# Promoting a Culture of Organization Risk Management

To conform the Bangchak v r bcp values in the part of Resilience to always be ready for changes and to flexibly consider risk management and opportunities.

Risk coordinators have been designated to coordinate work and monitor and summarize progress reports according to division risk management plans to push every division of Bangchak Group to conduct risk assessment and prepare a risk management plan every year, and this has been specified as part of the key performance indicators contributing to annual employee remuneration considerations with a goal set for each section to prepare a risk management plan that is approved by a supervisor within the first quarter of each year.

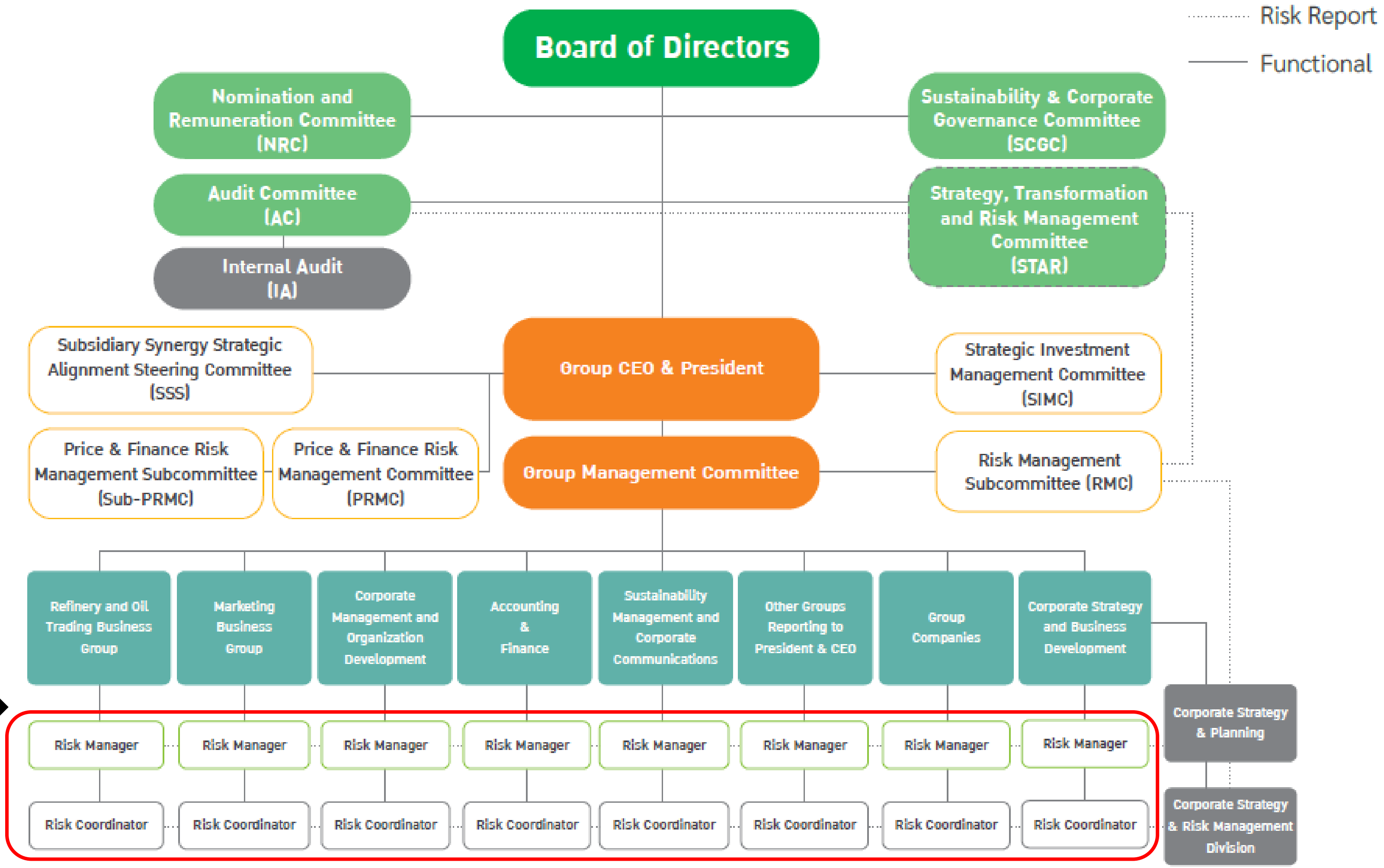
Provides training to develop knowledge in risk management and business continuity plan management every year to new and existing employees such as in BCM, Risk Management process, Risk and Opportunity Management and Compliance Risk.

