents.

## 2) Our Goals (Short term/Long term)<sup>(3-3)</sup>

| Target  |   |
|---|---|
|  | Zero work-related accidents through risk and hazard reduction and prevention. |

## 3) Highlighted Performance in 2023

|   |   |
|---|---|
|    | The National Occupational Safety and Health Award 2023 and Thailand Labour Management Excellence Award 2023 |
|    | Zero complaints from external agencies regarding occupational health and safety                             |
|    | 2 complaints from internal departments regarding occupational health and safety                             |
|  | Zero cases of work-related accidents <sup>(403-9)</sup>   |

## 4) Action Plan and Implementation <sup>(3-3)</sup>

To control safety in its operations, BLC has developed an annual occupational health, safety, and environment plan, covering safety and social factors such as workloads, working hours, mistreating, threatening, regular and irregular activities, as well as potential hazards from infrastructure, equipment, raw materials, or chemicals. Additionally, in the process of developing the plan, past internal and external incidents were also considered as well as possible crises. The Company also has risk assessment process related to occupational health and safety, with assessment criteria as follows:

- Risk Assessment Criteria** <sup>(403-2)</sup>

The Company's risk assessment considers 2 factors, which are "Hazard Probability" and "Hazard Severity" and assess through a matrix as shown below.

| Hazard Probability | Hazard Severity  |           |             |
|--------------------|------------------|-----------|-------------|
|                    | High             | Medium    | Low         |
| High               | Intolerable risk | High risk | Medium risk |

| Hazard Probability | Hazard Severity    |                       |                       |
|--------------------|--------------------|-----------------------|-----------------------|
|                    | High               | Medium                | Low                   |
|                    | (5)                | (4)                   | (3)                   |
| Medium             | High risk<br>(4)   | Medium risk<br>(3)    | Tolerable risk<br>(2) |
| Low                | Medium risk<br>(3) | Tolerable risk<br>(2) | Low risk<br>(1)       |

From the matrix, risks are then categorized into 5 levels.

| Risk Level      | Actions Needed   |
|-----------------|--|
| Intolerable (5) | Any work with this level of risk must not be initiated. In case that it is an ongoing work, employees must stop immediately until the risk level has been reduced. If not able to, even though full effort was exercised, no further work would be allowed.  |
| High (4)        | Employees must consider the ongoing work whether it should be completed or stopped. If considered to continue, urgent risk management must be applied. In case the work is considered to stop, risk reduction initiatives, such as additional resource allocation or risk management measures, must be implemented before resuming the work. |
| Medium (3)      | More risk management efforts are needed to reduce risk. Nonetheless, costs required for risk management should be carefully considered. Budgets will be allocated, but risk reduction measures are required over a certain period of time.   |
| Tolerable (2)   | Occupational health and safety opportunity assessment must be done through practice reviewing and enhancing operations related to occupational health and safety.  |
| Low (1)         | No action required or implement appropriate actions based on risks.  |

After risk assessment process, the Company will then determine risk management plan and measure for each risk by developing occupational health and safety plans that cover risks, opportunities, laws and regulations, and readiness for crisis response. These plans are integrated into occupational health and safety system processes that consider control system 'Source-Pathway-Receiver', with Occupational Health, Safety and Working Environment Committee being responsible for giving advice to relevant parties in risk assessment. This system extends over all departments, activities, and areas. The Company also developed risk control operational plan for Medium level risks (3) to reduce and lower risk level to the level of Tolerable (2). After controlling and reducing risk, the Company will then conduct occupational health and safety opportunity assessment to improve occupational

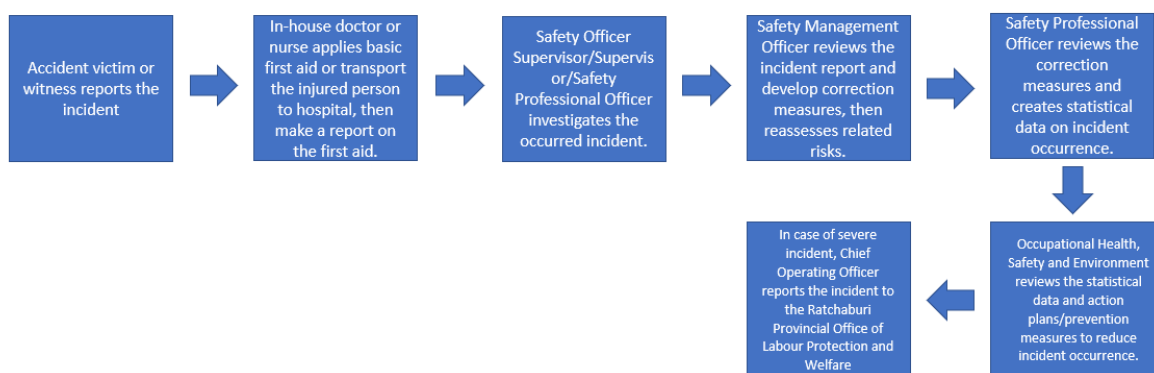
health and safety practices as well as seek opportunities to eliminate hazards and minimize risks. Responsible parties will review, store, and distribute risk information to all relevant parties to comply with. Once the risk control plans are in place, the Company will conduct post-implementation evaluation for the plans, and review and reassess risks related to each hazard to consider the level of each risk whether it has been lowered to the tolerable level or not<sup>(403-2)</sup>.

- **Occupational Health, Safety, and Environment Quality Control**<sup>(403-3, 403-7)</sup>

To monitor employees' compliance with occupational health and safety system, the Company requires all employees to strictly comply with prevention and relief measures designed for each safety risk. The Company also reassesses risks every time whenever: new operations, activities, or areas occur, there is a significant operational change, occupational health and safety system has been improved, or there is any incident. Performance evaluation will be in place over a set period. Moreover, documents regarding risk assessment of operations and areas, risk assessment results, and action plans are distributed to all departments for strict compliance.

- **Occupational Health and Safety Incident Reporting Process**<sup>(403-3, 403-7)</sup>

In case there is an incident regarding occupational health and safety, the Company has a process to respond to each incident as follows:



Besides risk assessment and measured implementation to protect employees from incidents related to occupational health and safety, the Company provides further benefits beyond usual practice to support employees on health and safety, such as providing a medical room with professional medical officers during working hours, appointing at least one Doctor to conduct a weekly health checkup, and procuring proper medical equipment for first aid and medical treatment, including medicines.

## 5) Activities or Projects Related to Occupational Health and Safety <sup>(3-3, 403-5, 403-6)</sup>

### 1) Installation of Fire Suppression System at Flammable Storage Building

In 2023, the Company approved a budget to construct inflammable material storage and install a safety system for containing inflammable liquid to replace the former storage that was not fully aligned with laws and regulations. Moreover, the Company has installed fire extinguishing and safety systems that are efficient, comprehensive, and durable. The total spending for this project is 1,372,815 THB, with the ultimate objective of having proper storage for inflammable liquid material that aligns with standards, laws, and regulations to reduce risks of law violations and other safety risks that may occur during operations.



### 2) Employee Training Courses on Occupational Health and Safety Systems

In 2023, the Company organized training courses relevant to occupational health and safety for employees, contractors, and other stakeholders to enhance knowledge and awareness of occupational health and safety. A total of 7 training courses were conducted in 2023.

- Occupational Health and Safety training for new employees
- Basic firefighting and annual fire drill
- Chemical leakage drill
- Boiler explosion or LPG leakage drill
- Occupational health and safety training based on the nature of each operation
- Electric forklift maneuver and maintenance training
- External contractor training



- 1) **Safety Save Lives 2023** was organized during 8-27 May 2023 to enhance knowledge and awareness on policy and objective of Occupational Health and Safety Management Systems (ISO 45001). The goal of this training was to achieve participation from more than 90% of employees. Employees are required to attain a minimum score of 8 out of 10 on the post-training questionnaire, with at least 80% participation. The total

number of participants in this project is 630, or 99.53% of total employees, and 99.21% of all participants achieved the post-test score of more than 8 points.



ระบบมาตรฐานการจัดการด้านอาชีวอนามัยและความปลอดภัย ISO 45001



ขอเชิญพนักงานทุกท่านเข้าร่วม กิจกรรม Safety saves Life

โดยอ่านข้อมูลสำหรับตอบคำถาม (ตามเอกสารแนบ) และตอบคำถามตาม Link <https://forms.gle/QqA1vaDScvaSeoV66>

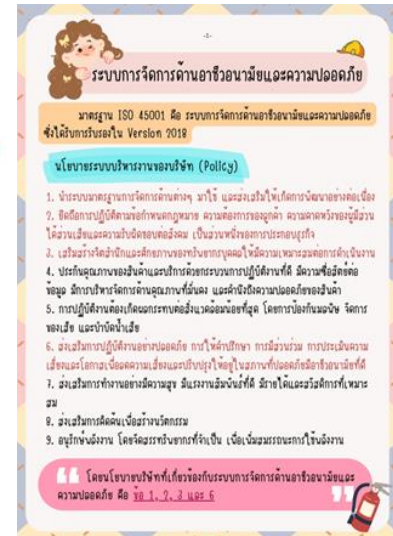
หรือสแกน QR code



พนักงานที่ร่วมตอบคำถามจะได้รับคะแนน ดังนี้

- ตอบคำถามถูกต้องตั้งแต่ 8 ข้อขึ้นไป ได้ 5 คะแนน !!
- ตอบคำถามถูกต้องน้อยกว่า 8 ข้อ ได้ 3 คะแนน !

โดยสามารถร่วมกิจกรรมได้ตั้งแต่วันที่ – 25 พฤษภาคม 2023



## Community and Society Development

---



The Company acknowledges the prevailing social challenges, such as economic inequality, access to education, and healthcare availability for citizens. The Company is firmly dedicated to conduct its operations with a sense of responsibility towards the community and society at large, particularly the areas proximate to the Company's activities. This commitment stems from the recognition that business operations may exert environmental, health, and socioeconomic effects on neighboring communities, thereby potentially influencing the Company's reputation and image. Therefore, the Company places significance on addressing these issues by establishing community engagement initiatives aimed at fostering environmental development, enhancing the quality of life of surrounding communities, creating economic growth by income generation and employment opportunities, and promoting optimal health among people. Additionally, the Company has engaged with communities through various activities, such as educational support and health-related assistance, which have been continuously implemented for over 30 years. These programs and activities are continuously refined and enhanced to effectively confront future challenges and changes for supporting the sustainable business.

### 1) Policy and Management <sup>(3-3)</sup>

The Company is dedicated to perform manufacturing processes efficiently to minimize negative impacts on surrounding communities and society. This commitment encompasses pollution control, waste management, greenhouse gas emissions reduction, and health and safety. The Company adheres strictly to relevant regulations and international standards, such as the Factory Act (B.E. 2535 (1992)) (and its amendments), the Ministry of Industry's Notification on Management of Waste Disposal or Unused Material (B.E. 2566 (2023)), and the ISO 14001 Environmental Management System Standard.

Furthermore, the Company is committed to promote community and social development, with the aim of enhancing the quality of life for those people in nearby communities. The focus of this initiative is to support access to basic necessities, including quality education, healthcare, and knowledge about medication and pharmaceuticals. To this end, the Company has established a Corporate Social Responsibility policy as a guiding framework for community and societal development. Additionally, the Company encourages its employees to be aware of and actively participate in these development efforts.

The Company has established a Corporate Social Responsibility (CSR) Committee tasked with overseeing, planning, and supporting the implementation of CSR initiatives across the organization. They also have responsibilities to communicate with suppliers and stakeholders to ensure they understand and are aware of social responsibilities.

In line with its commitment to social responsibility, the Company has established a Corporate Social Responsibility (CSR) Team dedicated to overseeing and implementing community-related initiatives. Their key responsibilities are to:

- Provide consultation and advice, review participation in social, economic, and community development
- Collaborate to propose action plans to achieve predetermined objectives
- Conduct documentation for the system, monitor and report on the progress of activities that need to be undertaken, including coordinating with relevant units to ensure compliance with requirements
- Announce the use of system documents and communicate training guidelines to relevant persons within the organization






In addition, the Company has designated the Environmental and CSR Section as the key responsible unit to work on this area and to coordinate with subsidiary companies to engage and develop communities.

