

# Sustainability Management Process

GRI 2-12

In 2024, the Siamgas Group conducted a materiality assessment based on the Double Materiality principle. The analysis incorporated the context of evaluating and reporting Environmental, Social, and Governance (ESG) impacts relevant to both the internal and external operations of the business, as well as topics aligned with stakeholder expectations. The assessment considered emerging trends and developments at both the national and international levels, particularly those related to the energy industry. These material topics are regarded as key factors in shaping the Company's strategic direction toward sustainable business practices. The Company assessed material sustainability issues from two primary perspectives, as follows:

## 1. Financial Materiality

The Company analyzed key sustainability topics, including climate change, new regulatory requirements that may impact business operations, as well as the organization's financial performance, such as profitability, expenditures, and risk exposure.

## 2. Impact Materiality

The Company considered material topics arising from its business operations that may have an impact on the environment, communities and society, climate change, as well as on the Company's internal and external stakeholders.

## Materiality Assessment Process

- 1. Identification Topics from Framework** The Company began the materiality assessment by identifying key sustainability topics that have direct and indirect impacts on its business operations. This process considered both internal and external factors that influence the Company.
- 2. Analyze Relevance** The Company analyzed the level of relevance between its business operations and its stakeholders in order to develop processes and sustainability topics aligned with both parties. This also supports the Company's efforts to respond to stakeholder expectations.
- 3. Assessment of Materiality** The Company assessed the material topics based on stakeholder perspectives, considering both risks and opportunities. The assessment also covered the impact on the Company's value, as well as the impact of the Company on society and the environment throughout the value chain. These insights help shape planning to reduce material impacts that influence decision-making for both the Company and its key stakeholders.
- 4. Engage Stakeholders** The Company identified internal and external stakeholders and analyzed their concerns to determine appropriate levels and methods of stakeholder engagement for each group. This step ensures that the material topics are relevant and reflect the interests of all parties.
- 5. Prioritization of Issues** The Company categorized the material sustainability issues based on their impact on each stakeholder group and assessed the level of importance of each topic. These topics were then mapped against the GRI Standards 2021 indicators to ensure alignment. The prioritization process used a materiality matrix to present the level of impact and urgency, supporting the development of effective strategies and sustainability management.
- 6. Materiality Topics Approval** The results of the materiality assessment were presented to senior management for review and approval. The outcomes were used to refine business strategies and work plans, manage key material topics, and integrate them into operational processes. This helps enhance business capabilities and drives the Company toward becoming a leader in sustainable energy.
- 7. Reporting and Disclosure** The Company prepared its sustainability disclosures based on the identified material topics and communicated them transparently to stakeholders. The reporting reflects both aspects of Double Materiality—the impact on the organization and the impact of the organization on society and the environment.

# Sustainability Report

GRI 11.21.2

The Siamgas Group prepares a Sustainability Report as a key tool to enhance operational capacity and develop a sustainability master plan between the Company and its stakeholders. This report also supports the Company in defining its strategic direction and business strategies for sustainable growth, guided by the principles of Environmental, Social, and Governance (ESG). The Company identifies and assesses material sustainability topics in accordance with the 10 key principles outlined in the GRI Standards 2021, and sets its sustainability goals in alignment with the United Nations Sustainable Development Goals (SDGs).



## Context

1. Materiality
2. Stakeholder Inclusiveness
3. Sustainability Context
4. Completeness

## Quality

5. Timeliness
6. Liability
7. Comparability
8. Clarity
9. Balance
10. Accuracy

The content of the Siamgas Group's Sustainability Report is **structured around three core areas: Environment, Social, and Governance—collectively known as ESG**. In addition, the report also includes an assessment of key economic topics. This report focuses on material issues that significantly impact the Company's operations and its stakeholders. It follows the GRI Standards 2021, ensuring the report is comprehensive in context and meets international standards of quality.

Accordingly, The Company's Sustainability Department has assessed key sustainability issues across the entire business value chain, identifying the impact of operations on both internal and external stakeholders.

These insights are used to improve operational efficiency and inform strategic decision-making. All content in this report has been verified against relevant business documentation, with data gathered and analyzed for management approval prior to public disclosure. This process serves as a framework and action plan to guide the Company in achieving its stated targets, vision, and mission, while supporting its long-term transition toward a more sustainable business model.

# Materiality Assessment 2022-2023

GRI 2-14, GRI 3-1

Materiality Topics		Procurement	Inbound & Outbound Logistics	SGP Terminal & Depots	Marketing, Sales & Services
Economic	Supply Chain Management	●	●	●	●
	Cost Reduction	●		●	
	Product Quality	●	●		●
	Sustainable Growth	●	●		●
Environment	Alternative Energy Management	●			
	Green Material Management				
	Air Pollution Reduction		●	●	
	Energy Management	●	●	●	
	Biodiversity Management	●	●		●
	Greenhouse Gas Management		●		●
	Waste Management			●	●
	R&D of Green Technology and Innovation		●	●	●
Social	Health and Safety	●	●	●	●
	Fair Labor Practices		●	●	
	Employee Capability Development	●	●	●	●
	Talent Retention and Motivation		●	●	●
	Marketing Communication				●
	Product Responsibility	●	●	●	●
	Customer Satisfaction				●
	Community and Social Development		●	●	
Governance	Corporate Governance and ESG Risk Management	●	●	●	●
	Ethical Business Practices	●	●	●	●
	Human Rights	●	●	●	●

