

Materiality at True

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Materiality Overview

True conducts an annual analysis of material issues to inform strategic adjustments and management approaches in response to stakeholder needs. This process involves identifying and prioritizing sustainability issues that are important to stakeholders and have a significant impact on the business across economic, environmental, and social dimensions. We maintain open communication with both internal and external stakeholders to ensure their perspectives are integrated into our approach.

True adheres to the **Global Reporting Initiative (GRI) Standards**, guided by four key principles: identification, prioritization, validation, and verification. These principles support our commitment to transparency, accountability, and continuous improvement.

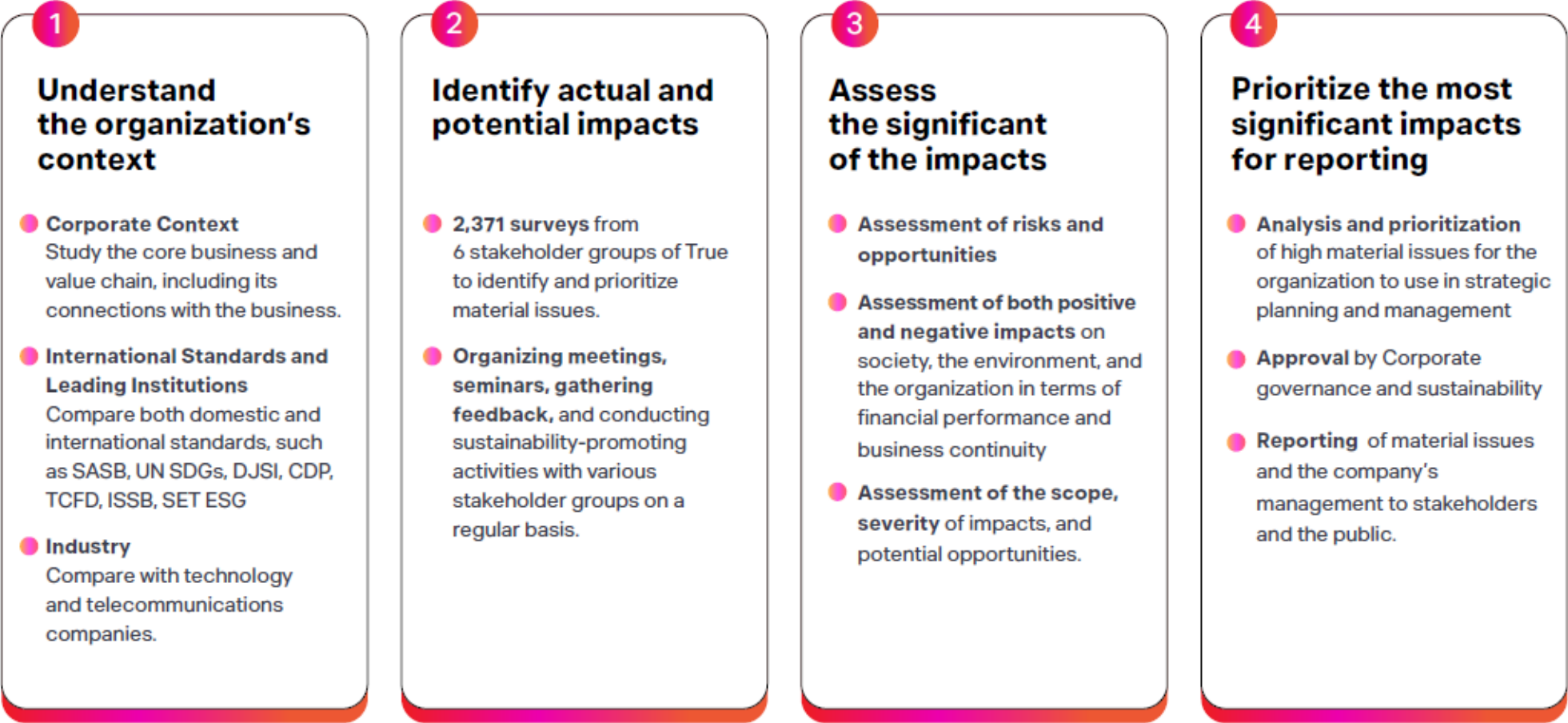
In assessing material issues, the Company focuses on four core components: Impact, Materiality, Due Diligence, and Stakeholders. This methodology aligns with the **GRI Standards 2021** and the **AA1000 Stakeholder Engagement Standard**. We also apply the concept of **Double Materiality**, which considers both the organization's external impacts on society and the environment (*inside-out*), and external factors that influence the company's ability to create value (*outside-in*).

