

# Sustainable Product and Service Development

The Company is committed to developing products and services in line with sustainable and participatory business practices, aiming to improve the quality of life in Thai society. In 2023, the country returned to normalcy following the COVID-19 pandemic. This year, significant events occurred in the country, including elections leading to a new government, coupled with the global situation where oil supply remains tight due to ongoing conflicts between Russia and Ukraine, and OPEC Plus reducing oil production as per their target, which created pressure for the country to be under high oil price conditions. Additionally, the Israel-Palestine conflict continues. Another significant event within the organization was the Company's acquisition of shares in Esso (Thailand) Public Company Limited (now renamed to Bangchak Sri Racha Public Company Limited) from ExxonMobil Asia Holdings Pte. Ltd. This was done to ensure energy stability for the people in the country, necessitating various contingency plans to provide accessible services that understands customers, and to build confidence among both current Bangchak customers and a new customer base. This includes rebranding service stations, improving product/service quality, and comprehensive development of oil service stations, such as Non-oil business, creating digital experiences for customers, sharing returns to society and the environment, etc.

In 2023, the Company introduced measures to help the public in terms of price stability, through various campaigns such as "How much oil price increase, Receive back with the accumulated point" campaigns, where members get extra points when refueling at Bangchak service stations on the first day of price increase after paying the full amount of oil price at the new increased price and receive the difference in oil price increase back as extra accumulated points, as another measure to help the public, "Reduce premium grade oil price by THB 7 per liter"

campaigns to provide customers an access to high-quality products at affordable prices, as well as being responsive to various government policies in lowering cost of living, such as price fixing or oil price reduction measures, etc. In addition, the Company focuses on developing potential and expanding the Non-Oil business and accelerating the expansion of cooperation with leading restaurant brand partners, as well as presenting local shops to accommodate the new lifestyle so that customers can enjoy a variety of convenient, fast, and easy food. This led to additional network restaurants available at Bangchak service stations, coupled with various restaurants from Banchak's cooperation with partners, such as the "Jones Salad", "Gateaux House" brands, etc.

For Bangchak members, the Company aims to expand the customer base and provide more options for members through cooperation with various partners, such as transferring Bangchak points to AIS points, exchanging for 'Bangchak PointPay' discount, using points to help pay at Tung Ngern shops, transferring Bangchak points to MAAI points, changing points to funds, etc. Moreover, the Company continues to develop Unique Design service stations that combine customer needs with the design of service stations that have their own unique characteristics in each area, to deliver new greenovation experiences to customers.

In line with the goal of being the number one service station brand in the hearts of consumers, the Company places importance on listening to the needs and expectations of stakeholders, especially customers and business partners, which include customers (end users), B2B customers (Business-to-Business), station operators (dealer), and co-op service station operators (COOP).



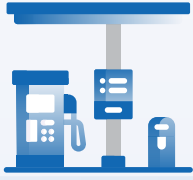


In 2023, the quality of products and services continues to be a key sustainability issue that the Company is committed to addressing by using innovation and technology to develop high-quality products and improve the quality of services at service stations, to create a good experience under the concept of **“Your Greenovative Destination”**. This aims to develop service stations to be a destination for everyday life of people of all ages for creativity and a sustainable lifestyle. Customer satisfaction surveys are used as a tool to monitor the results of operations, with service quality control under the Standard Service Procedure as a measure of the efficiency of delivering good quality products and services to customers and business partners. There is a process of checking service standards (Service Audits)

randomly by representatives and undisclosed (Mystery Shopper), checking from the service process, taking care of the condition of the service station, including using a mobile training to check the quality of service work, and using a mobile lab to check the quality of oil at Bangchak service stations nationwide (Mobile Training & Lab). In addition, there is the development of the Mobile Application Survey system and QR Code Survey at the end of the membership card slip, which allows members to evaluate satisfaction immediately after using the service. The Company has developed and improved questions about speed, which is one of the important factors in service work that customers give importance to, to ensure that the Company delivers quality products and services to stakeholders.



