



2022 Sustainability Materiality Assessment

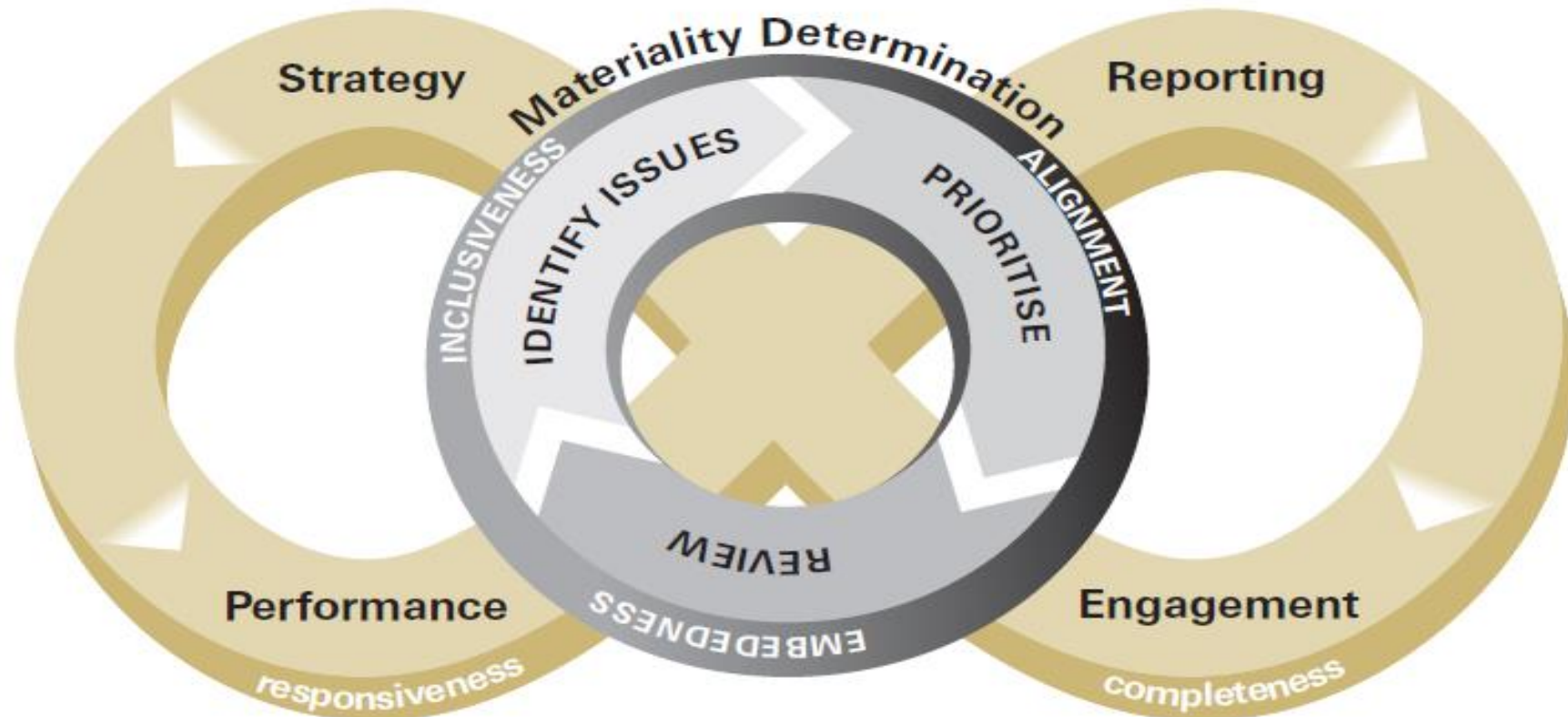
Present to CG BOD

22 December 2022

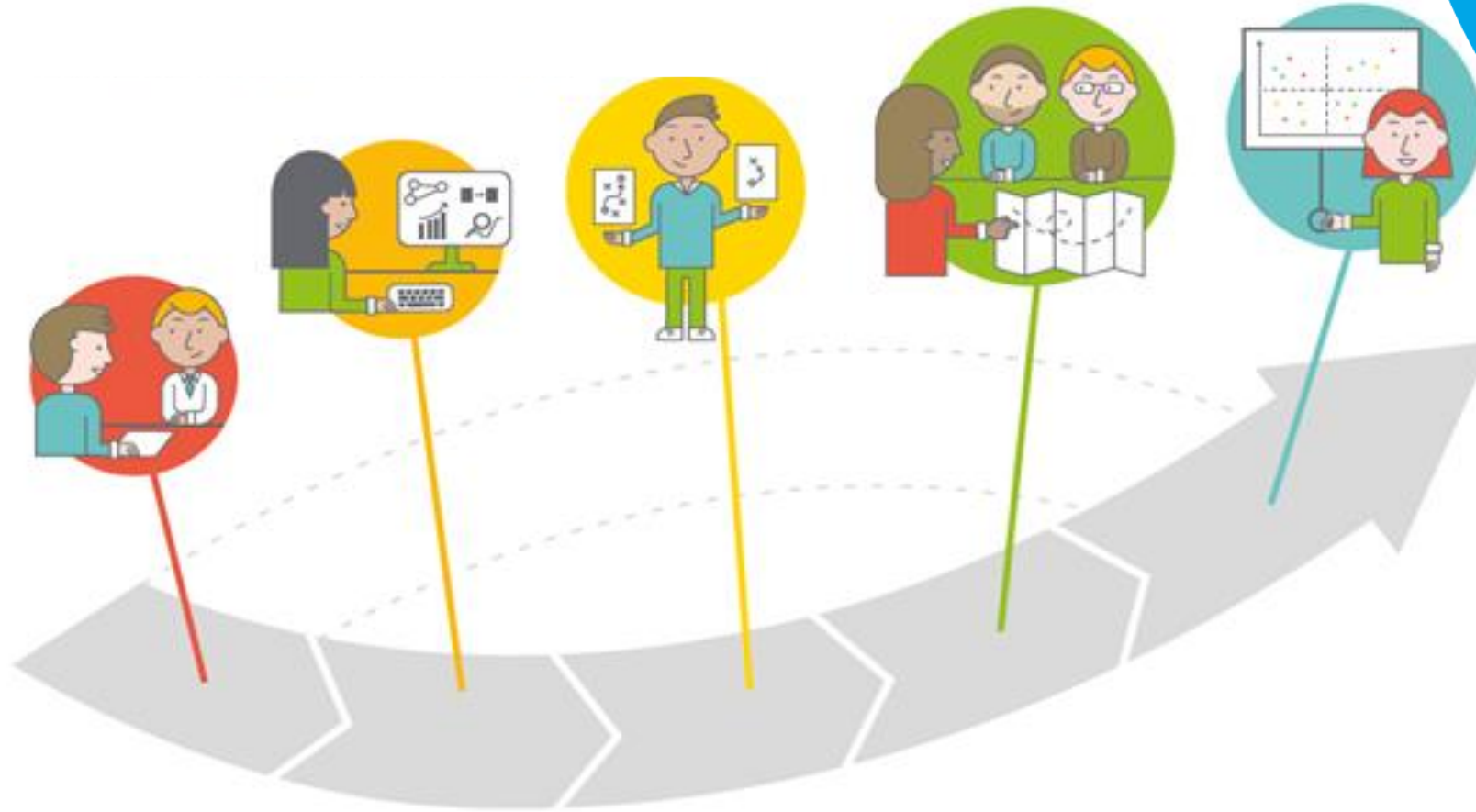
*By Strategic Planning and
Sustainability Department*

Materiality for Strategy and Reporting

Materiality help to align business strategy to emerging social and environmental constraints and opportunities