The company organized the session for the Board and management on the topic of Opportunity for Bangchak by various consulting firms such as McKinsey & Company, BCG, Bain and others, cover the insights into the challenge of the business trends, opportunities and risks. This serves to support strategic planning and business improvement opportunities.

Including enhancing knowledge and understanding in managing risks through the BCP-KMS system (internal knowledge platform).

# Risk Management Structure

As of December 31, 2025




Assigning a risk manager and a risk coordinator in order to coordinate, support, and increase risk awareness within Business Line throughout Bangchak

Remarks : [1] The Board of Directors resolved to appoint the Bangchak Group Governance Committee on 18 July 2024 for a special purpose in order to ensure that the governance of Bangchak Group align with the Group Strategy's policies and directors, as well as the strengthen the long-term sustainability of Bangchak Group

Risk Manager - Vice President/Designated Person

Risk Coordinator - Assigned by Senior Executive Vice President/Executive Vice President

# Risk management education for all non-executive directors

Bangchak encourages its Board of Directors to continuously enhance their knowledge and capabilities through ongoing education and training. The Company conducts regular annual training program to support the Board in effectively overseeing corporate governance, risk management, business continuity, and emerging business issues.

The Board of Directors, comprising both executive and non-executive directors participated in a range of training and development programs covering strategic, governance, compliance, sustainability, climate-related, cybersecurity, and business continuity matters, including:

- Program for Enhancing and Strengthening Long-Term Knowledge and Understanding of the Petroleum and Petrochemical Industries, and Short- to Medium-Term Responses to General Business Downturn Conditions, conducted by Khunying Thongtip Ratanarat, Member of the Council of Trustees & Advisor, Petroleum Institute of Thailand (PTIT).
- Director Forum 2025: Future-Ready Boards: Board Nomination and Compensation Strategies, attended by members of the Nomination and Compensation Committee. The session covered board succession planning, board diversity, and remuneration governance, strengthening the Committee's oversight of board effectiveness and leadership continuity.
- Insights on ISSB Standards: Global Trends and Boardroom Actions, conducted by Mr. Nattapong Tanticattananont, Head of ESG and Partner, Audit & Assurance, KPMG Phoomchai Audit Ltd. The session enhanced directors' understanding of sustainability-related and climate-related issues, as well as the Board's role in overseeing ESG matters.
- Tax Pillar 2, conducted by Mr. Intach Piyanawin, Legal Officer (Professional Level), The Revenue Department. The training provided insights into evolving international tax regulations and related compliance considerations.
- The Board's Roles in Climate Governance (BCG), completed by Mr. Surin Chiravisit, enhanced the Board's understanding of climate-related risks, opportunities, and governance practices.
- Director Certification Program (DCP), completed by Mr. Pairoj Kaweeyanun, Independent Director, strengthened competencies in corporate governance, strategic oversight, and risk management.
- Cybersecurity in the Digital Era: A Practical Guide for Directors, attended by the Board of Directors, enhanced directors' understanding of cybersecurity, technology, data protection, and business continuity issues, including oversight of emerging digital risks.

Through these programs, the Board of Directors received risk management-related education during the reporting year, covering strategic, governance, compliance, cybersecurity, climate-related, sustainability-related, and business continuity topics. The programs strengthened the Board's capability to oversee key risks and opportunities, support organizational resilience, and promote long-term sustainable value creation.

# Behavior and Attributes Evaluation of Employees

## Core Values
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| Employee Level | "Resilience" Behavior Definition |
|---|---|
| Level 30 and above | Forecast risks regarding changes and preparedness to respond and adapt quickly to changes |
| Level 26 - 27 | Monitor changes and suitable preparedness of the situations, creatively communicate with employees/colleagues regarding changes and situations |
| Level 21-25 | Interest in monitoring internal and external news and changes and the understanding of their effects/impacts |

**Rating Score:** ☐ **1 Poor** ☐ **2 Fair** ☐ **3 Good** ☐ **4 Excellent** ☐ **5 Outstanding**

**Comment :**

# Risk Management as a Functional KPI for all level of Employees

| Functional KPI | Target | KPI Scoring Criteria | | | | |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| **1. Conduct Risk management plan at division level** | Have a risk management plan in place and submit it to the Corporate Strategy & Risk Management division within Q1, and follow the plan. | | | | | |