## 2030 Targets



1

Being the number one service station brand in the heart of consumers

2

Continuing to increase sales from service stations and achieving 2<sup>nd</sup> largest market share

3

Becoming a leading distributor of diesel products through service stations and promoting the sale of premium grade oil products continuously

4

Developing services, service stations, and Non-oil business through various products and services to meet the needs of consumers continuously and sustainably

5

Expanding service stations by 40-50 branches per year nationwide, with the continuing coverage expansion of Unique Design service stations from current 87 branches (as of December 2023)

6

Expanding the coffee shop business, Inthanin, more than 2,500 branches, both within Bangchak service stations and outside service stations, covering Strategic Location in all regions across Thailand and in the ASEAN country group

7

Developing and upgrade community service stations to be comparable to standard service stations

8

Developing high-quality fuel products to be compatible with automotive technology and environmentally friendly

9

Developing the brand and quality of lubricating oil products continuously

10

Delivering good service experiences through special service standards to customers

11

Develop Bangchak GreenMiles membership cards to The Best Loyalty Program that meets the needs and expectations of consumers

## Strategy

The Company focuses on developing products, services, and experiences under the concept of “Your Greenovative Destination” to be a leader in developing green innovations through various products, services, and Non-Oil business in “Bangchak” service stations,

which are aimed to be the destination of everyday life of customers, collectively aiming to achieve sustainable business development. The Company’s main competencies are 1) Responding to the needs and expectations of customers and stakeholders 2) Procuring, developing, and creating new innovations, both oil products, Non-Oil, and services to be able to respond to changes quickly, and 3) Conducting business in conjunction with caring for the environment and society sustainably, with following key strategies:



### Greenovative Products

Be a leader in presenting high-quality oil products that meet the needs of customers and are good for the environment, with the Company’s readiness in improving the quality of all types of oil products sold through Bangchak service stations according to the EURO 5 standard in early 2024.



### Network Management

Expand service station branches and develop service station formats to meet customer needs, focusing on areas where the demand for oil is continuously increasing and creating profitable operations for partners.



### Non-Oil Offerings

Answer the needs of current and future customers with Non-oil shops that develop in partnership with partners, including technology for the future (EV Charger).



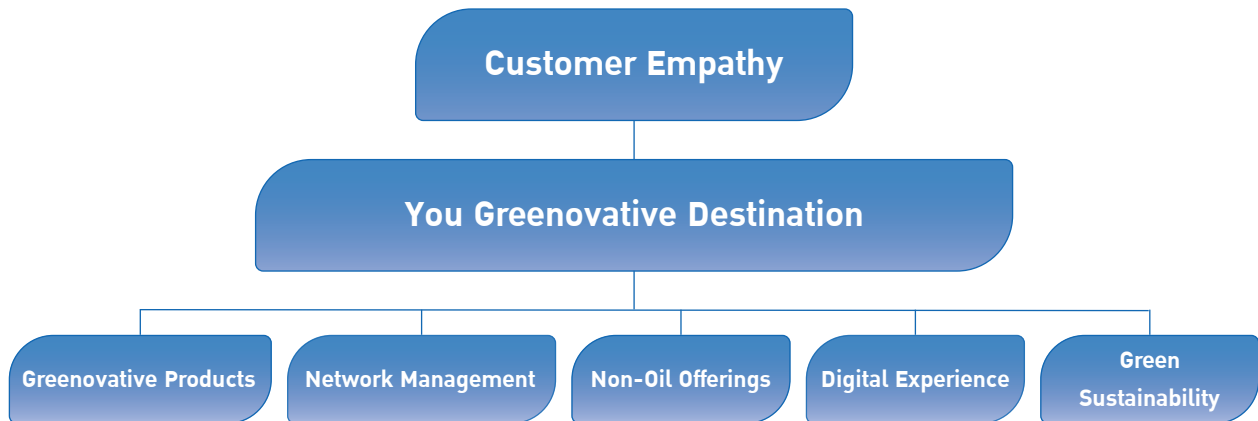
### Digital Experience

Create a close relationship with customers through digital experiences, getting to know and understand customers as close friends.