## 2) Our Goals (Short term/Long term)<sup>(3-3)</sup>

| Short-term Goal<br>(1 – 3 years)   | Medium-term Goal<br>(3 – 5 years)  | Long-term Goal<br>(more than 5 years)  |
|--|--|--|
| A role model community is established with the enhanced skills set utilizing surplus materials within the factory, such as creating paper bins to increase local income. | A distribution network for selling the community's added value products is created | The community gains knowledge and stable income, enabling sustainable business development and the transmission of knowledge to other communities, all driven by the community itself. |

## 3) Highlighted Performance 2023

In 2023, BLC achieved success in community and society development, as well as in conducting socially responsible business practices as shown in the highlighted performances.

|  |  |
|--|--|
|   | <p>Received the <b>CSR-DIW CONTINUOUS AWARD</b>, Entrepreneurial Social Responsibility Standard, consecutively for over 3 years.</p>    |
|  | <p>Zero Complaints from Community as a result of the Company's operations</p>  |






#### 4) Action Plan and Implementation <sup>(3-3)</sup>

##### • Community Engagement and Development Processes <sup>(3-3, 413-1)</sup>

The Company has established a comprehensive community engagement framework to guide its interactions and development initiatives within a 5-kilometer radius of its operational areas. This framework outlines a structured approach to ensure that the Company's various community engagement activities are aligned with a unified vision. Before conducting any activities with communities, the Company engages in consultations and gathers feedback from various community members and leaders. This process allows the Company to understand the specific needs of the communities, ensuring that all activities and projects are aligned seamlessly with their requirements.



|  |  |
|--|--|
| <p>Percentage of communities that the Company engages and is a part of their development</p> | <p>5 communities<br/>(100 percent of the Company's surrounding communities) <sup>(413-1)</sup></p> |
|--|--|

The Company has established a framework for fostering community engagement and development across five dimensions, which include:

|   |  |
|---|--|
|    | <p><b>1. Education</b></p> <p>The Company focuses on developing the potential and providing knowledge to youth, supporting educational personnel, as well as providing scholarships.</p>   |
|    | <p><b>2. Environment</b></p> <p>The Company focuses on reducing resource usage, conserving nature and the environment through various initiatives such as using alternative energy, waste management, wastewater treatment, controlling air pollution emissions, and increasing green space within the factories.</p>  |
|    | <p><b>3. Responsible Operation for Community, Society, and the Environment</b></p> <p>The Company focuses on managing and improving management systems and operational practices used to control product and service quality, environmental management, healthcare, employee management, and energy management. The Company has received national and international standards certifications, such as the Thai Labor Standard (TLS 8001), Quality Management System (ISO 9001), Environmental Management System (ISO 14001), Occupational Health and Safety Management System (ISO 45001), Energy Management System (ISO 50001), and more.</p> |
|  | <p><b>4. Religion</b></p> <p>The Company promotes and supports various religious activities, including consistently treating employees who adhere to different religions equally.</p>  |
|  | <p><b>5. Others</b></p> <p>The Company has strategies for community and social engagement to promote well-being of individuals and various social groups, especially focusing on disabled people.</p>  |

- **Community grievance channels and management measures** <sup>(3-3, 413-1)</sup>

In circumstances where surrounding communities are affected by the Company's operations, grievance channels are established to receive complaints, feedback, and suggestions. These channels include:

|   |   |   |
|---|---|---|
|  |    |  |
| Direct to the Company's employees   | Website<br><a href="https://bangkoklab.co.th/">https://bangkoklab.co.th/</a><br><a href="https://www.blcplc.com/">https://www.blcplc.com/</a> | Telephone<br>+66(0)32-719-900   |

In case of complaints and incidents that adversely affect the community, the Company has prepared measures to address, maintain, and restore relations with the community. The details of the procedures are as follows:

- **General case:** The Company, upon receiving a complaint, initiates an investigation to uncover the root cause of the issue, implements corrective actions, and seeks ways to prevent recurrence of similar complaints in the future. The results of the investigation will be communicated to the complainant within 15 business days.
- **Urgent case:** The Company will conduct on-site operations within 3 days upon receiving a complaint or incident occurrence. In cases where the Company cannot immediately perform on-site operations on the day of the incident, the Company will communicate with the community leaders to inform them of the issue and take initial mitigating actions, assess, and follow up on the outcomes of the mitigation and remedy measures.

In cases where the Company has resolved issues that have been ended, the Company will communicate and listen to any suggestions and recommendations from the local people, community leaders, and relevant agencies to prevent the recurrence of past issues. This includes fostering a positive attitude toward business and building trust within the community through participatory activities and community development initiatives aligned with community needs. Additionally, implementing transparency measures to address complaints impartially.

## 5) Activities or Projects related to Community and Society Development <sup>(3-3)</sup>

### 1. Happiness for Little Ones Project

The Company participated in the celebration of National Children's Day on January 13<sup>th</sup>, 2023, by distributing gifts and organizing activities for four neighboring schools: Wat Nam Phu School, Wat Nong Krathum School, Ban Nong Nang Phraeo School, and Ban Chat Charoen School. Among the activities was food preparation for distribution to children and their parents. The Company allocated a budget of 60,000 THB for the event. Furthermore, as part of the initiative, the Company provided 20,000 THB in scholarships to children.



### 2. Teaching Medication Use in the Community Project

BLC has been implementing a medication use teaching program aligned with its core business since 2022. The program aims to equip community members with the knowledge and skills necessary for safe and effective medication usage. To assess the program's impact and demonstrate its value, BLC conducted a Social Return on Investment (SROI) analysis. The evaluation revealed a remarkable return of 2.15, indicating that the program generates social and economic benefits exceeding the Company's investment. With a budget of 4,291 baht, the program generated a total financial return of 13,500 baht. This breakdown includes 10,200 baht in economic benefits and 3,300 baht in social benefits.

According to the positive results of the SROI evaluation, BLC continued organizing the second year of the project by teaching medication use to 120 elderly individuals on February 14<sup>th</sup> and October 17<sup>th</sup>, 2023, at Nampu Subdistrict Health Promoting Hospital. The education provided on medication use was based on the 5 Rights: the right drug, the right person, the right method, the right dose, and the right time. This approach helped the public



understand the correct usage of medicines while reducing potential risks. Additionally, it promoted good and safe health within the community. For organizing these two events, BLC utilized a total of 8,000 THB. The satisfaction goal for the two events was set at an 85 percent satisfaction score. Survey results indicated that the goal was achieved, with satisfaction scores of 86.2 percent and 94.4 percent, respectively.

### 3. Knowledge and Head Lice Removal Project

The Company collaborated with Ban Chat Charoen School to organize an activity as part of the "Healthy Little Ones" project on February 24<sup>th</sup>, 2023. This activity aimed to provide knowledge about head lice and removal methods. It highlighted the importance of maintaining head cleanliness to prevent head lice infestations and reduce the spread of related diseases. Additionally, the event included guidance on the proper use of head lice removal products. BeRich (Thailand) Co., Ltd.(BRC), the Company's subsidiary, supported the event by providing products capable of eliminating both head lice and their eggs. These products feature an insecticide-free, odorless formula that is safe for both children and adults.



### 4. Teacher Hiring Project

BLC is dedicated to enhance the youth's potentials and knowledge in Nampu sub-district by supporting the educational staffs of Ban Chat Charoen School, Ban Nong Nang Phraeo School, and Wat Nam Phu School (Government Lottery Office 54). This initiative has been carried out for a long period of 10 years and is expected to continue in the future. Additionally, the project also comprehensively involves supporting educational activities in various aspects. In 2023, BLC supported 2 educational staffs for each school as shown in the details below.

- Ban Chat Charoen School – Teaching kindergarten and Thai language
- Ban Nong Nang Phraeo – Teaching kindergarten and Grade 4
- Wat Nam Phu School – Teaching English language and Thai boxing (Muay Thai)



## 5. Educational Materials, Computers, and Other Equipment Donation

Pharma Alliance Co., Ltd. (PAC), the Company's subsidiary, demonstrated its commitment to education by donating ten computers to Wat Huai Khot Temple in Lampang province. These computers will be used to enhance the educational experience of students. PAC also donated sport equipment, cleaning supplies, books, and stationery worth 22,337 THB to Ban Khlong Yai School and Ban Tham Nop (Lertsin Anusorn) School in Nakhon Nayok province.



## 6. Reforestation to Expand Green Spaces Project

BLC and local communities joined to plant trees for expanding green spaces at Ban Chat Charoen School in Nam Phu Subdistrict, Ratchaburi province. This initiative aligns with the Company's ESG policy, particularly its commitment to environmental sustainability. The tree-planting drive focused on planting perennial trees, which will not only enhance the aesthetic appeal of the surroundings but also contribute to improve air quality by absorbing

harmful carbon dioxide emissions. The satisfaction results exceeded the set goal, with 99 percent of participants expressing satisfaction, surpassing the target of 85 percent.






## 7. Religious activities

The Company has a community engagement strategy aimed at supporting religious activities. It has organized various events to encourage participation from both community and employees. In 2021-2022, there were several activities held on religious holidays such as candle offerings, Kathina robe offerings, robe offering ceremonies, as well as participation in communal rituals, maintenance, and construction of various religious structures.



## 8. Blood Donation

The Company consistently organized blood donation events for employees every three months throughout the year. This program is designed to provide support to patients and sustain blood reserves. In 2023, these events took place three times. Details of each event are presented in the table below.

|  |  |  |
|---|---|---|
| April 7, 2023   | 49 employees donated their blood  | Total Blood Units Collected: 39 units   |
| August 18, 2023   | 62 employees donated their blood  | Total Blood Units Collected: 52 units   |
| December 14, 2023   | 72 employees donated their blood  | Total Blood Units Collected: 64 units   |



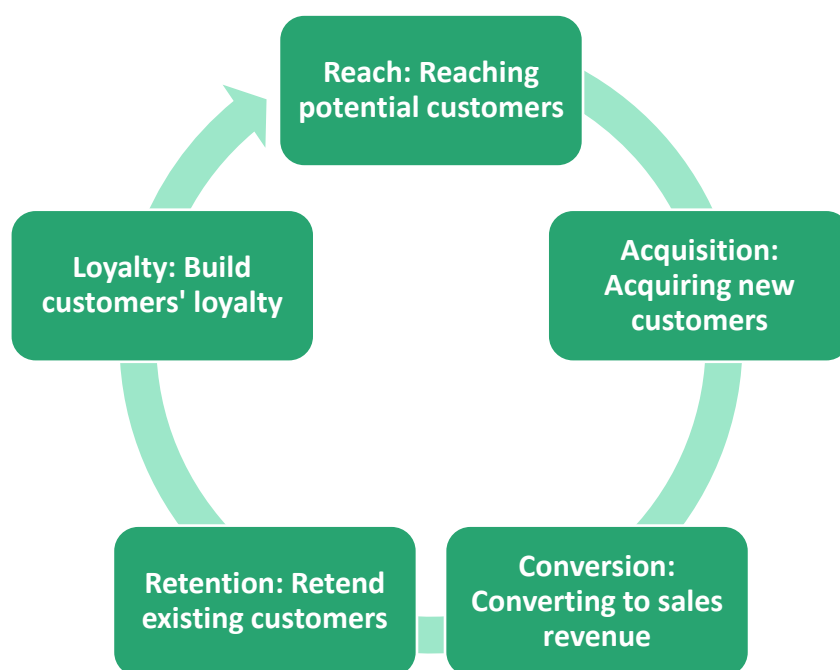
Customer relationship management is the cornerstone of BLC's sustainable business operations. The Company places great importance on managing customer relationships aiming to create satisfaction and maintain good relationships with customers through various business activities, such as sales promotion, after sales services, listening and responding to customers' feedbacks, and organizing online social activities, etc. Those activities foster customer engagement and enhance trust and confidence in the products or services offered by the Company. This leads to continuous purchases of products or services resulting in increased sales revenue, maintains the target group of customers, as well as potentially expand the Company's target group of customers in the future. Additionally, customer relationship management helps mitigate the risk of customer loss which could lead to revenue loss for the Company.

### 1) Policy and Management <sup>(3-3)</sup>

Bangkok Lab and Cosmetic Public Company Limited (BLC) is committed to adopt modern, standardized, and efficient technologies that are globally recognized and environmentally friendly for business operations and the development of products and services within the Company. This is to ensure customer satisfaction and deliver maximum benefits to customers with responsibility and integrity. BLC has established customer practices for the Company, details of which are as follows:

1. BLC focuses on producing quality products and gives attention to quality and safety control throughout the production process along with readiness of qualified personnel and rigorous quality assurance measures.
2. BLC aims to continuously develop products and services to meet customers' needs and provide customers with a variety of quality products and services that meet standards and their needs.
3. BLC is committed to fair marketing practices by providing customers with accurate, non-deceptive, and sufficient information regarding the Company's products and services to enable customers to make informed decisions.
4. BLC sets up customer relationship management system for communicating with customers, including efficient complaints management regarding product and service quality to promptly meet customer's needs.
5. BLC keeps customers' information confidential and will not use such information in unauthorized ways that may damage the Company. This includes strictly following policies and Personal Data Protection Act (PDPA).

