

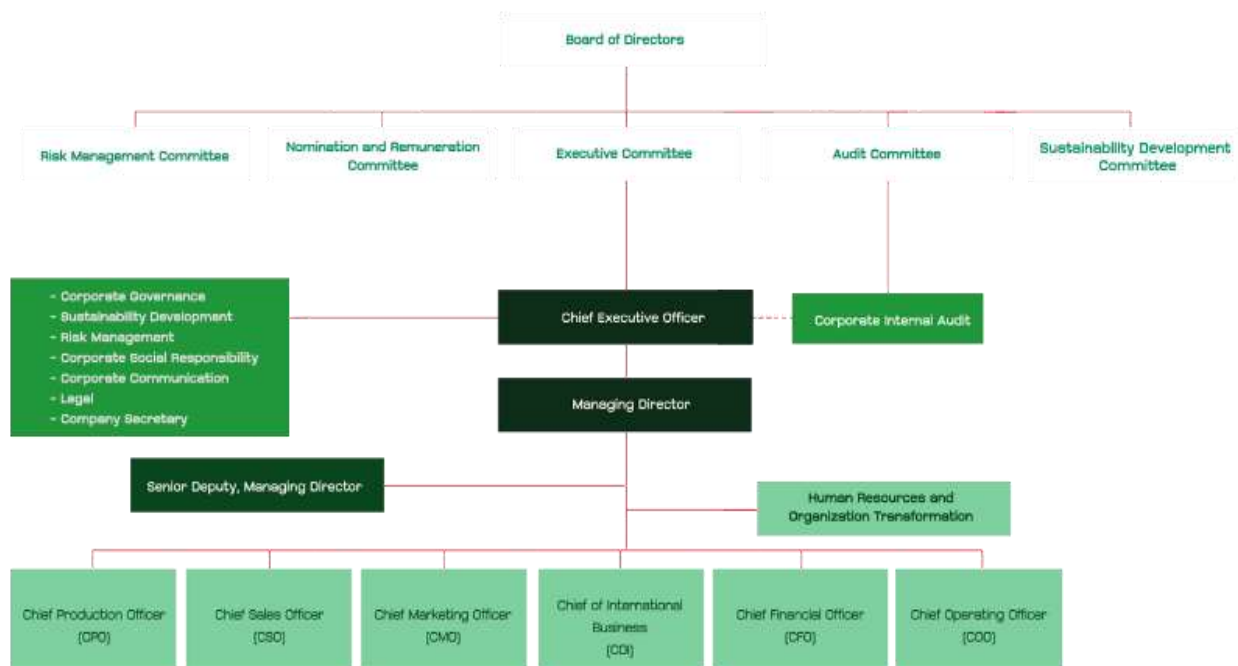
## Good Governance and Business Ethics

Carabao Group Public Company Limited (“the Company”) places significant importance on corporate governance and ethical business practices. We firmly believe that operating our business under a robust corporate governance framework not only fosters sustainable growth but also earns us the social license to operate and ensures that the benefits of the Company's stakeholders are fairly allocated and managed. The corporate governance framework guides the Company to conduct business with ethics, responsibility, and transparency, considering the impact of our actions on all stakeholder groups, including shareholders, employees, customers, partners, the environment, and the communities where we operate. This approach enables us to make well-balanced decisions between short-term financial gains and long-term sustainability, while also enhancing our reputation, attracting investments, and fostering customer loyalty, all contributing to the overall sustainability of our business.

We place great emphasis on developing corporate governance in all five key aspects: Rights of Shareholders, Equitable Treatment of Shareholders, Roles of Stakeholders, Disclosure and Transparency, and Board Responsibilities. To achieve this, we have established a comprehensive management and corporate governance system, including a knowledgeable and responsible Board of Directors. We consistently formulate and enhance our corporate governance policy which is resolved and approved by the board. Our approach aligns with the good corporate governance guidelines of the Stock Exchange of Thailand (SET), the principles of the Securities and Exchange Commission (SEC), and the recommendations of the Thai Institute of Directors (IOD). We communicate these principles to our executives and employees to ensure their understanding and compliance.

