

Sustainable Product and Service Development

The company is committed to develop sustainable and participatory product and service to enhance the well-being of Thai society. In 2022, as the country started recovering from the COVID-19 situation, there were ongoing supply strains in oil due to the prolonged conflict between Russia and Ukraine and OPEC+ failing to increase oil production as per the set targets. Consequently, the country is facing high oil prices, and in response, the company has fixed oil price to assist the public, resulting in lower prices compared to its competitors during certain period. Additionally, the company launched the “one baht per liter” project to offer refueling discount coupons for all gasoline categories, which was advertised in the Daily News newspaper to reduce the cost of living for the public. The company remains committed to develop non-oil businesses and expanding its capacity, and is urgently working to increase cooperation with leading restaurant allies and street food restaurants to support the lifestyle of the younger generation, allowing customers to feel full quickly and easily. Bangchak gas service station have opened additional networked restaurants and branches to support non-oil businesses in collaboration with various allies such as the “Subway” and “Gateaux House”. The company aims to expand customer base and provide new options for members by partnering with different allies such as in projects allowing conversion of Bangchak points into AIS points, discount exchanges through “Bangchak Point Pay”, and the use of points to pay at Thung Ngoen stores. The company continues to develop its gas service stations with a unique design tailored to meet customer needs and ensure that each gas station has its own unique characteristics base on its location. This approach allows Bangchak to deliver new experiences and greenovations to customers.

In line with its goal to be the number one gas station brand in the minds of consumers, Bangchak has given importance to listening to the needs and expectations of our stakeholders, especially customer and business partners which consists of consumers (end users), B2B customers (business-to-business), gas station operators (dealer) and agricultural co-op gas station operators (COOP). In 2022, product and service quality were important sustainability issues of focus. Therefore, Bangchak developed a business strategy to respond to the needs by using innovation and technology to develop high quality products and improving service quality at Bangchak gas stations that are environmentally and socially friendly to provide good experience under the concept of “Your Greenovative Destination.” In addition, the company uses Net Promoter Score (NPS) – an international standard – together with customer satisfaction surveys as tools to track performance and to control service quality in accordance with Standard Service Procedure which is a measure of product delivery efficiency and good quality service to customers and business partners. Service audits are randomly conducted and mystery shoppers are used to check the service delivery process from the maintenance of the service station including using cars to check the quality of service and mobile fuel quality at Bangchak service stations nationwide (Mobile Training & Lab). Further, a mobile application survey system has also been developed that allows members to assess their satisfaction immediately after using the service. By improving the question of speed, which is one of the service factors that customers focus on Bangchak ensure that the company delivers quality products and services to stakeholders.



Goals for 2030



Maintain the 1st place in Service Station brand, as measured by Net Promoter Score.



Increase revenue from service stations with the second-largest market share.



Continue to develop services, service stations, and non-oil businesses through products and services that are sustainable and responsive to customers' needs.



Expand gas service stations by 60-80 stations throughout the country by increasing the number of stations with unique designs to 190 stations from 74 stations in the present (as of December 2022).



Develop and improve cooperative service stations to have the same quality and standards as Bangchak service stations.



Develop high quality fuel products that keep with the changing automotive technologies while ensuring that all products are environmentally friendly.



Develop brand and lubricant products.



Provide high quality service experiences to customers through exceptional service standards.



Develop Bangchak GreenMiles membership car toward The Best Loyalty Program that meet customers' expectations.

Strategies

The company aims to become a leader in green innovations by developing products, services and experiences under the concept of “Your Greenovative Destination” at Bangchak gas service stations. These destinations will meet customers’ needs and achieve sustainable business development through three key performance areas: 1) meeting the needs and expectations of customers and stakeholders, 2) procuring, developing and creating new innovations for oil products and non-oil products and services to adapt to rapid changes, and 3) operating the business sustainably while caring for the environment and society. Therefore, the company has strategies as follows:

Customer Empathy

Your Greenovative Destination

Greenovative Products



Become a leader in providing high-quality, environmentally-friendly oil products that meet the needs of customers. Our products are made with using Euro 5-standard oil.



Expand gas service stations and designs to meet customers' needs with a focus on areas with continuous increases in oil usage requirements and on creating worthwhile investment returns for business allies.



Meet the needs of existing customers and future customers by developing non-oil stores in partnership with business allies and utilizing future technologies such as EV chargers.



Develop a closer relationship with customers through digital experiences that enable to learn about and understand customers as if they were close friends.



Sustainably grow of the business with society and the environment.