In addition, subsidiaries of BLC are responsible for distributing products of the Company to various types of customers, such as hospitals, clinics, retail, and wholesale pharmacies, etc. These subsidiaries assigned selling teams to look after their customers closely, including online sales channels. Therefore, they have customer relationship management approaches differ from BLC, the parent company. Bangkok Medica Company Limited (BMC), a subsidiary of BLC, employs the customer relationship management cycle to manage customer relationships. The details of strategic plans and customer relationship management approaches are as follows:



| Operational Plans | Details  | Approaches   |
|-------------------|--|--|
| Data collection   | BMC collects customer data, such as gender, age, occupation, educational background, job roles, address, and contact information, etc. Moreover, other information, including product usage preferences, purchase frequency, attitudes towards products and services, the influence of promotions on purchasing decision, and factors that impress customers, is also collected. | BMC develops surveys or conduct interviews with customers through direct meetings and electronic or other channels to collect data and store it in the data storage system for further operations. |

| Operational Plans                                      | Details  | Approaches  |
|--|--|---|
| Customer segmentation                                  | BMC prioritizes customers by their behavior, the importance of customers to the Company or purchasing decision process of customers. This is to effectively respond to the needs of each customer group.   | BMC uses data stored in the database to segment customers into various groups.  |
| Customer needs survey                                  | BMC acquires an understanding of customers. It must understand what customers expect from products and services, and what product or service can satisfy their needs. This allows the Company to develop and enhance products or services in the right direction.  | BMC acquires customer needs or create promotions, and marketing campaigns to attract the interest of customers.   |
| Interaction with customers                             | Communication and Interaction with customers help the Company understand the needs of individual customer and maintain long-term customers' satisfaction. Moreover, the Company must ensure that building relationships should not make customers feel annoyed.  | BMC presents product information based on academic research, receives feedbacks, and responds to any questions from customers through various channels, such as social media to facilitate customers.   |
| Performance assessment and strategic plans improvement | Customer needs can change all the time depending on thoughts, attitudes, or trends at that time. Therefore, it is essential to regularly check for these changes to evaluate and continually improve to increase competitiveness and long-term market share. This extends from adjusting customer relationship management strategies, presenting products or services appropriately to each customer group to loyalty in products and services in the long run. This leads to increased revenue through repurchases and word-of-mouth referrals. | Collected data and feedbacks will be assessed and summarized monthly, quarterly, and annually for adjusting operational strategies. Also, it uses for improving action plans regarding onsite meeting with customers and introduces new products in the future opportunities. |



For Bangkok Drug Company Limited (BDC), the Company has established a systematic approach for managing customer relationships by formulating policies and strategies for operations. Moreover, BDC has implemented monitoring and measurement of operations to use the results for strategy improvement and optimization, together with developing its personnel to ensure they possess the essential knowledge of customer relationship management. This enables them to deliver excellent experiences to customers and effectively satisfy customer needs. The details of practices and activity plans are as follows:

| Approaches                        | Objectives   | Activity Plans   |
|-----------------------------------|--|--|
| Formulate policies and strategies | To ensure the Company's operations move forward in the same direction and manage customer relationships. | Establish policies and strategies for communication and customer relationship management that are appropriate, such as creating a customer database, developing membership programs, and crafting personalized customer marketing plans. |
| Implement policies and strategies | To help the Company in managing customer relationships efficiently.                                      | <ul style="list-style-type: none"> <li>• Develop communication channels with customers.</li> <li>• Create promotional activities.</li> <li>• Provide promotions and discounts for customers</li> </ul>                                   |
| Monitor and evaluate performance  | To help the Company to improve and develop its strategies to meet customer needs.                        | <ul style="list-style-type: none"> <li>• Prepare progress reports.</li> <li>• Allocate budget for marketing activities.</li> <li>• Conduct marketing research projects for acquiring customers' feedbacks.</li> </ul>                    |
| Develop human capital             | To build knowledge, understanding and expertise in managing customer relationships.                      | Provide trainings regarding customer relationship management for all employees.  |
| Respond to customer needs         | To help the Company in developing products and services that are suitable for the market.                | <ul style="list-style-type: none"> <li>• Conduct surveys.</li> <li>• Create dataset and conduct analysis to understand market needs.</li> </ul>  |

| Approaches                             | Objectives  | Activity Plans  |
|--|---|---|
| Provide friendly services to customers | To build strong and sustainable customer relationships. | <ul style="list-style-type: none"> <li>Equip employees with the skills necessary to appropriately respond to customer needs.</li> <li>Develop smooth and friendly communication between the Company and customers.</li> </ul> |

## 2) Our Goals (Short term/Long term)<sup>(3-3)</sup>




### Bangkok Lab and Cosmetic Public Company Limited (BLC)

| Target in 2023   |   |
|--|---|
|   | Customer satisfaction score was at 3.33 |
|  | Zero complaint from customers           |

### Bangkok Drug Company Limited (BDC)

| Goals                                     | Performance Indicators  |
|---|---|
| Medium-term Goals<br>(within 3 – 5 years) | <ul style="list-style-type: none"> <li>Customer satisfaction score exceeded 80% in 2023.</li> <li>Customer satisfaction score will exceed 90% in 2024.</li> </ul> |
| Long-term Goals<br>(over 5 years)         | <ul style="list-style-type: none"> <li>Build strong connections and relationships with customers</li> <li>Build and promote customer engagement</li> </ul>        |

### 3) Highlighted Performance in 2023

|  |  |                               |
|--|--|-------------------------------|
| <b>Customer Satisfaction with BLC's Quality Management</b><br><br>                    | <b>Evaluation Results of Customer Satisfaction (within the Company)</b>  |                               |
|  | Jan - Jun  | Jul - Dec                     |
|  | 3.33 / 4.00<br>Very Satisfied  | 3.36 / 4.00<br>Very Satisfied |
|  | <b>Evaluation Results of Customer Satisfaction (outside the Company)</b> |                               |
|  | Jan - Jun  | Jul - Dec                     |
|  | 3.94 / 4.00<br>Very Satisfied  | 3.74 / 4.00<br>Very Satisfied |
| <b>Customer Satisfaction on BDC's Selling Products and Providing Services</b><br><br> | <b>Evaluation Results of Customer Satisfaction</b>                       |                               |
|  | 2022   | 2023                          |
|  | 88.67%   | 88.67%                        |
|    | Zero significant complaint from customers                                |                               |

### 4) Action Plan and Implementation <sup>(3-3)</sup>

BLC has appointed a quality Management Standards Committee and assigned responsibilities for customer satisfaction surveys conducted twice annually in the first half (January to June) and the second half (July to December). The results of the customer satisfaction surveys are reported to relevant parties through management meetings which are held twice a year. Moreover, these results are utilized to enhance operational processes to maximize customer satisfaction. Additionally, the outcomes of customer satisfaction surveys are communicated to other stakeholders within the Company, such as employees, through BLC's communication channels, including company publications, to raise awareness among employees. Furthermore, BLC organizes joint meetings between the Company and customers of each business group to address and respond to customer feedbacks and suggestions.

Simultaneously, BDC has set up its action plans to achieve medium and long-term goals. The details of action plans are as follows:

| Medium-term Goals (within 3 – 5 years)  |   |
|---|---|
| <b>Acquiring of new customers</b> <ul style="list-style-type: none"> <li>Utilizing appropriate marketing strategies to attract the interest of new customers and providing the best services to generate satisfaction and confidence.</li> </ul>                    | <b>Activity Plans:</b> <ul style="list-style-type: none"> <li>Develop marketing plans focusing on increasing sales and attracting new customers.</li> <li>Develop promotions and special offers for new customers.</li> <li>Utilize technology and social media to track and generate interest from new customers.</li> </ul> <b>Timeframe:</b> Marketing and promotion plans will be held within 1-2 years. Performance evaluation and program adjustments will be conducted every 6 months. |
| <b>Developing and Improving customer services</b> <ul style="list-style-type: none"> <li>Using customer satisfaction survey results to enhance and develop services to maximize the customer needs.</li> </ul>  | <b>Activity Plans:</b> <ul style="list-style-type: none"> <li>Analyze customer data to address needs and issues.</li> <li>Develop plans for innovative services and products.</li> <li>Improve services suitably for customer needs.</li> </ul> <b>Timeframe:</b> Development and improvement of new services plans will be held within 2-3 years. Marketing and promotion adjustment plans will be conducted annually.   |
| Long-term Goals (over 5 years)  |   |
| <b>Establishing strong connections and relationship with customers</b> <ul style="list-style-type: none"> <li>Providing services that meet customer needs appropriately and fostering strong and sustainable connections with customers in the long term</li> </ul> | <b>Activity Plans:</b> <ul style="list-style-type: none"> <li>Develop services and products to meet customer needs.</li> <li>Create programs to promote communication to interact with customers.</li> <li>Build effective customer relationships.</li> </ul> <b>Timeframe:</b> Development and improvement of new services plans will be held within 2-3 years. Communication and promotion plans will be conducted within a year.   |
| <b>Creating and promoting customer engagement</b> <ul style="list-style-type: none"> <li>Encouraging customer engagement in providing suggestions and</li> </ul>  | <b>Activity Plans:</b> <ul style="list-style-type: none"> <li>Organize events for customers to gather data and feedbacks.</li> <li>Create an online community or open platform for communication with customers.</li> </ul>   |

|   |  |
|---|--|
| <p>feedbacks to respond to customer needs</p> | <ul style="list-style-type: none"> <li>• Create programs to promote customer engagement and participation in decision-making.</li> </ul> <p><b>Timeframe:</b> Establishing and promoting customer engagement, including monitoring, and evaluating customer engagement will be executed in the long run.</p> |
|---|--|

## • **Customer Relationship Management Risk Assessment**

BLC acknowledges the potential risks associated with managing customer relationships. Therefore, it has established risk assessment to mitigate the impacts on customer relationship management. The risk assessment process is aligned with the Company's Risk Management Guidelines which are detailed as follows:

### **1. Establish Risk Management Committee**

Board of Directors has appointed Risk Management Committee to assist them in formulating comprehensive risk management policies, overseeing the implementation of risk management systems or processes to mitigate the impacts on the Company's business operations appropriately, and monitoring the overall risk management and control systems are at an acceptable level.

### **2. Establish Policies and Criteria for Risk Management**

Risk Management Committee sets policies, objectives, responsibilities, criteria, and guidelines for risk management aligning with the Company's strategies, goals, plans and business directions. These policies are regularly reviewed annually and adjusted to be in line with the business plans.

### **3. Determine Acceptable Risk Levels**




The Company has defined the maximum acceptable risk levels and used for risk assessment and risk management. Also, these risk levels are used as strategic guidelines for appropriate resources allocation. The acceptable risk levels are specified at low and medium levels with a review of the risk appetite conducted annually.