### Green Sustainability

Build a business that grows sustainably along with the society and the environment.



## Operation in 2023

### 1. Greenovative Products



Being a leader in offering high-quality oil products that meet the needs of customers and are good for the environment, through its EURO 5 standard oil products, which have a lower sulfur content than the EURO 4 standard. These products can help reduce the emission of hydrocarbon gases and nitrogen oxides, reduce the problem of small dust particles or PM 2.5, resulting in reduced impact on health and the environment. In 2023, the Company had a total of 3 types of EURO 5 standard oil products for sale, accounting for 33% of all products sold through Bangchak service stations. These include Gasohol E20 S EVO, Hi-Premium Diesel S designed for new EURO 5 standard engines, and the latest product, Hi Premium 97, which highlights the highest octane 97 for the Gasohol group (E10) in Thailand. It is the only one in the premium gasohol group that meets the Euro 5 global standard. At the end of December 2023, all types of oil sold from the Bangchak refinery have been reformulated to meet the EURO 5 standard to prepare for the government's policy to enforce the Euro 5 standard from the beginning of 2024 onwards. The Company also offers high-quality lubricating oil products. The significant operational results are as follows:

- Promoting Bangchak's premium products (Hi-Premium Diesel S and Hi Premium 97) through various campaigns, including expanding the range of service stations that sell premium grade oil, Purple Friday offering a discount on premium products by THB 7 per liter, and a campaign which gives THB 100 oil refill coupon for customers to use as a discount for their next refill after filling up Bangchak's premium oil for at least THB 2,000 increasing the opportunity for consumers to try Bangchak's high-quality products.
- Continuously promoting biofuel products that help reduce greenhouse gas emissions compared to general fuels. This is being done through the sale of Gasohol E20 S EVO oil through service stations that sell E20 fuel oil, a total of 1,024 branches, and service stations that sell E85 fuel oil, a total of 229 branches. The Company can maintain the market share of E20 and E85 products as the 2<sup>nd</sup> in the market.
- Developing lubricating oil products according to international standards, having received ISO 9001 quality management system certification and ISO/TS16949 quality management system certification for the automotive industry's global quality management system. In 2023, the Company was able to increase the market share for lubricating oil products to 10.9% from 10.1% in the previous year.

### 2. Network Management

Expanding service station branches and developing service station formats to meet customer needs, focusing on areas where the demand for oil is continuously increasing and creating profitable operations for partners.

- **Innovative Service Stations:** bringing in various technologies and innovations to develop service stations, the environment in service stations, and Non-oil business.
- Improving the image of the service station through the Unique Design Service Stations format, delivering service experiences through design, developing Non-Oil business partners. The Company has a total Unique Design service stations of 87 branches which consist of 6 formats, namely Modern, Innovation, Eastern, Western, Thai-inspired, and Fantasy.
- Collaborating with business partners in developing EV Charger in Bangchak service stations to accommodate the increasing number of electric vehicles (EV), a total of 265 charging stations with 890 charging points, which is the oil service station that provides the most EV Charger service, covering all regions across Thailand, being a companion to EV users on every route.
- Developing service stations that have standards on prime locations, main roads, while considering the needs of customers.
- Refurbishing of the old Esso service station to Bangchak (Rebranding), which has been completed a total of 273 stations.
- Supporting the improvement of standards and the image of the service station to be ready for competition in terms of both structure and service work, a total of 120 places .

### 3. Non-oil Offerings

Meet both the needs of customers at present and in the future with Non-Oil stores in collaboration with leading brands, as well as technology for the future (EV Charger).