# Double Materiality Assessment 2024

GRI 2-14, GRI 3-1



# Double Materiality Assessment

GRI 2-14, GRI 3-1

Material Issues	Actual / Potential Impact
<b>Economic</b>	
<b>Value Chain</b>	As the Company Group operates an LPG trading business, the selection and evaluation of business partners based on Environmental, Social, and Governance (ESG) criteria are of great importance. Failure by partners to comply with the Company's selection criteria or conducting business without regard to ESG principles may directly impact the continuity of the Company's operations.
<b>Sustainable Business Growth</b>	The volatility of global LPG prices, driven by changes in demand, supply, and global LPG reserves, directly affects the Company's performance—particularly in terms of raw material costs and the selling prices of LPG in both domestic and international markets.
<b>Risk Management</b>	Risk management, both internal and external, is vital to ensuring business continuity. In today's rapidly changing environment, external factors such as business competition, political and regulatory developments, legal changes, technological advancements, environmental concerns, and shifts in consumer behavior significantly contribute to the various risks that the Company Group must face. These risks can impact the continuity of operations, the Company's reputation, and overall business performance.
<b>Environment</b>	
<b>Energy Management</b>	Fossil fuel resources are limited and non-renewable; therefore, energy management—particularly electricity usage at gas storage terminals and LPG filling plants—is essential and directly affects operational efficiency. At present, the Company has reduced its reliance on fossil fuels and opted to use renewable energy, such as solar power, instead of purchasing electricity from external sources.
<b>Climate Change &amp; Pollution</b>	Thailand's transition measures toward a low-carbon society include the draft Climate Change Act, Thailand Taxonomy, and Thailand Carbon Taxes. International measures include the EU Carbon Border Adjustment Mechanism (EU-CBAM), Taxonomy, Credit Taxes, Emissions Trading Systems (ETS), and Carbon Credits. These developments are prompting companies in the fossil fuel energy sector—whose operations contribute to climate change through greenhouse gas emissions (carbon footprint)—to adapt and revise their business strategies in order to keep pace with these ongoing changes.
<b>Technology &amp; Innovation</b>	The opportunity to apply innovation—whether in process improvement, product development, or the creation of new services—allows the Company to better respond to changing consumer behavior in the modern era. This not only supports long-term revenue generation but also opens up new business opportunities for the future.
<b>Biodiversity</b>	Biodiversity measures serve as environmental management guidelines that the Company Group must comply with in response to government policies. These include the management of water, waste, and pollution, all of which impact the Company's environmental management image and reputation, while also promoting biodiversity.
<b>Water Security</b>	Water is a limited resource, and water security and sufficient access to water are critical to the organization. This is particularly important because water is required in the hydrostatic testing (Hydro Test) process for gas cylinders. Therefore, effective water management and the application of the 3Rs principles (Reduce, Reuse, Recycle) in operations help mitigate the impact of water scarcity.

Material Issues	Actual / Potential Impact
<b>Social</b>	
<b>Health &amp; Safety</b>	The LPG trading business carries the risk of emergencies arising from the operations of employees and contractors if they lack knowledge, awareness of safety, and caution in their work. This can result in injuries to employees and contractors, or in more severe cases, property damage that could lead to business interruptions. It may also impact individuals outside the organization, particularly surrounding communities. The Company must establish measures and allocate a budget for appropriate compensation and assistance to those affected, as this constitutes a risk to the Company's business operations.
<b>Human Resource Management</b>	Effective management and adequate preparation of the workforce, ensuring the right fit for each position, along with promoting and developing employees' capabilities, play a key role in driving the organization forward. If the Company Group does not manage human resources efficiently, it could negatively impact business operations and the ability to remain competitive in the market.
<b>Customer Responsibility</b>	he shift in energy consumption behavior, with consumers increasingly prioritizing the reduction of environmental impacts, greenhouse gas emissions, and climate change effects, has led to a rise in the use of electric vehicles (EVs). This trend is affecting the demand for LPG for vehicles.
<b>Human Rights</b>	The Company Group has established principles and guidelines for managing risks related to the respect of human rights, aimed at promoting business practices that honor the human rights of all stakeholders and preventing human rights violations comprehensively. Should a human rights violation occur, it could harm the Company's reputation, and the Company may need to allocate a budget for compensating those affected.
<b>Community</b>	The Company recognizes and values community development alongside responsible business practices. If the Company does not manage these aspects well, it could lead to negative impacts on the community, resulting in complaints about the effects of the Company's operations. This would require the Company to take action according to measures for caring for and compensating those affected, which could harm the Company's reputation. However, the Company regularly organizes activities to improve the quality of life for surrounding communities, ensuring sustainable coexistence with the community.
<b>Cyber Security</b>	Technology is evolving rapidly, making the development of business capabilities with the use of technology essential. The Company Group has begun incorporating technology into its LPG trading business for household customers by developing a more convenient and faster LPG ordering system through the Siamgas Application. Therefore, cybersecurity and the protection of customers' personal data (PDPA) are of utmost importance. If the Company fails to manage these aspects effectively, it may face risks from cyber threats and unauthorized access to customer data, which could harm the Company's reputation and undermine customer trust.
<b>Governance</b>	
<b>Corporate Governance</b>	Government agencies play a crucial role in setting policies that drive the Company to operate based on good governance principles, ensuring transparency and fairness, and emphasizing anti-corruption efforts. The policy on corporate governance has a significant impact on the Company's reputation and the trust of stakeholders both inside and outside the organization.
<b>Anti-Corruption</b>	Establish anti-corruption practices and ensure regular reviews of these practices to align with changes in business operations, laws, policies, regulations, announcements, and to maintain the Company's reputation.