### **4. Assess Potential Risks and/or Evaluate Relationship between Vision, Mission, and Strategy**

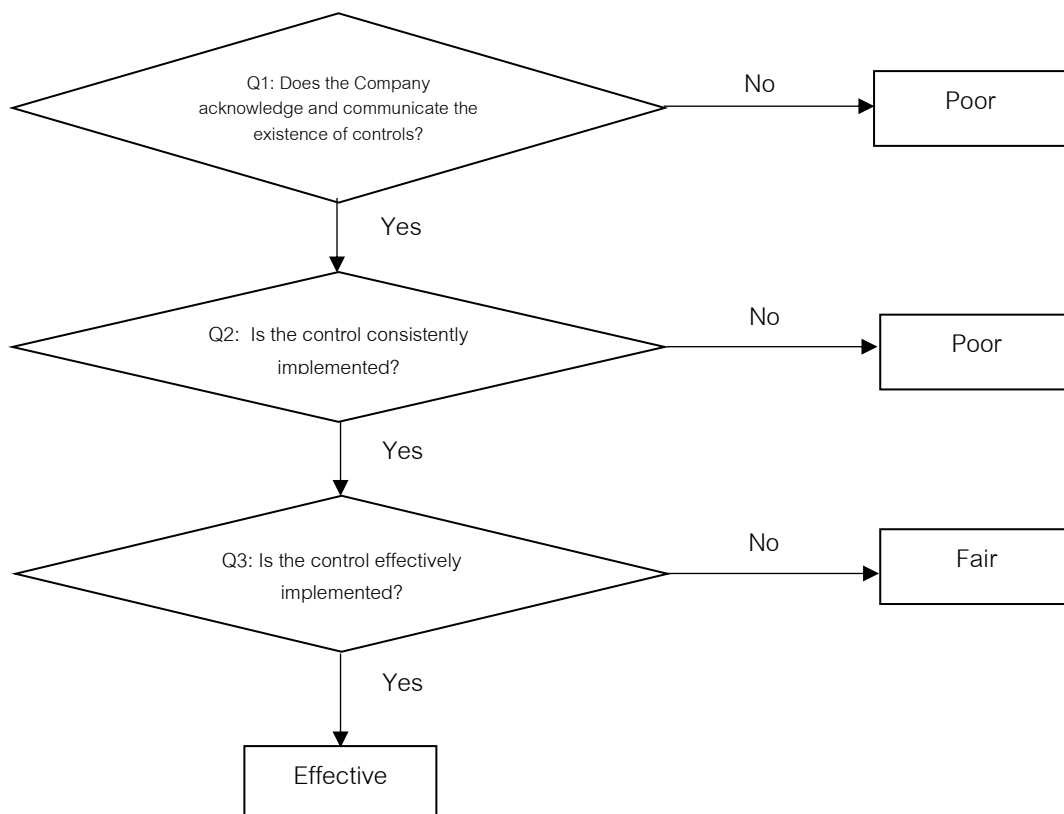
The Company has assessed risks that may impact the achievement of objectives and goals by considering both internal and external factors, including the relationship between vision, mission, strategy, financial factors, information systems, information regarding decision-making process, investor satisfaction, investment management, human resources, reputation and image, security systems, environment, and law, etc. The Company manages risks by prioritizing risks before assessing control systems. If the risk assessment is at high level (score of 10-15) or very high level (score of 16-25), the Company will prioritize to manage those risks.

## 5. Evaluate the Effectiveness of Control Systems

BLC evaluates the effectiveness of control systems by categorizing into three levels as follows:

|  |  |
|--|--|
| <br>Effective | The controls are robust and executed appropriately. It provides a reasonable level of confidence that the Company's objectives can be achieved.  |
| <br>Fair      | The controls are not yet effective, but they do not significantly impact risk exposure. However, improvements should be made to reasonably ensure that the Company's objectives can be achieved. |
| <br>Poor      | The controls are substandard, deficient, and ineffective, resulting in a lack of reasonable confidence that the Company's objectives can be achieved.  |

### *Processes to Evaluate the Effectiveness of Control Systems*



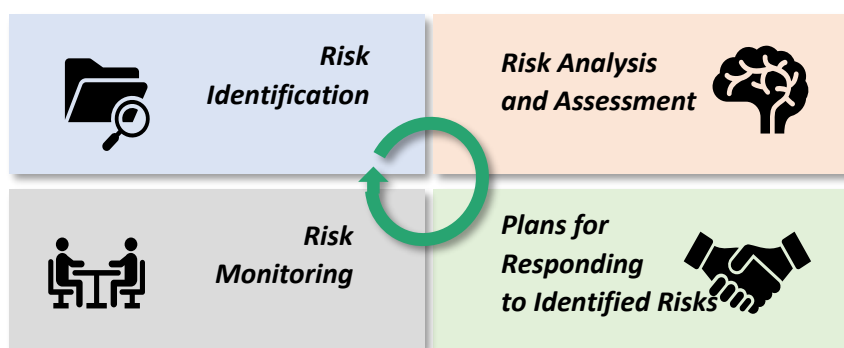
## 6. Manage Identified Risks

BLC establishes methods for creating plans to manage significant risks based on their prioritization. Various approaches can be used for risk management, such as risk acceptance, risk avoidance, leveraging risk, risk control and risk transfer, etc.

## 7. Monitor and Verify Risks

BLC assigns Risk Management Committee to monitor the outcomes of risk management. This includes evaluating the performance of risk management by operational personnel and reporting to the Risk Management Committee, on a quarterly basis, and reporting to the Board of Directors. Moreover, the Company has designated the Risk Management working team to additionally address risks at least once a year (usually work in the third quarter of the year) by identifying new risks, emerging risks, and changes in risks, that may impact strategies or business objective, to find approaches for managing and responding to those risks promptly.

Nevertheless, BDC also defines risk assessment process and plans for responding to potential risks that may arise from customer relationship management. The steps are illustrated in the diagram as follows:



The above-mentioned risk management process enables BDC to effectively respond to risks of customer relationship management and ensures the continuity of its business operations without disruption when facing identified risks. In 2023, the Company has identified potential risks arising from customer relationship management. Those risks can be summarized as follows:

| <b>Risk of Losing Customers</b>  | <b>Risk of Damaging the Company's Reputation</b>  |
|--|---|
| Neglecting or not taking care of customers could lead to them losing their rights and switching to buy products or using services from competitors who have better customer relationship management. | Ignoring or not responding to customer needs or problems resulting in customer dissatisfaction. This could lead to negative feedback, and a tarnished reputation for the Company. Ultimately, it harms the Company's trust in the market. |

|   |   |
|---|---|
| <b>Risk of Revenue Loss</b><br><p>This risk is the consequence of losing customers and losing the Company's reputation and image. When the Company neglects or not take care of customers, this could lead to poor customer relationship management. Moreover, it affects deterioration in the quality of products or services due to losing the ability to sell the Company's products and services.</p> | <b>Risk of Missing Opportunities for Business Development</b><br><p>Neglecting to manage customer relationships may cause the Company to miss out on valuable feedback and recommendations from customers. This could result in losing opportunities for gathering insights to develop new products or services and hindering the Company's growth prospects.</p> |
|---|---|

#### 5) Activities or Projects related to Customer Relationship Management <sup>(3-3)</sup>

BLC arranges activities or projects regarding customer relationship management in order to build satisfaction and maintain positive relationships with customers. All activities or projects held and completed in 2023 were as follows:

##### 1. Participation in the Academic Conference of the College of Herbal Pharmacy of Thailand



On June 8<sup>th</sup> – 9<sup>th</sup>, 2023, Mr. Suvit Ngampoopun (the second person from the left), the Chief Executive Officer (CEO) of BLC, was honored by the College of Herbal Pharmacy of Thailand, participated as a speaker in the academic conference project of the College of Herbal Pharmacy of Thailand No.1 of 2023 on the topic “Direction of research and development of herbal products in the global market” with Dr.Pakakrong Kwankhao (the third person from the left), Assistant Director of Thai Traditional and Alternative Medicine of Chaopraya Abhaibhuesorn Hospital, attended as co-speaker, and Dr Nattapong Lapboonsap (the first person from the left) was the moderator at Amari Don Muang Airport Hotel.

## 2. BLC Leads with Innovative Products at National Herbal Expo



Mr. Suvit Ngampoopun (the sixth person from the left), the Chief Executive Officer (CEO) of BLC, one of the leading manufacturers and distributors of pharmaceutical and health products, brought Thai herbal innovation products to participate in the 20th National Herbal Expo at Thailand Convention and Exhibition Center IMPACT Muang Thong Thani on June 28, 2023 with Mr. Phongrapee

Sukcharoenvej, President of Ruamjai Thai Drug Stores Association and Drug Store Entrepreneurs, including investors visited the booth and congratulated to the Company for being recently listed on the Stock Exchange of Thailand in order to increase competitiveness and promote Thai herbs in the global market. Moreover, he expressed confidence in BLC's strong business model and good growth prospects due to global health megatrends.

## 3. BLC Herbal Innovation Showcase in TCELS Business Forum 2023



Mr. Suvit Ngampoopun (the sixth person from the left), the Chief Executive Officer (CEO) of BLC, attended TCELS Business Forum 2023 to unlock the growth of the herbal industry. BLC is dedicated to creating innovation to promote Thai herbs in the global market through modern pharmaceutical manufacturing standards for alternative treatment along with conventional medicine. Moreover, the innovative Thai herbal products

include chili gel, plai cream, aloe vera gel, centella asiatica extract cream, and black ginger extract. This event was organized by the Center of Excellence in Life Sciences (Public Organization) or TCELS at Grand Fortune Hotel Bangkok on July 17, 2023.

#### 4. BLC attended the 12<sup>th</sup> Thailand Pharmacy Congress and World Pharmacist Day 2023

Bangkok Lab and Cosmetics Public Company Limited or BLC, one of the leading manufacturers and distributors of pharmaceutical and health products, participated in product exhibition booths at the 12<sup>th</sup> National Pharmacy Conference and World Pharmacist Day or the 12<sup>th</sup> Thailand Pharmacy Congress and World Pharmacist Day 2023, on September 24, 2023. The seminar, organized under the topic “Digital & Disruptive issues: Challenge and Opportunity for



Pharmacists to improve drug and health systems”, aims to advance the pharmacy profession by the Pharmacy Council of Thailand under Royal Patronage (PCT) acting as the central coordinator at the Bangkok International Trade and Exhibition Centre (BITEC) in Bangna, Bangkok.

#### 5. Customer Satisfaction Survey Project on Products and Services

BLC has set objectives in operating customer relationship management based on customer satisfaction levels regarding the quality of management operations through customer satisfaction surveys conducted twice a year (January – June and July – December). The criteria of customer satisfaction assessment are showed in the table.

| Score       | Customer Satisfaction Levels |
|-------------|------------------------------|
| 3.20 – 4.00 | Very Satisfied               |
| 2.40 – 3.19 | Satisfied                    |
| 1.60 – 2.39 | Neutral                      |
| 0.80 – 1.59 | Unsatisfied                  |
| 0.00 – 0.79 | Very Unsatisfied             |

In 2023, BLC conducted customer satisfaction surveys for both within the Company and outside the Company, including customer group within the Company (5 companies) totaling 175 respondents during the January – June period, and customer group outside the Company (2 companies) totaling 127 respondents during the July – December period. The results indicated that customers were very satisfied in both periods.

Similarly, BDC set objectives in operating customer relationship management based on customer satisfaction levels regarding the Company's product sales and services. In 2023, the target satisfaction score was set at 80% and the survey result, involved 158 respondents divided into the following categories: (1) 53 Pharmacy stores, (2) 40 hospitals, (3) 22 clinics, and (4) 43 general customers, pointed overall customer satisfaction level of 88.67% or high satisfaction with the Company's product sales and services. Nonetheless, BDC and the Company

is committed to continuously improving their products and services to meet the needs and enhance the satisfaction of all customer groups.

## 6. Supplement Training Project for Customer Sales Teams to Boost Sales and Engage with Customers

BLC organized a training program to educate the selling teams of customers about supplementary products to enhance their understanding of the products and foster positive interactions between the Company and customers.

|                        |   |
|------------------------|---|
| Objective              | <ol style="list-style-type: none"> <li>1) To build good relationships with customers</li> <li>2) To provide knowledge and understanding of the products</li> <li>3) To enhance sales techniques for the sales staffs</li> </ol> |
| Number of participants | A total of 20 in-store selling team members   |
| Details of Activity    | <ol style="list-style-type: none"> <li>1) Provide product training for the selling team by experienced sales experts</li> <li>2) Provide detailed scientific and academic information about the products</li> </ol>             |



## 7. Vitara and Burnova Product Training Projects

|                        |  |
|------------------------|--|
| Objective              | To provide product information to customers for use in their in-store sales processes  |
| Number of participants | 35 in-store selling team members from Kanchanaburi Province<br>20 in-store selling team members from Udon Thani Province   |
| Details of Activity    | 1) Introduction to BeRich (Thailand) Company Limited<br>2) Product Training on BeRich (Thailand) Company Limited<br>3) Q&A session   |
| Outcome                | Participants gained a better understanding of the products to enable them to confidently use for in-store sales processes and provide accurate information to their customers. |



## 8. Product Training Projects

|                        |  |
|------------------------|--|
| Objective              | To provide product information to customers for use in their in-store sales processes  |
| Number of participants | 40 in-store selling team members   |
| Details of Activity    | Introduce Bangkok Drug Company Limited, provide product training to participants, and Q&A session  |
| Outcome                | Participants gained a better understanding of the products to enable them to confidently use for in-store sales processes and provide accurate information to their customers. |



## 07 About this Report

---

### Sustainability Reporting Approach <sup>(2-3, 2-4)</sup>

This Sustainability report 2023 of Bangkok Lab and Cosmetic Public Company Limited is prepared for the first time, with the objective of collecting and disclosing policies, strategies, operational approaches, and sustainability performance to all stakeholder groups of the Company. It also aims to contribute to driving business growth alongside sustainable development. All performance data covered is from January 1 to December 31, 2023, which aligns with the Company's financial reporting period.