### The Company's corporate governance policy is comprised of the following 5 sections:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Disclosure and Transparency
5. Board Responsibilities



The Board of Directors has appointed sub-committees to support the operations of the Board of Directors and the Company. The roles, duties, and responsibilities of these sub-committees are clearly specified, aligning with the relevant skills, knowledge, and expertise required for each set. The establishment of these sub-committees serves as a guideline for collaborative consultations on specific issues, facilitating a more efficient decision-making process and fostering the development of specialized knowledge and skills. Each sub-committee plays a vital role in driving sustainable development and diligently considers the best interests of the Company and stakeholders. To ensure effective functioning, the Board of Directors and sub-committees have prepared charters that outline their respective structures, meeting regulations, and responsibilities. These charters encompass the Board of Directors Charter, Audit Committee Charter, Nomination and Remuneration Committee Charter, Sustainable Development Committee Charter, and Risk Management Committee Charter.

## Composition of the Board of Directors and Sub-Committees

The Board of Directors comprises directors appropriate in number for the Company's size and business strategy, with a minimum of 5 people. The number of independent directors must be at least one-third of all directors, but not fewer than 3 people. The Board of Directors has appointed sub-committees to oversee and monitor business operations, adhering to good corporate governance principles. These sub-committees include the Audit Committee, the Nomination and Remuneration Committee, the Sustainable Development Committee, Executive Committee, and the Risk Management Committee. The details are as follows:

- Audit Committee: Consists of 3 directors, all of whom are independent directors. At least one director must possess knowledge and experience in reviewing financial statement responsibility.
- Nomination and Remuneration Committee: Consists of 4 directors, including 2 executive directors and 2 independent directors.
- Sustainable Development Committee: Consists of 5 directors, including 1 executive director, 3 independent directors, and 1 executive.
- Executive Committee: Consists of 5 directors, and members of the Executive Committee do not need to hold positions as Company directors.
- Risk Management Committee: Consists of 7 directors, including 2 executive directors, 3 independent directors, and 2 executive directors not required to hold Company director positions. The committee includes members from the Audit Committee, company executives, including but not limited to the Chief Financial Officer and Director of Internal Audit, and senior executives from other business units of the Company.

Additionally, the average tenure of directors in the Board is 5.23 years.

The Board of Directors and the company's authority showing that Miss Nutchamai Thanombooncharoen is the Chairman of the Board of Directors and also is non-executive director. Mr. Sathien Sathientham is the Chairman of Executive Committee and Chief Executive Officer. The qualification of Chairperson is the same as the qualification of Directors since Chairperson was elected from group of Directors.

The Company assesses board performance through three types of self-assessment forms (self-assessment form of the Board of Directors as a whole, self-assessment form of sub-committee and self-assessment form of individual director). The Company has applied and developed the self-assessment form designed by the Stock Exchange of Thailand related to the issues of environmental, social, governance (ESG) and Anti-Corruption and consist of 6 topics:

1. Structure and qualification of the board
2. Roles, duties, and responsibilities of the board
3. Meeting of the board
4. The duties of directors
5. Relationship with management
6. Self-development of directors and executive

The self-evaluation assessment is done at least once a year.

In 2022, the Board of Directors determines individual self-assessment between the 13 Directors of the Company, which results of the evaluation of the work of the Directors was in a good level with a score of more than 98.3 percent.

## CEO Compensation and Success Metrics

The success metrics which affect CEO compensation are considered from: Net Income, Total Performance, Company Development, and Sustainability.

The Chief Executive Officer (CEO)'s performance is evaluated by considering the appropriate form and criteria for remuneration in both short-term and long-term remuneration. CEO's performance and remuneration rate in terms of salary, performance remuneration, and long-term incentives should be consistent with the Company's performance and growth, and will be presented for approval by the Board of Directors by considering the current full-year data comparing to past data on the following aspects:

- Corporate KPI
- Leadership competency
- Comparison of business performance within the same industry both domestically and internationally
- Competency to develop business and improve efficiency of business operation

The criteria for CEO's performance evaluations include corporate KPI, and revenue growth.

