Materiality

(GRI 2-3, 2-16, 2-17, 2-26, 2-29, 3-1, 3-2, 3-3)

Materiality Issue Assessment

CBG regularly assesses sustainability materiality issues by conducting a thorough assessment every three years and reviewing these issues annually. This process involves analyzing and understanding the necessity and significance of issues related to ESG (Environmental, Social, and Governance) across various dimensions that have a significant positive and negative impact on the organization. This assessment is carried out from the perspective of all stakeholder groups, both internal and external.

In 2023, the Company improved and developed its process for assessing sustainability materiality issues in accordance with the principles of Double Materiality. This assessment covers areas where the Company has a significant impact on the economy, society, and the environment, as well as external factors that significantly affect the Company's financial performance and capabilities. As a result of this process enhancement, the Company's sustainability materiality issues have become clearer, aligning with the guidelines for determining sustainability materiality issues as per the updated GRI Standards 2021 framework.

The process for assessing materiality issues involved the participation of the Company's stakeholders, including customers, business partners, government agencies, financial institutions, shareholders, communities/society, and employees. Various methods such as opinion surveys and interviews were utilized to gather feedback and perspectives. These inputs were then analyzed and prioritized to develop an appropriate action plan that effectively addresses stakeholders' needs and expectations.

Process of Developing Materiality Issues

Process	Activities
1. Identifying sustainability issues based on their impacts	1.1 Assess the level of impact of the Company's operations on the economy, stakeholders, society, and the environment (Outward Impact Assessment) throughout the supply chain. Additionally, evaluate the impact of sustainability issues on the Company's financial performance and future capabilities (Inward Impact Assessment).
	1.2 Interview employees and key stakeholders to identify sustainability issues that are of interest, problematic, or represent stakeholder expectations.
	1.3 Summarize sustainability issues from all activities and benchmark these issues with those from companies in the same industry, ESG rating agencies, and sector standards.

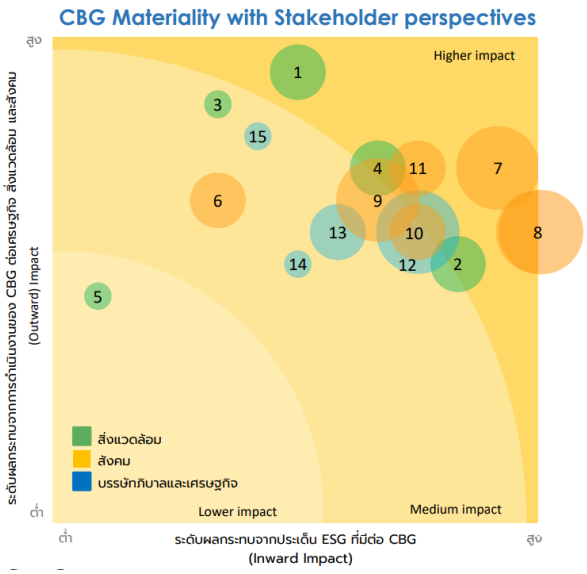
2. Prioritizing sustainability issues	2.1 Assess the level of impact of sustainability issues on the Company by senior management
	2.2 Analyze all data and summarize sustainability materiality issues in a matrix
3. Reviewing and approving materiality issues	3.1 Engage with senior management to review and approve sustainability materiality issues of the Company

Sustainability Materiality Issue Prioritization

The Company prioritizes sustainability and sets management directions based on relevant dimensions such as economics, social/community, environment, and stakeholders. The selected sustainability materiality issues are aligned with the objectives, strategies, and management practices throughout the value chain, encompassing both internal and external impacts. The materiality issues vary in importance according to opportunities and impacts on the organization's operations. In 2023, the key sustainability issues include:

Environment	1.* Climate Actions
	2.* Waste Management
	3. Packaging and Circularity
	4.* Water Stewardship
	5. Biodiversity
Social	6. Community and Social Well-being
	7.* Consumer Health and Nutrition
	8.* Responsible Marketing & Communication
	9. Labor Practices and Well-being
	10. Occupational Health and Safety
	11.* Talent Development and Retention
Governance & Economic	12. Legal Compliance and Business Integrity
	13. Data Privacy and Cybersecurity
	14. Innovation and Technology
	15. Sustainable Sourcing and Supply Chain

