



JUMP+ Plan



MEGACHEM (THAILAND) PUBLIC COMPANY LIMITED

(MGT)

Year 2026 - 2028

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Industrial

CG Report : -
SET ESG Ratings: -
Anti-Corruption Certification (CAC): -

Business Type

MGT operates as Chemical Solution Provide

Financial Statement				
Year	2025	2024	2023	2022
Income Statement (MB)				
Revenues	1,216.47	1,078.93	976.08	1,062.35
Expenses	1,058.65	939.84	854.99	951.36
Net Profit	100.24	90.86	82.45	82.23
Balance Sheet (MB)				
Assets	1,126.05	1,088.39	953.08	833.31
Liabilities	301.88	317.89	240.72	166.30
Shareholders' Equity	694.87	653.49	602.65	562.83
Cash Flow (MB)				
Operating	81.03	51.33	149.95	115.05
Investing	-49.15	5.24	-146.31	-50.17
Financing	-67.41	-13.62	-0.24	-86.56
Financial Ratio				
EPS (Baht)	0.25	0.23	0.21	0.21
GP Margin (%)	30.71	31.71	30.97	26.41
NP Margin (%)	9.86	9.68	9.38	8.01
D/E Ratio (Times)	0.37	0.41	0.34	0.25
ROE (%)	14.87	14.47	14.15	14.90
ROA (%)	14.08	13.42	13.26	13.03

JUMP+ Plan

Business Plan

Target in 2028

Net Profit **191.00** Million Baht

Strategic Plan	Growth	Profitability & Efficiency	Stability
1. Strategic Plan : Digital Transformation – Utilizing technology and automation to improve operational efficiency and strengthen readiness for future business growth.			

Governance Plan

1. Enhancing anti-corruption and fraud prevention efforts
2. Enhancing the prevention of insider information
3. Enhancing governance of artificial intelligence applications

Climate Action Plan

1. Greenhouse gas inventory (GHG) plan

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Section 1
Business Plan

Section 1 Business Plan

Target in 2028

Topic	YE/2022	YE/2023	YE/2024	Target in 2028
Net Profit (Million Baht)	82.23	82.45	90.86	191.00

Aims to be the best solution provider of chemicals, committed to operational excellence, innovation, and data intelligence that drive sustainable business growth and deliver superior value to customers.

Growth plan/Increase business value

Strategic Plan : Digital Transformation – Utilizing technology and automation to improve operational efficiency and strengthen readiness for future business growth.

Develop system and people infrastructure to support future growth, with a focus on enhancing back-office systems through SAP/ERP optimization to improve efficiency and ensure comprehensive operational coverage. This aims to strengthen data and process management capabilities across the organization while developing a high-quality workforce to sustain long-term business expansion.

This plan will promote and develop the organization in the following dimensions

- Profitability & Efficiency

Targets

- Corporate Financial Targets

Topic	Latest data		Targets		
	YE/2024	YE/2025	2026	2027	2028
Operating Margin (%)	12.37	12.41	10.25	11.50	12.59

- Other Targets

Topic	Baseline	Targets		
	YE/2025	2026	2027	2028
Expense to Revenue	18.19%	19.19%	18.36% (Decrease by 4%)	17.59% (Decrease by 4%)

Strategic Initiative

Strategic Initiative	Year	Expected Outcomes
Utilize technology and automation to improve overall efficiency and ensure readiness for future business expansion.	2026	<ul style="list-style-type: none"> • Aim to enhance the SAP/ERP system and cloud data warehouse to support centralized data management. • Begin implementing RPA and BI tools to improve operational efficiency and cultivate a digital-first organizational culture.
	2027	<ul style="list-style-type: none"> • Integrate all systems to enable seamless cross-functional operations.

Strategic Initiative	Year	Expected Outcomes
	2028	<ul style="list-style-type: none"> Expand the use of RPA across multiple processes and develop automation tools that employees can independently utilize. 3) Target over 70% automation in core processes and reduce operational time by more than 30%. Implement AI and Machine Learning to support strategic decision-making. Develop digital tools to enhance business expansion and M&A efficiency, targeting a 2.2% year-over-year cost reduction. Ensure all key decisions are data-driven, with full readiness for seamless integration of new acquisitions.

Risk Management

Risk 1 : Technology Adoption Risk

• **Risk Characteristic**

Investments in new technology or digital systems may not generate optimal returns if employees are unable to adapt or fully utilize them effectively.

• **Risk Impact**

The investment may not yield adequate returns if the system is not utilized as intended, resulting in inefficient processes and failure to achieve the project’s value-creation objectives.