Re-refresh Materiality Assessment



Preparation
and review
Materiality
2020

Define and
Collect

Analyze
Scrutinize,
and
Prioritization

Integrate
and Validate

Conclude
and Report
Set up

IRPC Stakeholders Analysis



Engagement Plan

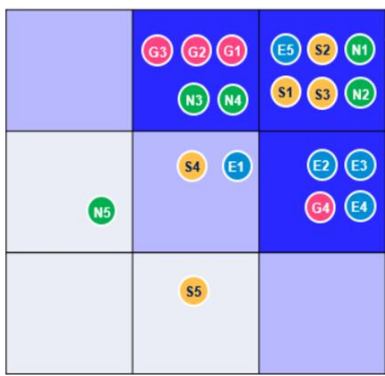
Stakeholder Group	Engagement Methodology	Timeline
Shareholders/investors	Survey, questionnaire	Feb-Apr
Customers	Survey	Aug
Employees	Interview	Mar
Communities/Society	Survey, interview	Jul-Aug
Suppliers	Supplier conference	June

Stakeholder's Expectation toward Sustainable Future

Stakeholders	Suppliers	Employees	Community	Shareholders	Customers
Economic	Fair Operating Practice	Salary	Income Generation	Dividend	Innovation
	BCM	Welfare	Job Creation	Transparency (CG)	Quality Products & Services
	Schedule plan	Bonus		New market	On time delivery
	On time plan/delivery	Job Security			Fair Price
Social	Transparency (CG)	Training	Health	Transparency (CG) and Disclosure	Customer Relationship Management
	Suppliers sustain management guidelines	Health & Safety	Education	Corporate Image	
	Law and regulation	Human rights	Culture	Law and regulation	
		Labor relations	Infrastructure		
Environment	Environmental Audit	Good workplace	Climate change management	Climate change management	Safety Product for customers and environment
			Energy Management		
			Water Management		
			Waste and Emission Management		Low carbon Product
			GHG Emission Reduction		

Re-fresh Materiality Assessment

Preparation and review Materiality 2020

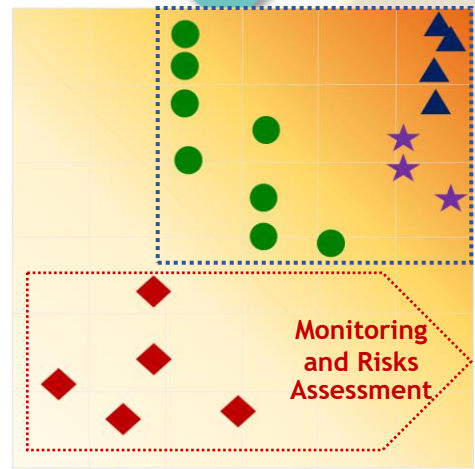


Define and Collect Data

- Global and Sustainability Trends
- PESTEL
- Competitor Analysis
- Stakeholder Interview
- Peer Research