However, the Company hasn't set the structure for CEO compensation long-term performance alignment. The structure will be set aligning with Sustainability Development in 2023.

The minimum requirement to build up shareholding value for the position of CEO was considered and determined to be at least 10 times of annual base salary (share ownership). Currently, the CEO holds 25.97 million shares or more than 100 times his current annual salary base. While the average across other executive committee members owning shares was determined to be at least 5 times of annual base salary. Currently, other members of the executive committee hold shareholding value, on average 77 times their current annual salary base.

The mean of the annual compensation of all other employees was in the range of 370,000-390,000 Baht, while annual compensation of CEO was in the range of 22.5-23 million Baht. The ratio between the total annual compensation of the CEO and the mean employee compensation was in the range of 55-60:1.

## Business Ethics

Long-term Sustainability Goals (2025)	Goals in 2022	Performance in 2022
<ul style="list-style-type: none"> <li>100% of all employees participated in eLearning and passed the test on Corporate Governance Policy and Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>100% of all employees participated in eLearning and passed the test on Corporate Governance Policy and Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>57.21% of all employees participated in eLearning and passed the test on Corporate Governance Policy and Code of Conduct.</li> </ul>

The Company is deeply committed to conducting business with honesty, integrity, and transparency. This principle underscores the importance of conducting business with integrity, ethical conduct, and excellent corporate governance. It enhances the trust of investors, shareholders, and all stakeholders in the Company. The Company firmly believes that good corporate governance is a vital aspect that drives sustainable long-term growth. Moreover, the Company places significant emphasis on encouraging directors, executives, and employees to fulfill their duties with responsibility, guided by the principles of good corporate governance.

Our business operations adhere to the principles of good corporate governance and ethical conduct. Our aim is to achieve business success and create sustainable value for all stakeholders, including respecting human rights as outlined in the Company's Human Rights Policy. We adhere to and comply with the guidelines set by the Securities and Exchange Commission, the Thai Institute of Directors Association, and international standards, including human rights standards that all directors, executives, and employees must follow.

The Company has a well-defined corporate governance structure and an effective monitoring system, supported by the independent Audit Committee. We have an internal audit process that ensures effective oversight. We conduct risk assessments at all operational levels and supervise compliance with the Company's policies, laws, and regulations. The Audit Committee is tasked with monitoring operations, providing recommendations, and reporting any instances of fraud or corruption.

We are dedicated to promoting and instilling a sense of corporate governance and business ethics in all stakeholders, both internal and external. We advocate the adoption of good corporate governance principles and anti-corruption measures. Communication and knowledge-sharing on these topics are prioritized within the Company.

To reinforce our commitment, we have joined the United Nations Global Compact (UNGC) as a member, actively driving positive change and contributing to a sustainable future in line with the United Nations' principles.

In 2022, there were 8 cases reported, all whistleblowing or complaints related to employee's behavior which were regarded as misconduct or not complied with the Company's regulation. There was no whistleblowing or complaints regarding corruption or incompliance with the Code of Conduct.

### **Measures to Prevent Corruption and Bribery**

Preventing corruption and bribery is crucial for maintaining the Company's legal and ethical standing. The Company has consistently adhered to anti-corruption laws, recognizing that non-compliance may result in legal consequences, fines, and reputational damage. Utilizing anti-corruption measures not only promotes ethical behavior and fosters a fair and level playing field but also strong relationships with customers, partners, and business associates. This demonstrates a commitment to combating corruption, enhances the Company's credibility, and improves business efficiency and competitiveness.

In 2022, the Company announced its intention on August 8, 2022, to join the Thai Private Sector Collective Action Against Corruption (Thai CAC), a project established in 2010 as a platform for voluntary participation by companies in Thailand in the fight against corruption through Collective Action. This initiative is supported by the government and the Office of the National Anti-Corruption Commission (NACC). The main objectives are to promote and expand transparent business networks, eliminate bribery practices, and change business leaders' attitudes by rejecting any involvement in corruption. The initiative also aims to enhance operational standards in the private sector to effectively manage corruption risks and encourage the government sector to improve its work processes to become more efficient, transparent, participatory, and accountable.