• **Risk Management Measures**

- Link technology adoption goals to KPIs to drive engagement.
- Appoint “Digital Champions” in each department to lead change and promote alignment with digital transformation objectives.

Risk 2 : Implementation Delay Risk

• **Risk Characteristic**

High project complexity may cause delays in execution or resource allocation, resulting in reduced efficiency and unrealized benefits from planned investments.

• **Risk Impact**

Project timelines may be delayed, resulting in budget overruns and resource inefficiencies, which can cause delays in realizing the expected benefits from the investment.

• **Risk Management Measures**

Establish a Digital Transformation Steering Committee to oversee strategic direction, assign responsibilities, and closely monitor project progress to ensure timely execution and effective governance.

Risk 3 : Subscription Cost Escalation Risk

• **Risk Characteristic**

The transition to cloud systems and multiple digital platforms will incur subscription-based expenses, which may continue to increase over time.

- **Risk Impact**

Operating expenses may exceed plan, raising total costs, compressing net profit, and limiting budget flexibility for other investments.

- **Risk Management Measures**

Maintain a software license inventory and conduct quarterly reviews, along with regular cost optimization audits to ensure cost efficiency and renegotiate with vendors when necessary.

Section 2

Governance Plan

Section 2 Governance Plan

Accountability and Transparency Governance

Enhancing anti-corruption and fraud prevention efforts

Nowadays, corporate sustainability depends not only on financial performance but also on transparency and ethical practices. Megachem (Thailand) Public Company Limited (the “Company”), as a leading chemical distribution and service provider, has developed an “Anti-Corruption Enhancement Plan”, focusing on improving protective and control systems, together with developing clearer frameworks to monitor and evaluate anti-corruption policy implementation. The plan covers key activities including conducting internal reviews based on anti-corruption policy and practices; applying for certification under Thai Private Sector Collective Action Against Corruption (CAC) program from the Thai Institute of Directors (Thai IOD); and actively promoting awareness and communication of anti-corruption policy through training, information sharing, and campaigns to build an organizational culture based on integrity and honesty.

Targets

Topic	Current Status	Targets		
		2026	2027	2028
The company has established an anti-corruption policy and practices.	In Progress	Success	Success	Success
<ul style="list-style-type: none"> An anti-corruption and anti-bribery policy has been developed to comprehensively cover the organization's business operations, formally approved by the Board of Directors, and supported by clear and practical implementation guidelines 	Complete	-	-	-
<ul style="list-style-type: none"> The company conducts regular monitoring and evaluation of compliance with its anti-corruption and anti-bribery policy and procedures. Audit results are reported by internal auditors to the Board of Directors at least annually. In the event of any violations, corrective actions and preventive measures are clearly defined to prevent recurrence 	Not Started	Success	Success	Success
<ul style="list-style-type: none"> The company conducts an annual review of its anti-corruption and anti-bribery policy and practices with the Board of Directors 	Complete	-	-	-
Achieve CAC certification from the Thai Institute of Directors (Thai IOD)	Not Started	Signatory	In the process of applying for certification.	Certified
Enhancing Awareness and Communication of the Anti-Corruption Policy through Practical Implementation	-	In Progress	In Progress	Success

Strategic Initiative

Strategic Initiative	Year	Expected Outcomes
Monitoring and Evaluation of Anti-Corruption and Anti-Bribery Policy Implementation	2026	<ul style="list-style-type: none"> • Develop and design an internal audit process referencing the company’s anti-corruption and anti-bribery policy and Practices as a long-term operational framework • Establish an internal audit working team responsible for monitoring and reporting progress with the audit plan approved by the Committee • Review and update the anti-corruption and Anti-Bribery Policy to align with the company’s operational context and any evolving regulatory requirements
	2027	<ul style="list-style-type: none"> • Conduct internal audits at least once a year following the plan approved by the Audit Committee • Summarize audit findings and report to the Board of Directors, while developing corrective and preventive measures • Continue to review the policy and practices to cover new issues identified during audits
	2028	<ul style="list-style-type: none"> • Conduct internal audits according to the plan approved by the Audit Committee • Summarize findings, report to the Board, and continuously enhance risk prevention measures • Review and update the policy to include new aspects emerging from the audit process
	2026	<ul style="list-style-type: none"> • Engage an external consultant to assess the company’s readiness according to the 71-item CAC Checklist developed by the Thai IOD
	2027	<ul style="list-style-type: none"> • Publicly declare the company’s commitment to joining the CAC program • Conduct a workshop to identify and assess corruption risks within the organization • Develop or revise relevant policies and obtain approval from authorized management • Align internal processes with the 71-item CAC Checklist • Announce the approved policies and communicate them to all employees • Prepare and compile supporting documents for the certification application • Submit the first CAC application for certification
	2028	<ul style="list-style-type: none"> • Submit the second CAC application (if revisions are required) • Achieve official CAC certification from the Thai IOD
Enhancing Awareness and Communication of the Anti-Corruption Policy through Practical Implementation	2026	<ul style="list-style-type: none"> • Review and revise the Anti-Corruption and Anti-Bribery Policy to ensure clarity, comprehensive coverage, and alignment with CAC principles