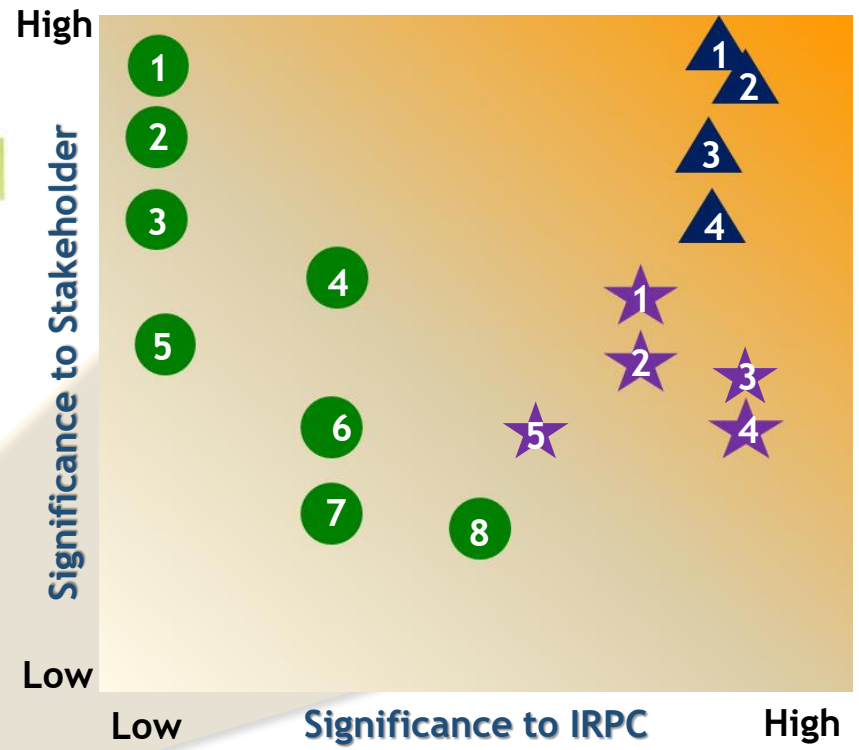


Analyze Scrutinize, and Prioritization



- ❖ Tax Payment and Transparency
- ❖ Policy Influence
- ❖ Regulatory Advocating
- ❖ Deforestation and land use change

Integrate and Validate



Conclude and Report Set up

▲ Sustainable Value Creation Material Issues

1. Climate Change Management
2. Innovation
3. Circular Economy
4. Creating Social Value

★ Enabling Material Issues

1. Operational Eco-efficiency
2. Human Resources Management
3. Digital transformation
4. Biodiversity
5. Human Rights

● Business Fundamental Material Issues

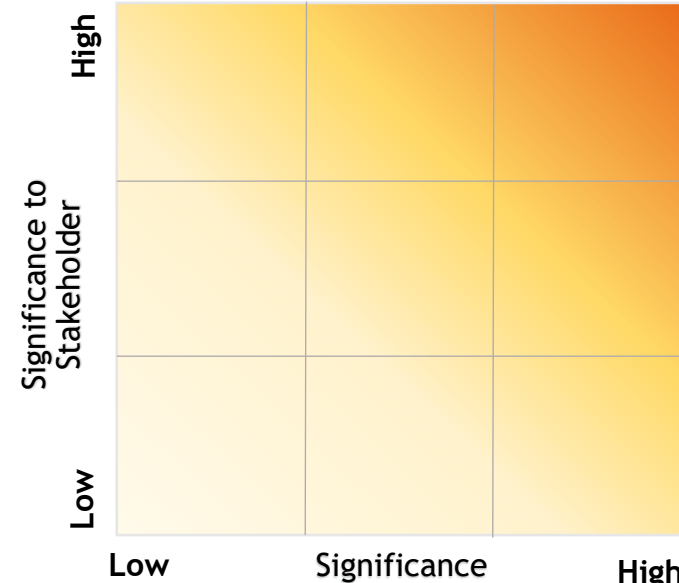
1. Business Ethics
2. Governance
3. Customer and Partnership Management
4. Compliance
5. Occupational Health & Safety
6. Risk & Crisis Management
7. Sustainable Supply Chain

