

3. Driving Business toward Sustainability

Sustainability Policy and Goal

3.1 Sustainability Policy

The Company is committed to driving sustainable business growth by conducting business with responsibility and considering the interests of all stakeholders. The Company has established organizational policies and strategies to drive sustainable business in company with economic development, social, and environment. A task force has been set up to plan and prioritize key issues and participate in sustainable activities, with the objective of increasing understanding in these areas. A step-by-step analysis is conducted and identify all stakeholders. The Company conducts an annual review of its policies to ensure they remain relevant to new challenges and changing business trends.

Framework for Sustainability Development

Economic and Good Corporate Governance Dimension	Social Dimension	Environmental Dimension
<p>Aim to conduct its business with business ethics, transparency and responsibility under good corporate governance principles. Adhere to financial transparency, anti-corruption, responsible for all stakeholders and drive business towards sustainability.</p> <p>Focus on the improvement of service quality, customer relationship management, privacy and personal data protection (PDPA) as well as cyber security.</p>	<p>Aim for respecting human rights and fairly treat employees without discrimination, provide equal opportunities, emphasizing the development of the potential and quality of employees' life at work, ensure occupational health and safety, and the working environment. Participate in promoting good living and good health in society and communities, also support government policies about the public's healthcare. Support and promote Equality, Diversity and Inclusion within the Company.</p>	<p>Aim to efficiently manage resources related to nature and the surrounding environment which affects the ecosystem, cultivate a culture of environmental care and awareness as well as energy conservation. Encourage the efficient use of valuable resources among employees. Responsible for its products and services.</p> <p>Encourage the environmentally friendly products, services, and procurement processes. Aim to reduce greenhouse gas emissions (Carbon Footprint for Organization), waste and promote recycling in hospital operations. Promote Climate Resilience and Adaptation.</p>

In 2024, Chief Executive Officer has reviewed the definition of the Core Value: Icare, to align with the Company's vision, strategy, and direction for sustainable business operations. Communication was conducted to all employees through meetings and various communication channels within the organization, to enhance the employee's understanding, participation, and instill a sense of responsibility, to drive the organization towards sustainable practices in a moral and ethical manner. Additionally, the Company organized a competition to create a description of the Core Value - Icare, for each department's service, to create awareness, participation, and motivation for employees to perform their duties with a sense of responsibility towards society and the environment.