Note: * Materiality issues with higher impact



2024 Materiality	
1	การจัดการด้านสภาพภูมิอากาศ
2	ของเสียจากการดำเนินงาน
3	บรรจุภัณฑ์และการหมุนเวียน
4	การใช้น้ำอย่างรับผิดชอบ
5	ความหลากหลายทางชีวภาพ
6	ความเป็นอยู่ที่ดีของชุมชนและสังคม
7	สุขภาพของผู้บริโภคและโภชนาการ
8	การตลาดและการสื่อสารอย่างรับผิดชอบ
9	การดูแลและการปฏิบัติต่อแรงงาน
10	อาชีวอนามัยและความปลอดภัย
11	การพัฒนาและรักษาบุคลากรที่มีความสามารถ
12	การปฏิบัติตามกฎหมายและความซื่อตรงในการดำเนินธุรกิจ
13	ข้อมูลความเป็นส่วนตัวและความปลอดภัยทางไซเบอร์
14	นวัตกรรมและเทคโนโลยี
15	การจัดหาและห่วงโซ่อุปทานที่ยั่งยืน

The Company has prioritized and identified potential impacts on business operations and has developed both short-term and long-term business plans. The most critical materiality issues are incorporated into business plans and strategies, targets or indicators, and progress linked to the performance indicators of the executives. Additionally, the identification of sustainability materiality issues has been integrated into the organization's risk management process.

Material Issues and Metrics for Enterprise Value Creation

Topics	Material topic 1 Energy Management	Material topic 2 Water Stewardship	Material topic 3 Packaging and Circularity
Category	Energy Management	Water	Packaging and Circularity
Business Case	As climate challenges intensify, energy consumption has become a critical concern across various business sectors, particularly in manufacturing, which is a major contributor to greenhouse gas emissions. Given the substantial fuel and electricity required for glass bottle production, it is essential for the Company to prioritize sustainable energy sourcing.	Water is essential for producing the Company's beverages and is vital for human consumption. The Company uses a notable amount of water in its beverage production. Ineffective management can negatively affect both the quality and quantity of production, and improper wastewater disposal can harm the environment. The Company acknowledges that climate change poses risks to water availability, which could affect its sourcing and lead to potential shortages down the line.	The world is currently experiencing a crisis in managing packaging waste, particularly plastic packaging. Glass bottles, aluminum cans, plastic, and paper are among the Company's packaging materials. Recognizing the importance of greenhouse gas reduction, the Company emphasizes effective material and packaging management, efficient raw material utilization, waste minimization, and systematic waste handling.
Type of impact	Risk	Risk	Risk
Business strategies	The Company has introduced a range of energy management strategies. These involve incorporating renewable energy sources into the manufacturing process, identifying opportunities for the development and adoption of renewable technologies to reduce environmental impact, and boosting	The Company has formed a dedicated water operations team that consistently monitors water levels, inspects water quality, and reports any delivery issues to third-party suppliers. In addition, a risk management team tracks and evaluates potential risks that may affect the Company. Water stewardship	The Company has adopted the circular economy approach to packaging design, employing the 3Rs principle as the foundation for design considerations and material selection to make sure its packaging materials are 100% recyclable. These initiatives include reducing raw material