Performance in 2022

1. Greenovative Products

Become a leader in providing high-quality oil products to meet the customer’s needs while also being environmentally-friendly through 3 main types of products: EURO5-standard oil, such as E20 S EVO gasohol oil and Hi-Premium Diesel S, which have less sulfur than Euro 4-standard oil and are designed for new Euro 5 engines. Additionally, the latest products such as Hi Premium 97, which has an octane rating of 97, are the highest among gasohol oils (E10) in Thailand and are the only premium gasohol product to meet the Euro 5 standard. The company also offers lubrication



oils that have achieved significant performance is as follows:

- The company has launched the distribution of its latest product, Hi Premium 97, which boasts an octane rating of 97, the highest among gasohol oils (E10) in Thailand and the only premium gasohol product to meet the Euro 5 standard. This product is suitable for premium car users who require an especially high-octane rating, as well as ordinary cars seeking performance enhancement and engine life extension.
- The company has continuously pushed for the sale of bio-fuel products to help reduce greenhouse gas emission, with an emphasis on promoting the sale of gasohol E20 S EVO through 955 gas service stations that sell E85 fuel (as of December 2022). This has led to the continuously increase in market share of E20 and E85 products to continuously increase and claim second place in the market
- The company developed lubrication oil products according to international standards, whereby the company is certified for ISO 9001 quality management standard and ISO/TS 16949 quality management standard for the automotive industry and international quality management systems. In 2022, the company increased its market share for lubrication oil products from 9.9% to 10.1% in the previous year (as of December 2022).

2. Network Management

Expand gas service stations and develop designs to meet the customers’ needs with focus on areas with continuous increases in oil usage requirements and to create worthwhile investment returns for business allies.

- Innovative Service Stations: The company has utilized various technologies and innovations to develop gas service stations, improve the environment of gas service stations and incorporate non-oil businesses.
- The company improved the appearance of gas service stations with the unique designs service stations concept, delivering a unique customer experience through design, and developed of non-oil businesses partnerships. As a result, the company currently has 74 uniquely design service stations (as of December 2022), consisting of 5 different styles: Modern, Innovation, Eastern, Western, and Fantasy.
- In partnership with business allies. The company has developed EV chargers at Bangchak gas service stations located on major routes to support the increasing demand for electric vehicles (EVs). As of December, 2022, The company has installed EV chargers at the total 179 service stations, making the service station with the highest number of EV chargers available in all region throughout Thailand. The company aims to be the companion of EV users on every journey.
- Development a standard service stations located on a main road with consideration to the needs of customers.
- Support the improvement of standards and appearance of service stations to be ready for competition in terms of structure and service work in 140 locations (as of December 2022).



3. Non-Oil Offerings

Meet the needs of existing customers and future customers by developing non-oil stores alongside business partners and using technologies for the future (EV chargers).

- Develop 25 “Bangchak Food Truck” business in 2022 by partnering with leading brands to provide Grab & Go food services in gas stations in respond to urban lifestyles in the New Normal(as of December 2022).
- Expand non-oil business such as Inthanin Coffee in service stations. There are now Inthanin Coffee in 1,002 service station (as of December 2022), Bubble tea shop DAKASI, which Bangchak Retail holds the rights to expand business and manage branches in Bangchak gas stations nationwide with 51 branches (as of December 2022), and business alliances. The convenience stores under the brands “Tops Daily”, “Family Mart”, “Mini Big C” and “Lawson” are 15 branches, 17 branches, 133 branches and 1 branch respectively (as of December 2022).
- Better management of service station areas to optimize benefits under the new business framework to provide end-to-end services such as car care services under “Wash Pro”, “FURiO Care” “Green Wash,” “Trye Care” brands; food kiosks and food trucks, laundry services, logistics and delivery services, and vending machines.

4. Digital Experience

Building close relations with customers through digital experiences that allow knowledge and understanding of customers like they are close friends.

- Expanded the network of fleet card and pre-paid card customers to increase sales through service stations.
- Use digital payment system for payment and membership points collection at all Bangchak service stations, Inthanin Coffee branches, and convenient Green Sustainability – build sustainable business while taking care of the environment and the society stores in service stations by using QR code that can be paid with any mobile banking application to reduce contacts and maintain social distancing between customers and employees in order to increase customers’ trust in Bangchak service station.
- Expansion of service stations with digital payment support to 760 branches (as of December 2022) with membership points collection at every Inthanin coffee ship and convenience store inside service stations to reduce contact with cash between customers and service providers to increase the confidence of service station users. Moreover, the company developed a

system for refueling without requiring windows to be lowered and for payments to be made by QR code to reduce the risk of contracting diseases due to the current ongoing pandemic.

- The company collaborated with the Thailand Environment Institute (TEI) to develop the criteria for designing service stations under the Inno-Green Station concept. This concept focuses on caring for the environment through the use of innovations while ensuring the safety and quality of life of all customers through service stations designed according to the principle of universal design. In 2022, the company has developed 72 service stations based on the aforementioned criteria, bringing the total number of 200 stations of present (as of December 2022).
- The company has developed the Bangchak card membership system. which includes benefits in “the greater the price rises, the greater the discount” project, a system to support members’ care of the environment, such the Ton Mai Khong Khun, Ta Kra Bun Project, this project allows members to donate points to various charities at any time. Additionally the company has developed other projects to expand the customer base, such as transferring Bangchak points to AIS points, exchanging them for ‘Bangchak PointPay’ discounts, using points to help pay at Thung Ngoen shops, transferring Bangchak points to MAAI points, and converting points into funds
- Developed BCP Link Application to facilitate dealers to access important information in real-time such as the Auto Ordering System (AOS) and work effectively through system such as Smart P&L which helps service station owners to monitor and manage the effectiveness of their operations.
- Develop online training for service station employees and operators to enable them to access important information anytime and anywhere.