Strategic Initiative	Year	Expected Outcomes
	<p>2027</p> <p>2028</p>	<ul style="list-style-type: none"> • Develop an Anti-Corruption Guideline handbook for all employees • Establish a training and communication plan covering both current employees and new hires as part of the annual orientation program • Create internal communication materials such as emails, infographics, or other media to promote awareness • Conduct organization-wide Anti-Corruption training at least once a year, targeting a minimum post-training comprehension rate of 70% • Communicate the company’s Anti-Corruption Policy to key business partners (Critical Tier 1 Suppliers) through contract attachments • Assess employee understanding of the Anti-Corruption Policy to improve communication materials • Publish policy updates and performance results through external channels such as the 56-1 One Report or the company website to enhance stakeholder confidence • Monitor and evaluate training and communication effectiveness to measure impact • Prepare a summary report of implementation results and recommendations for long-term policy and communication improvement, to be submitted to the Board of Directors

Risk Management

Risk 1 : Risk of operational errors during internal audits and delays in obtaining CAC certification within the defined timeline and required standards

• **Risk Characteristic**

This risk may arise from the Company’s limited technical knowledge, understanding, and resource allocation required to align internal operations with the CAC standards. The certification process requires internal audits, preparation of supporting documentation, restructuring of workflows, and personnel with sufficient understanding of the 71 CAC requirements. During implementation, delays may also occur due to challenges in data collection and document preparation, inefficient use of resources (time, budget, personnel), or operational errors such as incomplete submissions, misinterpretation of requirements, or repeated document revisions. These issues may result in delays in achieving certification and disrupt the Company’s overall operational plan.

• **Risk Impact**

Failure to effectively manage these limitations may affect the Company across several aspects: time, budget, operational efficiency, and corporate reputation. From a timing and budgeting perspective, the Company may face resource overruns, delays in preparing documentation, and postponed certification timelines, which could impact annual plans and approved budgets. Operationally, unstructured workflows, repetitive processes, or non-compliance with required standards may reduce efficiency and cause further delays, leading to diminished confidence among management, employees, and relevant stakeholders. From a reputational and business standpoint, failure to achieve certification within the expected timeframe may result in lost

opportunities for market expansion or collaboration with international business partners. It may also negatively affect the Company's ESG evaluation scores and its credibility among investors and the public, ultimately impacting long-term competitiveness and corporate image.

- **Risk Management Measures**

To mitigate the risks associated with CAC certification, the Company has established a structured approach. A dedicated task force has been appointed to coordinate, oversee, monitor, and report progress to the Board of Directors. The Company will also conduct in-depth training for all relevant personnel to ensure a complete understanding of the 71 CAC checklist requirements and certification procedures. In addition, the Company will conduct a Gap Analysis to identify gaps between current practices and CAC requirements, prioritize improvements, and ensure timely alignment with the standards. Progress will be monitored regularly throughout the implementation period. To further strengthen readiness, the Company will engage an external consultant with experience in CAC certification to provide guidance, verify the completeness of documentation, and confirm compliance prior to formal submission for certification.

Risk 2 : Risk of inconsistent compliance and limited understanding of the company's anti-corruption policy among employees and business partners

- **Risk Characteristic**

This risk may arise when employees or critical Tier 1 suppliers do not fully understand or are unable to correctly implement the Company's anti-corruption and anti-bribery policy. Contributing factors may include insufficient communication across all levels, irregular or inconsistent training, and the absence of a systematic monitoring and evaluation process. In addition, staff turnover, particularly in key functions such as procurement, sales, and management, may result in declining awareness over time.

- **Risk Impact**

Lack of cooperation from employees or business partners may lead to delays in implementing international standards, failure to achieve intended targets within the expected timeframe, or incomplete engagement across all relevant suppliers. Over the long term, these challenges may undermine the overall effectiveness of the Company's anti-corruption system and weaken the capacity to prevent misconduct. Moreover, inadequate compliance may damage relationships with international partners who place strong emphasis on ethical business conduct. This can result in lost business opportunities and reduced stakeholder trust in the long term.

