3.2.2 (2) Materiality Analysis

The materiality of Business and Sustainability

The consideration to identify the business key material issues consists of economic sustainability, social and environment related to the Stakeholders of the Company. Those material issues might affect the ability of business conduction and business value-creating for the Shareholders both in the present and future.

The Company considered to evaluate the material issues and to communicate the business strategies to respond to the Stakeholders expectations which is an important factor for maintaining competitiveness, creating long-term value for the organization and supporting sustainable business operations.

Criteria for identification of material issues

1. **Identification of material Issues**

   Data collection based on Stakeholder's expectations by selecting the important factor for maintaining competing competencies, creating long-term value for the organization and supporting sustainability in dimensions of economic, environmental and social aspects as follows;

   - **Internal** are identified based on Executives' brainstorming sessions, corporate strategy, key short-term and long-term risks as well as information obtained from Stakeholders
   - **External** are identified based on consideration of sustainability trends such as sustainable business development guidelines promoted by the Stock Exchange of Thailand or SDGs or the global changing trends, crises that may affect business operations, laws and regulations and the requirements under the controlled standards.

2. **Prioritization**

   The important issues that may affect the sustainability of the Company will be prioritized using tools called Materiality Matrix consists of;
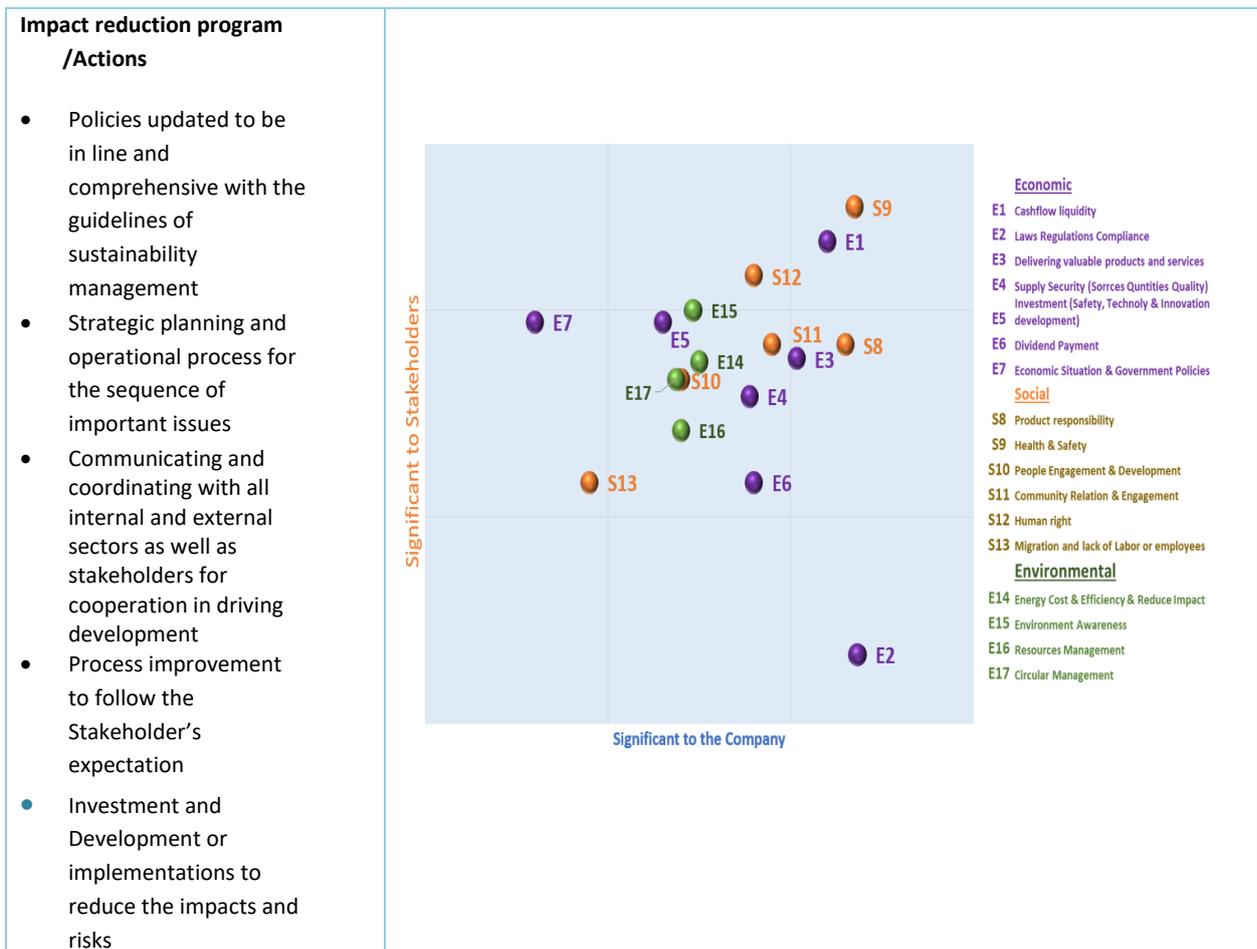
   - **Horizontal axis**: represents the significance to Company considered from effects/risks which might affect Company both short term and long term
   - **Vertical axis**: represents the significance to Stakeholders in order to make any decisions considering by the level and importance of impact caused by the Company to the Stakeholders.

