Internal Carbon Price: ICP

PTG Energy Public Company Limited and its subsidiaries ("**the Group**") are well aware that climate change is a critical issue that directly impacts both long-term business risks and opportunities. Effectively managing this issue is therefore key to building the organization's competitiveness, preparing for future regulations, and meeting the expectations of stakeholders.

For this reason, the Group has initiated the use of Internal Carbon Pricing (ICP) as a key strategic tool. This mechanism is used in making decisions across various areas, including investments, operations, and the development of social and environmental projects.

ICP is designed to reflect the true cost of greenhouse gas emissions from all of the Group's activities. It helps to tangibly link "carbon reduction" with "economic and social returns," marking a significant step in driving the organization toward sustainable growth while caring for the environment.

Objectives

1. **Investment Decision-Making**
   Serves as a criterion for evaluating investment decisions in green projects, such as solar energy system installations and energy efficiency initiatives.
2. **Organizational Development**
   Supports the enhancement of operational productivity by incentivizing internal units to use energy efficiently and reduce unnecessary greenhouse gas emissions.
3. **Social and Environmental Projects (CSR/CSV)**
   Assesses and reflects the social and environmental value generated by various social projects, by quantifying the amount of carbon reduced and converting the results into a positive value.
4. **Risk Management**
   Acts as a tool for evaluating the potential financial impacts of future environmental measures, such as a Carbon Tax or the Carbon Border Adjustment Mechanism (CBAM).
5. **Corporate Strategy and Goal Setting**
   Supports systematic strategic planning and the achievement of the company's Net Zero and other climate-related targets with a clear direction.

Type and Scope of the Internal Carbon Pricing Mechanism

The Group has adopted a Shadow Price, which is referenced from carbon market prices (e.g., Thailand Voluntary Emission Reduction Program: T-VER). The current average price is set at **200 Baht** per tons of carbon dioxide equivalent (CO_2e), which serves as a criterion for analyzing and making investment decisions for various projects.

This carbon pricing mechanism currently covers greenhouse gas emissions from Scope 1 (direct emissions from production processes and energy use) and Scope 2 (emissions from purchased electricity). The Group is also studying the expansion of this mechanism to include Scope 3 (emissions from the supply chain and product use) in the future to enhance the credibility of its carbon management across the entire value chain.

Anticipated Outcomes and Benefits

The implementation of the Internal Carbon Pricing mechanism is expected to enable the Group to achieve success and gain benefits in the following areas:

- **Enhanced Competitiveness:** Mitigates risks from potential future carbon costs, ensuring the organization is well-prepared for long-term business operations.
- **Building Stakeholder Confidence:** Attracts investors and builds trust by disclosing information in a transparent manner that aligns with international standards, such as TCFD and GRI.
- **Driving the Transition to a Low-Carbon Economy:** This mechanism will serve as a tangible financial and management tool, helping to make carbon reduction efforts more efficient and concrete.
- **Creating Shared Value:** Supports social and environmental projects (CSR/CSV) by enabling the measurement and conversion of their outcomes into clear economic value.