# Double Materiality Assessment

GRI 2-14, GRI 3-1

*	+	is positive impact
	-	is negative impact
**		Level 3 is high impact
		Level 2 is medium impact
		Level 1 is Low impact











Material Issues	Positive/Negative Impact*	Impact		Stakeholders Involved	Environmental & Social Impact Level **	Business Impact Level ***
		Occurred	Future Possibility			
Economic						
Value Chain	-		/	Partners, Customers, Employees, Shareholders	2	3
Sustainable Business Growth	+/-	/	/	Partners, Customers, Employees, Shareholders, Government Agencies	1	3
Risk Management	-		/	Partners, Customers, Employees, Shareholders, Government Agencies	1	1
Environment						
Energy Management	+	/	/	Employees, Shareholders	3	2
Climate Change & Pollution	-	/	/	Partners, Customers, Employees, Shareholders, Government Agencies	2	2
Technology & Innovation	+	/	/	Partners, Customers, Employees, Shareholders	3	3
Biodiversity	-		/	Partners, Employees, Shareholders, Government Agencies	2	1
Water Security	-	/	/	Partners, Employees, Government Agencies	1	1

Material Issues	Positive/Negative Impact*	Impact		Stakeholders Involved	Environmental & Social Impact Level **	Business Impact Level ***
		Occurred	Future Possibility			
Social						
Health & Safety	-		/	Employees, Vulnerable Groups, Communities	1	1
Human Resource Management	-		/	Partners, Customers, Employees	1	1
Customer Responsibility	-	/	/	Partners, Customers, Employees, Shareholders	2	2
Human Rights	-		/	Partners, Customers, Employees, Vulnerable Groups, Shareholders, Government Agencies	1	1
Community	-		/	Partners, Employees, Vulnerable Groups, Shareholders, Communities, Government Agencies	1	1
Cyber Security	-		/	Partners, Employees, Customers	1	1
Governance						
Corporate Governance	+		/	Partners, Employees, Vulnerable Groups, Shareholders, Communities, Government Agencies	1	1
Anti-Corruption	+		/	Partners, Customers, Employees, Shareholders, Government Agencies	1	1



# Sustainable Development Goals

Material Issues	Contribute to GRI	Contribute to SDGs
Economic		
Value Chain	GRI 11.14.6	<div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> <div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>17</div> <div>PARTNERSHIPS FOR THE GOALS</div>
Sustainable Business Growth	GRI 11.21.2	<div>3</div> <div>GOOD HEALTH AND WELL-BEING</div> <div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> <div>16</div> <div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div>
Risk Management	GRI 11.21.5	<div>10</div> <div>REDUCED INEQUALITIES</div> <div>17</div> <div>PARTNERSHIPS FOR THE GOALS</div>
Environment		
Energy Management	GRI 11.1.2	<div>7</div> <div>AFFORDABLE AND CLEAN ENERGY</div>
Climate Change & Pollution	GRI 11.1.5, GRI 11.1.6, GRI 11.1.7	<div>7</div> <div>AFFORDABLE AND CLEAN ENERGY</div> <div>11</div> <div>SUSTAINABLE CITIES AND COMMUNITIES</div> <div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13</div> <div>CLIMATE ACTION</div>
Technology & Innovation	GRI 2-1	<div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> <div>9</div> <div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>17</div> <div>PARTNERSHIPS FOR THE GOALS</div>
Biodiversity	GRI 11.4.3	<div>6</div> <div>CLEAN WATER AND SANITATION</div> <div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>15</div> <div>LIFE ON LAND</div> <div>17</div> <div>PARTNERSHIPS FOR THE GOALS</div>
Water Security	GRI 11.6	<div>6</div> <div>CLEAN WATER AND SANITATION</div>

Material Issues	Contribute to GRI	Contribute to SDGs
<b>Social</b>		
Health & Safety	GRI 11.3.3	 
Human Resource Management	GRI 11.9.2-11, GRI 11.10.6	  
Customer Responsibility	GRI 2-29	 
Human Rights	GRI 11.18.2	   
Community	GRI 11.15.2	   
Cyber Security	-	  
<b>มิติดูแลรักษารัฐ Governance</b>		
Corporate Governance	GRI 11.21.5	 
Anti-Corruption	GRI 2-9, GRI 2-12	