3. **Report Assurance**

   The presentation of the business key material issues which may occur to the Company both in the short and long term shall be reviewed and assured by the Board of Directors, Sub-Committee or related Executives in order to be used as information for determining strategies and business plans which is appropriate for driving and contributing the sustainability to the Company further.

	Main Topics	Topic Definition
Economic		
1	Cashflow liquidity	Cashflow liquidity management promotes smooth business operations
2	Mitigating Risk for License to Operate	Regulatory compliance, no disputes, all government and local tax and duties payable expectations are met, and all customers' trust is gained.
3	Delivering valuable products and services	Customers' expectations and customer acceptance gained from each and all target group
4	Supply security	Sufficient Raw Materials supply with both quantity and quality to ensure smooth and continuous operations
5	Safety Investment	All investments in technology, process development, and business expansion can expect proper returns with an identifiable payback period
6	Dividend Payment	Profit efficiency to pay dividends to shareholders according to the policy set.
7	Economic Situation & Government Policies	A wide range of diverse customers to mitigate business risk.
Social		
8	Product responsibility	Safe product applications and maximizing the product benefits
9	Health & Safety	Safe and well-being of employees, stakeholders, and communities
10	People Engagement & Development	The management of both internal and external issues requires the engagement of stakeholders to achieve a better world
11	Community Relations & Engagement	Good relations and cooperation with the community to be informed of any complaint from the business operations for improvement
12	Human right	Stay relevant in Human Rights
13	Migration and lack of Labor or employees	Insufficient Labor / Qualifications do not match the required positions.
Environmental		
14	Energy Cost & Efficiency & Reduce Impact	Sustainable energy management with reducing the negative impact on the environment
13	Environment Awareness	The reduction of greenhouse gases emissions and the preparation of carbon tax or carbon credit offset
15	Circular Management	Reduce, Reuse, Recycle Resources
16	Environment Awareness	Less negative impact on the community can strengthen trust and stability in the business
17	Natural Resources (Limestone/Water/Fuel)	Resources management to save the cost and optimize the resources

Materiality Assessment	Assess the impact on stakeholders						
Sustainability Topic	Employees	Customer	Suppliers	Executives	Shareholders	Community	Compliance unit
Economic							
Cashflow liquidity	●	●	●	●	●		●
Economic Situation & Government Policies	●	●	●	●	●		●
Investment (Safety Technology & Innovation Development)	●	●	●	●	●		
Delivering valuable products and services	●	●	●	●	●		
Supply security (Sources Quantity Quality)	●	●	●	●	●		
Dividend Payment	●			●	●		●
Mitigating Risk for License to Operate	●	●	●	●	●	●	●
Social							
Product responsibility	○	○	○	○	○	○	○
Health & Safety	○	○	○	○	○	○	○
Community Relation & Engagement	○	○	○	○	○	○	○
People Engagement & Development	○	○	○	○	○	○	○
Human rights	○	○	○	○	○	○	○
Migration and lack of Labor or employees	○	○		○			
Environment							
Energy Cost & Efficiency & Reduce Impact	○	○	○	○		○	○
Environment Awareness (GHG Dust Waste)	○	○		○	○	○	○
Natural Resources (Limestone/Water/Fuel)	○		○	○	○	○	○
Circular Management (Water Supplies/Equipment Waste)	○			○	○	○	○