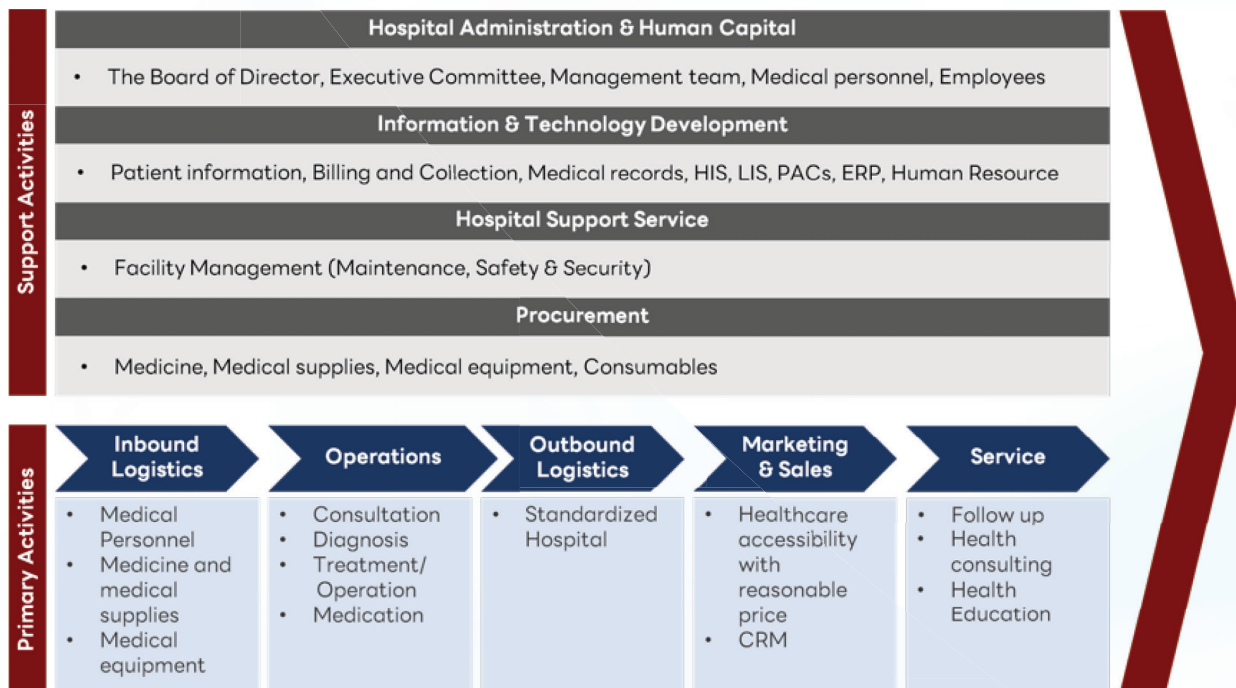


Reporting on sustainability performance is part of 56-1 One Report, which the Company has consistently prepared for 4 consecutive years with an objective to drive business sustainability in a concrete and measurable manner. The Company has improved the disclosure of its sustainability performance in the economic, governance, social and environmental dimension, starting from January 1, 2024 to December 31, 2024 within the scope of the headquarter. This report is prepared in accordance with SET ESG Metrics 2022 recommended by the Stock Exchange of Thailand (SET), in line with the United Nations Sustainable Development Goals (SDGs), as well as with reference to the GRI Standard 2021. Details are disclosed in Sustainability Report 2024.



3.2 Impact Management to Stakeholders in Business Value Chain

3.2.1 Business Value Chain



The Company places great importance on supply chain management (SCM) from beginning to end. The Company consistently practices the framework of sustainable supply chain management, which includes managing environmental, social, and economic impacts, as well as promoting good governance throughout the life cycle of products and services. The Company has established the policy, starting from the very first the process of servicing, screening the service recipients, serving the service, until sending the service recipients home. Continuous patient monitoring and follow-up are carried out to evaluate the outcomes of treatment or service delivery, towards assessing the satisfaction level of all stakeholders, including patients and their families. The Company controls the entire process, taking into account the value chain of the Group, which consists of two parts: primary activities and support activities.

3.2.2 Stakeholders Analysis

The Company places great importance on Stakeholders Engagement, both internal and external, directly and indirectly, throughout its business value chain, covering those who have been affected by or may affect the Company's business operations, in the past, present, and future. The Company is pleased to listen to opinions and suggestions from stakeholders through various channels, including surveys, in order to analyze, plan, and develop appropriate guidelines to respond to their expectations and maximize benefits for all stakeholder groups. The Company's stakeholder groups are determined and disclosed in Sustainability Report 2024.

3.3 Sustainability Development in Economic and Governance Dimension

Good Corporate Governance

The Company maintained 5 CGR Score “Excellence” and disclosed the Company’s Corporate Governance in accordance with the standard of Corporate Governance at regional level – ASEAN.

Anti-Corruption

The Company supported and recommended at least one business partner to participate in self-assessment until they are certified as a member of Thai Private Sector Collective Coalition Against Corruption (CAC).

Value Chain Management and Sustainable Procurement

Goal : 100% of the Company’s major suppliers have acknowledged and signed the acknowledgment of the Business Partner Code of Conduct.

The Board of Directors, the Management Board, and departments within the organization play crucial roles in promoting good corporate governance, allowing the Company to generate sustainable value for both itself and society. This requires the establishment of efficient structures and systems for corporate governance, monitoring, and performance evaluation to ensure that all parties will follow the same principles of good corporate governance based on the following five key principles:

- **Integrity** is a management with honesty, integrity, and reliability
- **Fairness** is treating stakeholders of the organization fairly and equitably.
- **Transparency** is conducting operations with transparency by disclosing information openly to stakeholders who can verify it.
- **Responsibility** is fulfilling one’s responsibilities with intellect and ability to the fullest extent possible, striving to successfully complete tasks and improve performance.
- **Accountability** is taking responsibility and accountability for the outcomes of actions resulting from one’s own decisions, orders, assignments, and judgments in accordance with one’s responsibilities, and being able to identify and explain those decisions.