# Example of Risk Management Plan at Division Levels

bangchak

## Corporate risk management template

| Risk Type ↓ | | Key Performance Indicator (KPI) / Work Process / Project |
|---|---|---|
| | | |
| Strategic Risk | | Risk Statement |
| Operational Risk | | |
| Financial Risk | | Cause of Risk |
| Reputational Risk | | |

| Likelihood | Impact |
|---|---|
| 4 - | 4 - |
| 3 - | 3 - |
| 2 - | 2 - |
| 1 - | 1 - |

| Existing Risk Response | Likelihood | | Impact | | Due Date | Result | Cost | Benefit |
|---|---|---|---|---|---|---|---|---|
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| Required Risk Response | Likelihood | | Impact | | Due Date | Result | Cost | Benefit |
|---|---|---|---|---|---|---|---|---|
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Prepared by ____________________ Approved by ____________________ Date ____________

### Annual Risk Management Process

**1st Quarter**

All divisions need to identify risks, impact and mitigation plans on corporate template and send to the Corporate Strategic & Risk Management Division

**2nd Quarter**

Monitor and review progresses and risk management plans by VPs

**3rd Quarter**

Review the achievement of risk management according to plans by VPs

**4th Quarter**

Annually review Corporate risk achievement and prepare for the next year processes.

# Corporate Risk Profile and Mitigation Measures (2025)

Bangchak Corporation demonstrated key elements of its corporate risk profile, including risk descriptions, risk assessments based on likelihood and impact, and corresponding mitigation actions as follows.

| Corporate Risk 2025 | Description | Risk Level Before Mitigation | Risk Level After Mitigation | KRI | Appetite | Tolerance | Mitigation Actions |
|---|---|---|---|---|---|---|---|
| 1. Operational Risks Impacting Communities and Society | Bangchak Group is committed to conducting business responsibly alongside communities, society, and the environment. Operational incidents, process safety failures, environmental releases, wastewater management issues, or other disruptions arising from refinery and business operations may adversely affect the health, safety, wellbeing, and confidence of surrounding communities. Such events could lead to regulatory actions, reputational damage, stakeholder concerns, and business interruptions. Therefore, the company continuously strengthens its operational excellence and risk management systems to prevent potential impacts and maintain stakeholder trust. | High | Low | Number of accidents/incidents causing widespread community complaints | No accidents causing widespread community complaints | No more than 1 incident reported | • Continuously develop occupational health, safety, environmental, and energy management systems in accordance with international standards, including ISO 45001, ISO 14001, and ISO 50001.<br>• Manage operational risks through Safety Integrity Level (SIL), Reliability Centered Maintenance (RCM), and Risk-Based Inspection (RBI) systems to ensure equipment integrity and reliability.<br>• Conduct Hazard and Operability Studies (HAZOP) and implement Process Safety Management (PSM) systems to identify, prevent, and mitigate process safety risks.<br>• Install online air quality monitoring systems and publicly communicate environmental performance to enhance transparency and community confidence.<br>• Conduct community awareness and emergency preparedness programs, including evacuation drills, firefighting, first aid training, and warning communication systems for nearby communities. |

# Corporate Risk Profile and Mitigation Measures (2025)

| Corporate Risk 2025 | Description | Risk Level Before Mitigation | Risk Level After Mitigation | KRI | Appetite | Tolerance | Mitigation Actions |
|---|---|---|---|---|---|---|---|
| 2. Risk from Raw Material and Product Price Volatility | Geopolitical conflicts, market oversupply, and Significant fluctuations in crude oil prices and crack spreads could adversely impact operational and financial results of Bangchak Group's profitability, cash flow, inventory value, and business | High | Medium | DTD Brent crude oil price (USD/bbl) | DTD Brent crude oil price at USD 83 per barrel | DTD Brent crude oil price at USD 70 per barrel | • Closely monitor crude oil price movements and market conditions.<br>• Conduct partial oil price hedging and implement price risk management strategies.<br>• Secure adequate credit facilities to support crude oil procurement and trading activities.<br>• Manage crude oil and finished product inventories in line with production and sales plans.<br>• Perform scenario planning and establish trigger points for operational adjustments.<br>• Improve operational efficiency and cost optimization through improvement programs.<br>• Monitor refinery margins and crack spreads through the Price and Financial Risk Management Committee.<br>• Maintain market competitiveness through high-quality products, service excellence, and nationwide retail network expansion.<br>• Diversify revenue streams and improve production efficiency across business units. |

# Risk Audit

The Company has established a risk audit process to ensure the effectiveness of its risk management framework and its alignment with organizational objectives. The process also supports compliance with relevant requirements and management system standards, including ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System).Risk audits are conducted on an annual basis through both internal and external assessments.

**Internal audits** are carried out by relevant functions within the Company, including the Corporate Risk Management Department, the Quality Management Department, and risk coordinators from each business unit, to verify the implementation and effectiveness of risk management practices.

**External audits** are performed by independent certification bodies to assess conformity with ISO requirements and maintain the validity of management system certifications.