- **Risk Management Measures**

To mitigate this risk, the Company provides Anti-Corruption training for employees at all levels at least once a year, accompanied by post-training assessments to evaluate understanding. A minimum passing score of 70% is required to ensure that employees can correctly apply the policy in practice. The Company has also developed a summarized policy handbook and internal communication materials, such as infographics and email announcements, to strengthen ongoing awareness. In addition, the Company requires the anti-corruption policy to be attached to contracts with critical Tier 1 suppliers to ensure that business partners acknowledge and commit to adhering to the same governance principles.

Enhancing the prevention of insider information

Megachem (Thailand) Public Company Limited (“the Company”) is committed to enhancing good corporate governance standards, with an emphasis on transparency and accountability, particularly in managing “non-public inside information” to prevent its misuse for personal gain or unauthorized disclosure, which could impact investor decisions, the Company's credibility, and fairness in the capital market. This plan aims to ensure that access to and use of inside information follows the need-to-know principle, with controlled access rights, audit trail capabilities, and regular reporting to the Board of Directors.

Under this strategic plan, the Company establishes a clear governance framework covering the definition and scope of inside information; roles and responsibilities of directors, executives, employees, and contractors; role-based access control; Non-Disclosure Agreements (NDA); disciplinary measures for violations; as well as ongoing communication and training to ensure strict compliance with laws and organizational governance principles by all parties.

Targets

Topic	Current Status	Targets		
		2026	2027	2028
The company has established a policy and procedures to prevent the misuse of insider information.	In Progress	Success	Success	Success
<ul style="list-style-type: none"> A Board-approved written policy on insider information prevention has been clearly defined and implemented 	Complete	-	-	-
<ul style="list-style-type: none"> A structured process is implemented to regularly monitor and review compliance with the insider trading prevention policy,with audits conducted at least annually. 	Not Started	Success	Success	Success
<ul style="list-style-type: none"> The implementation of the insider information prevention policy is reviewed and reported to the Board of Directors at least annually. If any violations are detected,corrective actions and preventive measures are clearly outlined to prevent recurrence 	Not Started	Success	Success	Success
Internally disclose,on a per-transaction basis,the list of individuals who have access to inside information regarding any transaction that may affect the company's stock price and investor decisions.	-	In Progress	Success	Success

Strategic Initiative

Strategic Initiative	Year	Expected Outcomes
Review and Enhancement of the Policy and Practices on the Use of Inside Information	2026	<ul style="list-style-type: none"> Review and update the policy and practices on the use of inside information to align with the Company's current context Establish a dedicated Compliance Unit to provide advisory support, issue alerts, and monitor adherence to the policy Conduct training on the policy and related practices for relevant executives and employees at least once
	2027	<ul style="list-style-type: none"> Continuously review and update the policy and practices to ensure ongoing alignment with the organizational context

Strategic Initiative	Year	Expected Outcomes
	2028	<ul style="list-style-type: none"> • Monitor compliance on an ongoing basis and prepare a summary report for submission to the Audit Committee at least annually • Communicate and review understanding via internal infographics/emails at least annually • Report policy compliance results and corrective actions (in cases of non-compliance) to the Board of Directors once per year • Continuously review and update the policy and practices to ensure ongoing alignment with the organizational context • Monitor compliance on an ongoing basis and prepare a summary report for submission to the Audit Committee at least annually • Communicate and refresh understanding via internal infographics/emails at least annually • Conduct an internal audit focused on inside information controls and prepare a remediation plan • Report policy compliance results and corrective actions, in cases of non-compliance, to the Board of Directors once per year
Access Control to Inside Information and Confidentiality	2026	<ul style="list-style-type: none"> • Review the Change Management Procedure to ensure it is robust, aligned with the sensitivity level of the data, and properly documented at every stage • Prepare a summary report on access-rights administration and technical recommendations for continuous system improvement • Prepare Non-Disclosure Agreements (NDAs) for relevant employees, business partners, and relevant consultants, and maintain signed acknowledgments of the company’s policies and practices for preventing inside information misuse • Review the Data Center system and access permissions (Access Governance Review) by verifying access approval procedures, access log records, and user restrictions to assess alignment with the policy • Report on the results of access reviews and any anomalies (if any) to the Board of Directors at least annually
	2027	<ul style="list-style-type: none"> • Implement activity-logging to track access to critical information • Review or update the Change Management Procedure and NDA at least annually, and submit a summary report to the Audit Committee • Provide annual training on data privacy to relevant personnel at least annually
	2028	<ul style="list-style-type: none"> • Maintain activity-logging to track access to critical information and enable retrospective audits