- Expanding Non-oil business both inside and outside service stations to increase customer convenience. For example, the coffee shop business under the brand “Inthanin” has 1,020 branches; Dakasi milk tea shop, which Bangchak Retail has the right to expand the business and manage branches in Bangchak oil service stations nationwide, has 31 branches; Business partners that provide convenience store brands “Tops Daily”, “Family Mart”, “Mini Big C”, and “Lawson” have 15 branches, 15 branches, 134 branches, and 2 branches respectively .

- Managing the area in the service station to maximize benefits under the new business format to further complete the service. For example, the food business in collaboration with leading brands such as “Jones Salad” and “Gateaux House”, car care business under the brand “FURiO Care”, “Green Wash”, “Tyre Plus”, “Wizard”, “Autoclik”, etc., and expanding branches with partners such as B-Quik, as well as various Lifestyle businesses such as convenient laundry shops like “Code Clean”, goods transportation business, and automatic product vending machines, etc.

### 4. Digital Experience

Creating a close relationship with customers through digital experiences, getting to know and understand customers as close friends.

- Expanding the customer base of GreenMiles members, Fleet Card customers, and Prepaid Card to increase sales through service stations.
- Applying the Digital Payment system for payment, along with accumulating member points in the service station, every branch of Inthanin, and convenience stores in the service station. This can be done by scanning the QR Code to pay through every bank’s application, which helps reduce cash contact and maintain distance between customers and service employees to increase confidence for customers.
- Expanding service stations that support the Digital Payment system for payment, a total of 1,275 branches, along with accumulating member points in the service station, every branch of Inthanin coffee shop, and convenience stores in the service station.
- Collaborating with the Thailand Environment Institute (TEI) in developing criteria for designing service stations under the concept of Inno-Green Station that cares for the environment, uses innovation that is safe, and takes care of the quality of life of all customer groups through designing service stations according to the Universal Design concepts. In 2023, there are 58 stations that have been developed according to these criteria or a total of 258 stations currently.



- Developing the Bangchak member card system, in addition to the benefit “Payback of the Day of Gasoline Price Hike” and the system to support environmental care of members such as Your Tree, Charity Basket, where members can donate points to various charitable organizations at any time. The Company has also developed various projects to expand the customer base, such as transferring Bangchak points to AIS points, exchanging for ‘Bangchak Point Pay’ discount, using points to help pay at Thungngern shops, transferring Bangchak points to MAAI points, changing points to funds.



- Developing the BCP Link Application system that helps entrepreneurs access important information promptly, such as the Automatic Oil Ordering System (AOS), and increase work efficiency, such as the Smart P&L system (a database system for evaluating the performance of service station management).
- Developing an Online Training system for front-line service employees and entrepreneurs so that they can access important work processes anytime, anywhere.

## 5. Green Sustainability



Continuing to grow business together with social and environment. The Company still continues to drive projects to support participation in social development together with customers and stakeholders continuously, through various projects, such as:

- **To Fill Oil, Share Kindness campaign**, which has been started since 1997 and is still continuously being organized by burying agricultural products and/or innovative products from farmers and SME entrepreneurs to give to oil-refilling customers, as a support for farmers and SME entrepreneurs during the period when agricultural product prices are low by opening opportunities for the oil-refilling customers to participate.
- **Disabled and Elderly People Employment campaign** (in suitable positions) to support the value and quality of life of people in society, as well as to give importance to participation in supporting products produced by disabled groups. The Company provides employment and opportunities for the elderly and disabled groups to work in the service station, divided into 84 elderly people (aged 60 years and up) and 26 disabled people, as well as the employment under Bangchak Retail Co., Ltd., which is divided into 1 elderly person and 4 disabled people .
- **Chemical-Free Vegetable Garden in Service Station Campaign** by utilizing idle land behind the service station to create a vegetable garden to reduce the burden of food costs for service employees and extend it as a thank you gift to customers at service stations. The Company also brings and exchanges knowledge in vegetable gardening with the community and schools around Bangchak service station.
- **Inthanin Coffee Shop Business, a leader in the coffee business that is “environmentally friendly”** by using 100% Organic Arabica coffee beans to serve customers. Inthanin is a leader in campaigning to reduce plastic use through the “Customers bring their own cups” project, providing a discount on beverage purchases. Currently, Inthanin coffee shop is a leader of coffee shops that use BIO Packaging type PLA (polylactic acid) for both coffee cups and lids, made from plants, can be decomposed naturally 100%, as well as using a lid that can be lifted without using a straw to cut the circuit of plastic waste and pollution from waste disposal. This has led Inthanin to become the coffee shop that uses the most Bioplastic, ranked 1<sup>st</sup> in ASEAN. In addition, it collaborates with the Department of Forestry in the “Cup Seedling” project by returning used Inthanin beverage cups to be forwarded to the Royal Forest Department to use for tree seedlings, replacing the use of black plastic bags, to reduce waste creation and count as extending the useful life of degradable plastic. This is the initiative to allow Inthanin customers to participate in planting forests to increase green areas for our world through this project, which has been continuously carried out since 2021.