Material Issues Screening Criteria

Materiality assessment integrated in company's ERM process

Prioritization Criteria

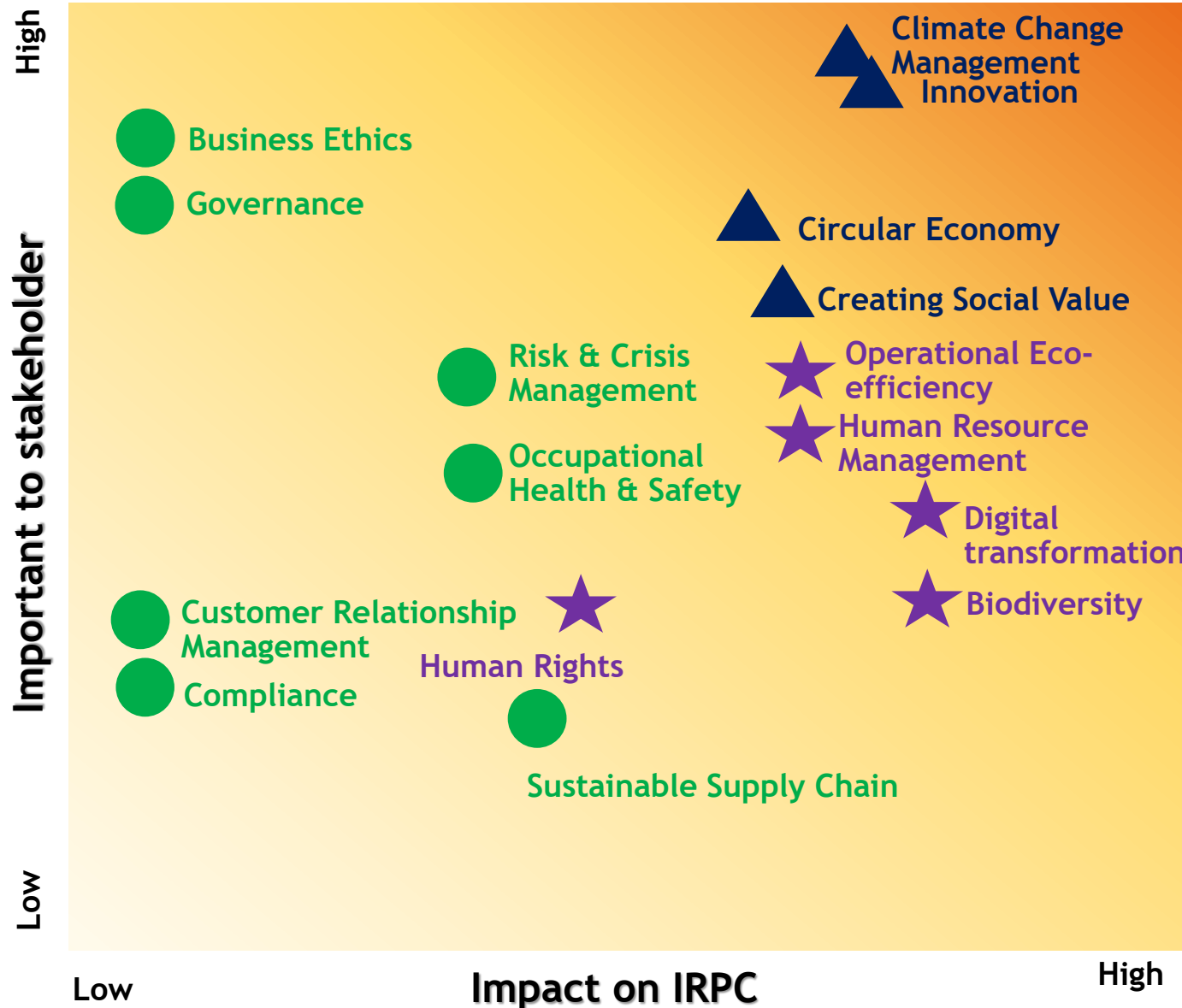
- A global view or a view of specific geographies
- Stakeholder and regulatory expectations
- Related to SDGs and other Sustainability Indices
- Related to P&R Business
- Related to PTT Group Business
- Related to IRPC Strategic direction, business, and corporate activities