### **Political and Charitable Donations**

As specified in the Company's Anti-Corruption Policy, "**Corruption**" means any actions to seek unlawful benefits for oneself and others, including bribery in any form, such as offering promises to give, promising to give or accept money, property, or any other form of benefit to government officials, government agencies, private entities, or persons having duties, whether directly or indirectly, to enable such persons to perform or refrain from performing their duties to obtain or maintain business, recommending a business to the Company specifically, or to obtain or maintain any other unsuitable business interests.

Political donations are the giving or providing, directly or indirectly, of cash, venues, equipment, personnel time or other benefit to a political party, or to an individual who is standing for elected office, or to an individual or organization who is nominated by or connected with a candidate for office, a political party or a member of a political party.

The Company is committed to political neutrality and supports compliance with laws and democratic governance without any direct or indirect way of assisting or supporting any political party. However, the Company's employees have the right to freedom to participate in political activities under the provisions of the Constitution and other relevant laws. To participate in political activities, employees must not engage in any political activities within the Company and do not use any resources of the Company to do so.

Charitable donations are the giving or providing, directly or indirectly, of cash, venues, equipment, personnel time, or other benefit to a charity, or to an individual or organization who is nominated by or connected with a charity.

The donation of the Company's money, assets, or products must be made on behalf of the Company and must be donated to an organization by giving them to a trustworthy and verifiable charitable organization or institution. The donations must be made carefully to ensure that they are transparent and legal, with verifiable evidence. The donations must be carried out following the procedures, regulations, and methods specified by the Company.

A donation could be considered to be a bribe if it is given or received with the intention of influencing someone to act improperly, or as a reward for having acted improperly.

In 2022, there was no case of political and charitable donation corruption reported at all.

## **Policy Influence**

Policy influence is an essential tool for shaping positive outcomes and driving progress in areas of importance, such as promoting sustainable development, protecting human rights, reducing inequality, and addressing societal issues. It requires thoughtful and inclusive policy-making processes, engagement with stakeholders, and continuous monitoring and evaluation to ensure the desired impacts are achieved. Carabao Group has participated in relevant associations to provide opinions and support where appropriate.

Type	Organization	Topic	Support Objectives		Expenses (Baht)			
					2019	2020	2021	2022
Lobbying or solicitation for support	-	-	-	-	0	0	0	0
Political campaigns/parties/candidates at local, regional, or national levels	-	-	-	-	0	0	0	0
Trade Association	Energy Drink Manufacturer's Association - EDMA	Caffeinated Beverage Regulations	Support	To develop production and quality standards for caffeinated beverages and share knowledge among members. EDMA creates synergy in Thai Beverage Industry to drive the strategies and plans successfully for the prosperity of the companies to be the leader in Beverage Industry.	160,000	160,000	160,000	202,828
Trade Association	Thai Beverage Industry Association	Beverage Industry Regulations	Support	To support activities among beverage companies in Thailand, promote product quality, and implement regulations. TBIA becomes a stage for companies in non-alcoholic beverage industry to discuss topics which affect them	74,900	74,900	74,900	424,100



				all and provides steps for effective cooperation between the government sector and each company and between companies as well.				
Trade Association	Investment Analysts Association	Good governance	Support	To participate in raising ethical investment standards and implement regulations. IAA enhances the standards for investment analysts, and improve their quality and ethics, while provides platform for Thai investment analysts to cooperate in driving the stock market for the prosperity of the country	30,000	30,000	30,000	30,000
Trade Association	Thai Listed Companies Association	Good governance	Support	TLCA's member comprise of companies listed on The Stock Exchange of Thailand (SET) and The Market for Alternative Investment (MAI). - Provide platform for member networking. - Organize consultation and	7,000	25,000	25,000	25,000

				discussions in relation to regulations and corporate governance/ESG practices. - Organize professionals' development for Thai Listed companies Association. - Work closely with The Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET) and other regulations - Organize executive education for Thai private sector - Implement regulations				
Others	Federation of Thai Industries	Good governance	Support	Federation of Thai Industries is a non-profit organization under the guidance of Minister of Industry. The Thai government aims to improve the public sector business to become stronger and drives the industry forward for the country's economic advancement and	62,680	73,380	78,380	51,380