- **Use of solar-powered air conditioners in Inthanin and Dakasi Shops campaign** started with the installation in Inthanin and Dakasi shops, a total of 34 branches, with a plan to expand the installation further in the next year.
- **Promote Thai Traditions campaign**, creating experiences for customers, and for customers to see the importance of various good Thai traditions. For example, organizing sales promotion events during various important festivals, activities to give Krathongs to customers on Loy Krathong day, along with arranging a place for watering Buddha images.
- **Lost and Found at Bangchak Service Station campaign** to create an impression and trust in the service at Bangchak service station, through instilling a sense of honesty in service employees to take care of and return assets that service users forget at the service station.
- **Emergency Road Side Assistance Campaign**, instilling a culture of providing assistance to service employees at the service station, in providing assistance to general vehicle users who need basic assistance, such as changing tires and towing batteries, etc.
- **Bangchak Ruam Pan Nam Chai for Endless Giving campaign**, encouraging the participation of Bangchak members to help society by allowing customers to donate accumulated points from refueling and buying products

from Bangchak group to exchange for additional donation money together with the Company. The donation is made to various charitable organizations such as the Princess Mother’s Medical Volunteer Foundation, Ramathibodi Foundation, and Thai Red Cross Society, etc., to support social and environmental development.

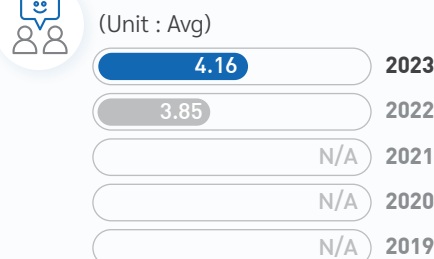
- **Fry to Fly campaign buying used vegetable oil from the public and leading brand partners for producing SAF (Sustainable Aviation Fuel)**, by setting up a buying point at Bangchak service stations nationwide. The “Fry to Fly” project will help reduce the problem of reusing frying oil, improper disposal of oil, and create added value for used cooking oil. And importantly, the “Fry to Fly” project helps to create a sustainable supply chain for used vegetable oil. The production of SAF for 1 million liters, if successful, will help reduce carbon dioxide emissions by 80,000 tons of carbon dioxide equivalent per year.



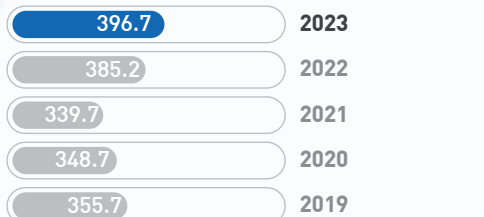
## Operation result

In 2023, the Company also utilized the Customer Satisfaction evaluation (an adjustment made to the analysis, which has commenced since 2022) to measure consumer satisfaction with various oil service station brands (data from surveying more than 1,810 oil users nationwide, surveyed by an external research company).