The content presented in the report covers materiality issues in environmental, social, and corporate governance dimensions. Additionally, this report was prepared in accordance with the Global Reporting Initiative (GRI) sustainability reporting standards. The Company intends to disclose and report this information regularly every year, with a disclosure deadline set for March on the Company's website ([www.blcplc.com](http://www.blcplc.com)).

### Reporting Boundary <sup>(2-2)</sup>

This report discloses the Company's sustainability performance data for the year 2023. This marks the first year that the Company has formally prepared a sustainability report. The data in this report covers all six of the Company's operating locations, as well as its affiliated companies involved in sales and marketing, namely:

- (1) Bangkok Lab and Cosmetic Public Company Limited, Ratchaburi province
- (2) Bangkok Drug Company Limited (Sales and Marketing), Ratchathewi, Bangkok
- (3) Farmaline Company Limited (Sales and Marketing), Ratchathewi, Bangkok
- (4) BeRich (Thailand) Company Limited (Sales and Marketing), Ratchathewi, Bangkok
- (5) Bangkok Medica Company Limited (Sales and Marketing), Ratchathewi, Bangkok
- (6) Pharma Alliance Company Limited (Supply Support), Ratchathewi, Bangkok

### Assurance of Sustainability Report <sup>(2-5)</sup>

Since this is the first year that the Company has published a Sustainability Report, there has not been any third-party verification of the sustainability data. In the future, the Company will develop a plan to collect data, implement the set goals, and have the sustainability performance data audited within 2025.

## Contact Channels <sup>(2-3)</sup>



Investor Relation, Bangkok Lab and Cosmetic Public Company Limited

**Address:** No. 48/1 Moo 5, Nong Chae Sao Road, Nam Phu Subdistrict, Mueang Ratchaburi, Ratchaburi province 70000

**Telephone:** 091-7735757, 097-1906336

**Website:** [www.blcplc.com](http://www.blcplc.com)

**Facebook:** Bangkok Lab and Cosmetic Public Company Limited

**Line** @bangkoklab

## 08 Appendix

### Economic and Governance, Social, and Environmental Performance Summary

#### 1) Economic and Governance Performance

- Innovation Management and Development

| Information  | Unit   | 2021   | 2022   | 2023   |
|--|--|--------|--------|--------|
| Applying sustainability-related knowledge or experience to develop/adapt/create innovations that can improve economic, social, and/or environmental benefits |  |        |        |        |
| Number of innovations developed by employees   |  |        |        |        |
| • Quality Control Cycle (QCC) Committee  | Project  | -      | 11     | 11     |
| • BLC Research Center  | Project  | 80     | 36     | 37     |
| Number of social and/or environmental product/service/process innovation projects  |  |        |        |        |
| • Quality Control Cycle (QCC) Committee  | Project  | -      | 0      | 0      |
| • BLC Research Center  | Project  | 6      | 1      | 3      |
| Quantitative social and/or environmental benefits from innovation <sup>(203-2)</sup>   |  |        |        |        |
| • Quality Control Cycle (QCC) Committee  | Thai Baht  | 0      | 0      | 0      |
| • BLC Research Center  | Amount of Methylene Chloride reduced as a result of product reformulation (kg) | -      | -      | 140.4  |
|  | Amount of Ethanol solvent reduced as a result of product reformulation (kg)    | 802.89 | 658.48 | 655.36 |

| Information  | Unit      | 2021       | 2022       | 2023      |
|--|-----------|------------|------------|-----------|
| Quantitative benefits from innovation <sup>(203-2)</sup>     |           |            |            |           |
| • Quality Control Cycle (QCC) Committee                      | Thai Baht | -          | 182,685    | 103,297   |
| • BLC Research Center  | Thai Baht | 48,173.4   | 39,508.8   | 46,341.6  |
| Total amount of investments in innovation <sup>(203-1)</sup> |           |            |            |           |
| • Quality Control Cycle (QCC) Committee                      | Thai Baht | -          | 24,000     | 14,200    |
| • BLC Research Center  | Thai Baht | 12,700,000 | 10,350,000 | 5,450,000 |

Remark: \*Data as of 31<sup>st</sup> December 2023

## 2) Social Dimension Performance

- Number of Employees\* (2-7, 2-8)

Unit: person

| Data                                      |         | 2021 |        |       | 2022 |        |       | 2023 |        |       |
|---|---------|------|--------|-------|------|--------|-------|------|--------|-------|
|   |         | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Number of Employees                       |         | 335  | 622    | 957   | 343  | 652    | 995   | 362  | 695    | 1,057 |
| Number of employees by area               |         |      |        |       |      |        |       |      |        |       |
| Head office, Ratchaburi                   |         | 233  | 361    | 594   | 241  | 394    | 635   | 257  | 416    | 673   |
| Subsidiaries, Bangkok                     |         | 102  | 261    | 363   | 102  | 258    | 360   | 105  | 279    | 384   |
| Number of employees by age                |         |      |        |       |      |        |       |      |        |       |
| < 30 years                                | Person  | 113  | 205    | 318   | 116  | 222    | 338   | 125  | 226    | 351   |
|   | Percent | 34%  | 33%    | 33%   | 34%  | 34%    | 34%   | 35%  | 33%    | 33%   |
| 30 – 50 years                             | Person  | 181  | 379    | 560   | 186  | 386    | 572   | 191  | 423    | 614   |
|   | Percent | 54%  | 61%    | 59%   | 54%  | 59%    | 57%   | 53%  | 61%    | 58%   |
| > 50 years                                | Person  | 41   | 38     | 79    | 41   | 44     | 85    | 46   | 46     | 92    |
|   | Percent | 12%  | 6%     | 8%    | 12%  | 7%     | 9%    | 13%  | 7%     | 9%    |
| Number of employees by type of employment |         |      |        |       |      |        |       |      |        |       |
| Full-time                                 |         | 335  | 622    | 957   | 343  | 652    | 995   | 362  | 695    | 1,057 |
| Part-time                                 |         | 0    | 0      | 0     | 0    | 0      | 0     | 0    | 0      | 0     |
| Permanent                                 |         | 327  | 601    | 928   | 330  | 629    | 959   | 355  | 667    | 1,022 |
| Temporary                                 |         | 8    | 21     | 29    | 13   | 23     | 36    | 7    | 28     | 35    |
| Number of employees by employee level     |         |      |        |       |      |        |       |      |        |       |
| Top management                            |         | 6    | 0      | 6     | 6    | 0      | 6     | 6    | 0      | 6     |

| Data   | 2021 |        |       | 2022 |        |       | 2023 |        |       |
|--|------|--------|-------|------|--------|-------|------|--------|-------|
|  | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Middle management  | 9    | 3      | 12    | 11   | 4      | 15    | 11   | 4      | 15    |
| Junior management  | 64   | 147    | 211   | 56   | 148    | 204   | 55   | 147    | 202   |
| Employees  | 256  | 472    | 728   | 270  | 500    | 770   | 290  | 544    | 834   |
| <b>Number of employees by nationality</b>                                  |      |        |       |      |        |       |      |        |       |
| Thai   | 335  | 622    | 957   | 343  | 652    | 995   | 362  | 695    | 1,057 |
| Disability employees   | 6    | 1      | 7     | 6    | 2      | 8     | 6    | 2      | 8     |
| Parental leave <sup>(401-3)</sup>  |      |        |       |      |        |       |      |        |       |
| Number of employees entitled to parental leave                             | 0    | 622    | 622   | 0    | 652    | 652   | 0    | 695    | 695   |
| Number of employees that took parental leave                               | 0    | 17     | 17    | 0    | 18     | 18    | 0    | 21     | 21    |
| Number of employees that returned to work after parental leave             | 0    | 17     | 17    | 0    | 18     | 18    | 0    | 20     | 20    |
| Number of employees retained 12 months after returning from parental leave | 0    | 15     | 15    | 0    | 18     | 18    | 0    | 19     | 19    |
| Return to work rate  | -    | 100    | 100   | -    | 100    | 100   | -    | 95     | 95    |
| Retention rate   | -    | 88     | 88    | -    | 100    | 100   | -    | 95     | 95    |

Remarks: \*As of 31<sup>st</sup> December 2023

- Top management level refers to employees from the Chief Executive Officer and the Head of Department.
- Management level refers to employees in Department Director and Assistant Department Director positions.
- Supervisory level refers to employees in Section Manager, Division Manager, Department Manager.
- Operational level refers to employees in Specialists and Staff.

• Employee turnover\* (401-1, 405-1)

| Data                            | 2021   |         | 2022   |         | 2023   |         |
|---------------------------------|--------|---------|--------|---------|--------|---------|
|                                 | Person | Percent | Person | Percent | Person | Percent |
| Number of new joiners           | 188    | 19.64   | 282    | 28.34   | 279    | 26.40   |
| Sex                             |        |         |        |         |        |         |
| • Male                          | 67     | 35.64   | 102    | 36.17   | 82     | 29.39   |
| • Female                        | 121    | 64.36   | 180    | 63.83   | 197    | 70.61   |
| Age                             |        |         |        |         |        |         |
| • < 30 years                    | 134    | 71.28   | 187    | 66.31   | 178    | 63.80   |
| • 30 – 50 years                 | 53     | 28.19   | 90     | 31.91   | 95     | 34.05   |
| • > 50 years                    | 1      | 0.53    | 5      | 1.77    | 6      | 2.15    |
| Area                            |        |         |        |         |        |         |
| • Head office, Ratchaburi       | 110    | 58.51   | 185    | 65.60   | 195    | 69.89   |
| • Subsidiaries, Bangkok         | 78     | 41.49   | 97     | 34.40   | 84     | 30.11   |
| Number of employee resignations | 118    | 12.00   | 134    | 13.00   | 105    | 10.00   |
| Sex                             |        |         |        |         |        |         |
| • Male                          | 47     | 40.00   | 59     | 44.00   | 34     | 32.00   |
| • Female                        | 71     | 60.00   | 75     | 56.00   | 71     | 68.00   |
| Age                             |        |         |        |         |        |         |
| • < 30 years                    | 59     | 50.00   | 66     | 49.00   | 64     | 61.00   |
| • 30 – 50 years                 | 56     | 47.00   | 65     | 49.00   | 38     | 36.00   |
| • > 50 years                    | 3      | 3.00    | 3      | 2.00    | 3      | 3.00    |

| Data                      | 2021   |         | 2022   |         | 2023   |         |
|---------------------------|--------|---------|--------|---------|--------|---------|
|                           | Person | Percent | Person | Percent | Person | Percent |
| <b>Area</b>               |        |         |        |         |        |         |
| • Head office, Ratchaburi | 57     | 48.00   | 78     | 58.00   | 67     | 64.00   |
| • Subsidiaries, Bangkok   | 61     | 52.00   | 56     | 42.00   | 38     | 36.00   |