Strategic Initiative	Year	Expected Outcomes
		<ul style="list-style-type: none"> • Review or update the Change Management Procedure and NDAs at least annually, and submit a summary report to the Audit Committee • Provide annual training on data privacy to relevant personnel at least annually • Conduct an Internal Audit of information security controls specific to inside information handling and prepare a corrective plan for any findings

Risk Management

Risk 1 : Risk of Improper Use or Disclosure of Inside Information

• **Risk Characteristic**

During the Company’s operations, certain individuals are granted access to inside information that has not been disclosed to the public, such as budget data or performance forecasts, customer or partner information, major transaction plans or joint venture/merger and acquisition activities. The risk arises when such information is used for personal benefit or disclosed to unauthorized people, whether intentionally or unintentionally. Examples include sharing information through personal channels, storing data outside the Company’s systems, communicating in public areas or trading securities based on inside information.

• **Risk Impact**

Improper use or disclosure of inside information may cause delays or temporary suspension of relevant operational processes to review the situation and implement corrective measures. Public exposure of inside information may delay key projects or transactions due to the need for investigation, evidence collection and temporary access restrictions, resulting in reduced operational efficiency and extended timelines. Deliverables and communication with customers or business partners may need to be postponed or adjusted, increasing the risk of lost business opportunities. Furthermore, the Company may be subject to observations from auditors or regulatory authorities, negatively affecting stakeholder confidence and the Company’s long-term reputation.

• **Risk Management Measures**

The Company has established and implemented a ‘Use of Inside Information’ policy and related practices that define the scope of inside information and set out restrictions on the communication of sensitive information. Role-based access controls are enforced, supported by Non-Disclosure Agreements (NDAs) for relevant internal and external personnel. System logs are used to monitor access to key files and databases. The Compliance Unit conducts performance reviews and reports the results to the Board of Directors, complemented by regular training and communication sessions accompanied by comprehension assessments.

Risk 2 : Risk from Incomplete or Outdated Access Control Management

• **Risk Characteristic**

Although the Company operates a Data Center equipped with access control rights and an alert system for unusual access attempts, risks may still arise from shortcomings in managing user access rights. These include failure to update user permissions following job transfers or project completion, lack of ongoing accuracy checks of access logs, absence of an annual review of individual access rights, or overdue renewals of NDA for individuals previously granted access to inside information. In addition, incomplete documentation of approval evidence or user timestamps may hinder the effectiveness of retrospective audits.

• **Risk Impact**

If access rights are not properly updated or adequately managed, there is an increased risk of unauthorized or excessive access to information, which may result in internal data leakage and adverse impacts on operational processes and information security. This could also undermine the confidence of customers, business partners, investors and regulatory authorities. Moreover, deficiencies in access log or time-stamp records may delay investigative procedures or impede the ability to identify responsible individuals clearly and promptly.

• **Risk Management Measures**

The Company will review its Change Management Procedure and conduct an Access Governance Review at least once a year to ensure that approval processes, permission restrictions, access log records and permission revocation upon project completion are accurate and up to date. Findings from access reviews and any identified irregularities will be reported to the Audit Committee at least annually. In addition, the Company will conduct an annual review and renewal of NDA and provide annual training on data privacy for relevant personnel.

Governance of Risk and Management Compliance

Enhancing governance of artificial intelligence applications

At present, Artificial Intelligence (AI) technology plays a significant role in both business operations and daily life. The rapid advancement of AI not only creates opportunities to enhance efficiency and drive innovation but also introduces “emerging risks” that are still in the early stages of understanding and management. These risks, if not properly governed or responsible, have the potential to cause substantial impacts on security, finance, and public trust. Therefore, business leaders aiming to remain competitive in a rapidly changing world must learn to understand AI and leverage its potential, while remaining vigilant of its associated risks.

Megachem (Thailand) Public Company Limited (the “Company”) is committed to strengthening our global competitiveness through the application of AI technology in business operations, while upholding the highest standards of corporate governance to achieve sustainable development. In this regard, the Company has formulated an “AI Governance Enhancement Plan”. The strategy focuses on establishing a charter for the committee responsible; developing AI governance policy and operational practices; conducting training and communication for relevant personnel; as well as reviewing, monitoring, and performing internal audits. These initiatives aim to ensure that AI-driven business operations are conducted efficiently, transparently, and in compliance with legal requirements and ethical technology standards, which will enable the Company to stay ahead of rapid technological change and prepare effectively for future uncertainties.