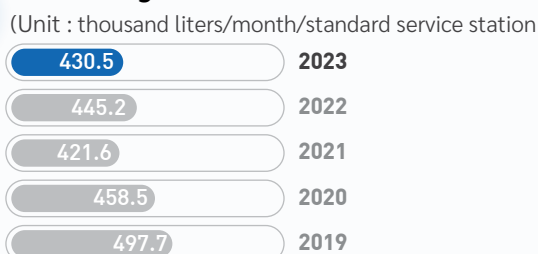
### Customer Satisfaction



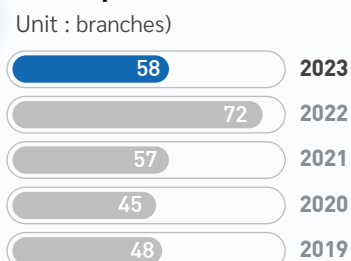
### The oil sales volume through the service station



### The average sales volume



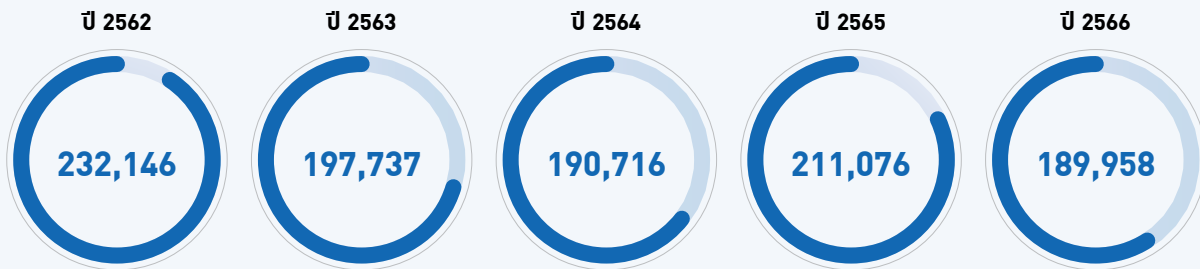
### The expansion of the station







### The amount of greenhouse gas reduction from refueling through Bangchak member cards (unit: tons of carbon dioxide equivalent)



## Relationship Management and Responsibility to Customers

The Company orchestrates customer relations in both proactive and responsive manners via its consortium of service station business operators, Bangchak Green Net Company Limited (BGN), dealers, Inthanin coffee outlets, and service stations for Cooperatives. This aligns with the Company's marketing strategy, which emphasizes the enhancement of service quality at service stations to cater to customer requirements and cultivate a positive experience under the "Your Greenovative Destination" concept.

### Key Development in 2023

#### 1. Development of Two-Way Communication Mechanism between Customers and the Company

##### 1.1 End Users (Service Station Customers)

The Company utilizes diverse channels for customer communication, including call center 1651, Facebook, Email, Website, LINE Official, Line@, live chat, and the Bangchak mobile application. These channels employ data storage and processing systems to expedite customer contact. In instances of a congested hotline or inquiries outside of business hours, customers are reconnected via the call-back system. Customer feedback is also monitored through online platforms such as Pantip website and Bangchak's Facebook page to gather information for service enhancements.

##### Customer Satisfaction Evaluation

The Company offers multiple channels for customers to evaluate their satisfaction, including telephonic surveys with an automatic post-service call transfer system. For Bangchak members, the feedback can be provided via the Mobile Survey system as well as purchase receipts. Furthermore, feedback is also accumulated from other channels, including external organization assessments, annual market research, and focus group discussions with business operators to exchange marketing information. The Company collates complaints, inquiries, compliments, sales promotions, and service recommendations for improvement and forwards them to the relevant departments. Employees who receive compliments from customers are rewarded to encourage their performance.

In 2023, the Company received a higher number of complaints and suggestions than in 2022, with online channels, such as the website, EMAIL, Facebook, and LINE@, being more favored, showing an increase to 19% in 2023 from 8% in the previous year. This increase is attributed to the expansion of channels for receiving complaints and suggestions, coupled with the addition of more service stations. Customer satisfaction with complaint and suggestion responses and the return rate were in line with the objectives that were set forth.