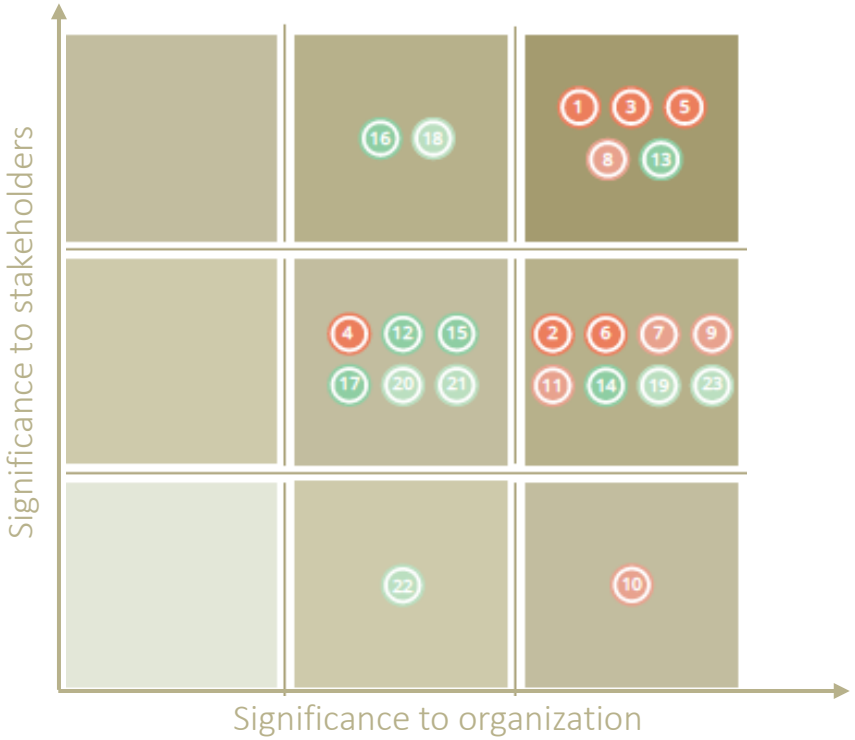
Materiality Issues

B.Grimm Power has conducted a materiality assessment according to the Global Reporting Initiative (GRI) Standards, prioritizing sustainability issues that matter most to our business and are of most concern to our stakeholders.



PROCESS TO DEFINE THE MATERIALITY

1	2	3	4
Identification	**Prioritisation**	**Validation**	**Review**

Economic

1. Business Growth
2. Knowledge and innovation Management *
3. Operational Excellence Management
4. Supplier Management
5. Business Continuity Management
6. Data Protection and Cybersecurity*

Governance

7. Corporate Governance
8. Risk Management
9. Anti-Corruption
10. Whistleblowing
11. Compliance

Environmental

12. Energy Management
13. Water Stewardship
14. Climate Resilience and Greenhouse Gas Management
15. Pollution Management
16. Waste Management
17. Biodiversity Conservation*

Social

18. Employee Wellness
19. Occupational Health and Safety
20. Human Rights
21. Customer Satisfaction
22. Child Labor
23. Communities' Involvement

More details on Sustainability report 2020, page 44-46

Materiality Issues highlights

Business growth	
Target 2025	Secure PPA with total 7.2GW
Risks and opportunities	Almost 100% of B.Grimm Power's revenue is based on long-term PPA (up to 25 years) with fixed tariff or fixed formula so that we have stable cash flow for long term. However, this type of PPA will be less available in the future especially when the market is moving to merchant market like in Australia. The PPAs of our industrial power plants under the SPP scheme would come to the maturity from 2037 onwards; therefore, our cashflow could decline without new PPA.
Our strategies	B.Grimm Power continues to expand portfolio by securing new long-term PPAs (with 20-25 year tenor). We focus on high stability offtakers especially state enterprises both in Thailand and overseas. We target to secure additional long-term PPAs by no less than 3.5 GW by 2025. This would raise our portfolio from 3.7 GW as of 2020 to no less than 7.2 GW by 2025 (based on secured PPA). Our steady cashflow would be
Progress 2020	In 2020, B.Grimm Power added new operating capacity of 162MW and achieved 3,058WM at the ended 2020 through acquiring 123 MW BGPAT1 and commencing 39 MW solar farm in Cambodia during the year. With the current pipeline, we have capacity to develop to reach 3,682MW by 2025 and target to secure additional long-term PPAs by no less than 3,500MW in order to raise secured PPA to no less than 7,200MW within 2025.

Materiality Issues highlights

Operational excellence management	
Target 2025	Secure PPA with total 7.2GW
Risks and opportunities	B.Grimm Power is committed to achieve the excellence in high-quality electricity and steam generation and distribution while ensuring supply availability, reliability, stability and the highest safety standard. If there is unplanned outage, our availability factor will decline, revenue from EGAT will decline and maintenance cost will increase.
Our strategies	B.Grimm Power puts in place a management system in accordance with international standards, thereby leading to the highest efficiency of electricity and steam generation and distribution system which enhancing customers' confidence and satisfaction as well as building competitive advantages and energy security for the industrial sector and the country's infrastructure system. We constructed the efficient planning and controlling the power generation system, the information storage and analysis of electricity and steam generation systems, the planning development of the machinery maintenance and repair system and the machine spare parts management system. We focus on the development expertise in controlling the electricity generation, maintenance & repair systems, and enhanced cooperation with partners. This aims to develop and increase the efficiency of electricity and steam generation system, the time management of maintenance and repair in line with the plans and goals, the effective production cost management and the efficiency of natural resource utilisation and the mitigation of risks arising from damaged machines, which affect the electricity transmission stability.
Progress 2020	In 2020, the average unplanned outage is lower to 0.8% with the average availability factor of 97.7%. While the average heat rate is 7,800-7,900 BTU/kWh which lower than the contracted heat rate specified in the PPAs.

Materiality Issues highlights

Occupational Health and Safety	
Target 2025	Maintain zero accident
Risks and opportunities	The Company recognises and emphasises the importance of occupational health and safety for employees, suppliers, contractors and stakeholders involved in all power plant areas and work areas.
Our strategies	We conduct assessments of risks and guidelines for occupational health, safety and environment risk management as well as risk assessments and guidelines for risk management that may affect the community, society and environment across all work processes. - International Standard: Establish guidelines in accordance with the Occupational Health and Safety Management Systems Standard (OHSAS18001) and Environmental Management Systems (ISO 14001) standard. - Business Continuity Management: Prepare for emergency incident response and business continuity management – Working Environment: Control working environment, provide personal protective equipment (PPE) for workers and other safety prevention equipment as prescribed by the law to prevent work-related injuries and accidents
Progress 2020	In 2020, we recorded no severe accidents or occupational fatalities suffered by our employees or contractors. We conducted a total of 10,181 hours of training for our employees to promote a corporate culture of environment, safety, and health awareness. In 2020, all our combined-cycle cogeneration maintain either ISO 45001 or OHSAS 18001 certified.