5. Green Sustainability

Build the sustainable business growth with the society and the environment.

Bangchak continues to drive projects and engage our customers and stakeholders in the development of society.

Examples of projects are:

- Toem Nam Man Pan Nam Chai Project** This project has been operation since 1997 and has been continuously developed by purchasing agricultural products and/or innovative products from farmers and SME entrepreneurs to give to customers who refuel. This is a way to support farmers and SME entrepreneurs at a time when agricultural produce prices are low and to give customers the opportunity to participate.
- Employment of Disabled and Elderly Project** (in suitable positions) to support the value and quality of life of people in society and give importance to participation by supporting products produced by persons with disabilities. The company has employed and provided opportunities for elderly persons and disabled to work at gas service stations. Currently, there are 146 elderly people and 26 disabled people employed. Additionally, Bangchak Retail Co., Ltd., has employed 2 elderly persons (1 person at the head office and 1 at an Inthanin coffee shop) and 3 disabled persons. (1 at the head office and 2 at Inthanin coffee shops) (as of December 2022).
- Garden Vegetables in Service Station project** Bangchak converted unused areas behind service stations into vegetable gardens to help reduce food cost for service station employees as well as to give away to customer as a thank you gift for using Bangchak service station. The gardens also serve to provide educational opportunities about growing garden vegetables to surrounding communities and schools.
- The Inthanin coffee shop business, as a leader of the coffee business that is “environmentally-friendly”** Inthanin Coffee, a leader in environmentally friendly coffee business – Inthanin Coffee was one of the first coffee shops to promote plastic reduction through “Bring Your Own Cup” campaign. In addition, Inthanin Coffee was a leader in using BIO Packaging including lids and cups that are made from plants and are fully biodegradable as well as ready to drink lids that reduce the need for straws; thus, reducing plastic waste and become the coffee shop that use bioplastic the most in ASEAN. Furthermore, “Kaew Phaw Kla” activity

invited Bangchak Group’s employees and Inthanin customers nationwide to return Inthanin bioplastic cups. Bangchak then gave these cups to the Forest Department to cultivate saplings in place of black plastic plant bags to reduce waste and increase green space.

- Project to study the feasibility of using solar air conditioners in Inthanin and Dakasi stores** by starting installation in 16 Inthanin and Dakasi stores (as of December 2022) with plans for expanding more installations in the following year.
- Thai Culture Promotion Project** Provide experiences that create good impressions to Thai cultures to customers such as promotional events during major holidays, giving krathong to customers on Loi Krathong Day including a dedicated area for worshipping and watering buddha statues.
- Lost and Found at Bangchak Project** to create a trustworthy image and good impression for service stations customers by providing lost and found service
- Roadside Assistant Project** instill a helpful mindset and culture to service station employees by providing basic services to drivers such as tires change and jump start.
- Bangchak’s Members Collective Giving Project** create engagement between customers who are Bangchak’s members and the society; Bangchak members can donate points from using Bangchak’s products and services to convert into cash donations to partner non-profits and foundations such as Princess Maha Chakri Sirindhorn Medical Volunteer Foundation, Ramathibodi Foundation, and the Thai Red Cross Society.

ร้านกาแฟสีเขียว

1. ออกร้านกาแฟที่เป็นมิตรต่อสิ่งแวดล้อม

2. นำแก้วมาเอง ลด 5 บาท

3. อินทนนท์ ไม่หลอด

4. 100% แก้วย่อยสลายได้ Biodegradable

5. แก้วเพาเทกล้ำ

6. ใช้ถุงกระดาษ

7. ออกแบบและตกแต่งร้าน

เพราะ: 1 แก้วของอินทนนท์ ไม่ใช่แค่การดื่มกาแฟ แต่คือการรับผิดชอบต่อสังคมที่ดี และช่วยกันลดขยะพลาสติกไปในพร้อมกัน

#GreenCoffeeShop

www.inthanincoffee.com | Inthanin Coffee Fan Club

Performance Outcome

Bangchak gas service stations is brand that successfully maintained its No. 1 ranking in Net Promoter Score (NPS) since 2017 to 2022. (Data from survey of over 1,500 oil users nationwide with the survey conducted by an external research company.)

	Unit	2017	2018	2019	2020	2021	2022
NPS Score	%	77.5	71.5	76.1	81.3	77.5	73.5
NPS Score	Ranking	Number 1 (shared)	Number 1 (shared)	Number 1 (shared)	Number 1 (shared)	Number 1 (shared)	Number 1 (shared)
Oil sales through service stations	Million liters/month	317.7	333.8	355.7	348.7	339.7	385.2
Average sales	Thousand liters/month/ standard service stations	509.8	496.0	497.7	458.5	421.6	445.2
Station expansion	Number	61	74	48	45	57	72

Amount of greenhouse gas reduction from refueling through Bangchak membership cards (Unit: tons carbon dioxide equivalent)

	2017	2018	2019	2020	2021	2022
	196,828	215,469	232,146	197,737	190,716	211,076