

Materiality Topics on Sustainability

The company operates in a participatory and sustainable way by responding to the needs and expectations of stakeholders while creating values for society and the environment. Therefore, important sustainability issues are reviewed and developed annually to be consistent with the global sustainability direction and perspectives from related industries through a process of selecting key issues from each group of stakeholders, including external experts. The company refers to the international standards of the sustainability reporting framework (GRI Standards 2021) as follows:

Materiality Determination Process (Disclosure 3-1)

1. Understand the Organization's Context

The company considers identifying corporate sustainability issues from internal and external information, which may impact long-term business value creation and stakeholders in economic, environment, and social aspects, including human rights. The information from internal and external factors are considered as follows:

- Internal Information, including goals and directions of the organization, value chain, business plan, as well as key points from the executive brainstorming workshop in strategies and managing risks that may affect the organization's sustainability in the short and long term.
- External information such as sustainability trends, directions and global risks, consisting of Sustainable Development Goals (SDGs), standards for corporate sustainability reporting from The Sustainability Accounting Standards Board (SASB), Sustainability Reporting Framework (GRI Standards 2021), criteria for global sustainability assessments, including corporate sustainability assessment (S&P Global), Morgan Stanley Capital International (MSCI) benchmark, SET Sustainability Index (SETTHSI) and industry comparisons as well as the needs and expectations of stakeholders perceiving from stakeholder engagement activities.



2. Identify Impacts and Prioritize the Most Significant Topics

The company groups information from identifying significant sustainability issues based on the organizational context and combines with indicators according to the GRI Standards 2021 Reporting Guidelines, resulting in all key sustainability topics with the following consideration principles:

- 2.1 Identify causes and impacts that have occurred (actual) and are expected to occur (potential), whether positive or negative, as they relate to sustainability issues (economic, environmental, and social, including human rights issues)
- 2.2 Consider priorities according to the level of severity and the likelihood of each issue and integrate with corporate risk management as shown in the table.

Criteria	Severity			Likelihood
	Scale	Scope	Irremediable	
3	Impact on the entire organization/stakeholders/experts with the opinion that the organization needs to take responsibility more rigorously/more than required by law.	An impact that global stakeholders are interested in/have expectations about.	Low likelihood or more than 5 years spent in recovering from impact.	Impacts happened in the past or is happening to current work.
2	An impact that the entire organization/stakeholders/experts sees that the organization needs to carry out as its normal responsibilities.	An impact that key stakeholders of the organization are interested in/have expectations about.	Takes more than 3–5 years to recover from the impact.	An unprecedented impact. But it happens to organizations in the industry.
1	No significant impact/minor impact.	An impact that few stakeholders are interested in.	Takes more than 1–3 years to recover from the impact.	An unprecedented impact in the industry.
0	No impact.	Not important.	Takes less than a year to recover from the impact.	Very unlikely to happen.

- 2.3 A summary of key sustainability issues will be compared with opinions from internal/external stakeholders, experts and considered against GRI 11: Oil and Gas Sector 2021 to ensure that the company's sustainability issues are addressed, comprehensive, reasonable and exhibit little data variance.

3. Implementation

Sustainability issues from the analysis are prioritized and grouped into topics appropriate to the application. Then they are considered and approved by the Sustainability Policy Committee (SPC), which is chaired by the highest-ranking executive and the Sustainability and Corporate Governance Committee (board level), respectively. In addition, indicators are set to assess results at the organizational level with ties to the performance of the Bangchak Group chief executive officer and the president, executives and relevant employees in an appropriate proportion to encourage a culture of sustainability.

List of Materiality Topics

(Disclosure 3-2)



Governance & Economic

- 1 Good Corporate Governance and Data Security
- 2 Innovation and Digitalization
- 3 Enterprise Risk Management and Cyber Security
- 4 Products and Services Development
- 5 Customer Relationship Management
- 6 Supply Chain Management



Environment

- 1 Environmental Management (EMS) (air pollution, water, waste)
- 2 Eco-efficiency
- 3 Climate Change Adaptation and Energy Management
- 4 Circular Economy
- 5 Biodiversity



Society

- 1 Occupational Health and Safety and Oil Spill Management
- 2 Community Development
- 3 Talent Attraction, Retention and Development
- 4 Human Rights
- 5 Gender Equality

Note:

1. The sustainability materiality and material development process were certified by a third party.
2. In 2022, there have been significant changes in sustainability issues, with new additions to the topic, namely, biodiversity and gender equality. These align with the global sustainability direction, S&P Global CSA, and the GRI Sector Standards that the company should focus on and have positive and negative impacts on company and stakeholders.
3. On page 59, the consistency of key sustainability challenges to business and the Sustainable Development Goals (SDGs) is discussed.