				<p>protect the nation's status in world economic forum.</p> <p>This participation is to contribute to raising standards for Thai industries and implement regulations.</p>				
Others	Chamber of Commerce of Thailand	Good governance	Support	<p>Thai Chamber of Commerce creates the cooperation domestically and internationally between government, public and people. This is to raise Thailand's competitiveness in all dimensions, while the government drives the strategies to bring in investments and supports the international sales of Thai products with the consideration on BCG and sustainability as well. CBG supports the TCC to elevate business and trade standards, share commercial interests, and apply rules and regulations.</p>	9,630	9,630	9,630	9,630

Others	Board of the Thai-UK Business Leadership Council	Good governance	Support	The Thai-UK Business Council is constituted as a non-profit legal entity with a Board of Trustees to promote the best of relations between the United Kingdom and Thailand, and to enhance the bilateral relationship. CBG supports the council to share commercial interests in trade and investment opportunities between the UK and Thailand and apply rules and regulations.	0	0	0	0
<b>Total Expenses of Carabao Group</b>					344,210	372,910	372,910	742,938

\*In 2022, the expenses also included any activities and support CBG provided to each organization.

Regarding Climate Alignment of Lobbying and Trade Associations, each organization has included sustainability in their agenda, especially to support the Paris Agreement with net-zero target and climate strategies. Trade Association, namely, Energy Drink Manufacturers Association and Thai Beverage Industry Association have discussed with the companies on related environmental issues, such as recyclable packaging and post-consumption packaging management. While Investment Analysts Association and Thai Listed Companies Association were influenced by SET and MIA, which they must followed the sustainability and green business trends of other stock markets. Other organizations also pushed a sustainable agenda as well. Thai-UK Business Council has kept us informed on the progress of CBAM (Carbon Border Adjustment Mechanism) which was in effect in 2023. CBAM required us to focus on our products' Carbon Footprint, of which the tax rate will be dependent on the carbon footprint volume.

For all these organizations, CBG has become an active member, joined meetings, seminars, and open forums to share our opinions and views on policies and rules that might affect our business operation. CBG has regular updates with the organizations to be able to provide insights and knowledge on those policies. Any updates that might be important will be reported to the Executive Committee monthly and upwards.

Lobbying and trade associations play a vital role in driving policy changes and shaping regulations on climate change, aligning their efforts with the Paris Agreement. CBG recognizes the urgent need to mitigate greenhouse gas emissions and transition towards a low-carbon economy.

CBG places importance on supporting governmental laws, regulations, and policies aligned with the Paris Agreement. To ensure effectiveness, CBG has established a management system that oversees the company's strategic planning and risk management of climate change issues, operational effectiveness and appropriation, and climate policy, including follow-up adjustments on relevant operations and participate in trade association. CBG is steadfast in its intention to be a part of the solution to environmental issues by supporting the goals and objectives of the Paris Agreement and Thailand's Net Zero target.

CBG has a process in place to regularly review and monitor trade association participation to provide insights and opinions on governmental policies and any negotiations related to climate change and the Paris Agreement. As a member of the Thai Listed Companies Association, CBG is an active member that engages and participates to build consensus on cooperative approaches between governments, NGOs, research organizations, and other stakeholders to achieve the goals of the Paris Agreement.

CBG has participated in the seminar and study of Material Flow Analysis (MFA) and Value Chain Analysis (VCA) on glass and aluminum packaging, which was a foundation for Packaging Tax in the near future, the hearing of Circular Economy Supporting Act and Sustainable Packaging Management Supporting Act. Through these activities, CBG actively engages and is involved with the United Nations Framework Convention on Climate Change.

CBG is committed to playing a leading role in climate change policy advocacy and trade association participation. The company's management system and regular review and monitoring process ensure that its efforts are effective and aligned with the Paris Agreement and Thailand's Net Zero target. CBG's management team is proactive in identifying and addressing any significant nonconformity that could necessitate a policy adjustment, review of memberships, or suggestion to trade associations to align their policies with the Paris

Agreement. CBG is also actively engaged in case studies and initiatives that advance the development of climate change solutions.