Remarks: \*As of 31<sup>st</sup> December 2023

- Salaries and compensation <sup>(405-2)</sup>

| Data  | Unit       | 2021    |        |       | 2022    |        |       | 2023    |        |       |
|---|------------|---------|--------|-------|---------|--------|-------|---------|--------|-------|
|   |            | Male    | Female | Total | Male    | Female | Total | Male    | Female | Total |
| Top management                              |            |         |        |       |         |        |       |         |        |       |
| Base salary                                 | Baht/month | 230,288 | 0      |       | 230,288 | 0      |       | 231,600 | 0      |       |
| Base salary and other monetary compensation | Baht/month | 185,715 | 0      |       | 176,788 | 0      |       | 178,100 | 0      |       |
| Management                                  |            |         |        |       |         |        |       |         |        |       |
| Base salary                                 | Baht/month | 55,339  | 37,081 |       | 57,581  | 49,617 |       | 62,394  | 56,038 |       |
| Base salary and other monetary compensation | Baht/month | 67,451  | 37,581 |       | 63,254  | 55,498 |       | 70,679  | 64,987 |       |
| Manager                                     |            |         |        |       |         |        |       |         |        |       |
| Base salary                                 | Baht/month | 29,454  | 25,830 |       | 31,868  | 27,521 |       | 31,687  | 29,771 |       |
| Base salary and other monetary compensation | Baht/month | 46,838  | 35,943 |       | 41,491  | 36,086 |       | 45,165  | 40,137 |       |
| Officer                                     |            |         |        |       |         |        |       |         |        |       |
| Base salary                                 | Baht/month | 14,172  | 22,926 |       | 14,325  | 23,660 |       | 19,449  | 25,077 |       |
| Base salary and other monetary compensation | Baht/month | 23,275  | 23,899 |       | 21,134  | 22,362 |       | 25,262  | 22,910 |       |

| Data  | Unit                 | 2021 |        |       | 2022 |        |       | 2023 |        |       |
|---|----------------------|------|--------|-------|------|--------|-------|------|--------|-------|
|   |                      | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Female to male compensation ratio           |                      |      |        |       |      |        |       |      |        |       |
| Management                                  |                      |      |        |       |      |        |       |      |        |       |
| Base salary                                 | Female to male ratio | 0.00 |        |       | 0.00 |        |       | 0.00 |        |       |
| Base salary and other monetary compensation | Female to male ratio | 0.00 |        |       | 0.00 |        |       | 0.00 |        |       |
| Manager                                     |                      |      |        |       |      |        |       |      |        |       |
| Base salary                                 | Female to male ratio | 0.88 |        |       | 0.86 |        |       | 0.94 |        |       |
| Base salary and other monetary compensation | Female to male ratio | 0.77 |        |       | 0.87 |        |       | 0.89 |        |       |
| Officer                                     |                      |      |        |       |      |        |       |      |        |       |
| Base salary                                 | Female to male ratio | 1.62 |        |       | 1.65 |        |       | 1.29 |        |       |
| Base salary and other monetary compensation | Female to male ratio | 1.03 |        |       | 1.06 |        |       | 0.91 |        |       |

Remarks: \*As of 31<sup>st</sup> December 2023

— The base salary is the minimum fixed amount paid as compensation for an employee's work, excluding additional compensation such as overtime pay or bonuses.

• **Product Quality and Safety\*** (416-1, 416-2, 417-2, 417-3)

| Data  | Unit     | 2021 | 2022 | 2023 |
|---|----------|------|------|------|
| <b>Customer Health and Safety</b>   |          |      |      |      |
| <b>Assessment of the health and safety impacts of product and service categories</b>  |          |      |      |      |
| Total number of significant product and service categories of the Company <sup>1</sup>  | Category | 6    | 6    | 6    |
| Numbers of significant product and service categories contributing to customers obtaining health and safety impact assessment for improvement   | Category | 6    | 6    | 6    |
| Percentage of significant product and service categories contributing to customers obtaining health and safety impact assessment for improvement  | Percent  | 100% | 100% | 100% |
| <b>Incidents of non-compliance concerning the health and safety impacts of products and services</b>  |          |      |      |      |
| Number of incidents of non-compliance with regulations resulting in a fine or penalty   | Case     | 0    | 0    | 0    |
| Number of incidents of non-compliance with regulations resulting in a warning   | Case     | 0    | 0    | 0    |
| Number of incidents of non-compliance with voluntary codes  | Case     | 0    | 0    | 0    |
| Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services   | Case     | 0    | 0    | 0    |
| <b>Requirements for product and service information and labeling</b>  |          |      |      |      |
| Total number of significant product and service categories covered by and assessed for compliance with such procedures for product and service information and labeling, including the sourcing of components of the product or service, content, particularly with regard to substances that might produce an environmental or social impact, safe use of the product or service, and disposal of the product <sup>2</sup> | Category | 6    | 6    | 6    |
| Percentage of significant product and service categories covered by and assessed for compliance with such procedures for product and service information and labeling, including the  | Percent  | 100% | 100% | 100% |

| Data   | Unit | 2021 | 2022 | 2023 |
|--|------|------|------|------|
| sourcing of components of the product or service, content, particularly with regard to substances that might produce an environmental or social impact, safe use of the product or service, and disposal of the product <sup>2</sup> |      |      |      |      |
| <b>Incidents of non-compliance concerning product and service information and labeling</b>   |      |      |      |      |
| Number of incidents of non-compliance with regulations resulting in a fine or penalty  | Case | 0    | 0    | 0    |
| Number of incidents of non-compliance with regulations resulting in a warning  | Case | 0    | 0    | 0    |
| Number of incidents of non-compliance with voluntary codes   | Case | 0    | 0    | 0    |
| Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling  | Case | 0    | 0    | 0    |
| <b>Incidents of non-compliance concerning marketing communications<sup>3</sup></b>   |      |      |      |      |
| Number of incidents of non-compliance with regulations resulting in a fine or penalty  | Case | 0    | 0    | 0    |
| Number of incidents of non-compliance with regulations resulting in a warning  | Case | 0    | 0    | 0    |
| Number of incidents of non-compliance with voluntary codes   | Case | 0    | 0    | 0    |
| Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications  | Case | 0    | 0    | 0    |

**Remark:** \* Data as of 31<sup>st</sup> December 2023

<sup>1, 2</sup> 6 categories of significant products and services comprise (1) Medicine (2) Food Supplements (3) Cosmetic (4) Hazardous Substances (5) Medical devices and (6) Herbal Product

<sup>3</sup> advertisement, promotion and sponsorship

- Occupational Health and Safety\* (403-9, 403-10)

| Data  | Unit                 | 2021    |           |           | 2022    |           |           | 2023    |           |           |
|---|----------------------|---------|-----------|-----------|---------|-----------|-----------|---------|-----------|-----------|
|   |                      | Male    | Female    | Total     | Male    | Female    | Total     | Male    | Female    | Total     |
| Total hours worked  |                      |         |           |           |         |           |           |         |           |           |
| Employee  | Hour                 | 758,440 | 1,408,208 | 2,166,648 | 757,344 | 1,439,616 | 2,196,960 | 796,400 | 1,529,000 | 2,325,400 |
| Contractor  | Hour                 | 0       | 0         | 0         | 0       | 0         | 0         | 0       | 0         | 0         |
| Occupational Health and Safety Management System  |                      |         |           |           |         |           |           |         |           |           |
| Employees covered by health and safety management system  |                      |         |           |           |         |           |           |         |           |           |
| Total number of employees covered by occupational health and safety management system   | Person               | 335     | 622       | 957       | 343     | 652       | 995       | 362     | 695       | 1,057     |
| Percentage of total employees covered by occupational health and safety management system   | % of total employees | -       | -         | -         | -       | -         | -         | -       | -         | -         |
| Total number of employees covered by occupational health and safety management system that has been internally audited                        | Person               | 335     | 622       | 957       | 343     | 652       | 995       | 362     | 695       | 1,057     |
| Percentage of total employees covered by occupational health and safety management system that has been internally audited                    | % of total employees | -       | -         | -         | -       | -         | -         | -       | -         | -         |
| Total number of employees covered by occupational health and safety management system that has been internally certified by an external party | Person               | 335     | 622       | 957       | 343     | 652       | 995       | 362     | 695       | 1,057     |

| Data  | Unit                     | 2021 |        |       | 2022 |        |       | 2023 |        |       |
|---|--------------------------|------|--------|-------|------|--------|-------|------|--------|-------|
|   |                          | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Percentage of total employees covered by occupational health and safety management system that has been internally certified by an external party | % of total employees     | -    | -      | -     | -    | -      | -     | -    | -      | -     |
| <b>Work-Related Injury <sup>(403-9)</sup></b>   |                          |      |        |       |      |        |       |      |        |       |
| <b>Fatality as a result of work-related injury</b>  |                          |      |        |       |      |        |       |      |        |       |
| Number of fatalities as a result of work-related injury   | Person                   | 0    | 0      | 0     | 0    | 0      | 0     | 0    | 0      | 0     |
| Fatality rate per 200,000 hours worked  | Person / 200,000 hours   | 0    | 0      | 0     | 0    | 0      | 0     | 0    | 0      | 0     |
| Fatality rate per 1,000,000 hours worked  | Person / 1,000,000 hours | 0    | 0      | 0     | 0    | 0      | 0     | 0    | 0      | 0     |
| <b>High-consequence work-related Injury (excluding fatality)</b>  |                          |      |        |       |      |        |       |      |        |       |
| Number of high-consequence work-related injuries  | Person                   | 0    | 0      | 0     | 0    | 0      | 0     | 0    | 0      | 0     |
| High-consequence work-related injury per 200,000 hours worked   | Person / 200,000 hours   | 0    | 0      | 0     | 0    | 0      | 0     | 0    | 0      | 0     |
| High-consequence work-related injury per 1,000,000 hours worked   | Person / 1,000,000 hours | 0    | 0      | 0     | 0    | 0      | 0     | 0    | 0      | 0     |

| Data  | Unit                     | 2021 |        |       | 2022 |        |       | 2023 |        |       |      |
|---|--------------------------|------|--------|-------|------|--------|-------|------|--------|-------|------|
|   |                          | Male | Female | Total | Male | Female | Total | Male | Female | Total |      |
| Medical treatment received as a result of work-related injury                           |                          |      |        |       |      |        |       |      |        |       |      |
| Number of employees who received a medical treatment as a result of work-related injury | Person                   | 0    | 0      | 0     | 0    | 0      | 0     | 0    | 0      | 0     |      |
| Recordable work-related injury  |                          |      |        |       |      |        |       |      |        |       |      |
| Number of recordable work-related injury  | Person                   | 0    | 0      | 0     | 0    | 0      | 0     | 0    | 0      | 0     |      |
| Recordable work-related injury rate per 200,000 hours worked                            | Person / 200,000 hours   | 0    | 0      | 0     | 0    | 0      | 0     | 0    | 0      | 0     |      |
| Recordable work-related injury rate per 1,000,000 hours worked                          | Person / 1,000,000 hours | 0    | 0      | 0     | 0    | 0      | 0     | 0    | 0      | 0     |      |
| Lost-time injury frequency rate (LTIFR)   |                          |      |        |       |      |        |       |      |        |       |      |
| Number of lost-time injury  | Person                   | 0    | 0      | 0     | 0    | 0      | 0     | 0    | 0      | 0     |      |
| Lost-time injury frequency rate per 200,000 hours worked                                | Person / 200,000 hours   | 0    | 0      | 0     | 0    | 0      | 0     | 0    | 0      | 0     |      |
| Lost-time injury frequency rate per 1,000,000 hours worked                              | Person / 1,000,000 hours | 0    | 0      | 0     | 0    | 0      | 0     | 0    | 0      | 0     |      |
| Employee data coverage  | % of employees           |      |        |       | 100% |        |       | 100% |        |       | 100% |

| Data   | Unit   | 2021 |        |       | 2022 |        |       | 2023 |        |       |
|--|--------|------|--------|-------|------|--------|-------|------|--------|-------|
|  |        | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Work-Related Illness <sup>(403-10)</sup>                   |        |      |        |       |      |        |       |      |        |       |
| Fatality as a result of work-related illness               |        |      |        |       |      |        |       |      |        |       |
| Number of fatalities as a result of work-related illnesses | Person | 0    | 0      | 0     | 0    | 0      | 0     | 0    | 0      | 0     |
| Recordable work-related illness                            |        |      |        |       |      |        |       |      |        |       |
| Number of work-related illnesses                           | Person | 0    | 0      | 0     | 0    | 0      | 0     | 0    | 0      | 0     |

Remark: \* Data as of 31<sup>st</sup> December 2023

- The Company does not hire contractors in any activity, thus no quantitative data regarding contractors.

