

MATERIALITY

The Company conducts a materiality assessment every year to identify and prioritize sustainability issues of interest for stakeholders and the factors that impact with business operation in the economic, environmental and social dimensions as well as to communicate with internal and external stakeholders. True Group applied the GRI Standards reporting guidelines based on the four key principles including identification, prioritization, validation and verification & continuous improvement.

MATERIALITY ASSESSMENT

The Company prioritized material issues in accordance with the General Reporting Initiatives (GRI) standard 2021 which emphasize 4 areas:

1. **IMPACTS** covering both positive and negative impacts along with the severity and likelihood of actual and potential ones,
2. **MATERIALITY** according to international standard such as SABB, UN SDGs, DJSI and THIS criteria, company context and human rights risks,
3. **DUE DILIGENCE** by identifying issues to arrange proactive measures and appropriate remediation, and
4. **STAKEHOLDERS** by listening stakeholder groups i.e. customers, suppliers & business partners, community & society, government agencies, shareholders, creditors, NGO and media including employees, and executives through surveys, interview, meetings, seminars and other collaboration occasion and bringing issues for solving and management.

• 4 STEPS OF MATERIALITY ASSESSMENT



MATERIALITY 2022/2023 ASSESSMENT

The Company annually conducts an assessment of material sustainability issues. The Material topics were analyzed in accordance with the above process in 2022. We received 972 responses from survey conducted among both internal and external stakeholders. We also interviewed stakeholders, conducted impact assessment workshop, and asked for experts' opinion to prioritize issues. The materiality issues for 2022/2023 were agreed and signed-off by the Management and the Corporate Governance Committee which is comprised of members of the board of directors who supervise the corporate sustainability management. The materiality analysis process was verified by external auditor

IMPACT ASSESSMENT

True's Material Sustainability issues assessment process uses the principles of Enterprise risk management which has the criteria for assessing the impact on stakeholders as shown in the table below. In addition, the impact assessment was in line with the double-materiality concept of which not only financial impact of the company but also the impacts of the Company on economic, environment, social and human rights were assessed.

• ASSESS LEVEL OF COMPANY'S IMPACTS ON STAKEHOLDERS

SEVERITY			
SEVERITY LEVEL	SCALE (seriousness of impact)	SCOPE (how many people are or will be affected)	IRREMIABLE NATURE / REMEDIABILITY (seriousness of impact)
CRITICAL (5)	Significant impacts to health & safety: fatality	Impact to everyone within respective stakeholder group	Impossible to restore or will take longer than 5 years (>60 months) to restore the impact
SERIOUS (4)	Moderate impact to health & safety: serious injury that needs rehabilitation (loss time injury)	Impact to majority within respective stakeholder group	Take between 3 to 5 years (36-60 months) to restore the impact
MODERATE (3)	Slight impact to health & safety: minor injury or illness (loss time injury)	Impact to many people within respective stakeholder group	Take between 1 to 3 years (12-36 months) to restore the impact
MINOR (2)	Minor impact to health & safety: first aid case	Impact to some people within respective stakeholder group	Take between 0.5 to 1 years (6-12 months) to restore the impact
INSIGNIFICANT (1)	No impact to health & safety:	No impact within respective stakeholder group	Take less that 0.5 year (6 months) to restore the impact

Use for Negative Impact only

Use for both Positive and Negative Impacts

MATERIALITY 2022/2023

The materiality analysis result was divided into two group as follows:

1. TOP-PRIORITY MATERIAL ISSUES

For these issues, the Company has comprehensive management approach for, set specific goals for short, medium and long terms, and publicly reported the performance and impact management according to GRI standards.

2. HIGH-PRIORITY MATERIAL ISSUES

For these issues, the Company has policy and/or guidance to manage the issues, publicly disclose the performance to respond with stakeholders' interest.

Top-Priority Material Issues

CYBER SECURITY		HUMAN RIGHT MANAGEMENT	
LABOR PRACTICE AND EMPLOYEE DIVERSITY & INCLUSION, HEALTH, SAFETY & WELLNESS		RESPONSIBLE SUPPLY CHAIN MANAGEMENT	
DATA PROTECTION		NETWORK RELIABILITY AND AVAILABILITY	
DIGITAL INCLUSION AND EDUCATION		INNOVATION MANAGEMENT	
CLIMATE CHANGE MANAGEMENT			

High-Priority Materiality Issues

RISK & CRISIS MANAGEMENT	
CORPORATE GOVERNANCE	
LEADERSHIP, TALENT ATTRACTION & RETENTION, AND HUMAN CAPITAL DEVELOPMENT	
CORPORATE SOCIAL RESPONSIBILITY	
CUSTOMER RELATIONSHIP MANAGEMENT	
ENVIRONMENTAL MANAGEMENT: ENERGY, WASTE, WATER, AND BIODIVERSITY	

EXECUTIVE SUSTAINABILITY KEY PERFORMANCE INDICATORS

Top-Priority Material Issues 2022-2023 include Cyber Security, Data Privacy, Climate Change Management and Responsible Supply Chain Management. The Company has therefore focused on these issues and set Sustainability Goals 2030 that were mapped with corporate KPIs which all employees are required to align their performance with.

In order to ensure these issues are efficiently managed and on track to meet the determined targets, executives in relevant functions related to those high material issues are required to specific KPIs. Examples of executive KPIs are shown in the timetable below.

TOP-PRIORITY MATERIAL ISSUES	SUSTAINABILITY GOALS 2030 (embedded into corporate KPIs)	EXECUTIVE KPIS 2022
Cyber Security	100% of significant functions related to cyber & IT case are certified by international standard	80% of resolved case within 72 hours
Data Protection/ Data Privacy	100% of significant functions related to data privacy are certified by international standards	80% of complaint cases of customer privacy are resolved without legal proceedings
Climate Change Management	Become a Carbon Neutral organization	Reduce Scope 1 & 2 greenhouse gas emissions per revenue by 8.4% compared to the base year 2020
Responsible Supply Chain Management	100% of significant and high risk suppliers on are audited on sustainability/ ESG aspects	100% of significant and high risk suppliers on are audited on sustainability/ ESG aspects

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