The **Corporate Governance and Sustainability Committee**, along with the Executive Committee, regularly reviews and approves sustainability material issues and reports to the **Board of Directors** each year.

An independent audit is conducted annually to verify the accuracy and reliability of the materiality assessment in accordance with GRI standards.

Materiality Assessment Process

The process of assessing and prioritizing material issues follows the GRI Standards 2021. It covers identifying material issues, assessing both internal and external impacts, including risks and opportunities, prioritizing material issues, and obtaining approval from the Executive Committee and the Corporate Governance and Sustainability Committee.

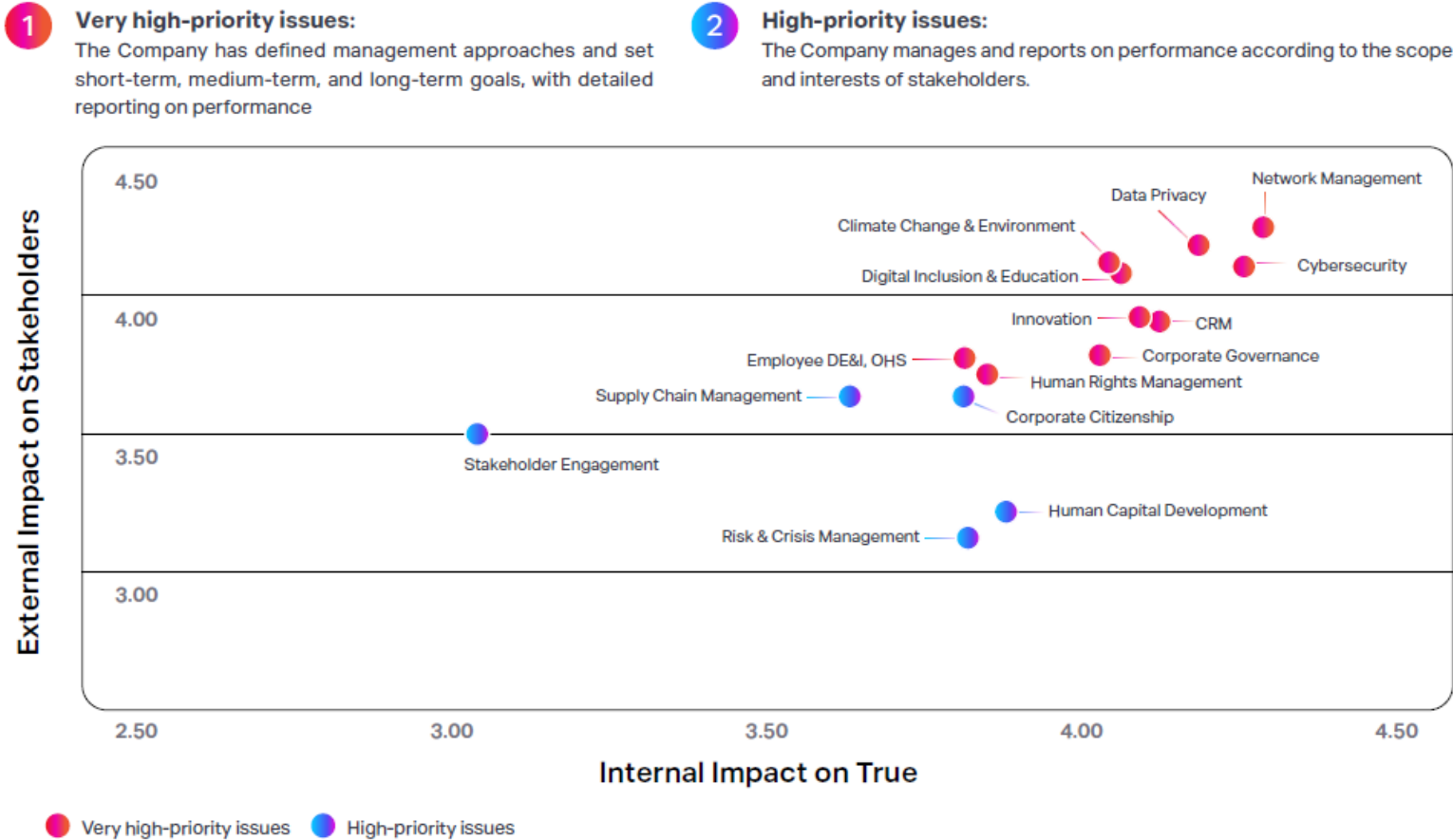


Sustainability Materiality Analysis 2024-2025

The results of sustainability materiality issues at True for 2024-2025 are as shown in the pictures below.

1. For Very-high-priority issues deemed of utmost importance, the Company has a management approach that sets short, medium, and long-term goals. This includes reporting on operational results and implementing rigorous impact reduction measures.

2. Regarding High-priority issues ranked slightly lower in criticality, we manage the performance outcomes and report within the boundaries and interests of stakeholders.



Top Materiality Issues For Long Term Value Creation

Top Material Issues 2024-2025 include Cyber Security & Data Privacy, Climate Change Management, and Network Reliability and Availability. 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.

Description	Cyber Security & Data Privacy Protection	Climate Change Management	Network Reliability & Availability