Source: SASB Five Factors Test

	Direct Financial Impact & Risk	Legal, Regulatory & Policy	Industry Norms & Competitive Drivers	Opportunities for Innovation
High	<ul style="list-style-type: none"> Impact to profit $\geq 5\%$ Stakeholders claim to court Impact to corporate goal Enterprise risk high level 	<ul style="list-style-type: none"> By legal 	<ul style="list-style-type: none"> Companies in group have management approach or best practice 	<ul style="list-style-type: none"> IRPC has new technology / new business / R&D for new product / process
Medium	<ul style="list-style-type: none"> Impact to profit 1.25-5% Stakeholders voice through media Impact to corporate plan Enterprise risk medium level 	<ul style="list-style-type: none"> Company / function regulatory / policy 	<ul style="list-style-type: none"> Companies in industry have management approach or best practice 	<ul style="list-style-type: none"> Industry has new technology / new business / R&D for new product / process
Low	<ul style="list-style-type: none"> Impact to profit $< 1.25\%$ Stakeholders may not satisfied Impact to functional plan Enterprise risk low level 	<ul style="list-style-type: none"> No legal, regulatory and policy 	<ul style="list-style-type: none"> Companies in industry have management approach or best practice 	<ul style="list-style-type: none"> Not have any new technology / new business / R&D for new product / process

IRPC Materiality 2022



▲ Sustainable Value Creation Material Issues



- Focus on creating value for a sustainable growth
- Set a top-down approach and a long-term, strategic, direction and target, to be deployed into the business plan and corporate level.
- Set lagging KPIs, long-term targets, and a clear roadmap

★ Enabling Material Issues



- Manage similarly to managing the Sustainable Value Creation Material Issues as it was a crucial issue which enhances the effectiveness of the Sustainable Value Creation management.

● Business Fundamental Material Issues



- Focus on the value creation, risk mitigation, and productivity improvement
- Integrate into the corporate management systems and assign responsible functions for each material issue.
- Set leading KPIs, and mid-term targets.

Impact Assessment to External Stakeholders

	1 st Significant Impact	2 nd Significant Impact
Material Issue for External Stakeholders	Climate change management (Both positive and negative impact)	Creating social value (Positive impact)
Topic relevance on external stakeholders	<p>IRPC is fully prepared and determined to continue to roll back greenhouse gas emissions in accordance with PTT Group's guidelines. Greenhouse gas emission targets and plan of action have been reviewed and new targets set to further cut back emissions in all operational processes and continue investing in projects that reduce emissions and promote renewable energies. IRPC has set target to achieve carbon neutrality in 2050 and net zero emission in 2060, which contributed to minimizing impacts on atmospheric and climate conditions.</p> <p>Positive potential impacts to our stakeholders include reduction of climate impacts, increase in agricultural productivity due to reduction from flood risk, improvement in community's health and wellbeing for society, promoting biodiversity and improvement in the value of ecosystem services.</p>	<p>IRPC recognizes the importance of creating shared value for communities and society through corporate innovation along with the expertise of personnel. It has implemented various projects that focus on improving the quality of life of the community, fostering educational opportunities for young people, promoting public health and conserving natural resources and protecting the environment. It is our sincere belief that business and the community and society at large can grow in tandem. We know for certain that when the community and society achieve a higher standard of living, the company will gain wider acceptance and be able to grow our business more sustainably.</p>
Output Metric	The amount of direct and indirect greenhouse gas emissions of IRPC in 2022 equals 3.685 million tons of carbon dioxide equivalent.	Cash Contribution 40,009,791 THB
Impact Metric	Societal / environmental benefits = million THB	<ul style="list-style-type: none"> • Community Investment 24,508,964 THB • Charitable Donation 12,560,471 THB • Commercial Initiatives 2,940,356 THB
Enterprise-level Indicators	<ul style="list-style-type: none"> • Performance indicators of senior management • Performance indicators of the executive committee and employees at all levels 	<ul style="list-style-type: none"> • Community satisfaction • Ratio of community investment
Long term target	<ul style="list-style-type: none"> • Carbon Neutrality by 2050 • Net zero emissions by 2060 	Increase shared value creation per stakeholder by 20% by 2030

THANK YOU