- Customer Relationship Management\*

| Data  | Unit    | 2021                                 | 2022                                  | 2023                                 |
|---|---------|--------------------------------------|---------------------------------------|--------------------------------------|
| <b>Customer Satisfaction</b>                                |         |                                      |                                       |                                      |
| <b>Customer Satisfaction Management</b>                     |         |                                      |                                       |                                      |
| Target of customer satisfaction <sup>1</sup>                | Point   | 3.20 (Jan – Jun)<br>3.25 (Jul – Dec) | 3.25 (Jan – Jun)<br>3.33 (Jul – Dec)  | 3.33 (Jan – Jun)<br>3.33 (Jul – Dec) |
| Customer satisfaction score <sup>1</sup>                    | Point   | 3.20 (Jan – Jun)<br>3.26 (Jul – Dec) | 3.36 (Jan – Jun)<br>3.18 (Jul – Dec)) | 3.33 (Jan – Jun)<br>3.36 (Jul – Dec) |
| Target of customer satisfaction <sup>2</sup>                | Percent | 90%                                  | 80%                                   | 80%                                  |
| Customer satisfaction score <sup>2</sup>                    | Percent | 90%                                  | 88.67%                                | 88.67%                               |
| <b>Complaint and Grievances mechanism</b>                   |         |                                      |                                       |                                      |
| Total number of complaints from customers in the past years | Case    | 0                                    | 0                                     | 0                                    |

Remark: \* Data as of 31<sup>st</sup> December 2023

1 In perspective of quality management system, normally evaluated twice a year including January – June and July - December

2 In perspective of sales products and services

### 3) Environmental Performance

- Environmental Management System

| Data   | Unit       | 2020   | 2021   | 2022   | 2023   |
|--|------------|--------|--------|--------|--------|
| <b>Water Management</b>  |            |        |        |        |        |
| <b>Water Withdrawal</b>  |            |        |        |        |        |
| Total water withdrawal <sup>(303-3)</sup>  |            |        |        |        |        |
| Total water withdrawal from AREAS <u>WITHOUT WATER STRESS</u> – Groundwater <sup>1</sup> |            |        |        |        |        |
| Freshwater ( $\leq 1,000$ mg/L Total Dissolved Solid)                                    | Megaliters | 48.89  | 48.66  | 42.36  | 56.26  |
| Other water ( $> 1,000$ mg/L Total Dissolved Solid)                                      | Megaliters | 0      | 0      | 0      | 0      |
| <b>Water Discharge <sup>(303-4)</sup></b>  |            |        |        |        |        |
| Total water discharge to <u>ALL AREAS</u> <sup>2</sup>                                   | Megaliters | 0      | 0      | 0      | 0      |
| <b>Water Consumption <sup>(303-5)</sup></b>  |            |        |        |        |        |
| Total water consumption from <u>ALL AREAS</u> <sup>1</sup>                               | Megaliters | 48.89  | 48.66  | 42.36  | 56.26  |
| <b>Waste Management</b>  |            |        |        |        |        |
| Total waste generated  | Metric Ton | 147.03 | 138.68 | 151.43 | 127.91 |
| Total <u>hazardous waste</u> generated   | Metric Ton | 56.03  | 51.38  | 54.05  | 58.34  |
| Total <u>non-hazardous waste</u> generated   | Metric Ton | 91.00  | 87.30  | 97.39  | 69.57  |
| Total waste diverted from disposal   | Metric Ton | 64.81  | 68.61  | 75.19  | 48.45  |
| Total <u>Hazardous Waste</u> diverted from disposal                                      | Metric Ton | 0      | 0      | 0      | 0      |
| HZ - Diverted from <u>onsite disposal</u>  | Metric Ton | 0      | 0      | 0      | 0      |
| HZ - Diverted from <u>offsite disposal</u> (such as, municipality)                       | Metric Ton | 0      | 0      | 0      | 0      |
| Total <u>Non-hazardous Waste</u> diverted from disposal                                  | Metric Ton | 64.81  | 68.61  | 75.19  | 48.45  |
| NHZ - Diverted from <u>onsite disposal</u>   | Metric Ton | 64.81  | 68.61  | 75.19  | 48.45  |

| Data  | Unit              | 2020         | 2021         | 2022         | 2023         |
|---|-------------------|--------------|--------------|--------------|--------------|
| • Recycling   | Metric Ton        | 64.81        | 68.61        | 75.19        | 48.45        |
| NHZ - Diverted from <u>offsite disposal</u> (such as, municipality) | Metric Ton        | 0            | 0            | 0            | 0            |
| <b>Total Waste directed to disposal</b>                             | <b>Metric Ton</b> | <b>82.22</b> | <b>70.07</b> | <b>76.24</b> | <b>79.46</b> |
| <b>Total <u>Hazardous Waste</u> directed to disposal</b>            | <b>Metric Ton</b> | <b>56.03</b> | <b>51.38</b> | <b>54.05</b> | <b>58.34</b> |
| HZ - Diverted from <u>onsite disposal</u>                           | Metric Ton        | 0            | 0            | 0            | 0            |
| HZ - Diverted from <u>offsite disposal</u> (such as, municipality)  | Metric Ton        | 56.03        | 51.38        | 54.05        | 58.34        |
| • Incineration with energy recovery                                 | Metric Ton        | 27.99        | 26.41        | 29.04        | 23.27        |
| • Landfilling   | Metric Ton        | 20.49        | 20.10        | 24.68        | 34.78        |
| • Other disposal operations   | Metric Ton        | 7.55         | 4.86         | 0.33         | 0.29         |
| <b>Total <u>Non-hazardous Waste</u> directed to disposal</b>        | <b>Metric Ton</b> | <b>26.19</b> | <b>18.69</b> | <b>22.20</b> | <b>21.12</b> |
| NHZ - Diverted from <u>onsite disposal</u>                          | Metric Ton        | 0            | 0            | 0            | 0            |
| NHZ - Diverted from <u>offsite disposal</u> (such as, municipality) | Metric Ton        | 26.19        | 18.69        | 22.20        | 21.12        |
| • Landfilling   | Metric Ton        | 0.38         | 0.24         | 0.59         | 0.57         |
| • Other disposal operations   | Metric Ton        | 25.81        | 18.45        | 21.61        | 20.55        |

**Remark:** 1 Water withdrawal used in BLC is sourced from groundwater in areas without water stress.

2 The water remaining from the production process at BLC is repurposed, primarily for watering plants. As a result, BLC does not discharge any wastewater into the environment

- Climate Change Management

| Data  | Unit    | 2020      | 2021      | 2022      | 2023      |
|---|---------|-----------|-----------|-----------|-----------|
| <b>Energy Consumption</b>                                 |         |           |           |           |           |
| Energy consumption within organization <sup>(302-1)</sup> | MWh     | 5,854     | 5,621     | 6,426     | 7,151     |
| <b>Non-Renewable energy purchased and consumed</b>        |         |           |           |           |           |
| Total <u>non-renewable energy</u> consumption             | GJ      | 15,132.97 | 14,424.42 | 17,185.17 | 20,290.14 |
|   | MWh     | 4,203.60  | 4,006.78  | 4,773.66  | 5,636.15  |
| <b>Mobile Combustion</b>                                  |         |           |           |           |           |
| Diesel  | MWh     | 852.13    | 782.07    | 1,263.95  | 1,334.04  |
| Benzene   | MWh     | 38.75     | 35.62     | 63.88     | 47.96     |
| <b>Energy purchased</b>                                   |         |           |           |           |           |
| Electricity purchased (From Grid)                         | MWh     | 3,312.72  | 3,189.09  | 3,445.83  | 4,254.15  |
| <b>Renewable energy purchased and consumed</b>            |         |           |           |           |           |
| Total <u>renewable energy</u> consumption                 | GJ      | 5,939.99  | 5,811.11  | 5,948.93  | 5,452.33  |
|   | MWh     | 1,650.00  | 1,614.20  | 1,652.48  | 1,514.54  |
| Electricity from solar cell / solar farm                  | MWh     | 1,650.00  | 1,614.20  | 1,652.48  | 1,514.54  |
| Energy intensity per unit production <sup>(302-3)</sup>   | kWh/ kg | N/A       | N/A       | N/A       | 1,523,033 |

| Greenhouse Gas Emissions  |   |     |     |          |          |
|---|---|-----|-----|----------|----------|
| Total Greenhouse Gas emissions (Scope 1+2+3)                              | Ton CO2 equivalent                      | N/A | N/A | 5,344.31 | 5,443.65 |
| Total direct greenhouse gas emission (Scope 1) <sup>(305-1)</sup>         | Ton CO2 equivalent                      | N/A | N/A | 302.32   | 355.82   |
| Mobile Combustion   | Ton CO2 equivalent                      | N/A | N/A | 132.08   | 149.69   |
| Total indirect greenhouse gas emission (Scope 2) <sup>(305-2)</sup>       | Ton CO2 equivalent                      | N/A | N/A | 1,709.50 | 2,110.10 |
| Electricity purchased   | Ton CO2 equivalent                      | N/A | N/A | 1,709.50 | 2,110.10 |
| Total other indirect greenhouse gas emission (Scope 3) <sup>(305-3)</sup> | Ton CO2 equivalent                      | N/A | N/A | 3,332.4  | 2,110.10 |
| Upstream categories   |   |     |     |          |          |
| Purchased goods and services  | Ton CO2 equivalent                      | N/A | N/A | 2,965.21 | 2,522.51 |
| Fuel- and energy-related activities (not included in Disclosure 302-1)    |   | N/A | N/A | 367.28   | 455.21   |
| Greenhouse Gas Emissions Intensity <sup>(305-4)</sup>                     |   |     |     |          |          |
| Greenhouse gas emission intensity for scope 1                             | Ton CO2 equivalent/<br><br>Million Baht | N/A | N/A | 0.38     | 0.40     |
| Greenhouse gas emission intensity for scope 2                             |   | N/A | N/A | 2.16     | 2.38     |
| Greenhouse gas emission intensity for scope 3                             |   | N/A | N/A | 4.20     | 3.36     |

Remark: N/A means data is not available

## GRI Content Index

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. The review was performed on the English version of the report.

|                                   |   |
|-----------------------------------|---|
| Statement of use                  | Bangkok Labs and Cosmetics Public Company Limited has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023 |
| GRI 1 used                        | GRI 1: Foundation 2021  |
| Applicable GRI Sector Standard(s) | No sector standards apply.  |

| GRI Standard/<br>Other Source  | Disclosure   | Location   | Omissions               |  | SDGs<br>Mapping |
|--|--|------------|-------------------------|--|-----------------|
|  |  |            | Reason                  | Explanation  |                 |
| General Disclosures  |  |            |                         |  |                 |
| GRI 2: General Disclosures 2021<br><br>GRI 2: General Disclosures 2021 | 2-1 Organizational details   | 3, 5-6     |                         |  |                 |
|  | 2-2 Entities included in the organization's sustainability reporting | 6, 192     |                         |  |                 |
|  | 2-3 Reporting period, frequency, and contact point                   | 192-193    |                         |  |                 |
|  | 2-4 Restatements of information                                      | 192        |                         | First year of reporting                              |                 |
|  | 2-5 External assurance   | 192        | Information Unavailable | The external assurance has not been implemented yet. |                 |
|  | 2-6 Activities, value chain and other business relationships         | 14-15      |                         |  |                 |
|  | 2-7 Employees  | 3, 196-197 |                         |  |                 |

| GRI Standard/<br>Other Source | Disclosure   | Location  | Omissions               |  | SDGs<br>Mapping |
|-------------------------------|--|-----------|-------------------------|--|-----------------|
|                               |  |           | Reason                  | Explanation  |                 |
|                               | 2-8 Workers who are not employees  | 196-197   |                         |  |                 |
|                               | 2-9 Governance structure and composition   | 17-21, 46 |                         |  |                 |
|                               | 2-10 Nomination and selection of the highest governance body                     | 17, 22    |                         |  |                 |
|                               | 2-11 Chair of the highest governance body  | 17-19     |                         |  |                 |
|                               | 2-12 Role of the highest governance body in overseeing the management of impacts | 46-50     |                         |  |                 |
|                               | 2-13 Delegation of responsibility for managing impacts                           | 46        |                         |  |                 |
|                               | 2-14 Role of the highest governance body in sustainability reporting             | 46-50     |                         |  |                 |
|                               | 2-15 Conflicts of interest   | 28        |                         |  |                 |
|                               | 2-16 Communication of critical concerns  | 30-31     |                         |  |                 |
|                               | 2-17 Collective knowledge of the highest governance body                         | 22        | Information Unavailable | The Company has plans to disclose the information next year. |                 |
|                               | 2-18 Evaluation of the performance of the highest governance body                | 22-23     |                         |  |                 |
|                               | 2-19 Remuneration policies   | 23        |                         |  |                 |
|                               | 2-20 Process to determine remuneration   | 23        |                         |  |                 |