## Tax

Tax Scope	Business Activities	Number of Companies	Company Name	Number of Employees	Million Baht			
					Revenue	Profit (Loss) before tax	Accrued corporate income tax (current year)	Paid corporate income tax
Thailand	Products Selling, Marketing, or Distributing	2	Tawandang DCM Co., Ltd.	3,325	19,209.20	2,897.50	415.10	475.00
			A Woody Drink Co., Ltd.					
	Production	4	Carabao Tawandang Co., Ltd.					
			Asia Pacific Glass Co., Ltd.					
			Asia Can Manufacturing Co., Ltd.					
			Asia Packaging Manufacturing Co., Ltd.					
	Holding of Shares or Other Equity Instruments	2	Carabao Group PCL					
			Asia Carabao Ventures Co., Ltd.					
	Data Management	1	Carabao Marketing Group Co., Ltd.					

Other countries (UK, Luxembourg, Hong Kong)	Products Selling, Marketing, or Distributing	2	Intercarabao Ltd.	16.0	244.60	(213.50)	-	-
			Carabao Trading (Hong Kong) Ltd.					
	Products Selling, Marketing, or Distributing	2	Carabao Holdings (Hong Kong) Ltd.					
			Carabao Ventures Holdings (Luxembourg) Ltd.					
<b>Total</b>		<b>13</b>		<b>3,341.00</b>	<b>19,453.80</b>	<b>2,684.00</b>	<b>415.10</b>	<b>475.00</b>

### Actual Tax Rate

Performance Report	2020	2021	2022
Earnings before tax	4,226,609,617	3,356,064,820	2,684,014,269
Reported tax	667,448,564	513,267,750	432,822,546
Reported tax rate (in %)	15.80%	15.30%	16.13%
Cash payment for income tax	602,720,628	749,387,583	475,010,623
Tax rate paid in cash (in %)	14.30%	22.30%	17.70%

### CBG Business in Tax Haven Country

The Company's business structure has no intention to move its profit to a tax haven since the Company's disclosed its financial and tax performance publicly. Also, the profit of the company in Hong Kong was insignificant (2020: -3 MB, 2021: -3 MB, 2022: +4 MB).

Carabao Trading (Hong Kong) Limited is a duly registered company operating under the laws of Hong Kong, which complies with all tax obligations as mandated by Hong Kong law. It has been granted tax exemption due to the fact that its profits are generated outside of Hong Kong. Carabao Trading (Hong Kong)

Limited diligently submit its annual tax reports to the Hong Kong Revenue Department to ensure full transparency and compliance.

In 2020, the Hong Kong Revenue Department issued a letter to verify whether the operations of Carabao Trading (Hong Kong) Limited met the criteria for offshore tax exemption. Carabao Trading (Hong Kong) Limited promptly submitted all the necessary supporting documents to the Revenue Department. It is important to note that no back taxes were owed.

Furthermore, in 2023, Hong Kong is currently undergoing a process to revise and amend its legislation regarding the exemption of foreign-sourced income tax. This adjustment is being made to ensure transparency and compliance with EU regulations. The Company has been closely monitoring these changes as they have the potential to impact on its tax structure.

It is crucial for businesses to maintain a proactive approach in staying informed about regulatory modifications that may affect their operations. By closely following these developments, the Company can adapt its tax strategies accordingly and ensure compliance with the evolving legal framework.

For CBG's operation in Luxembourg, Carabao Venture Holdings (Luxembourg) Sarl (CVH) is a registered company in Luxembourg, which is a Holding company investing in ICUK. The main business of CVH was ICUK investing with capital loan from CBHHK. CVH is considered a channel for funding access. However, CVH turnover was in a loss last year. As a result, CVH is not subjected to corporate income tax but it still pays Net Worth Tax according to Luxembourg Revenue Department.

The reason for doing business in Europe and Hong Kong was to raise brand awareness globally, after CBG's investing in the sponsorship of English Football League Cup, which was called Carabao Cup since 2017. It helped promoting the Carabao brand across the world through English Football League tournament.