Targets

Topic	Current Status	Targets		
		2026	2027	2028
The company has established policies and guidelines for the use of artificial intelligence (AI).	Not Started	In Progress	In Progress	Success
• Establish roles and revise the charters of the Board, its subcommittees, or designated personnel responsible for governing AI adoption in the organization.	Not Started	Success	Success	Success
• Formulate clear and documented policies and procedures with appropriate approval.	Not Started	Success	Success	Success

Topic	Current Status	Targets		
		2026	2027	2028
<ul style="list-style-type: none"> All involved employees have been trained and communicated about AI governance. 	Not Started	In Progress	In Progress	Success
Review operational results and performance of AI implementation, and set goals for further AI development and expansion	-	In Progress	In Progress	Success

Strategic Initiative

Strategic Initiative	Year	Expected Outcomes
Development of AI Governance Policy and Practices	2026	<ul style="list-style-type: none"> Establish a charter for the Board of Directors, relevant Board committees, or designated oversight bodies responsible for governing the adoption of AI within the organization Develop and announce an ‘AI Governance Policy’ that clearly sets out written roles and responsibilities in accordance with the ‘Three Lines of Defense’ framework. The policy shall cover key elements such as AI use and further development, risk controls, ongoing monitoring and performance evaluation, audit and assurance, and incident response plan, and shall receive appropriate management approval
	2027	<ul style="list-style-type: none"> Review the AI governance policy and practices at least annually Review the charter of the designated AI oversight body at least annually Conduct AI governance training and communication sessions for all relevant employees, with a target of at least one session per year and a minimum passing score of 70% on the understanding assessment
	2028	<ul style="list-style-type: none"> Continuously review AI governance policy and practices, adjusting from the findings in the 2027 as well as emerging social issues and technology trends Review the charter of the designated AI oversight body at least annually Conduct AI governance training and communication sessions for all relevant employees, with a target of at least one session per year and a minimum passing score of 70% on the understanding assessment
Performance Evaluation and Review of AI Utilization	2026	<ul style="list-style-type: none"> Develop a checklist to assess compliance with the company’s AI usage policy Collect operational and performance data on employee’s use of AI to enable effectiveness measurement
	2027	<ul style="list-style-type: none"> Conduct an internal audit on compliance with the AI governance policy Compile operational data on AI systems by function to measure unit-level performance and outcomes

Strategic Initiative	Year	Expected Outcomes
	2028	<ul style="list-style-type: none"> • Prepare a consolidated performance and effectiveness review report on AI utilization and submit the report to the Board of Directors as appropriate • Conduct an internal audit and verify progress on improvements based on the previous year’s recommendations • Prepare a 3-year summary report, summarizing AI operational performance and outlining future expansions, and report to the Board of Directors as appropriate

Risk Management

Risk 1 : Risk of Unreliable Data or Outputs Generated by Artificial Intelligence

• **Risk Characteristic**

Artificial intelligence (AI) is often used to support efficient data retrieval, analysis and summarization. However, the processes leading to such outputs are complex and difficult to verify in terms of data quality and reliability. Unreliable AI-generated information therefore represents a key risk that may lead to various adverse impacts. This risk may arise from several factors, including incomplete or biased training data, limited explainability of AI-generated information, insufficient transparency and auditability of AI processes, and malicious interference such as data poisoning. Data poisoning may involve altering training data to induce model errors or compromise system security, including parameter manipulation, the injection of misleading inputs and the theft of models or training datasets. These factors collectively can result in inaccurate and unreliable system outputs.

• **Risk Impact**

Unreliable AI-generated information may lead to inaccuracies in decisions and operational management, as AI-generated analyses may be incorrect, incomplete or biased. This can undermine strategic planning and resource allocation. In addition, errors or lack of transparency in AI output may reduce stakeholder confidence and damage the Company’s reputation. There is also a heightened risk of information system attacks and confidential data leakage, which could result in higher remediation costs, long-term loss of credibility and non-compliance with technological ethics.

• **Risk Management Measures**

By 2026, the Company will establish a charter for the board, subcommittees or designated personnel responsible for AI oversight. The Company will also develop an AI governance policy that clearly defines responsibilities in alignment with the Three Lines of Defense framework, with annual reviews required. Subsequently, an internal audit on compliance with the AI governance policy, together with the reporting of findings to the Board of Directors, will be conducted in the following year.