The Company’s business operations and activities are inevitably related to various stakeholders. Therefore, the Company shall understand the needs and expectations of each stakeholder group, which may differ from one another. The Company shall establish systems and processes that promote cooperation between the Company and its stakeholders, particularly those who are negatively impacted. This will enable the Company to efficiently understand and respond to the expectations of these stakeholders, which will lead to the creation of long-term wealth and financial stability for the business. To achieve this, the Company must adhere to 5 key principles of good corporate governance mentioned above.

Business Ethics and Anti-Corruption

To demonstrate the Company’s commitment to conducting business and achieving its objectives, the Company has established a code of ethics for employees to adhere to as a guideline and framework for the Company’s operations. The Company considers ethics, morality, and integrity to be of paramount importance, and upholds the principles of good governance in conducting its business. The Company has published its full code of business ethics on its website.

The Company is aware of the importance of combating corruption, which refers to the act or omission of performing duties, or abusing authority without authorization, violating the law, ethics, regulations, or Company’s policies in pursuit of undeserved benefits in various forms. Therefore, the Board of directors, the management, and employees shall not engage in or support such actions under any circumstances and must strictly comply with anti-corruption measures, including establishing and cooperating in internal audit processes to prevent and address corruption or corporate fraud that may occur within the organization. The Company has developed guidelines to prevent and combat corruption and has published its full policy on the Company’s website. Details are disclosed in Sustainability Report 2024.

3.4 Sustainability Development in Environmental Dimension

Environmental Policy (Green Hospital & Zero Waste)

The Company has committed and strived to be a caring and environmental friendly organization by promoting environmental care culture and raising awareness among its executives and employees at all levels, in compliance with environmental laws, rules and regulations related to the business operations of the Company and its subsidiaries (The Company has disclosed the full environmental policy on the Company's website), with an objective to become a green hospital and reduce the amount of all types of waste (Green Hospital & Zero Waste) through trainings and knowledge sharing, environmental activities, putting posters to promote environmental care at various points in the hospital as well as communicating the Company's environmental performance through various channels. The overall environmental policies of the Company are to reduce the negative impacts on the environment and efficient use of energy and natural resources in accordance with the Circular Economy principle, taking into account all relevant stakeholder groups, such as reducing the amount of waste and reusing some types of waste (3Rs – Reduce, Reuse, Recycle), reducing energy use (Energy-Saving), reducing Carbon Dioxide Emissions (CO2 Emission), using water wisely, treating wastewater prior to releasing it into public water sources, increasing green areas in the hospital, including campaigning for employees and the community to recognized the importance of using resources efficiently with maximum benefits, encouraging them to join force in creating the Shared Values to help reduce negative impacts on the environment, Global Warming and Climate Change (GHG emissions reduction & Carbon Footprint for Organization), reduce waste and encourage recycles, as well as to increase the positive environmental impacts to deliver a sustainable Green World and good quality of life for our future generations and promote Climate Change Resilience and Adaptation. Details are disclosed in Sustainability Report 2024.

3.5 Sustainability Development in Social Dimension

Sustainability Development in Social Dimension

Chularat Hospital Group emphasizes sustainable growth associated with the good quality of life of the community, exhausting the core competence of being a healthcare provider to strengthen the community through health education to prevent disease, reduce the treatment of preventable diseases, reduce costs for households, including a reduction in the use of the national budget. Being a healthcare service provider, all employees are responsible for establishing trust and impression on all stakeholders. The Company accordingly prioritizes the quality of living and working environment of its employees since it considers that the well-being of employees reflects through their positive opinion, excellent customer service and driving the Company to sustainable growth. The Company promotes manages, and regularly encourages Equality, Diversity and Inclusion for all employees throughout the group. Details are disclosed in Sustainability Report 2024.

