

Materiality Assessment

Materiality Identification Process

In accordance with	Global Reporting Initiative Standards 2021 (GRI Standards 2021)
Reporting boundary	<ul style="list-style-type: none"> RATCH and all subsidiaries, affiliates and joint ventures located in Thailand, Lao PDR, Australia, Vietnam, Indonesia, the Philippines, Singapore, and Japan. Operating in power generation and related businesses.

Steps to identify material topics

1. Study of business context	
<ul style="list-style-type: none"> Nature of business/investments <ul style="list-style-type: none"> ➤ Vision, missions, strategies and goals ➤ Corporate business strategies and goals ➤ Power development plans of target countries ➤ Global, Asia-Pacific and country-specific conditions concerning the macroeconomy as well as the power generation/energy industry: risks and opportunities ➤ Target country's structure of electricity system and future prospects ➤ Competition in the electricity and energy industry of target country ➤ Innovations or new businesses supporting the energy transition ➤ Changes in consumer behaviors ➤ News updates on domestic and international electricity/energy industry ➤ Direct interviews with stakeholders 	<ul style="list-style-type: none"> Relevant ESG aspects <ul style="list-style-type: none"> ➤ Corporate strategies on sustainability and climate change as well as targets ➤ Domestic and universal requirements and standards on sustainability disclosure/ESG ➤ Legal issues concerning climate change and human rights ➤ Reference tool in the classification system of economic activities deemed as environmentally-sustainable (Thailand Taxonomy) ➤ Environmental and social management standards ➤ Framework of recommendations on the climate-related financial disclosures (TCFD) ➤ Internal carbon pricing to assign a monetary value to carbon emissions ➤ Thailand Voluntary Emission Reduction Program ➤ Criteria for Carbon Footprint for Organization and greenhouse gas reporting

- **Relevant legislation**

- Relevant laws, rules and regulations imposed in Thailand, foreign countries and the locality where RATCH invests/operates
- Relevant universal standards and best practices for the electricity/energy industry
- Legal amendments concerning the energy transition

- **Relevant stakeholders**

- Relationship with business partners and their expectations
- Relationship with majority-owned subsidiaries and joint ventures under operational control in Thailand and abroad in power and non-power businesses, and their expectations
- Financial institutions and investors interest and expectations
- Expectations of employees and workers of RATCH, subsidiaries and joint ventures
- Expectations of stakeholders in the value chain and supply chain of RATCH and business entities it invests in
- Satisfaction of employees, customers and community
- Complaints and solutions

- Sustainability rankings by regulatory bodies and sustainability organizations - the Stock Exchange of Thailand, S&P Global, FTSE RUSSEL
- Power plants' Environmental Impact Assessment and compliance reports
- Safety statistics of RATCH, subsidiaries and joint ventures under operational control
- ESG issues gathered from media, stock analysts, institutional investors, ESG rating agencies, financial institutions, and ESG analysis reports/articles
- Human rights risk and impact assessment methodology
- Assessment methodology for the value/returns on social investment
- Global trends and emerging risks
- ESG-related complaints
- Direct interviews with stakeholders

2. Identification of material issues

- Gathering the environmental, social, human rights and governance issues concerning RATCH and owned entities/projects from various information sources and classifying them into 4 main groups which are Environment, Society, Human Rights and Governance.
- Analyzing both actual and potential negative and positive impacts on the Company accordingly to the involvement: direct cause of the impacts (Cause), playing a part to create the impacts (Contribute to) and direct connection with the impact (Directly linked to).

3. Assessment of material issues

- Establish assessment criteria based on:
 - Severity concerning the scale, scope and remediability of impacts
 - Likelihood of the impacts
- Interview key stakeholders to hear their views on the impacts/severity from business operations; concerns; and recommendations. The interviews involved the representatives of business partners, electricity customers, suppliers, community, public health institutions, educational institutions, environmental academics, local environmental offices, the Senate's energy sub-committee, and analysts/investors. The results were assessed to give scores to the impacts, in order to reconfirm the material issues.

4. Prioritization of impacts

- Set the threshold of impacts.
- Classify impacts, positive and negative, and setting material topics.
- Prioritize the topics of negative and positive impacts material to stakeholders.

5. Disclosure

- Assess the alignment of material topics with GRI indicators and supplement indicators for the Electric Utilities Sector.
- Prepare a summary of material topics for the Chief Executive Officer's consideration and endorsement.
- Submit the Sustainability Report for the Board of Directors' consideration and endorsement, prior to disclosure.