In addition, the Company places importance on strengthening employee knowledge and understanding by conducting annual training and communication on AI governance, accompanied by comprehension testing for relevant personnel. These measures aim to ensure that the Company’s operations comply with good governance principles and support responsible and sustainable use of AI technologies.

Risk 2 : Risk of Confidentiality Breach or Invasion of Privacy

• **Risk Characteristic**

The risk of confidentiality breaches or invasion of privacy may arise when the Company lacks adequate control and oversight measures for the use of AI systems in processing sensitive personal data, such as health information, financial behavior, location data or confidential business information. Such data may be unintentionally stored or processed by external systems, particularly

when using third-party AI services that may not have sufficient data protection measures in place. This also increases the risk of unauthorized access by unrelated parties or the use of personal data without proper consent.

- **Risk Impact**

Submitting confidential information of business partners or internal data into AI systems without appropriate safeguards may lead to personal data leakage, violations of privacy rights or misuse of sensitive information. This could expose the Company to legal action under the Personal Data Protection Act (PDPA) or breaches of business confidentiality agreements. Such incidents may damage the Company's reputation, erode customer trust and strain business relationships. They may also result in financial losses due to penalties or litigation, ultimately affecting the Company's competitiveness and long-term sustainability.

- **Risk Management Measures**

The Company plans to establish an AI governance policy that clearly outlines responsibilities in accordance with the Three Lines of Defense framework and obtain approval from the Board of Directors by 2026. The Company will also strengthen employee knowledge and understanding by implementing training and communication on AI governance, incorporating techniques such as anonymization, data masking, and other methods to reduce the risk of personal identification. Moreover, annual comprehension assessments for relevant personnel will be conducted to foster organizational awareness and prevent future issues.

Section 3

Climate Action Plan

Section 3 Climate Action Plan

Greenhouse gas inventory (GHG) plan

Megachem (Thailand) Public Company Limited (the “Company”) recognizes its role in addressing climate change and places high priority on establishing a systematic environmental management infrastructure. The Company has developed a “Greenhouse Gas Inventory (GHG Inventory) Plan” to provide clear guidelines for activities related to managing organizational greenhouse gas emissions. The plan focuses on developing climate change policy and operational practices; establishing a dedicated working team to oversee, drive, review, and improve policy implementation; conducting personnel training to strengthen environmental management competencies; collecting data for the organizational GHG inventory across all three scopes; verifying data accuracy through external verification bodies registered with the Thailand Greenhouse Gas Management Organization (TGO); and disclosing information to stakeholders to ensure that the Company’s operations are carried out accurately, transparently, and in compliance with relevant environmental standards.

Targets

Topic	Targets		
	2026	2027	2028
GHG inventory report, GHG verification and disclosure (specific to Scope 1 and Scope 2 emissions)	In Progress	Success	Success
Establish a dedicated unit or assign personnel responsible for organizational greenhouse gas management, with clearly documented roles and responsibilities	In Progress	In Progress	Success
Develop a Risk Register with content covering environmental and climate change aspects	In Progress	In Progress	Success

Strategic Initiative

Strategic Initiative	Year	Expected Outcomes
Greenhouse Gas Inventory and Reporting	2026	<ul style="list-style-type: none"> Document the scope and justification for the selected operational control approach Hire external consultants to facilitate GHG inventory planning and define implementation guidelines Collect Activity Data for all material emissions across Scope 1 (Direct Emission), Scope 2 (Energy Indirect Emission), and Significant Scope 3 (Other Indirect Emission) Develop the annual GHG Inventory Report 2026
	2027	<ul style="list-style-type: none"> Select an external verification body registered with the Thailand Greenhouse Gas Management Organization (TGO) and develop a verification plan that clearly covers the scope, objectives, verification criteria, and all activities to be verified Execute third-party verification of GHG Inventory 2026 Publicly disclose GHG Inventory 2026 (minimum Scope 1 and 2) to stakeholders via Annual Report (Form 56-1 One Report) or corporate website