Topics	Material topic 1 Energy Management	Material topic 2 Water Stewardship	Material topic 3 Packaging and Circularity
	the use of renewable energy while lowering energy consumption across all Group companies. In terms of sustainable energy, solar panels were installed at the APG Factory to generate electricity for internal use from 2021 through 2023. The Company plans to extend this initiative to all factories, promoting more use of renewable (clean) energy in its operations to achieve the net-zero emissions target by 2065, according to its declaration of intent. Additionally, The Company has implemented environmental and energy management initiatives, including awareness-raising and training programs for employees and contractors before they start working with the Company. 1. Energy Conservation Program - reused heated water (RO water) for can washing by reprocessing it and feeding it into the deaerator, reducing natural gas consumption	is a key component of the Company's sustainability initiatives. The Company prioritizes managing water risks and proactively implements measures to mitigate issues such as water scarcity and the risk of discharging substandard water into public bodies. Additionally, the Company has implemented water conservation programs based on the principles of Reduce, Reuse, and Recycle (3Rs). These programs include initiatives that promote water conservation, reuse, and recycling, aiming for efficient and cost-effective water management. Regarding Wastewater Management, the Company's factories have an environmental unit responsible for environmental matters to ensure compliance with applicable laws. Wastewater quality undergoes monitoring and control to meet legal standards before being discharged into public water bodies. Additionally, the CBD factory has installed a continuous water quality monitoring system	usage, reusing packaging, and collecting recyclable materials to be reprocessed into new packaging through recycling processes. Moreover, the Company is determined to increase the use of recyclable materials in its production based on the circular economy concept, aiming to minimize the consumption of single-use resources and manage waste effectively. In 2023, some of the sustainable packaging program include: 1) Reduction of packaging sizes, 2) Packaging material selection, 3) Reusing/ Recycling packaging.

Topics	Material topic 1 Energy Management	Material topic 2 Water Stewardship	Material topic 3 Packaging and Circularity
	2. Promotion of Awareness and Participation of Employees and Contractors in Environmental and Energy Management 3. Energy Conservation Campaign - The Company promotes energy conservation, including reducing electricity and water usage, by implementing various initiatives, such as turning off lights in the office during the lunch break	that provides real-time data to the Department of Industrial Works. These efforts ensure efficient wastewater management, regulatory compliance, and minimal environmental impact on stakeholders in the surrounding areas.	
Target or metric	2023 Goals: <u>CBD Factory</u> 1. 30% cut in energy consumption of water chiller pumps 2. Electricity savings of 109,500 kilowatt-hour/year 3. Electricity savings of 448,950 Baht/year <u>ACM Factory</u> 1.Reduction of electricity costs for the compressor by 11,321 kilowatt-hour/ year or an equivalent of 46,400 Baht/ year	2023 Goals: Reduce municipal water usage for the cooling tower water tank by 20,000 cubic meters per year.	2023 Goals: - Reducing thickness of aluminum cans from 0.26 mm. to 0.25 mm - Reducing the weight of glass bottles from 130 g. to 125 g. by changing the forming technology from Blow&Blow to NNPB - 100% of packaging materials are recyclable

Topics	Material topic 1 Energy Management	Material topic 2 Water Stewardship	Material topic 3 Packaging and Circularity
	2. Reduction of electricity costs for the refrigerant air dryer by 70,000 kilowatt-hour/year		
Target Year	2023	2023	2023
Progress details	2023 Performance: CBD Factory Two sets of inverters for chiller water pumps were installed on the bottle production line to adjust the motor frequency from 50 Hz to 40 Hz, resulting in the following outcomes: 1. 44% cut in energy consumption of water chiller pumps 2. Electricity savings of 157,680 kilowatt-hour/year 3. Electricity savings of 646,488 Baht/year ACM Factory 1.The temperature of the air compressor room was reduced by 2-3 degrees Celsius, resulting in electricity savings of 13,585 kilowatt-hours per year, equivalent to 55,700 Baht per year.	2023 Performance: - Reduced municipal water usage by 40,294 cubic meters by utilizing RO reject water from the CBD factory to supplement the cooling system at the APG factory. -RO reject water from the CBD factory was delivered to supply the APG factory cooling tower water tank, saving 30,905 cubic meters of water/year. - RO reject water from the CBD factory was delivered to supply the APG factory cooling tower water tank, saving 30,905 cubic meters of water/year. - The CBD factory reused heated water (RO water) for can washing by reprocessing and feeding it into the deaerator, reducing water use by 7,656 cubic meters/year.	2023 Performance: - The can thickness was reduced from 0.26 mm. to 0.25 mm., contributing to an increase in production by 5,952,194 cans. - The weight of glass bottles was reduced from 130 g. to 125 g., resulting in a reduction of raw material usage by 2,665 tonnes per year. - Packaging materials used in 2023 (wood/paper, metal, glass) are 100% recyclable.