Impact reduction program /Actions

- Policies updated to be in line and comprehensive with the guidelines of sustainability management
- Strategic planning and operational process for the sequence of important issues
- Communicating and coordinating with all internal and external sectors as well as stakeholders for cooperation in driving development
- Process improvement to follow the Stakeholder's expectation
- Investment and Development or implementations to reduce the impacts and risks

Economic
E1 Cashflow liquidity
E2 Laws Regulations Compliance
E3 Delivering valuable products and services
E4 Supply Security (Sorrces Quntities Quality)
E5 Investment (Safety, Technoly & Innovation development)
E6 Dividend Payment
E7 Economic Situation & Government Policies
Social
S8 Product responsibility
S9 Health & Safety
S10 People Engagement & Development
S11 Community Relation & Engagement
S12 Human right
S13 Migration and lack of Labor or employees
Environmental
E14 Energy Cost & Efficiency & Reduce Impact
E15 Environment Awareness
E16 Resources Management
E17 Circular Management

Sustainability Strategy	Tactics	Aspects	Indicators and Goals
Operational excellence in controlling every process to deliver excellent quality products enhance quality management, satisfaction excellence, careful development, creating shared value to expand customer bases, committed to sustainable growth	• Altogether discussion to understand the sustainability chain to group customer needs and set product standards for each group of customers.	• Customer Data Requirement and Analytics Processing (To categorize product delivery standards for each group of customers)	- Customer Satisfaction within ISO9001
	• Develop and promote the product liability that involves all parties along the chain to analyze the negative impact to the quality to set management measures	• Product development in line with customer application and reducing negative environmental impact.	- % Return and claim - % Customer complaint
	• Analysis of impact issues towards product and service quality in a 360-degree customer view	• Conduct the development impact analysis to set a preventive measure in case any change can affect the product quality or process operations or indirectly affect the quality of the products delivered to customers.	
	• Technology and innovation to develop products to achieve excellent quality.	• Improving machine performance and reliability by modifying or replacing machines or equipment under wear deterioration to allocate budget in order to better efficient process.	
	• Networking for product development	• Networking with business partners, customers to develop the desired quality together	

Sustainability Strategy	Tactics	Aspects	Indicators and Goals
Safety Operations and social norms enhance all operations with promoting safety behavior in all processes for accident-free workplace to expand the business steadily for sustainable growth	• Raising safety awareness to employees at all levels	• Training, sharing knowledge and understanding in working safely to employees at all levels, all departments • (Target : 3 years period)	- Number of LTI
	• Raising safety awareness and cultivate BBS-Behavior-based Safety throughout the organization	• Promote employee's engagement in identifying dangerous or unsafe work area.	
	• Develop organizational safe practices, risk analysis, and set up preventive measures to ensure work safety.	• Conduct risk analysis at all process to establish preventive measures and risk mitigation to reduce risk to a tolerable or acceptable level of the laws and authorities for the safety of employees and communities.	- Safety complaints from the community
	• Improve the risk analysis at all operations, monitoring and correcting to prevent work hazards.		
	• Follow up and monitor to promote health and hygiene and well-being of employees.	• Promote health, safety and wellbeing of all workers	- Employees satisfaction survey
	• Follow up strictly on equipment monitoring, machinery efficiency and maintenance to improve safety, and optimize performance	• Promote machinery safety for safe process and operations	- Reducing downtime

Sustainability Strategy	Tactics	Aspects	Indicators and Goals
Drive the business, establishing an environmentally friendly organizational culture with the circular economy principles. enhance the operations implementing circular economy in the business culture, participating communities' development, keeping balance in the environment	• Provide employees knowledge and awareness on environmental conservation and preservation	Employees engagement development to foster learning and knowledge about climate change to help employees develop effective climate change responses, by training knowledge and understanding of the environment, the impact of climate change and sufficiency economy	- Decrease in complaints from communities
	• Improve process and daily operational practices to reduce negative impact to environment	• Monitor to improve the operational impact • Check all processes and machines that create dust impact and improve	- Measurement of dust content in exhaust air according to Thai Industrial Standards
	• Improve resource management for fuel, energy, and water efficiency.	• Integrate Circular Economy into operations	- Decrease in energy ,fuel and water consumption
		• Waste management to Increase value out of manufacturing waste	- Decrease in manufacturing waste - More products or value from waste