Business case / Impact in Company	<p>Cybersecurity and data protection are vital in the telecommunications industry, which over 6 billion cyberattacks annually and an average breach costing USD 4.2 million (THB 138 million). As a major network and digital service provider, True handles vast volumes of customer data, making data security a top material risk impacting both internal operations and external stakeholders. True recognizes its responsibility to protect customer information and uphold stakeholders' rights from violations and online threats by securing digital ecosystem and mitigating risks related to legal compliance, financial stability, and reputation.</p>	<p>Climate change is a critical global issue that affects all industries and is increasingly relevant to all stakeholders. As a telecommunications provider, True operates energy-intensive infrastructure that is vulnerable to climate-related disruptions. To remain resilient and responsible, True is expected to address environmental impact in line with evolving global regulations and standards, including Net Zero commitment under the Science-Based Target Initiative (SBTi). This requires companies and their suppliers to actively invest in reducing greenhouse gas emissions across the supply chain. As True expands its network to meet growing service demands, electricity consumption will increase, necessitating a balance between growth and sustainability.</p>	<p>True is a leading telecommunication provider in Thailand, operating in a highly competitive market. To maintain our leadership, we prioritize network reliability and availability as essential indicators of service efficiency and customer satisfaction. In 2024, mobile and internet users accounted for 96.2% and 92.8% of the Thai population, highlighting the need for stable, fast, and accessible connectivity. True has faced challenges in maintaining network stability, especially in remote areas with geographical barriers. Rising data usage, 5G expansion, and climate-related risks further pressure operators to invest in robust infrastructure while balancing service quality, cost control, and contingency planning to ensure uninterrupted service.</p>
Type of Impact	Risk	Risk	Revenue