| GRI Standard/<br>Other Source         | Disclosure  | Location     | Omissions                |  | SDGs<br>Mapping |
|---------------------------------------|---|--------------|--------------------------|--|-----------------|
|                                       |   |              | Reason                   | Explanation  |                 |
|                                       | 2-21 Annual total compensation ratio                    | 23-28        | Confidential constraints | The Company has plan to disclose the information next year |                 |
|                                       | 2-22 Statement on sustainable development strategy      | 1-2          |                          |  |                 |
|                                       | 2-23 Policy commitments                                 | 4, 16, 43-45 |                          |  |                 |
|                                       | 2-24 Embedding policy commitments                       | 16, 43-45    |                          |  |                 |
|                                       | 2-25 Processes to remediate negative impacts            | 33-34        |                          |  |                 |
|                                       | 2-26 Mechanisms for seeking advice and raising concerns | 30, 31       |                          |  |                 |
|                                       | 2-27 Compliance with laws and regulations               | 30, 31       |                          |  |                 |
|                                       | 2-28 Membership associations                            | 32-33        |                          |  |                 |
|                                       | 2-29 Approach to stakeholder engagement                 | 51-53        |                          |  |                 |
|                                       | 2-30 Collective bargaining agreements                   | 30           |                          |  |                 |
| Material Topics                       |   |              |                          |  |                 |
| GRI 3: Material Topics 2021           | 3-1 Process to determine material topics                | 54-55        |                          |  |                 |
|                                       | 3-2 List of material topics                             | 56-59        |                          |  |                 |
| Innovation Management and Development |   |              |                          |  |                 |
| GRI 3: Material Topics 2021           | 3-3 Management of material topics                       | 63-69        |                          |  |                 |

| GRI Standard/<br>Other Source            | Disclosure   | Location        | Omissions |             | SDGs<br>Mapping |
|--|--|-----------------|-----------|-------------|-----------------|
|  |  |                 | Reason    | Explanation |                 |
| GRI 203: Indirect Economic Impacts 2016  | 203-1 Infrastructure Investment and services supported   | 64, 195         |           |             | SDG 8, 9        |
| Data Privacy and Cyber Security          |  |                 |           |             |                 |
| GRI 3: Material Topics 2021              | 3-3 Management of material topics  | 70-76           |           |             |                 |
| GRI 418: Customer Privacy 2016           | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 75              |           |             | SDG 9, 16       |
| Supply Chain Management                  |  |                 |           |             |                 |
| GRI 3: Material Topics 2021              | 3-3 Management of material topics  | 77-87, 88-92    |           |             |                 |
| GRI 204: Procurement Practices 2016      | 204-1 Proportion of spending on local suppliers  | 86              |           |             | SDG 8, 16       |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria                                       | 91              |           |             | SDG 8, 16       |
|  | 414-2 Negative social impacts in the supply chain and actions taken                                | 91              |           |             | SDG 8, 16       |
| Environmental Management System          |  |                 |           |             |                 |
| GRI 3: Material Topics 2021              | 3-3 Management of material topics  | 94-100, 101-109 |           |             |                 |
| GRI 303: Water and Effluents 2018        | 303-1 Interactions with water as a shared resource   | 102-103         |           |             | SDG 6           |
|  | 303-2 Management of water discharge-related impacts  | 102-103         |           |             | SDG 6           |
|  | 303-3 Water withdrawal   | 208             |           |             | SDG 6           |
|  | 303-4 Water discharge  | 208             |           |             | SDG 6           |

| GRI Standard/<br>Other Source  | Disclosure  | Location            | Omissions |             | SDGs<br>Mapping |
|--------------------------------|---|---------------------|-----------|-------------|-----------------|
|                                |   |                     | Reason    | Explanation |                 |
|                                | 303-5 Water consumption   | 208                 |           |             | SDG 6           |
| GRI 305: Emissions<br>2016     | 305-7 Nitrogen oxides (NOx),<br>sulfur oxides (SOx), and other<br>significant air emissions           | 104                 |           |             |                 |
| GRI 306: Waste<br>2020         | 306-1 Waste generation and<br>significant waste-related impacts                                       | 103-104             |           |             | SDG 12          |
|                                | 306-2 Management of significant<br>waste-related impacts  | 103-104             |           |             | SDG 12          |
| Climate Change Management      |   |                     |           |             |                 |
| GRI 3: Material<br>Topics 2021 | 3-3 Management of material<br>topics  | 110-116,<br>117-121 |           |             |                 |
| GRI 302: Energy<br>2016        | 302-1 Energy consumption<br>within the organization   | 210                 |           |             | SDG 7           |
|                                | 302-3 Energy intensity  | 210                 |           |             | SDG 7           |
|                                | 302-4 Reduction of energy<br>consumption  | 118-120             |           |             | SDG 7           |
| GRI 305: Emissions<br>2016     | 305-1 Direct (Scope 1) GHG<br>emissions   | 211                 |           |             | SDG 13          |
|                                | 305-2 Energy indirect (Scope 2)<br>GHG emissions  | 211                 |           |             | SDG 13          |
|                                | 305-3 Other indirect (Scope 3)<br>GHG emissions   | 211                 |           |             | SDG 13          |
|                                | 305-4 GHG emissions intensity   | 211                 |           |             | SDG 13          |
| Biodiversity                   |   |                     |           |             |                 |
| GRI 3: Material<br>Topics 2021 | 3-3 Management of material<br>topics  | 122-124             |           |             |                 |
| GRI 304:<br>Biodiversity 2016  | 304-1 Operational sites owned,<br>leased, managed in, or adjacent<br>to, protected areas and areas of | 122-124             |           |             | SDG 15          |

| GRI Standard/<br>Other Source            | Disclosure   | Location          | Omissions |             | SDGs<br>Mapping |
|--|--|-------------------|-----------|-------------|-----------------|
|  |  |                   | Reason    | Explanation |                 |
|  | high biodiversity value outside protected areas  |                   |           |             |                 |
| Human Capital Development and Management |  |                   |           |             |                 |
| GRI 3: Material Topics 2021              | 3-3 Management of material topics  | 126-127, 129-133  |           |             |                 |
| GRI 401: Employment 2016                 | 401-1 New employee hires and employee turnover   | 128, 197-198      |           |             | SDG 8, 10       |
|  | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 130               |           |             | SDG 4, 8        |
|  | 401-3 Parental leave   | 196               |           |             |                 |
| GRI 404: Training and Education 2016     | 404-1 Average hours of training per year per employee  | 128               |           |             | SDG 4, 8        |
|  | 404-2 Programs for upgrading employee skills and transition assistance programs                          | 132               |           |             | SDG 4, 8        |
| Product Responsibility                   |  |                   |           |             |                 |
| GRI 3: Material Topics 2021              | 3-3 Management of material topics  | 137-153           |           |             |                 |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories                      | 201-202           |           |             | SDG 12          |
|  | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services      | 144, 147, 201-202 |           |             | SDG 12          |
| GRI 417: Marketing and Labeling 2016     | 417-1 Requirements for product and service information and labeling                                      | 147               |           |             | SDG 12          |

| GRI Standard/<br>Other Source                 | Disclosure  | Location          | Omissions |             | SDGs<br>Mapping  |
|---|---|-------------------|-----------|-------------|------------------|
|   |   |                   | Reason    | Explanation |                  |
|   | 417-2 Incidents of non-compliance concerning product and service information and labeling | 144, 147, 201-202 |           |             | SDG 12           |
|   | 417-3 Incidents of non-compliance concerning marketing communications                     | 144, 148, 201-202 |           |             | SDG 12           |
| <b>Human Rights</b>                           |   |                   |           |             |                  |
| GRI 3: Material Topics 2021                   | 3-3 Management of material topics   | 153-157           |           |             |                  |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees  | 197-198           |           |             | SDG 5, 8, 10, 16 |
|   | 405-2 Ratio of basic salary and remuneration of women to men                              | 198-199           |           |             | SDG 5, 8, 10, 16 |
| GRI 406: Non-discrimination 2016              | 406-1 Incidents of discrimination and corrective actions taken                            | 154               |           |             | SDG 5, 10        |
| GRI 408: Child Labor 2016                     | 408-1 Operations and suppliers at significant risk for incidents of child labor           | 154               |           |             | SDG 5, 8, 16     |
| GRI 410: Security Practices 2016              | 410-1 Security personnel trained in human rights policies or procedures                   | 156               |           |             | SDG 5            |
| <b>Occupational Health and Safety</b>         |   |                   |           |             |                  |
| GRI 3: Material Topics 2021                   | 3-3 Management of material topics   | 158-164           |           |             |                  |
| GRI 403: Occupational                         | 403-1 Occupational health and safety management system                                    | 158               |           |             | SDG 3            |

| GRI Standard/<br>Other Source     | Disclosure  | Location         | Omissions |             | SDGs<br>Mapping  |
|-----------------------------------|---|------------------|-----------|-------------|------------------|
|                                   |   |                  | Reason    | Explanation |                  |
| Health and Safety<br>2018         | 403-2 Hazard identification, risk assessment, and incident investigation  | 159-161          |           |             | SDG 3            |
|                                   | 403-3 Occupational health services  | 161              |           |             |                  |
|                                   | 403-4 Worker participation, consultation, and communication on occupational health and safety                       | 158              |           |             | SDG 3            |
|                                   | 403-5 Worker training on occupational health and safety   | 162-164          |           |             | SDG 3            |
|                                   | 403-6 Promotion of worker health  | 162-164          |           |             | SDG 3            |
|                                   | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 161              |           |             | SDG 3, 8         |
|                                   | 403-9 Work-related injuries   | 159, 202-203     |           |             | SDG 3, 8         |
|                                   | 403-10 Work-related ill health  | 205              |           |             | SDG 3, 8         |
| Community and Society Development |   |                  |           |             |                  |
| GRI 3: Material Topics 2021       | 3-3 Management of material topics   | 165-166, 167-174 |           |             |                  |
| GRI 413: Local Communities 2016   | 413-1 Operations with local community engagement, impact assessments, and development programs                      | 167-169          |           |             | SDG 3, 4, 10, 11 |
| Customer Relationship Management  |   |                  |           |             |                  |
| GRI 3: Material Topics 2021       | 3-3 Management of material topics   | 175-179, 180-190 |           |             |                  |

## Reader Survey on the Sustainability Report in 2023

We request your cooperation in answering this survey by scanning the QR Code so that Bangkok Lab and Cosmetic Public Company Limited (BLC) can use your opinions to improve and develop our sustainability reporting going forward.



### 1. Personal Information

Gender ☐ Male ☐ Female ☐ Not specified  
Age ☐ Under 30 years old ☐ 30-50 years old ☐ More than 50 years old

### 2. As a reader, please indicate from which perspective you are reading this sustainability report.

☐ Customer ☐ Employee ☐ Regulator ☐ Academic institution/Research institute ☐ General public  
☐ Entrepreneur ☐ Financial Institutions ☐ Other (Please identify) .....

### 3. What are your objectives for reading this BLC's Sustainability Report?

☐ To know more about Bangkok Lab ☐ To gather information to decide on purchasing Bangkok Lab's products.  
☐ To study projects that benefit society and the environment ☐ For research and studying sustainable business practices.

### 4. What do you think of this BLC's Sustainability Report?

|  |                               |                                 |                              |
|--|-------------------------------|---------------------------------|------------------------------|
| The content of the report is complete and covers important topics that interest you. | <input type="checkbox"/> High | <input type="checkbox"/> Medium | <input type="checkbox"/> Low |
| The beautiful design of the report.  | <input type="checkbox"/> High | <input type="checkbox"/> Medium | <input type="checkbox"/> Low |
| The interestingness of the report content and presentation format.                   | <input type="checkbox"/> High | <input type="checkbox"/> Medium | <input type="checkbox"/> Low |
| Clarity of content, easy understanding, and no confusion.                            | <input type="checkbox"/> High | <input type="checkbox"/> Medium | <input type="checkbox"/> Low |
| Overall satisfaction with this report.   | <input type="checkbox"/> High | <input type="checkbox"/> Medium | <input type="checkbox"/> Low |

### 5. Which contents of this Sustainability Report do you find particularly interesting?

☐ BLC At a Glance ☐ BLC Sustainability ☐ Materiality  
☐ Stakeholder Engagement ☐ Sustainability Management in Economic and Governance Dimension  
☐ Sustainability Management in Environmental Dimension ☐ Sustainability Management in Social Dimension

### 6. Do you feel that the content of this Sustainability Report adequately addresses the issues that interest you?

☐ Yes ☐ No

(Please indicate the topics that interest you and that you would like to see in the next BLC's Sustainability Report)

.....  
.....

### 7. What specific aspect do you think Bangkok Lab should expand or improve its sustainability operations?

.....  
.....

### 8. Do you have any additional comments or suggestions to improve BLC's Sustainability Report in the future?

.....  
.....

Thank you for your cooperation.