Topics	Material topic 1 Energy Management	Material topic 2 Water Stewardship	Material topic 3 Packaging and Circularity
	2. Header duct was installed to distribute air from the compressor to three refrigerant air dryer units, allowing one unit to turn off and reducing electricity use by 78,200 kilowatt-hour/year.	- The CBD factory recycled condensate from the mixing and water heating processes back into the deaerator, leading to a reduction in water use of 30,341 cubic meters/year. -Treated water is reused for watering plants in green areas of the Company's factories, cleaning roads and factory grounds without using water from external sources.	
Target/metric linked to executive compensation	Energy Consumption Reduction at CBD Factory and ACM Factory are parts of Climate-Related Management Incentives for Chief Executive Officer (CEO)	Water consumption reduction is part of executive compensation	Packaging materials reduction is part of executive compensation

Material Issues and Metrics for External Stakeholders

Topics	Material topic 1 Water Stewardship	Material topic 2 Packaging and Circularity
Category	Water	Packaging and Circularity
Cause of the Impact	Water stewardship impact is driven by business activities in own operation (offices and production sites). The company also evaluates water risk management to address potential impacts from its critical Tier 1 suppliers with large purchasing volumes. **Business activity coverage:** more than 50% of business activity	Packaging and Circular Economy impact is driven by business activities in own operation (offices and production site). **Business activity coverage:** more than 50% of business activity
Stakeholder groups or impact areas	Inadequate water stewardship can have adverse impact on external stakeholders, including the environment, the local community surrounding the site, and consumers of beverage products.	Plastic packaging waste can have adverse impact on external stakeholders, including the environment, the local community surrounding the site, and consumers of beverage products.
A brief rationale the importance of these material topics to external stakeholders	**Negative:** The Company, as a beverage producer, consume massive amount of water to produce the bottling product. Inadequate water treatment can pose a risk to customer health due to potential product contamination. To maintain strict hygiene standards and prevent contamination, thereby ensuring consumer health, the Company need to utilize significant amounts of water for thorough cleaning before beginning new production cycles. Water withdrawal for factory operations can lead to shortages in surrounding communities, potentially causing conflicts with the Company. **Positive:** As the Company is committed to water stewardship, the Company provides social responsibilities to increase positive impact from water stewardship programs. For example, the Company has	**Negative:** Packaging waste becomes global crisis, especially with plastic, ending up in landfills. The inadequate management of packaging waste leads to pollution and detrimental effects on the environment, health of the communities including consumer health from some contamination beverage packaging. **Positive:** The Company recognizes the significant environmental impact of packaging waste from its operations and focuses on resource-efficient, eco-friendly packaging designs. This approach contains the reuse and recycling of packaging materials, reducing waste and benefiting the environment and society. Additionally, this enhancement in packaging reuse can shape consumer behavior by raising awareness about the significance of repurposing beverage

Topics	Material topic 1 Water Stewardship	Material topic 2 Packaging and Circularity
	collaborated with its third-party water supplier and local communities to promote sustainable watershed management, including reforestation, water quality monitoring, fish stocking, and resource restoration. These efforts enhance water efficiency awareness and support a sustainable economy at surrounding communities.	containers. As consumers become more conscious of the benefits of reusing packaging, this can lead to a favorable societal impact by promoting sustainable consumption habits and aiding in the reduction of waste and environmental stress.
Output Metric	● Increase in water recycling (m3) ● Number of complaints from communities (case)	● Increase in recycled plastic packaging (tonne)
Impact Valuation	● Social cost caused/avoided from water consumption (Baht/m3)	● Social cost caused/avoided from plastic packaging waste
Impact Metric	● Baht/m3	● Baht/ tonne