Strategic Initiative	Year	Expected Outcomes
	2028	<ul style="list-style-type: none"> • Maintaining ongoing collection of FY 2027 Activity Data across all material emissions in Scope 1, 2, and 3 • Develop the GHG Inventory Report 2027 • Execute third-party verification of GHG Inventory 2027 • Publicly disclose GHG Inventory 2027 (minimum Scope 1 and 2) to stakeholders via Annual Report (Form 56-1 One Report) or corporate website • Maintain ongoing collection of FY 2028 Activity Data across all material emissions in Scope 1, 2, and 3 • Develop the GHG Inventory Report 2028
Governance and Monitoring Framework for Climate Change Management Operations	2026	<ul style="list-style-type: none"> • Hire external consultants to support the Company's climate management planning • Establish climate change management policy and operational practices as the organizational framework • Present climate change policy and practices to the Board of Directors for approval and official promulgation • Set up a designated department or appoint personnel to oversee GHG management with clearly documented duties and responsibilities • Create a comprehensive environmental Risk Register, both proactive and reactive, encompassing Risk Identification, Monitor & Review, Qualitative & Quantitative Risk Analysis, and Risk Treatment Strategies • Provide training to relevant staff on GHG data collection and climate change risk assessment
	2027	<ul style="list-style-type: none"> • Review and improve the Risk Register in response to changing circumstances and emerging trends • Review and revise climate change policy and operational practices to ensure alignment with organizational context and evolving risk landscape (1st Review) • Evaluate climate management performance and submit assessment findings to the Board of Directors • Publish climate change management results in the Annual Report
	2028	<ul style="list-style-type: none"> • Continuously review and enhance the Risk Register • Regularly review and revise climate change policy and operational practices to remain aligned with organizational context and changing risk landscape • Evaluate climate management performance and submit assessment findings to the Board of Directors • Disclose climate change management performance in the Annual Report

Risk Management

Risk 1 : Transition Risk from Climate Policy and Regulatory Changes

- **Risk Characteristic**

Currently, the draft Climate Change Act is being advanced by the Ministry of Natural Resources and Environment (MNRE) and is expected to be enacted soon. The Act requires businesses to prepare a Greenhouse Gas Inventory (GHG Inventory) and an Organizational Mitigation Plan to align with the national greenhouse gas reduction targets. In addition, it introduces the potential implementation of new economic instruments such as a Carbon Tax, the Carbon Border Adjustment Mechanism (CBAM), and an Emission Trading Scheme (ETS). These mechanisms will directly impact businesses across the supply chain, particularly those involved in the importation and transportation of chemical products. However, within this evolving regulatory landscape, the company may also gain opportunities to access new sources of funding, such as the Climate Fund, which may support low-carbon business operations, especially for small and medium-sized enterprises in the future.

- **Risk Impact**

If the Company lacks a framework to address potential environmental regulations that may be enforced in the future, it may face risks of non-compliance with relevant laws and regulations. This could also affect the Company's credibility in the eyes of international business partners, particularly customers who prioritize suppliers with clear and transparent environmental policies. In addition, the Company may be unable to access climate-related funding sources and may face increased operational costs resulting from mandated economic mechanisms.

- **Risk Management Measures**

The Company recognizes the impacts associated with the transition toward a low-carbon economy, which may lead to higher costs related to energy consumption, transportation, and environmental reporting. To prepare for this transition, the Company has established an Energy Conservation Policy to provide guidelines for efficient resource use and to minimize environmental impacts across its operations. At the same time, the Company is in the process of preparing its Carbon Footprint for Organization (CFO) report to serve as a tool for assessing and monitoring greenhouse gas emissions from its activities, as well as providing a key data foundation for transparent disclosure to stakeholders. In addition, the Company closely monitors the status of the draft Climate Change Act and other emerging regulatory requirements to ensure readiness in terms of data systems and operational management, enabling timely adaptation once the law comes into effect.

Risk 2 : Physical Risk from Extreme Weather Events

- **Risk Characteristic**

Climate change has increased the frequency and intensity of extreme weather events in Thailand, including heavy rainfall, flash floods, rising temperatures, and summer thunderstorm. These events pose significant risks to the Company's business operations, which involve the distribution and storage of specialized chemicals, particularly products that are sensitive to heat, humidity, or are flammable.

- **Risk Impact**

The Company's warehouses and logistics operations may be directly affected by flooding and other natural disasters, resulting in damage to products, infrastructure, or transportation vehicles. Such events may also lead to chemical leaks that could have an impact on the environment and employee safety. In addition to economic losses and repair costs, these incidents could undermine the Company's credibility as a business partner that is expected to maintain high safety standards.

- **Risk Management Measures**

The Company placed strong emphasis on ensuring the safety of its chemical warehouses and transportation operations. Chemicals are stored separately according to their risk categories, such as flammable materials, reactive liquids, and temperature-sensitive substances. In addition, safety monitoring systems and vehicle-tracking systems using Global Positioning System (GPS) technology have been installed to prevent accidents during transportation. The Company is also planning to develop a climate vulnerability assessment for storage sites and transport routes and improving a Business Continuity Plan (BCP) specifically for natural disaster and climate change scenarios. These efforts aim to strengthen safety measures and enhance the Company's operational resilience.