Description	Cyber Security & Data Privacy Protection	Climate Change Management	Network Reliability & Availability
Business Strategy	<ul style="list-style-type: none"> Align the cybersecurity with international standards, Establish Security Operation Center to prepare readiness and manage incidents Execute data protections practices according to the Data Privacy Protection Policy The Data Protective Division strictly manage data personal data of relevant stakeholders in a transparent manner 	<ul style="list-style-type: none"> Adopt energy-efficient technologies and practices in its facilities, utilizing AI automation systems and energy-saving equipment Increase the use of renewable energy sources such as solar power within its operations (cell site, mobile switching data centers & offices) and support the use by purchasing the renewable energy certificates (REC) Encourage the hybrid work to reduce travel-related emissions 	<ul style="list-style-type: none"> Develop infrastructure guided by the 3Zero strategy - Zero Touch: AI-driven automation to proactively identify issues; Zero Wait: real-time network optimization that adapts to customer behavior; and Zero Trouble: AI-powered analytics to predict and prevent network disruption
Corporate Target/Metric	<ul style="list-style-type: none"> 100% of significant functions related to cyber & IT case are certified by international standard, 100% data breach prevention and 100% compliance to PDPA 	<ul style="list-style-type: none"> Become a Carbon Neutral organization Achieve the SBTi near-term target 	<ul style="list-style-type: none"> Expand the nationwide 5G network to cover 95% of the population System Average Interruption Duration Index (SAIDI) maintained at less than 1.5 hours per consumer per year
Target year	2030	2030	2030
Performance progress	Achieved annual target and staying on track	Exceeded the 2024 GHG emissions reduction target by 16.8% and received validation from the SBTi for its long-term target in 2024	Achieved 93% nationwide 5G network coverage in 2024, and exceeded the SAIDI performance target

Executive Sustainability Key Performance Indicators

Given that Cyber Security & Data Privacy, Responsible Supply Chain Management, and Climate Change Management are very-high-priority material issues, it is imperative to ensure their efficient management and achievement of predetermined targets. Therefore, executives responsible for these high-priority issues are required to meet specific Key Performance Indicators (KPIs) linked to their annual merit increases and performance pay. Examples of executive KPIs are outlined in the timetable below.

Very-High-Priority Material Issues	Executive KPIs 2024	True Sustainability Goals 2030
Cyber Security	<ul style="list-style-type: none"> • 80% of resolved case within 72 hours, • 100% data breach protection, 	<ul style="list-style-type: none"> • 100% of significant functions related to cyber & IT case are certified by international standard
Data Protection/ Data Privacy	<ul style="list-style-type: none"> • 80% of complaint cases of customer privacy are resolved without legal proceedings, • 100% compliance to PDPA 	<ul style="list-style-type: none"> • 100% of significant functions related to data privacy are certified by international standards
Climate Change Management	<ul style="list-style-type: none"> • Reduce Scope 1 & 2 greenhouse gas emissions per revenue by 16.8% compared to the base year 2020 	<ul style="list-style-type: none"> • Become a Carbon Neutral organization and achieve the near-term SBTI Target as validated in 2023
Network Reliability & Availability	<ul style="list-style-type: none"> • Expand the nationwide 5G network to cover 93% of the population • System Average Interruption Duration Index (SAIDI) maintained at less than 1.5 hours per consumer per year 	<ul style="list-style-type: none"> • Expand the nationwide 5G network to cover 95% of the population • System Average Interruption Duration Index (SAIDI) maintained at less than 1.5 hours per consumer per year

Impact Valuation of Materiality Issues for External Stakeholder Greenhouse Gas and the Social Cost of Carbon

True has applied the **Social Cost of Carbon** to evaluate the impact of the company's initiatives/projects related to greenhouse gas emission and avoidance on external stakeholders.

Challenges

Climate change affects all industries, and as a telecommunications and technology company, True contributes to this through network infrastructure development and increased energy consumption. Severe weather events, caused by climate change, can damage infrastructure, disrupt services, and pose risks to workers and surrounding communities, leading to potential financial losses.

True is committed to reducing its carbon footprint and recognizes the need for sustainability. The company aims to achieve carbon neutrality (Scope 1 & 2) by 2030 and Net Zero by 2050 per SBTi.

Activities

True's sustainability strategy includes initiatives such as solar cell installations at cell sites and data centers, AI automation for network management, energy efficiency projects, paperless initiatives, and purchasing renewable energy certificates.

Greenhouse Gas and the Social Cost of Carbon Evaluation

Impact Valuation/ Methodology

- Evaluated the Social Cost of Carbon from the greenhouse gas emission (scope 1 & 2) of True, based on the EPA social cost of carbon, referencing Table A1: Annual Social Cost of CO₂, values: 2020 – 2050 (in 2020 dollars per metric ton of CO₂) ³¹ issued in 2021
- Applied the Annual SC-CO₂ values under the average of 3% discount rate
- The combined the greenhouse gas emission in 2024 after the amalgamation of business effective 1 March 2023 to reflect the actual greenhouse gas emission and to be in line with the SBTi near-term target and long-term validated.

Output

The output of the evaluation is the amount of greenhouse gas (GHG) emission of True in 2024 which contributed negative impact, and the GHG reduction and avoidance which generated positive impacts.

Beneficiary/ Stakeholder

For society, we reduced negative impacts on air quality. For the environment, our promotion of renewable energy and energy efficiency led to a significant decrease in Global Warming Potential (GWP), with greenhouse gas emissions avoided totaling **176,556** tCO₂e.

Negative Impact	Positive Impact
<p>The total GHG emissions (Scope 1 & 2) of True in 2024, without any reduction or avoidance initiatives, amounted to 670,770 Tons CO2e.</p> <p>The social cost of carbon is approx. \$37 million or 1.3 billion Baht, based on a social cost of carbon of 55 USD and an exchange rate of 35.2952</p> <p>This contributes to global warming potential, impacting air quality and ecosystems.</p>	<p>In 2024, the total GHG emissions avoided amounted to 176,556 TonCO2e through the following activities/initiatives:</p> <ul style="list-style-type: none"> • Solar cell installation at 10,406 cell sites and mobile switching centers: 14,051 TonCO2e, and at offices: 202 TonCO2e • Energy efficiency projects, including AI automation in network management and energy-saving equipment: 65,850 TonCO2e • Renewable Energy Certificate (REC) purchase for 241,735.75 MWh: 96,453 TonCO2e <p>The social cost of carbon reduction is approx. \$9.7 million or 342.7 million Baht, based on a social cost of carbon of 55 USD and an exchange rate of 35.2952.</p> <p>This could reduce carbon dioxide emissions promotes clean air, benefiting society and fostering global healing.</p>

Reference

- The Environmental Protection Agency (EPA), EPA Social Cost of Carbon Fact Sheet, Link: https://www.epa.gov/sites/default/files/2016-12/documents/social_cost_of_carbon_fact_sheet.pdf
- Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide Interim Estimates under Executive Order 13990 , Table 1: Social Cost of CO2, 2020 – 2050 (in 2020 dollars per metric ton of CO2) ³¹, page 46, Link: https://bidenwhitehouse.archives.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf
- Bank of Thailand, Currency conversion rate for 2024, Link: https://app.bot.or.th/BTWS_STAT/statistics/BOTWEBSTAT.aspx?reportID=123&language=eng

Impact Valuation of Materiality Issues for External Stakeholder, SROI Methodology: MorDee Application

True has also applied the **Social Return on Investment (SROI)** guidance to evaluate the impact of the company's initiatives/projects on external stakeholders associated with business operations, products/services and/or its supply chain.

The six-stage of SROI analysis includes:



To date, True has evaluated its initiatives/projects that are material issues to the corporation and have impacts on external stakeholders, including MorDee Application which is an intelligent health care platform.

MORDEE APPLICATION

To address key challenges in Thailand's healthcare system, True Digital Group, a core unit of True Corporation, has developed the True HEALTH platform via the MorDee app - an integrated digital health ecosystem accessible nationwide. According to McKinsey, Thailand's TeleHealth market could reach 21 million visits annually by 2040, covering around 28% of in-person hospital visits

Challenges

- A significant issue in Thailand's healthcare system is the shortage of doctors. According to a World Bank study, Thailand has only 0.81 physicians per 1,000 people, while Malaysia and Singapore have figures of 1.54 and 2.29, respectively.
- Thailand has witnessed a rapid increase in healthcare expenditure over the past decade. As reported by the World Bank, Thailand's health expenditure per capita stands at more than USD 305 per person per year, trending above average for a middle-income country.

Background

- True HEALTH which is one major business unit under True Digital Group, aims to establish a healthcare ecosystem that is accessible, affordable, and focused on preventive care through digital technology and transformation.
- This initiative employs various key strategies, such as leveraging 5G technologies and MedTech, creating seamless patients journeys from online to offline (O2O) and end-to-end (E2E).
- It is an integrated telehealth services encompasses a range of offerings, including online doctor consultations via the MorDee application, decentralization of patient care from hospitals, partnerships with private insurance providers, and the implementation and promotion of preventive health measures.

Social Return On Investment (SROI) of MorDee Application

True has studied and analyzed the social cost of MorDee application by True Health services by using SROI methodology.

Input

- Capital investment cost of technologies such as 5G, & MedTech, O2O and E2E platform
- Operating costs such as license, platform maintenance, staff cost, marketing cost etc.

Activities

- Developed health consultation with online doctors via MorDee Application
- Engaged with more than 500 doctors and health professionals, covering more than 20 branches
- Partnered with hospitals, offline medical corner & kiosks, pharmacy outlets, insurance companies, etc.
- Provided on-demand medical deliveries via motorcycle from the nearest pharmacy outlet to customer locations.

OUTPUT	BENEFICIARY/ STAKEHOLDER	OUTCOME & IMPACT
<ul style="list-style-type: none"> • 24 x 7 online medical services available for patients and doctors • End-to-end telehealth platform for doctor's consultation, medicine delivery straight to the door, online insurance claims, electronic health record, referral services, etc. 	<ul style="list-style-type: none"> • More than 460,000 users at year end 2024 • More than 50 hospitals and health corners & kiosk that partner with the Company • More than 500 physicians from more than 20 specialties who joined the program • More than 500 pharmacy outlets nationwide that partner with True • More than 5 insurance companies that partner with True 	<p>Positive Impacts</p> <ul style="list-style-type: none"> • Reduce traveling cost and time to visit doctors and waiting at hospitals • Reduce the number of patients at partner hospitals • Enable patients to receive medical treatment and consultation in a timely manner, reducing risk of medical complications. <p>Negative Impacts</p> <ul style="list-style-type: none"> • On-demand medical deliveries via motorcycle contribute to greenhouse gas emissions.

Social Impact Valuation

The SROI methodology utilized to assess the social cost of True Health's MorDee service can be summarized as follows:

- Consider the actual capital investment and operating costs associated with the service.
- Incorporate financial proxy indicators, such as the fees for outpatient (OPD) services, administrative costs, expenses related to doctors and medical personnel in selective hospitals and the Controller General's Department, daily minimum wage of Thailand 2022 and the World Bank reports as mentioned before, and corporate surveys, etc.
- Apply the social cost of carbon calculation to value the GHG emissions from on-demand pharmacy deliveries. It is valued about 1 million Baht.
- Adjust the calculated figure to account for deadweight, attribution, or displacement, as well as the social cost of carbon.

According to the 2024 SROI calculation, the social cost of this service is estimated at **8.43 times** the investment.

Reference

- The Controller General's Department. Medical expense at hospitals, Link: <https://mbdb.cgd.go.th/wel/searchmed.jsp>
- Ministry of Labour. Daily minimum wage of Thailand 2022, Link: <https://www.mol.go.th/en/minimum-wage>
- World Bank Study on number of physicians by country, Link: <https://data.worldbank.org/indicator/SH.MED.PHYS.ZS>, and <https://data.worldbank.org/indicator/SH.XPD.CHEX.PC.CD>
- MorDee official website, Link: <https://mordeeapp.com/en/home>
- True blog, MotrDee background and progress, Link: <https://trueblog.dtac.co.th/blog/en/thailands-first-telemedicine-platform-mordee/>
- Technical Support Document. Social Cost of Carbon, Methane, and Nitrous Oxide Interim Estimates under Executive Order 13990 , Table 1: Social Cost of CO₂, 2020 – 2050 (in 2020 dollars per metric ton of CO₂)³¹, page 46, Link: https://bidenwhitehouse.archives.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf