

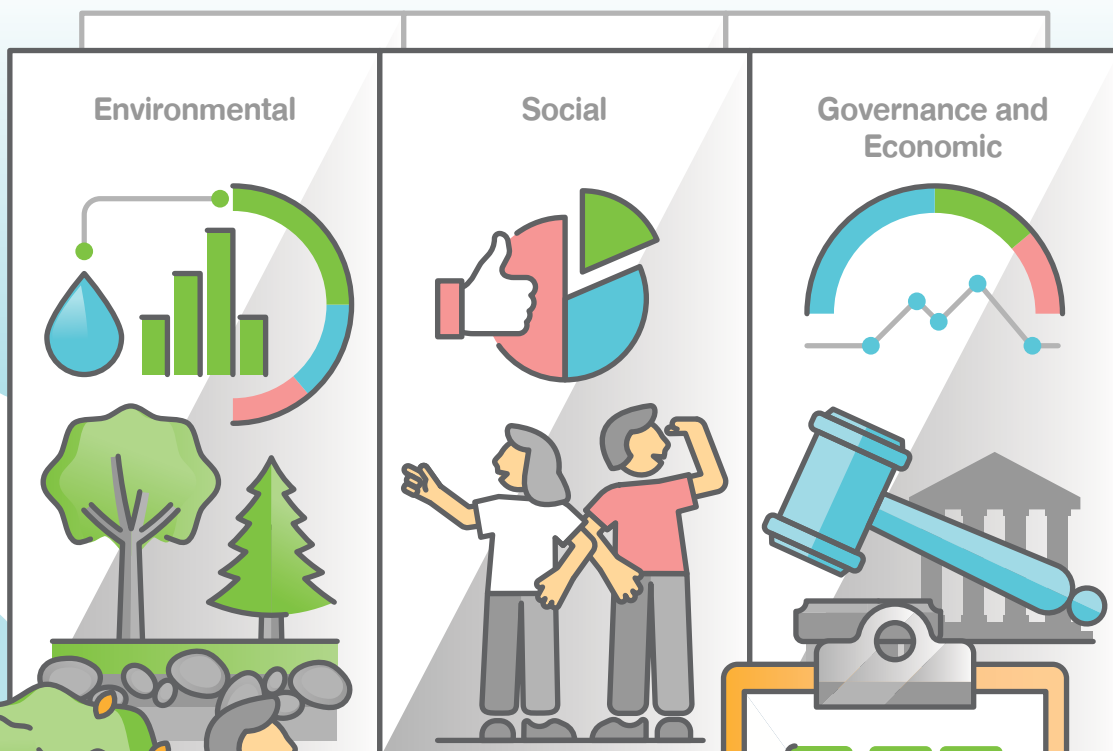
# Criteria and Guideline

## Corporate Sustainability

### Assessment 2025

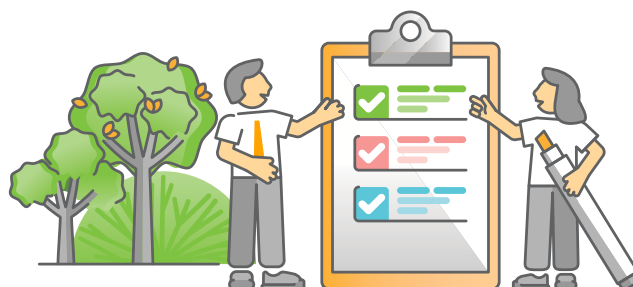
### for SET ESG Ratings and

### Sustainability Excellence Awards





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# Introduction


The Stock Exchange of Thailand (SET) recognizes the importance of a sustainable capital market. For this reason, SET is committed to enhancing the quality of listed companies to ensure that they demonstrate good governance practices and consideration for all stakeholders. This in turn will help them to achieve business growth together with social and environmental responsibility. SET has mandated that companies participate in a **Corporate Sustainability Assessment**, which companies will be able to apply as a development guideline for improving their own sustainability processes, and for benchmarking their performance with other companies in their respective industries. SET will also use the result from this assessment into the following processes:

## SET ESG Ratings and SET ESG Index

Every year, SET selects listed companies that have fulfilled sustainability criteria and discloses their ESG assessment findings through rating scales known as **SET ESG Ratings**. Given the significance of ESG, investors, analysts and fund managers can incorporate SET ESG Ratings, in addition to other essential factors, when making investment decisions.

Listed companies eligible for SET ESG Ratings must achieve a minimum score of 50 percent in each sustainability dimension (Environmental, Social and Governance: ESG) and adhere to specific qualification criteria. These criteria include corporate governance reporting (CGR) results, net profit and shareholder equity reporting, compliance performance relating to qualifications of listed companies and consideration of non-ESG impact, and the absence of “CB, CS, CC, CF” sign posting.

### 4 levels of SET ESG Ratings



Rating Levels	AAA	AA	A	BBB
Total Score	90-100	80-89	65-79	50-64

Moreover, listed companies qualified for SET ESG Ratings and meeting eligibility criteria based on index calculation methodology (further details available at <https://www.set.or.th/th/market/index/setesg/profile>) will be considered for inclusion in the **SETESG Index**. This index mirrors the price fluctuations of sustainable companies demonstrating a strong commitment to ESG principles in their business practice.

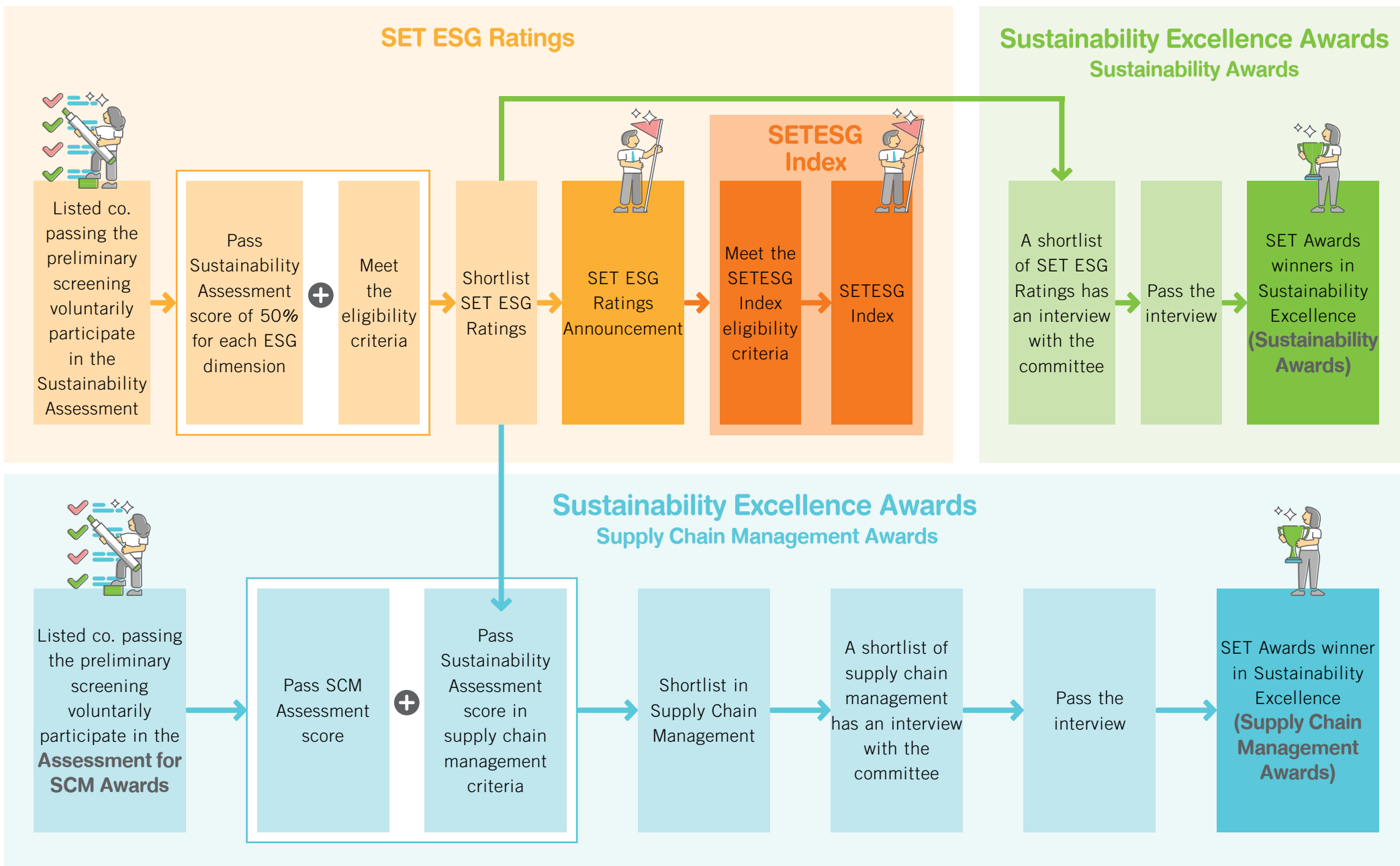


**The year 2025 will be the final year** that SET will conduct the SET ESG Ratings assessment before transitioning to the FTSE Russell ESG Scores assessment. SET has initiated a pilot assessment project (with results not being publicly announced) during 2024-2025 to give listed companies the opportunity to prepare and improve their ESG performances **before the public announcement of FTSE Russell ESG Scores begins in 2026 onwards.**

Listed companies included in SET ESG Ratings in the designated year by SET will be eligible to participate in the FTSE Russell ESG Scores assessment. Additionally, SET allows listed companies, Property Funds, and Real Estate Investment Trusts (REITs) to apply for participation in the FTSE Russell ESG Scores pilot project in 2025. (For more details on the application process for the assessment, please refer to [Link](#)).

## SET Awards in Sustainability Excellence

There are two categories of the SET awards in Sustainability Excellence: **Sustainability Awards** and **Supply Chain Management Awards**. Listed companies identified as sustainable stocks with SET ESG Ratings will undergo evaluation against predetermined criteria specified for each award category for consideration as award nominees. (For additional information regarding SET awards, please refer to page 60)





## Sustainable Investment Committee

Mr. Yuth	Vorachatarn	Chairman
Ms. Patareeya	Benjapolchai	Committee
Mr. Veerasak	Kositpaisal	Committee
Mr. Cholatorn	Dumrongsak	Committee
Ms. Suvabha	Charoenying	Committee
Dr. Chongprode	Kochaphum	Committee
Mr. Asadej	Kongsiri	Committee
Dr. Soraphol	Tulayasathien	Secretary of Committee

## Sustainability Awards Committee

Mr. Yuth		Vorachatarn Chairman
Ms. Patareeya	Benjapolchai	Committee
Mr. Veerasak	Kositpaisal	Committee
Mr. Cholatorn	Dumrongsak	Committee
Ms. Suvabha	Charoenying	Committee
Dr. Chongprode	Kochaphum	Committee
Mr. Punsak	Vejanurug	Committee
Dr. Krisada	Sektrakul	Committee
Mr. Kulvech	Janvatanavit	Committee

## Supply Chain Management Awards Committee

Mr. Cholatorn	Dumrongsak	Chairman
Dr. Chongprode	Kochaphum	Committee
Ms. Pochaman	Pasawat	Committee
Asst. Prof. Dr. Karika	Kunta	Committee
Mr. Akarat	Rujirasettakul	Committee

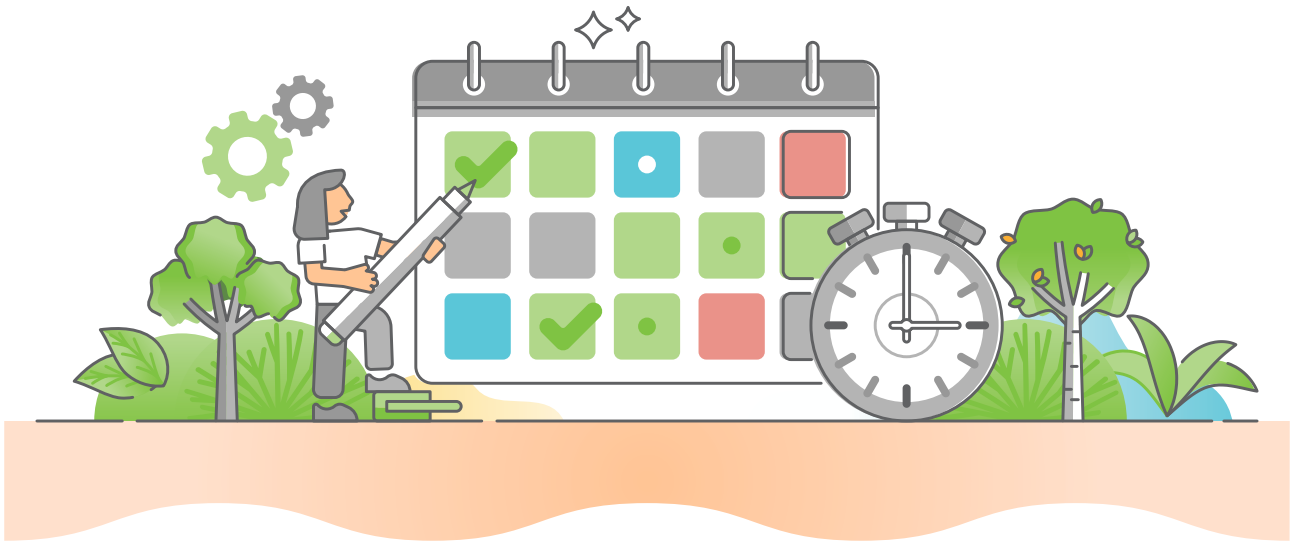


# 1 Documents for Sustainability Assessment

<ul style="list-style-type: none"> <li>• <b>Application for participation in Sustainability Assessment and Supply Chain Management (SCM) Awards</b></li> </ul>	<p>By 6 May 2025 Submit via Microsoft Form <a href="#">(Click)</a></p>
<p><b>Sustainability Assessment questionnaire and attachment</b></p> <ul style="list-style-type: none"> <li>• Sustainability Assessment questionnaire (in MS Excel)</li> <li>• Attachment (1 file per 1 attachment)</li> </ul>	<p>By 26 May 2025 Submit via SET Link <a href="#">(Click)</a></p>
<p><b>Supply Chain Management (SCM) Assessment questionnaire and attachment (for listed companies participating in SCM Awards)</b></p> <ul style="list-style-type: none"> <li>• SCM Assessment questionnaire (in MS word 1 file and PDF 1 file)</li> <li>• Attachment (1 file per 1 attachment)</li> </ul>	<p>By 26 June 2025 Submit via E-mail <a href="mailto:setsbcmawards25@sasin.edu">setsbcmawards25@sasin.edu</a></p>

**SET retains the authority to reject the Sustainability Assessment form submitted by listed companies under the following circumstances:**

- Failure to meet the preliminary screening criteria.
- Submission of the assessment form after 26 May 2025.
- Use of an alternate assessment form, not supplied by SET or any alterations made to the provided assessment form.



## 2 Timeline

Mar.	Apr.	May	Jun.	Sep.	Oct.	Dec.
		Company responses and submits Sustainability Assessment (25 Mar.-26 May)		Company passing criteria has an interview with committee (3-17 Sep.)		SET ESG Ratings and SETESG Index Announcement
		Company responses and submits Supply Chain Management (SCM) assessment (25 Mar.-26 Jun.)		Company passing criteria has an interview with SCM Awards Committee (18-19 Sep.)	SET Awards ceremony (Sustainability Awards and SCM Awards)	Company receives Sustainability Assessment Feedback report and SCM Feedback report





## 3 Sustainability Assessment Submission

### 3.1 Preparing data for submission

- **File Naming Guidelines**

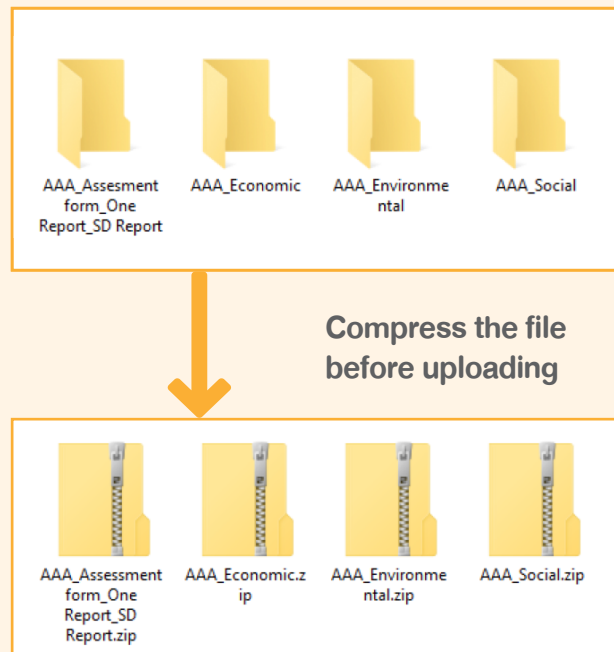
- Save the sustainability assessment file in English in MS Excel format with the following format:
- AAA\_sustainability assessment 2025 (Replace AAA with the abbreviated company name).
- The attachment file name can be displayed in Thai.
- Avoid using reserved characters (e.g. /, \, \*, :, " ".<, >, ?) in the file name as they may lead to file errors.
- Ensure the entire file name does not exceed 255 characters.

- Name the sustainability assessment file in MS Excel format in **English** and upload Sustainability Assessment Questionnaire file into SET Link system. Optionally, the company may create a new folder, name it in **English**, and store the sustainability assessment and attachment files in the same folder.

- Keep the attachment files in MS Word, MS Excel, and PDF formats in separate subfolders classified into three dimensions that are: Economic, Environmental, and Social, to make it easy to find the files.

- Name the folder in **English**, e.g. Company Name\_Dimension and the folder names can be AAA\_ECONOMIC, AAA\_ENVIRONMENTAL, and AAA\_SOCIAL.

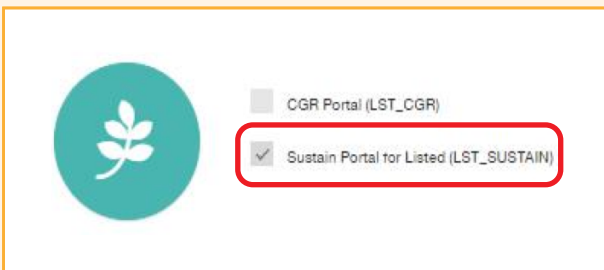
- The attachment files in MS Word, MS Excel, and PDF formats within the folder can be named in Thai.
- **Compress the files before uploading. Each Zip file (.zip or .rar) shall not exceed 50 MB.**
- In case of multiple attachment files, do not upload them one at a time as it may potentially cause an upload error, e.g. missing files or wrong file names. The company must submit the folders in a ZIP file only.



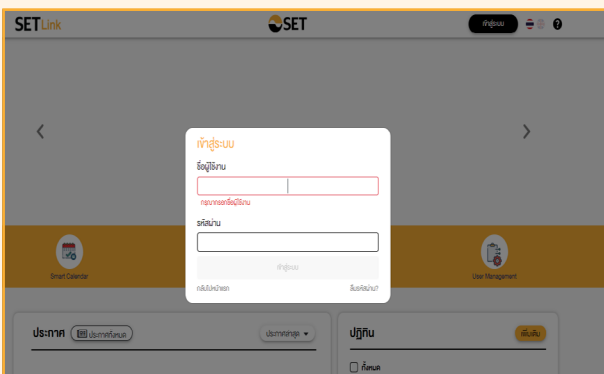


## 3.2 How to login to SET Link

- The assigned person shall be authorized by Administrator (Super user) of the company to assess to the function of **Sustain Portal for listed** prior to submitting information about Sustainability Assessment.



- Unauthorized person shall not see function of Sustain Portal for listed.
- For any problem about function authorization, please contact SET Contact Center tel. 02 009 9999
- An assigned person shall login to [www.setlink.set.or.th](http://www.setlink.set.or.th) to submit the information.

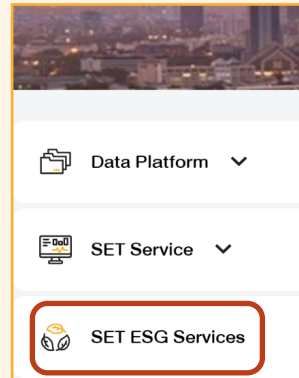


- After logging in to the SET Link, please follow these steps:

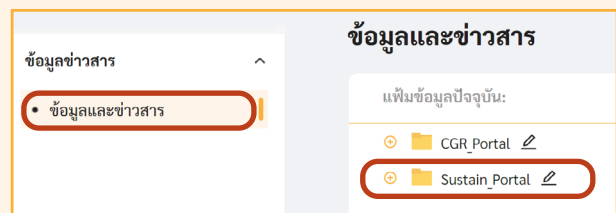
1) Click on **SET ESG Services** in the left-hand menu

>> Select **SET ESG Ratings**

A new window will then appear.



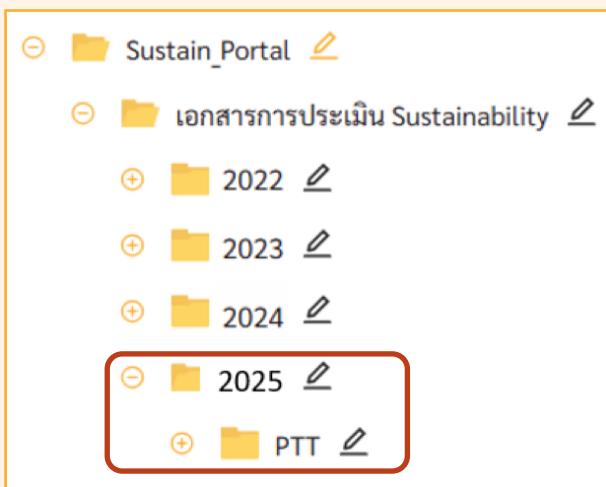
2) Click on **ข้อมูลและข่าวสาร** in the left-hand menu. Then, you will find **Sustain\_Portal**



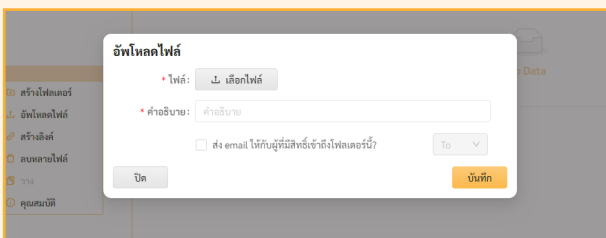


### 3.3 How to submit electronic file via SET Link

- Select folder as follows:
  - >> เอกสารการประเมิน Sustainability
  - >> 2025
  - >> **Symbol** (Please select the stock symbol before uploading file.)



- Choose pencil icon next to stock symbol
- >> **upload file**
- Upload zip file to SET Link. Each Zip file shall not exceed 50 MB.**



**(Do not** click to send an email to those with access to the folder)

- Press Ctrl+F5 to refresh the screen** in case of a slow upload speed or data feed error.
- If successfully submitted, the uploaded files will appear in the company folder, showing the data has been input into the system.
- In case of failed submission or bad gateway error message, please make sure that the data submission follows these instructions:
  - ✓ The folder must be named in English.
  - ✓ The size of each uploaded file must not exceed 50 MB.
  - ✓ The proxy server running on a computer needs to allow data transmission.
- After the document submission deadline has passed, the company will no longer be able to edit any information in the SET Link. The assessment document folder for the year 2025 will not appear in the system until the assessment results are announced.



## 4 How to Respond Sustainability Assessment

### 4.1 Placing a checkmark

To respond the indicator by using a checkmark . In place of

### 4.2 Respond indicators which reflect a company's operation

Supporting documents must be attached to respond the indicators.

### 4.3 Select the most relevant supporting document

Please see chapter 5 Document Attachments Preparation for Responding to Sustainability Assessment

### 4.4 Do not modify format or questions in the assessment from in order not to cause any wrong questions

SET retains the authority to reject the Sustainability Assessment form submitted by listed companies using an alternate format or questions in the assessment form.



## 5 Document Attachments Preparation for Responding to Sustainability Assessment

### 5.1 No more than 3 supporting documents attached to each indicator.

Only first 3 supporting documents are considered and scored

### 5.2 Indicate the attachment number, name of the attachment and clearly specific place of information (page number, item number, and paragraph number)

Please indicate the accurate and complete web link. When clicks, this information should be shown clearly.

### 5.3 Making reference to ESG Data Platform

According to the examples of supporting documents provided by SET, the company will find out what assessment questions it can acquire data from the ESG Data Platform for reference. Where necessary, the company can enter “data input into ESG data platform” in a reference field without providing additional documents.

In addition, all citations sourced from ESG Data Platform **must receive approval** from the company by 26 May 2025. The company must log into ESG Data Platform system to provide this approval. For guidance on managing a document approval workflow, please visit [ESG Data Platform User Manual](#)

### 5.4 Refer to the attachment as a website

It must be the official website of the company, by providing the accurate and complete web link. When clicks, this information should be shown clearly.

### 5.5 Attach specific documents that are relevant and clearly identified

### 5.6 Refer to existing and prepared documents

The documents shall not be newly prepared.



## 5.7 Use up-to-date supporting documents

- The documents is of the current year and previous assessment year.
- Company can attach policy / measurement / practice guidelines which were made in the past but are still effective.

## 5.8 Abbreviate only part of the content

- When the referred information is a part of the full report, the first page, table of content, and related page can be selected while the complete reference of the full report or other unrelated pages are not necessarily included.
- When the supporting document is a report which shows the same information from many pages, a few pages can be referred to as examples.

## 5.9 Confidential supporting documents or content

Confidential content can be covered and message related to the questions can be submitted.

## 5.10 Do not refer the same set of information from many documents

If the referred information is the same such as 56-1 One Report, Corporate Social Responsibility Report, Sustainability Report, or websites, please refer only one source of the information as supporting document.

## 5.11 Repetitive supporting documents

Existing file can be used and no need to duplicate the file with the same information.

## 5.12 Documents shall not receive any score

- Document contains broad information with no specific information and does not provide stright answer nor related answer to questions.
- The position of the support information cannot be clearly and specifcily placed.
- When the attachment is a web link, and no information immediately appears after the click.
- Any written explanation or descriptive responses.



## 6 Selection Criteria for SET ESG Ratings

### 6.1 Eligibility Criteria

The listed companies that are able to participate in the sustainability assessment are screened according to the following qualification criteria:

- 1 **Must not be** a company that was listed in the same year as the sustainability assessment, with the exception of listed companies that revised their shareholding structure by setting up a holding company, or that did not significantly change their business structures.
- 2 **Must not be** a company that was listed through a backdoor listing during the assessment year.
- 3 **Must not be** a company that can potentially be delisted, or is currently undergoing business rehabilitation in the current and previous assessment year.
- 4 **Must not be** a company that is in the process of requesting voluntary delisting in the current and previous assessment year.
- 5 **Must not be** a company which financial statements are deemed incorrect by auditor in the current and previous assessment year.
- 6 **Must not be** a company that has been suspended from securities trading due to a delay in the submission of its financial statement in the current and previous assessment year.
- 7 **Must not be** a company that has received CB, CS, CC, and CF signs from the SET, as there have been events that could impact financial status and business operations in the current and previous assessment year.
- 8 **Must not be** a company that saw irregular securities trading behavior exhibited by its board members and executives, or **must not be** a company with board members and executives who have untrustworthy qualifications according to the Notification of the SEC in the current and previous assessment year.

Please see a list of listed companies that have passed the preliminary selection criteria for the year 2025 at <https://setsustainability.com//libraries/1284/item/set-esg-ratings>



## 6.2 SET ESG Ratings Criteria

The Stock Exchange, through the Sustainable Investment Committee, evaluates the qualifications of the listed companies that will be announced as the SET ESG Ratings by referring to the following criteria:

### 6.2.1 Criteria based on the Corporate Sustainability Assessment

Selected from the list of those that voluntarily responded to SET's sustainability assessment and received a score of **at least one half (50%)** of the total score in each dimension (Economic, Environment, and Social).

### 6.2.2 Criteria based on company qualifications

Determined based on the information provided by companies **in the current and previous assessment year**, unless otherwise indicated.

- 1 Must be** a company that received a score of 3 stars and above from the Corporate Governance Report (CGR) during the assessment year.
- 2 Must not be** a company that can potentially be delisted, or is currently undergoing business rehabilitation, or is in the process of requesting voluntary delisting.
- 3 Must not be** a company that reported an unfair connected transaction such that investors were warned by an official agency to exercise their own judgement in investing in said company.
- 4 Must not be** a company that is in violation of SET's criteria for listed companies regarding independent directors and/or audit committee members, and free float.
- 5 Must not be** a company that saw irregular securities trading behavior exhibited by its board members and executives, or **must not be** a company with board members and executives who have untrustworthy qualifications according to the Notification of the SEC during the current or previous assessment year.





- 6 **Must not be** a company that has been accused of or formally judged as guilty by officials or relevant agencies, or whose directors or executives have been accused of or formally judged as guilty by officials or relevant agencies on matters of corporate governance and social and environmental impact.
- 7 **Must not be** a company that received a qualified opinion from its auditor regarding its financial status, financial performance, or going concern on business operations in the latest financial statement and **must not be** a company which has a disclaimer of auditor opinion on its financial statements, or has an adverse opinion from its auditor in the assessment year.
- 8 **Must not be** a company that has been suspended from securities trading due to a delay in the submission of its financial statement.
- 9 **Must not be** a company that has received CB, CS, CC, and CF signs from the SET, as there have been events that could impact financial status and business operations in the current and previous assessment years.
- 10 **Must not be** a company that had a proportion of shareholding below zero during the latest financial statements.
- 11 **Must not be** a company that has fewer than 3 out of 5 years of reported net income, counting from the latest financial statements.
- 12 The Sustainable Investment Committee may consider other issues relating to corporate governance and social and environmental impact in their selection of companies for SET ESG Ratings.

**SET monitors the qualifications of listed companies that have been announced in SET ESG Ratings throughout the process. If a listed company fails to meet the criteria after the ratings has been announced, it may be removed from the SET ESG Ratings. Additionally, a note may be added to inform users of the SET ESG Ratings to consider the company's ESG information further.**



## 7 Detail of Corporate Sustainability Assessment Questionnaire

The Corporate Sustainability Assessment (CSA) is comprised of questions in General Questions and Industry-specific Questions covering 3 dimensions: Governance and Economic, Environmental, and Social. The CSA is designed to **align with the context and material issues of each of the 8 industry groups**.

(For more information on industry sector classification, please visit:

<https://www.set.or.th/th/market/index/set/industry-sector-profile>).












Dimension	Criteria	Industry Group							
		AGRO	CONSUMP	FINCIAL	INDUS	PROPON	RESOURC	SERVICES	TECH
Governance and Economic	Corporate Governance	●	●	●	●	●	●	●	●
	Code of Conduct and Anti-Corruption	●	●	●	●	●	●	●	●
	Risk and Crisis Management	●	●	●	●	●	●	●	●
	Materiality	●	●	●	●	●	●	●	●
	Customer Relationship Management	●	●	●	●	●	●	●	●
	Supply Chain Management	●	●	●	●	●	●	●	●
	Tax Strategy	●	●	●	●	●	●	●	●
	Business Innovation for Society and/or Environment	●	●	●	●	●	●	●	●
	IT and Information Security*			●				●	●
	Service Quality Management*							●	
	Product Quality Management*		●						
Responsible Marketing*		●							
Environmental	Environmental Management	●	●	●	●	●	●	●	●
	Operational Eco-efficiency*	●	●	●	●	●	●	●	●
	Climate Strategy	●	●	●	●	●	●	●	●
	Building Materials Quality*					●			
	Product Responsibility*		●		●				●
	Responsible Sourcing*	●							
	Water Related Risk*	●							
	Biodiversity*					●	●		
Social	Human Rights and Fair Labor Practices	●	●	●	●	●	●	●	●
	Human Capital Development	●	●	●	●	●	●	●	●
	Talent Attraction and Retention	●	●	●	●	●	●	●	●
	Occupational Health & Safety*	●	●	●	●	●	●	●	●
	Community Engagement*	●	●		●	●	●	●	
	Stakeholder Engagement	●	●	●	●	●	●	●	●
	Digital Inclusion*								●
	Responsible Finance and Insurance*			●					
	Financial Inclusion*			●					

Note: \*Industry-specific questions



The score of each indicator is designated in advance. **Questions marked with \* at the end of the questions** It means that question having of scoring criteria, **consisting of full score, half score, and no score.** Thus, a company shall respond all indicators or provide as much information as possible.

The score will be received upon selecting the indicators and providing completely supporting documents. The total score of indicators will be calculated and processed through weighted method of each criteria categorized by industry group.

Industry Weighting				
		 Governance and Economic Dimension	 Environmental Dimension	 Social Dimension
	AGRO	35	30	35
	CONSUMP	35	30	35
	FINCIAL	45	20	35
	INDUS	30	35	35
	PROPCON	35	30	35
	RESOURC	30	35	35
	SERVICE	40	25	35
	TECH	40	25	35



## Responses to the sustainability assessment according to the following characteristics of business:

### A Listed Company

- Provide information about its **own** operations in responding to the sustainability assessment.
- **Do not** provide information about operations of its subsidiaries and/or affiliates, except:
  - Business activities that they have done together, or
  - Its subsidiary performs a particular task on behalf of the parent company.

### A Holding Company

- Provide **information about its own operations** in responding to the assessment in following topics, e.g. corporate governance, code of conduct and anti-corruption, materiality identification, risk management and crisis management, tax management, and stakeholder engagement, etc. Furthermore, **the public information of the holding company** about its own operations and its subsidiary operating a core business shall be used to answer questions that require information disclosure. Citing operations of the subsidiary alone in responding to the aforementioned questions will not receive a score.
- Provide **information about the operations of its subsidiary operating a core business** in responding to the assessment in following topics, e.g. customer relationship management, supply chain management, business innovation for society and/or environment, environmental management, resource efficiency, climate change management, human rights and fair labor practices, employee potential development, employee motivation and retention, occupational health and safety, community engagement, industry-specific questions.

Rationale and Best Practice:

# Governance and Economic Dimension





# Criteria Corporate Governance

## Rationale

A company should prioritize good governance to ensure for efficient and transparent management. Achieving this will generate trust among its shareholders and stakeholders, strengthen the organization, and promote sustainable growth.

## Best Practice

A company should have in place good governance practices at both the policy and implementation levels, and should publicly disclose its governance performance results. Its board of directors should determine policies and best practices that cover the following issues: board independence, conflicts of interest, the efficient execution of responsibilities by board members, and board performance assessments and remuneration. Finally, the board should put in place an assessment process for its leaders or top-level executives that follows a clearly defined assessment criteria and also factors in their performance in economic, social and/or environmental aspects.

## Criteria Structure

These questions will assess board structure, nomination process for board members and leaders, the establishment of sub-committees, and board performance. It will also assess the performance of the company's leaders or top executives, disclosure of the remuneration of board members, leaders, top executives, and employers as well as auditing fee that are related and unrelated to auditing purposes.



# Criteria

## Code of Conduct and Anti-Corruption

### Rationale

Compliance to a code of conduct is an important element of corporate governance as it leads to the reduction of business and governance risks. A company should therefore develop a code of conduct that covers the policies and measures relevant to its material sustainability issues, have in place a monitoring process to ensure adherence to the code of conduct, and organize code of conduct trainings for its personnel to inspire their knowledge, understanding, and effective implementation.

### Best Practice

A company should develop a code of conduct that covers the policies and measures relevant to its material sustainability and corporate governance issues. It should implement a monitoring process to oversee compliance to the code of conduct and ensure that its employees are regularly complying with the code. The aforementioned process should also consist of a channel for receiving complaints from both internal and external stakeholders, where they are able to report violations to the code of conduct or incidents of corruption. In addition, there should monitor the status of complaint management, measure for managing grievances, preventive measure from repetitive cases, and a process for reporting results to the board of directors or a responsible committee. Finally, a company demonstrate its role as a partner to the Anti-Corruption Network.

### Criteria Structure

These questions will assess the coverage policy and measure of the company's code of conduct and the comprehensiveness of how it is monitored, enforced and prevented from repetitive cases, including reporting and disclosure of code of conduct breaches, as well as the company's participation in and support of the Anti-Corruption Network.



# Criteria Materiality

## Rationale

A “**material issue**” refers to an economic, environmental, or social sustainability issue that is relevant to the organization and its stakeholders, which has the potential to impact business operations and value creation for the organization’s shareholders in the present and future. Assessing materiality and disclosing strategies for managing such issues will help an organization’s stakeholders to acknowledge that a management approach has been developed to help the organization maintain its competitiveness and ability to create value over the long term – and therefore promote business sustainability.

## Best Practice

A company should identify the material issues that can support its long-term value creation as well as address the United Nations’ Sustainable Development Goals (SDGs). During the materiality assessment process, it should provide opportunities for stakeholders to participate and propose material issues. Such materiality issues must be proposed to the board of directors, relevant committees, or top management to review and endorse, so that the issues can later serve as input for strategy and business plan.

After a company has successfully identified its material issues, it should determine relevant strategies, business plans, or develop products and services in response to those issues. It should identify clear targets and timeframes for implementation to ensure that there is an appropriate management process in place which will ultimately help the company to achieve business sustainability.

## Criteria Structure

These questions will assess the company’s materiality assessment process, its strategies and targets for material issue management, as well as disclosure of material issues.





# Criteria Risk and Crisis Management

## Rationale

Risk and crisis management is crucial for long-term planning, as it ensures that a company is ready to adapt to future change and able to foster confidence among its investors. Given this, a company should have in place a clear risk management policy and mitigation plan, as well as top-level person who is responsible for independently managing risks and supporting enterprise risk management.

## Best Practice

A company should formulate a policy related to enterprise risk management, and identify top responsible person for risk management and internal audit.

Furthermore, a company should include social and environmental issues in its risk assessment process and apply a systematic approach to risk management. This can be achieved, for instance, by establishing a risk tolerance level, assessing the opportunities and impacts of key risks, determining key risk indicators and appropriate risk management plans, and regularly monitoring and assessing risk management effectiveness. Risk management performance should also be reported to its board of directors. In addition, a company's risk assessment should cover "Emerging Risks," which are identified by analyzing the key trends and changes that could impact the company at the industry or enterprise level. These emerging risks should be highlighted and reported along with their respective mitigation plans. In addition, a company should have a process for crisis management covering critical risks and public health risks such as epidemics, Contagious diseases, etc. A company should work to promote a "risk culture" throughout the organization, and encourage continuous learning about risk and risk management among the board of directors, management, and employees.

## Criteria Structure

These questions will assess the company's risk governance policy and structure, risk management process, identification and management of emerging risks, crisis management, and risk culture promotion at all levels of the organization, including providing knowledge on risks to directors, management, and employees.



## Note:

**Emerging risk** means new risk that is identified and expected to have a long-term impact from 3 to 5 years on each industry. In some cases, this emerging risk may begin to affect today's business. However, emerging risks shall exclude existing risks.

The company may consider potential global risks as listed below for guidance on emerging risks assessment within the business operations.

### 10 years

1 <sup>st</sup>	Extreme weather events
2 <sup>nd</sup>	Biodiversity loss and ecosystem collapse
3 <sup>rd</sup>	Critical change to Earth systems
4 <sup>th</sup>	Natural resource shortages
5 <sup>th</sup>	Misinformation and disinformation
6 <sup>th</sup>	Adverse outcomes of AI technologies
7 <sup>th</sup>	Inequality
8 <sup>th</sup>	Societal polarization
9 <sup>th</sup>	Cyber espionage and warfare
10 <sup>th</sup>	Pollution

**Risk categories** | Economic | Environmental | Geopolitical | Societal | Technological

Source: World Economic Forum Global Risks Perception Survey 2024–2025.



# Criteria

## Customer Relationship Management

### Rationale

Good customer relationship management will foster customer or service user loyalty to the company's product or service, helping it to retain and expand its customer base over the long term.

### Best Practice

A company should set quantitative targets for improving customer satisfaction and arrange for a customer satisfaction survey, following which the information gathered should be used to develop and improve its products, services, or business processes in line with customers' expectation.

### Criteria Structure

These questions will assess the company's customer relationship management process, including target-setting, its customer satisfaction survey, and how the survey results are integrated into the development or improvement of its products and services or operational process.



# Criteria Supply Chain Management

## Rationale

A company's business operations must rely on raw materials, equipment, and the support of supplier services. Because of this, a company might run across reputational risks if its suppliers do not prioritize or comply with environment and safety requirements, or if they violate human rights principles. A company must therefore be aware of all of the risks across its value chain, as well as management covering both economic and social or environmental issues in order to lay out a procurement strategy for reducing costs, controlling product and service delivery times, and maintaining relations with its stakeholders.

## Best Practice

A company should have an efficient approach to supply chain management that includes a process for identifying which suppliers are important for company and clear criteria for setting group of Critical Tier 1 and Critical non-Tier 1 suppliers. In addition, having a supplier risk assessment process covering social and/or environmental risks. It should have a process for mitigating risks through a sustainable supply chain management approach, wherein social and/or environmental issues are integrated into the procurement policy, supplier code of conduct, and screening criteria for new suppliers. It should also have a regular supplier monitoring or ESG on-site audit for the suppliers who possess high ESG risks.

A company should be able to express its engage to its suppliers by disclosing the policy of determining payment term with suppliers, comparing the actual average payment term. In addition, a company might organize projects/plans to promote and develop suppliers' sustainability practices in parallel with the company – to foster mutual growth over the long term.

## Criteria Structure

These questions will assess the company's supplier risk management process, which includes its coverage of social and/or environment issues and sustainable supply chain management, as well as promotes awareness of sustainable business practices among its suppliers.



# Criteria Tax Strategy

## Rationale

The complete and accurate payment of taxes in countries where a company operates is a fundamental requirement and responsibility. Indeed, a company's tax practices is closely observed by all groups of stakeholders, and as a result has the potential to impact its reputation. Given this, a company should publicly disclose its tax policy and effective tax rate to demonstrate its transparency in tax practices.

## Best Practice

A company should develop a systematic tax plan by creating a tax policy that mandates compliance to all relevant laws in the countries where it operates, full tax payments within required timeframes, and a taxation structure that does not in any way facilitate tax evasion. Such measures will demonstrate that a company is a responsible member of society. Finally, the tax policy and amount of tax actually paid/effective tax rate should be disclosed to stakeholders.

In case a company has amount of tax actually paid/the effective tax rate lower than the legal corporate income tax rate. The reasons should be explained. For example, a company is entitled to tax exemption or receive tax breaks from the Board of Investment (BOI), etc.

Effective tax rate is the percentage of a company overall taxable income that pays in taxes.

$$\text{Effective Tax Rate} = \frac{(\text{the income tax expenses} \times 100)}{\text{Earning Before Tax}}$$

## Criteria Structure

These questions will assess the coverage and public disclosure of the company's tax policy and amount of tax actually paid/the effective tax rate (percentage) in comparison with the tax rate that the company has to pay under the law.



# Criteria Business Innovation for Society and/or Environment

**“Innovation”** refers to positive developments that increase efficiency, effectiveness, and added value for a company and its stakeholders over the short and long term. It can include product, service, or process innovations, new work processes, and the development or improvement of existing issues.

**“Business Innovation for Society and/or Environment”** refers to innovations that, aside from generating economic benefits for the business, can also create value for the society and/or environment.

## Rationale

Integrating sustainability issues into the development and improvement of innovations can enhance economic, social and/or environment benefits at the same time. This is one way in which companies can generate added value for itself and its stakeholders. It is also a contributing factor to the success of an organization, helping it to maintain competitiveness, stimulate development, create various markers of differentiation, and create value for society and/or the environment.

## Best Practice

A company should give priority to the development of business and social or environment innovations in order to create added value for itself, its stakeholders, society and the environment. It should do so by implementing mission or policies and methods that promote the development of business and social or environment innovations, where such innovations should also be evaluated in terms of their business and social/environmental quantitative impacts, and publicly disclose its business and social or environment innovations to allow external stakeholders to learn from and utilize.

## Criteria Structure

These questions will assess the development and improvement of innovations that benefit the economy, society and/or environment. It will also assess the measurement of the quantitative impacts of its innovations, and the communication to stakeholders.

### Issues to Watch

- Your company should provide reference to innovations that create value for both the business and society and/or environment. Innovations that create value only for the business will not be accepted as an answer.
- In measuring the impacts or results of innovations, the company should include product, service, or process innovations that are not older than 2 years, counting from when the product was first sold, the service was first provided, or when the process was first implemented.



# Criteria IT and Information Security

Questions for industry group:

**FINCIAL / SERVICES / TECH**

## Rationale

The Financial, Services and Technology business has continuously adopted more digital systems and information technology to conduct business over the past decade. These systems could significantly increase the efficiency of the organization, however, they also pose a greater risk on IT security and information security.

Such events could negatively affect the reputation and credibility of the organization as well as causing the financial risks. Financial risk could due to cost of security system installation required for prevention of the increased cybercrime, or compensate the damages from the case of lost or stolen sensitive information. In addition, the company may be affected by business continuity risks resulting from damage of the corporate information system or infrastructure. Besides, loss of income and loss of business opportunities due to loss of customer base could also be the consequently results accordingly. Therefore, the company should emphasize and set operational guidelines as well as assigning responsible personnel to ensure IT security for the corporate information systems and information privacy.

## Best Practice

The company should establish a guideline for the management of IT and information security by assigning the responsibility to a director or an executive or an management team or person who performs duty at the operational level for supervision or management of IT and information security, as well as policy focusing on IT security, protecting data privacy and data access control. Besides, the company should set a guideline for information security and information technology e.g. operating manual, information management system, the hierarchy of data access by users, the guideline for security protection of the information technology and Business Code of Conduct, which indicates details for security protection of data and information technology).

The company should establish a measure to assess the safety system and monitor relevant incidents. The efficient training on cyber safety and security for employees also should be provided.



For companies in Technology and Financial industries, they should have in place customer notifications measure regarding data retention and data protection that includes type of data collected, application of customer data, data consent management, retention period of customer data and data breach management plan.

## Criteria Structure

These questions will assess the management of data and information security by considering policy, responsible personnel, operational guidelines, and preventive measures and preparedness in case of an incident related to cyber security.





# Criteria Service Quality Management

Questions for industry group:

## SERVICES

### Rationale

The management process for delivering quality service is a fundamental factor for the company in the Services industry. Quality services management should prevent reputational risks of the company and maintain customers satisfaction with continued company services.

### Best Practice

The Company should establish a guideline for service quality management by determining policy on service quality management. The policy should demonstrate the commitment to meet the standard requirements related to the organization's main services such as ISO Standards. The quality management system shall be determined for consistent improvement. Besides, the company shall establish target, operational plan and details for quality control and operational efficiency improvement in line with the policy.

### Criteria Structure

These questions will assess policy on service quality management, target and procedure of service quality control.



# Criteria

## Product Quality Management

Questions for industry group:

**CONSUMP**

### Rationale

The management process for delivering quality and safe products is a fundamental factor for the company in the Consumer Products industry. Product with quality and safety should prevent reputational risks of the company and maintain customer satisfaction with continued company services.

### Best Practice

The Company should establish a guideline for quality management by determining policy on product quality management. The policy should demonstrate the commitment to meet the standard requirements related to the organization's key products (e.g. ISO Standards, Industrial Standards (TIS) or product specific standards). The quality management system shall be determined for consistent improvement. In addition, the company should set targets for quality control and process to control the product quality management. For the product recall process, the company should establish a policy that represents the intention to support and allocate sufficient resources for the product recall. The company shall determine recall procedure covering the key information, such as recall objective, responsible personnel for the operation or coordination in the product recall process and the process from the early stage to the final stage.

### Criteria Structure

This criterion aims to assess quality management and product recall. For quality management, it will assess the policy, and system for product quality management. For product recall, it will assess the policy, and product recall procedures.



# Criteria Responsible Marketing

Questions for industry group:

**CONSUMP**

## Rationale

Effective marketing could increase the company's ability to reach the target customer and consumer groups. Marketing also acts as a communication and advertising channel of the product benefits according to the company's marketing communication strategy. Therefore, responsible marketing is important, as the consumers are able to acknowledge the basic information and precautions in the product utilization. Such information is important for the decision-making process of the products that meet the needs, tastes, personal necessity, and the well-being of consumers.

## Best Practice

The company should establish responsible marketing guideline by setting the policy or the guideline covering key issues (e.g. marketing in conformity with the regulations and the consumer rights, responsible product labeling with necessary details, appropriate marketing towards the children and youth, marketing through digital channels).

## Criteria Structure

This criterion aims to assess the policy or guideline announced through public channels regarding responsible marketing, and activity demonstrating the responsible marketing practices towards consumers.

Rationale and Best Practice:

# Environmental Dimension





# Criteria Environmental Management

## Rationale

An environmental management system enables an organization to develop plans and record environmental performance in a well-organized manner. A company that has a good environmental management system in place will have the higher tendency of improving its environmental performance, reducing costs, and decreasing the financial risks associated with environmental regulation violations.

## Best Practice

A company should develop an environmental management and governance policy that covers key operational issues and supports its environmental requirements. The policy should also include controls for the environmental impacts of its business activities, concerning issues such as pollution, waste, and resource consumption.

The company should clearly designate a responsible owner for managing and overseeing environmental operations, including identify the relevant environmental management processes within the organization. This can be achieved by making environmental performance one of the company's targets or key performance indicators. In addition, a company should encourage its employees to take part in environmental management within the organization.

Company should also disclose the quantitative benefits that it receives from the products, services, or processes that improve environmental quality.

## Criteria Structure

These questions will assess the coverage of the company's environmental policy, its identification of a responsible owner for environmental management, environmental targets, and how it promotes employee engagement on environmental management within the organization.



# Criteria

## Operational

## Eco-efficiency

### Rationale

The efficient management and consumption of resources is a baseline for reducing the risk of shortages of limited natural resources. It is therefore imperative that businesses in all industry sectors prioritize maximizing resource use efficiency, and consider approaches for reducing resource use and unnecessary waste creation.

### Best Practice

A company should have in place a process for monitoring resource use in its operations, including its electricity/energy consumption, water consumption, waste reduction from business processes, as well as the reduction of waste and other related pollutants. An efficient resource management approach would include the setting of an intensity target – per production unit, revenue, or person – as it is a more accurate reflection of resource efficiency. Moreover, a company should operate to promote efficient resource use as a way to improve performance and tangibly meet its targets. Finally, results should be monitored and disclosed on a regular basis.

### Criteria Structure

These questions will assess the company's electricity/energy, water and waste reduction. It will assess its environmental targets, its operations aimed at various types of resource and waste management efficiency. This includes measuring and disclosing the results of electricity/energy consumption, waste and the use of water.

#### Questions for industry group:

#### **INDUS / PROPCON / RESOURC**

Regarding the nature of the business that may cause environmental effects from hazardous waste and emit air pollution from business activities such as SO<sub>x</sub>, NO<sub>x</sub>, PM, VOC, Gypsum etc., company should therefore set quantitative target for reducing hazardous waste and air pollution emission, including consideration of a project to support the efficiency of operations for managing such hazardous waste and air pollution. Lastly, results should be monitored and disclosed on a regular basis.



## Essential Information

### Definitions: Types of Waste

- **A hazardous waste** is a waste or an unusable material having hazardous constituents, or being contaminated with hazardous substances, or having hazardous characteristics as prescribed by the Notification of Ministry of Industry regarding Industrial Waste Disposal B.E. 2548 (2005). Some examples of hazardous wastes include light bulbs, electronic wastes, solvents, batteries, pesticides, toner cartridge, expired medicine, etc.
- **A non-hazardous waste** is an unusable waste that can be generated from business operations associated with continuous and intermittent production processes of goods, office building, and cannot be recycled as prescribed by the Notification of Ministry of Industry regarding Industrial Waste Disposal B.E. 2548 (2005). Some non-hazardous wastes are general wastes, organic wastes, recyclable wastes that are not contaminated with hazardous substances, etc.

### References

- Announcement by the Ministry of Industry on Sewage and Unused Objects Elimination Rules B.E. 2548.
- Pollution Control Department

**The management of disposed waste** can be implemented by considering Mitigation Hierarchy measures, including avoid, minimize, re-use, recycling. Good practice can be started from the determination to have a waste separation project in order to know the amount of different types of waste and then to be managed to reduce and eliminate waste appropriately.



# Criteria Climate Strategy

## Rationale

Climate change impacts business operations across all industry sectors to varying degrees, and such impacts could potentially lead to business continuity risks. A company should therefore formulate a strategy for managing climate change in order to reduce the impacts of potential risks on the organization, and engage in reducing greenhouse gas emissions from its operations.

## Best Practice

Since climate change is one of the major ESG risks, a company should disclose roles and responsibilities of the board of directors and senior management with regard to climate change. A company should be prepared to manage the potential impacts of greenhouse gas emissions and contribute to its reduction – therefore reducing the cause of global warming. It should begin by assessing climate change risks using climate processes or a scenario analysis, and applying relevant tools to identify the impacts of such risks to the company, including having a risk mitigation plan related to climate change.

It should further engage in reducing greenhouse gas emissions by setting quantitative emissions targets, having projects to reduce greenhouse gas emissions in line with the company's main business, monitoring performance, and disclosing greenhouse gas emissions.

## Criteria Structure

These questions will assess the company's global warming mitigation plan and climate change risk management process, starting from its climate governance, risk assessment and risk management plans to its target and performance, including disclosure of greenhouse gas emissions data.





## Essential Information

### Examples of climate-related risks

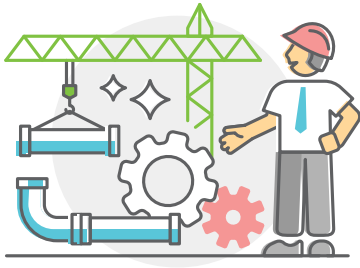
- **Strategic risks** e.g. business strategy and operations disrupted by climate change.
- **Operational risks** e.g. the company's assets or operations affected by droughts or floods.
- **Financial risks** e.g. lower revenue or higher costs of business adaptation related to climate change.
- **Regulatory risks** e.g. changes in government policies in response to climate change may affect business operations.

### Definitions: Scopes of Greenhouse Gas Emissions

- **Scope 1 emissions** are greenhouse gas emissions that are directly emitted by the company from electricity production, heat or steam generation. It also includes emissions from company's manufacturing processes, process leakages, and fuel combustion from its logistics fleet.
- **Scope 2 emissions** are greenhouse gas emissions that are indirectly emitted by the company from electricity use.
- **Scope 3 emissions** refer to other types of indirect greenhouse gas emissions, such as from business activities carried out between an organization and external parties. Examples include the outsourcing of manufacturing and services; waste and packaging waste treatment for a company; logistics operations by external fleets, such as the transport of raw materials from manufacturers, employee travel for business-related purposes, and greenhouse gas emissions from leased assets or franchises, etc. Given this, Scope 3 emissions are not included in the setting of reduction targets as they fall outside of a company's operational control.

(For more information on greenhouse gas emissions reporting, please refer to:

<http://www.tgo.or.th/> and <http://ghgprotocol.org>)



# Criteria Building Materials Quality

Questions for industry group:

**PROPCON**

## Rationale

Companies in the Real Estate and Construction industry are fundamental to public utility system, transportation system, building and large-scale construction. Such projects require a large amount of materials and resources for the construction and development, including the construction process that can play a part in reducing the environmental impact. Therefore, the company shall establish and manage the product procurement process by thoroughly considering the quality of the building materials used in the construction and environmentally friendly in the construction process in order to control its impact on the environment and society.

## Best Practice

The company shall establish a policy and framework to support the construction and eco-friendly building management such as green building design and construction, manufacturing or using energy efficient materials, prohibiting the use/production of building materials contained Asbestos or hazardous chemicals, utilize the building materials undergone the Life Cycle Assessment (LCA) etc.

In addition, the company shall establish an operational guideline for the internal use or the contractors to reduce waste from the construction or building material manufacturing process, and to encourage recycling or reproducing. The policy and waste management plan shall also be incorporated in the construction design or building material manufacturing, waste reduction target, efficient waste management training for the employees and contractors, or buy / sell / trade the building materials as recycled products.

## Criteria Structure

This criterion aims to assess quality of building material by considering the policy and operational framework that support the eco-friendly construction and building management, reducing the waste from the construction process and building material manufacturing.



### Essential Information

- Construction and demolition waste from buildings) are waste generated during the construction and left after the construction process completed.
- Recycling unused materials and parts support the circular economy that aims to manage waste from manufacturing process through the process of re-material or reuse. If the company is able to reuse the materials in the manufacturing process of the company, or reuse as raw material for other company, it is considered as provision of support in for circular economy.



# Criteria

## Product Responsibility

Questions for industry group:

**CONSUMP / INDUS / TECH**

### Rationale

Managing the environmental impact of the product is one of the important issues. Due to the current global trend, both climate change and population growth, the number of natural resources required for manufacturing process of consumer products is mandate to be utilized effectively. The efficient use of resources will prevent the risks on business continuity and comply with environmental regulation. Moreover, such practice will demonstrate the company's ability in market opportunities creation and reduce marketing risks at the product level. Additionally, the company shall integrate a sustainable guideline for new product development by setting an effective strategy and managing resource consumption to minimize environmental impacts.

### Best Practice

The company should establish operational guidelines for product development by clearly setting the environmental policy for products development i.e. reducing non-renewable resource consumption, reducing air and water pollution, reducing waste, reducing hazardous chemicals, reducing the energy and resources in product usage, increasing product life span, recycling the expired products to the manufacturing process and biodegradation etc. In addition, the company should set up an initiative to support the reuse of raw materials, materials, parts or packaging to support the circular economy, by focusing on waste management from manufacturing and consumption with re-material and reuse methods.

### Criteria Structure

These questions will assess the process of implementing environmental issues in product development and renewable resource consumption.



# Criteria

## Responsible Sourcing

Questions for industry group:

**AGRO**

### Rationale

Companies in the agro and food industry group heavily rely on a large amount of agricultural raw materials. Therefore, companies should consider sourcing method for quality raw materials, which would not have environmental and social impacts. This should part of a guideline for sustainable business operation principles. Consequently, responsible raw material sourcing can reduce risks, and further reflects responsible raw material sourcing practices of the organization.

### Best Practice

The company should set forth a framework for responsible raw material sourcing by establishing policy, which addresses key issues. Issues comprise approach to reduce chemical and pesticide, operational approach to improve sustainable agriculture, approach to protect the biodiversity, approach for appropriate use of water resource, approach for raw material sourcing from the manufacturer without legal non-conformity, operational approach in respect to the human rights and significant risks (such as anti-child labor, anti-forced labor and legal alien workforce). In addition, the company shall establish traceability process.

### Criteria Structure

These questions will assess responsible raw material procurement practices by focusing on the establishment of policy on responsible procurement and process for raw material traceability.



## Criteria Water Related Risk

Questions for industry group:

**AGRO**

### Rationale

**Water** is a fundamental component for the business. Sourcing of sufficient freshwater with desirable quality for the business operations, amidst the impact of climate change, is considered essential for the company. Therefore, the company should establish a guideline to meet the demand for water consumption and minimize the impact upon the stakeholders, who share the same water source, especially for the surrounding community in the water scarced area.

### Best Practice

The company should establish a guideline to manage water related risks by establishing policy and water management plan at the organizational level. As well, a systematically monitoring of the water quantity at the local level should be achieved. The scenario analysis should be conducted and analyze the operational impact, potentially caused by the change in quantity or quality of the water. Besides, the company should assess the risks and determine the frequency of risk assessment associated with the water consumption on significant issues i.e. changes of quantity or quality of water, change of regulations, water conflict with the stakeholders, water pricing etc. The results of the water risk assessment should be used to determine the water management initiatives/ plan to reduce the organizational risk or risk at the establishment level.

### Criteria Structure

These questions will assess the processes that the company uses to manage water related risks, risk assessment intervals, identification important water risk assessments at the enterprise level, and implementation of risk assessment results.

#### Issues to Watch

- If the company outsources an external organization for internal water management, the company should provide the current strategy and guideline in water management implemented by the external organization
- If the company uses the water from the public water supply, the company should establish a guideline in case the public water supply service is suspended.



## Criteria Biodiversity

Questions for industry group:  
**PROPCON / RESOURC**

### Rationale

Corporate business activities in the Resources and Real Estate and Construction industries require natural resources for the key raw material manufacturing. Large-scale construction sometimes requires deforestation for construction areas, which may pose significant impacts to the eco-system. Therefore, such activity must be appropriately managed to lessen the risks of the regulatory violation, which could affect the renewal of business licenses and reputation of the company.

### Best Practice

The company shall disclose the biodiversity or environmental policy covering the ecological restoration, eco-system protection, and monitoring the benefits and values of the eco-system. Moreover, the company should promote protection or restoration of the natural resources or eco-system by integrating the mitigation hierarchy measure such as avoid, minimize, restore & offset.

### Criteria Structure

This criterion aims to assess biodiversity management by considering biodiversity policy and ecological restoration or protection activities relating to impact from business operation.

Rationale and Best Practice:

# Social Dimension







# Criteria

## Human Rights and Fair Labor Practices

### Rationale

Currently, the world community is expecting business to take into account human rights issues and to have ways to reduce the impact of business that may affect the well-being and rights of various groups of stakeholders.

Comprehensive human rights policy, fair employee and labor practices, having a process to support the well-being of employee and regular monitoring and compliance with human rights policy are considered as part of meeting the expectations of its stakeholders and also shows the responsibility of the company as a part of society. This is an important driving force for business development for sustainability and in line with human rights principles.

### Best Practice

A company should formulate a human rights policy that covers employee and its stakeholders as well as treating employee/labor in accordance with such policy i.e. employment of disabled, opportunities for employees to enter into collective bargaining to welfare and agreement that affect employee.

A company should establish and disclose a human rights due diligence process that takes into account human rights risks arise both within the organization and in the supply chain, including guidelines for risk management related to human rights to prevent or mitigate impacts as well as having remediation process when a company's operations cause human rights abuses. Moreover, a company should disclose the human rights risks and the management process on these issues to its stakeholders.

### Criteria Structure

These questions will assess the company's human rights policy, fair labor practices based on human rights principles as well as expanding the scope of human right coverage to the value chain, including the completeness of Human Rights Due Diligence process.



# Criteria Human Capital Development

## Rationale

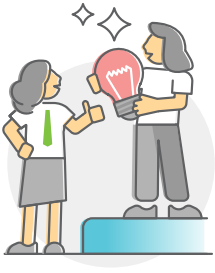
Talented employees are vital to the success of a company's business strategies and to the increase in its opportunity for developing products and business innovations. Human capital development is also another means by which a company can attract individuals to engage in mutual development alongside the organization.

## Best Practice

A company should determine a systematic approach to human capital development by first conducting a training needs assessment based on employees' roles and responsibilities or employee performance evaluations. It should then identify a direction for human capital development by setting systematic targets for knowledge promotion projects, which will enable the effective monitoring of training results. In addition, it should record statistics of the average training hours of employees per year and measure the benefits that employees and the company receive from employee development projects in order to evaluate the success of projects against their objectives.

## Criteria Structure

These questions will assess the company's processes for employee development and career promotion and advancement; how it analyses training needs and sets training targets, develops projects, statistics of the average training hours of employees per year, and measures the benefits received from trainings.



# Criteria

## Talent Attraction and Retention

### Rationale

A company that is able to attract and retain talented employees will be able to maintain its competitive advantage and has the greater opportunity to achieve its business strategies. An approach for employee attraction and retention will include a framework for determining employee benefits and remuneration over the short and long term, and is based on the performances of employees at all levels in the organization.

### Best Practice

A company should determine an approach for employee attraction and retention by first assessing the performance of all of its employees using clearly defined assessment criteria. The assessment should refer to the employees' achievements, following which the results should be used to determine an employee's remuneration level and for developing performance improvement projects.

Meanwhile, a company can monitor employee engagement by setting quantitative targets and monitoring the results of employee satisfaction and/or engagement, which can then be analyzed and used for developing projects for improving employee satisfaction and management. It should also report on the aforementioned results to employees, and disclose its turnover rate to demonstrate its ongoing commitment to improving and enhancing employee management.

### Criteria Structure

This question will assess the company's employee performance evaluation process and how the results of the evaluation are used to determine employee remuneration and training projects. It will also assess how the company evaluates employee satisfaction and/or engagement to develop projects, how it communicates such results to employees across the organization, and finally, the disclosure of its turnover rate.



# Criteria Occupational Health and Safety

## Rationale

Occupational health and safety at the workplace is an issue that companies must prioritize. Failure to do so could lead to significant impacts to the organization in terms of financial risk, which could ensue from decreased production due to missed work days, or reputational risks, caused by fatal accidents that occur due to unsafe working conditions. On the other hand, a company that manages occupational health and safety well will be able to guarantee a highly productive work environment for its employees, and this in turn will contribute to their increased engagement with the organization.

## Best Practice

A company should manage the employees' health and safety in their work environments, consider the occupational health and safety risk of employees and contractors that may occur in the operation process as well as specify preventive measures and reduce risks arising in the operating process. (The contractor here refers to the direct contractor of the company or a subcontractor working in the company's workplace.)

The company should disclose Lost Time Injury Rate (LTIR) or Lost Time Injury Frequency Rate (LTIFR) or Absentee Rate (AR), including fatality of employee and contractor. This is to investigate the cause of the incident and establish knowledge programs as well as training to raise awareness and be able to cope with the risks from the work environment.

## Criteria Structure

### Questions for industry group:

### FINCIAL / TECH

These questions assess the target of improving occupational health and safety related to employees, including implementing projects to support employees good health and well-being both providing knowledge or raising awareness on health and safety, implementation, including measurement and assessment.



### Questions for industry group:

## AGRO / CONSUMP / INDUS / PROPCON / RESOURC / SERVICES

These questions assess health and safety risks management to prevent and reduce in the work environment arising in the operation process of employee and contractor. Including the recording of statistics of fatality of employees and contractor.

For the Industrial and Resources groups, which cause risks during the manufacturing process and pose high environmental and safety impacts in case of an accident, the company should assess the records of the incident regarding the process safety.

### Essential Information

#### Definitions: Safety Statistics\*

- **Lost Time Injury** refers to injuries that lead to at least 1 missed day of work (counting from the day on which the accident occurred).
- **Lost Time Injury Rate (LTIR)/Lost Time Injury Frequency Rate (LTIFR)\*** can be calculated by using the following formula:

$$\frac{\text{Number (cases) of injuries (during the reporting period)} \times 2,000,000 \text{ or } 1,000,000 \text{ hours worked}}{\text{Number of hours worked (during the reporting period)}}$$

- **Absentee Rate** can be calculated by using the following formula:

$$\frac{\text{number of absent days} \times 100}{\text{number of total working day}}$$

- **Ergonomics** refers to the change of working conditions in a way that is appropriate to the worker, or the systematic improvement or change in working conditions to ensure that work is done correctly and quickly, reduces errors, improves safety, and reduces stress and fatigue.

Note: \* Questions on lost time injury frequency rate and ergonomics are only applicable to certain industry group questionnaires.



# Criteria Community Engagement

## Questions for industry group:

**AGRO / CONSUMP / INDUS / PROPCON / RESOURC / SERVICES**

## Rationale

Communities and civil societies today have widely awakened to the impacts of business operations and are able to access and disseminate information relating to such operations much more rapidly than ever before. Because of this, companies must control for the risk of reputational damage and ensure smooth business operations through positive engagements with local communities or the public sector.

## Best Practice

A company should demonstrate its engagement with relevant communities and society by assessing their concerns regarding its operations, and subsequently laying out an approach for mitigating its impacts on communities and the wider society. It should strive to engage in community development, or sustainably address social problems through its business processes, by first analyzing a community/society's problems or needs, the benefits that a community/society and the company should receive from such development efforts, and then integrating the results of the analysis into a joint community engagement or problem-solving strategy. This will ensure that there is a clear and sustainable development direction. Moreover, such an approach should include performance and benefits monitoring to assess whether or not it adheres to the strategy, plus a calculation of the quantitative benefits received by the business in terms of quantity/value/economic returns (for example revenue, profits, cost or risk reduction), and output or outcome of social returns received by the community/society.

## Criteria Structure

This question will assess how the company evaluates the negative impacts of its activities or projects on communities and societies, including the process of monitoring to reduce the impact on the community and society, and how it engages in community development or sustainable problem-solving through businesses processes. It will consider starting from problem analysis, expected results, and the company's strategy, benefits received by society, and how it monitors progress according to strategy.

## Issues to Watch

- The above criteria should be answered by referring to information relating to business processes. Answers related to "CSR after process," such as donations, outreach or volunteer activities by employees that are unrelated to business processes will not be accepted.
- Benefits from community development or social problem-solving that are related to corporate image, reputation, or social acceptance/license to operate will not be accepted.



# Criteria Stakeholder Engagement

## Rationale

A company must have a process for engaging with the stakeholders that it expects would be impacted by its business operations, or alternatively, would impact its ability to operate. This will help the company to recognize the expectations of key stakeholders as part of its decision-making on business activities. Moreover, it is an opportunity for the company to identify a strategic direction that responds to stakeholders' expectations as well as creates long-term value for all stakeholder groups.

## Best Practice

Creating a stakeholder engagement process that includes all stakeholder groups would consist of: activities/projects that promote engagement and thereby enable the identification and prioritization of stakeholder issues, and collaborations with stakeholders to create mutual benefits. At the end of this, a company's stakeholder engagement activities should be reported to its board of directors.

Additionally, the company should implement essential measures to improve stakeholder engagement within the organization in order to foster business sustainability. In this process, the board of directors will supervise the establishment of policies and business strategies, while the CEO will be accountable for implementing policies and monitoring the overall company performance.

## Criteria Structure

Questions in this area will primarily address the stakeholder identification, materiality assessment, efforts to enhance stakeholder engagement and the roles of the board of directors and CEO in advancing sustainability initiatives.



# Criteria Digital Inclusion

## Questions for industry group:

### TECH

## Rationale

The company who enhance the stakeholders' business or daily life activities through a digital system could positively receive an impact in term of customer base expansion to all users in the society. Such actions also support the accessibility of the customers, service users, and the society to the information, news, knowledge and research that are currently kept in a digital form. As a result, sustainability towards the society could be created. Capacity of the society could also be improved through digital inclusion that is an advantage of the business, reflecting the commitment to the societal development of the company other than the sake of business activities.

## Best Practice

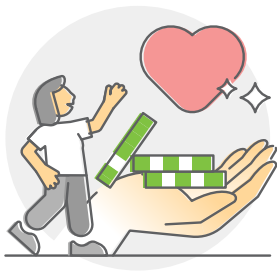
A company should check the impact of operations on a regular basis as well as use its potential and expertise to participate in community development by announcing the commitment and establishing an operational plan to ensure digital inclusion in the society. The company should set the guideline of the launch social value-added products and services by providing accessible channels for the information technology for communication such as products or initiatives for the low-income group or residing in the distant areas from the network system. The products could also equip the assistive technology designated for the disabilities such as vision and body assistive devices, or voice command devices. Besides, the provision of accessible services channels for the disabilities, or provision of knowledge on using technology properly and safe for the society should also be considered.

In addition, the company must be able to identify the quantitative benefits to society and the Company's economic return from the products / services or activities that support access to information technology for communication.

## Criteria Structure

These questions will assess the examination of operational impacts, including policy and guidelines in increasing digital inclusion opportunity and the provision of social value-added products and services for the stakeholders to access to the information technology for communication. Additionally, measurement of social and business outcomes should also be assessed.





# Criteria

## Responsible Finance and Insurance

Questions for industry group:

**FINCIAL**

### Rationale

Commercial banks, financial institution and insurance institutions are currently facing increased pressure and expectations from the stakeholders, regarding credits or insurance support for customers who conduct inappropriate business. Such business is relevant to the risks of violating environmental regulations or human rights. In addition, the support of such businesses could pose a significant negative impact on the organizational reputation as well as financial risk arisen from an inability of the customer to repay the principal or interest on schedule. This situation may be caused by the fact that the project's loan request was not properly considered prior to loan approval.

### Best Practice

**Financial institutes** should establish and disclose responsible lending and investment policy as well as risk assessment process. The process shall consider environmental, social and corporate governance (ESG) issues, and establishment of a measure for anti-fraud and anti-corruption, which are industry-wide risks.

**Insurance institutes** should establish and disclose insurance policy in accordance with the Principles for Sustainable Insurance (PSI), covering the environmental, social and corporate governance (ESG) aspects in product launching. Additionally, the insurance institute shall collaborate with the stakeholders to ensure the awareness and transparency in the responsibility towards the sustainable insurance to the public.

Good practices for responsible finance and insurance also cover consideration the environmental, social and corporate governance aspects (ESG) in products or services development as well as investment decision such as credit approval or mortgage which supports the ESG, providing advice or counsel on ESG related issues for the loan applicant and insurance customer, and securities investment which incorporates the ESG issues.

### Criteria Structure

These questions assess the responsible lending, responsible investment, responsible insurance policy and disclosure. Additionally, the product and service development considering ESG issues shall be assessed.



## Criteria Financial Inclusion

Questions for industry group:

**FINCIAL**

### Rationale

Increasing accessibility for the stakeholders to the financial and insurance services could create a positive impact on the company in term of customer base expansion. Accordingly, the company could support the customers, users and the society for personal financial management efficiency, which could enhance the long-term economic strength and reflect the commitment of the company in developing the society other than the business activity.

### Best Practice

The company should announce the financial inclusion commitment and operational plan for the financial and insurance services. It should set an approach for provision of social value-added products or services. This may comprise financial and insurance knowledge sharing for the small business or underprivileged groups; provision the access to the financial/ insurance services for the low-income groups; provision of the access to the financial and insurance services for the disabilities; financial and insurance knowledge sharing for the low-income groups; provision of designated channels for the product and service expansion to the geographically underserved groups; provision of the additional service channels for transaction of the underprivileged groups; or establishment of an insurance program for specific groups, such as agriculture insurance or disability insurance for the workers.

In addition, the company must be able to identify the quantitative benefits to society and the Company's economic return from the products or services that create added social value.

### Criteria Structure

These questions will assess the financial inclusion practices for the financial and insurance services by considering the company's commitment, including product and service procurement create social values in order to enable the stakeholder's accessibility to the financial services. In addition, the measurement outcome of society and business as well as the monitoring on the results of products or services that create added social value should be assessed.



## 8 Selection for SET Awards in Sustainability Excellence

SET Awards in Sustainability Excellence are divided into two categories: the Sustainability Awards and the Supply Chain Management Awards.

### • Sustainability Awards

The Sustainability Awards are presented to listed companies that have outstanding sustainable business practices in accordance with good corporate governance, greater accountability to relevant stakeholders while balancing profitable growth with positive impacts on society and the environment. The award winners are considered as a role model for other listed companies and organizations in embracing sustainability.

The categories of the Sustainability Awards comprise three awards as outlined below:

- 1 Best Sustainability Awards
- 2 Highly Commended Sustainability Awards
- 3 Commended Sustainability Awards

A listed company that has received the Best Sustainability Awards for two consecutive years and continues to merit this recognition in the third year will be honored with the Sustainability Awards of Honor.

### Selection Criteria for Sustainability Awards

- Listed companies on the SET ESG Ratings list with a minimum qualifying score in sustainability assessment (based on market capitalization categorization) will be selected for an interview with the Sustainability Awards Committee to discuss their sustainable business practices.
- The Sustainability Awards Committee will select the award winners based on their sustainability assessment and interview scores.



## • Supply Chain Management Awards

The Supply Chain Management Awards recognize listed companies that demonstrate and exemplify excellence in supply chain management, achieving tangible benefits for both the company and its suppliers to sustainably enhance their competitiveness.

The Supply Chain Management Awards comprise three award categories as outlined below:

- 1 Best Supply Chain Management Awards
- 2 Highly Commended Supply Chain Management Awards
- 3 Commended Supply Chain Management Awards

A listed company that has received the Best Supply Chain Management Awards for two consecutive years and continues to merit this recognition in the third year will be honored with the Supply Chain Management Awards of Honor.

### Selection Criteria for Supply Chain Management Awards

- Listed companies on the SET ESG Ratings list with a minimum qualifying score in the supply chain management dimension and the sustainable supply chain management assessment will be selected for an interview with the Sustainability Awards Committee to discuss their supply chain management practices jointly implemented with their suppliers.
- The Supply Chain Management Awards Committee will select the award winners based on their supply chain management assessment scores and additional information gathered during the interview.

Award candidates eligible for interviews for either the Sustainability Awards or the Supply Chain Management Awards may select their preferred interview schedule within the time period specified by SET and will be notified of the presentation topics in advance of their interviews.

For more information about the SET Awards, please visit <https://www.set.or.th/setawards>



## 8.1 Guide on Supply Chain Management Assessment for Listed Companies

- Check the box  (if any) to apply the X mark  to a statement that appropriately reflects the company's practice / performance.
- Input your responses in the provided blank space, or dotted lines, or tables, using the Thai language.
- Ensure that your responses do not exceed the specified length limits (if any).
- Use the Browallia New font, size 14, with single line spacing throughout the document.
- Do not alter the assessment format or questions as such alteration may cause data processing errors.

## 8.2 Guide on Attachment of Supporting Documents for the Supply Chain Management Assessment for Listed Companies

- For questions with an indication that supporting documents are mandatory, failure to attach supporting documents will render that section ineligible for scoring.
- For questions without an indication that supporting documents is mandatory, attachment of supporting documents is optional.
- Include the file names of attachments in the dotted line section at the end of question.
- Supporting documents for each question must not exceed the specified attachment limits.
- Submit only relevant documents that contain clearly outlined and sufficient details. Important information should be underlined or highlighted for better visibility. All submitted documents must be pre-existing materials, not newly created for the assessment.
- The attached documents must be in PDF format, with one document per file. Relevant details, including numbers and titles of documents, and location of cited passages, such as page numbers, heading numbers, and paragraph numbers, should be clearly indicated. Example: Attachment No. 1: Sustainability Report (under the topic "Critical Supplier Selection Criteria" on Page 28, subheading 2, paragraph 2.)
- When citing specific sections of a document, include only essential components. The submission of the entire document or non-relevant section is unnecessary.
- Confidential information could be redacted to reveal only information relevant to the questions.
- Avoid referencing the same set of information or identical information from multiple sources, such as 56-1 One Reports, sustainability reports, or websites. Please choose only one source as a reference.
- Where a single document provides evidence for multiple sections, please reference it consistently throughout and avoid providing duplicate attachments.



## 8.3 Supply Chain Management Assessment Form for Listed Companies

The Supply Chain Management Assessment Form is only one for all. **The listed company must submit only one supply chain management assessment featuring a single project / initiative that is not a business-as-usual (BAU) operations without significant changes or common industry practices. In addition, such project / initiative must demonstrate collaboration with suppliers functioning as partners or co-developers, rather than unilateral execution by either party.**

SET reserves the right to evaluate only submissions that fully satisfy all eligibility criteria. Project / initiative failing to meet these criteria will neither be rated nor receive feedback reports. However, an assessment guideline will be provided to support their preparation for a subsequent annual award submission.

The assessment form consists of **three sections** totaling 100 points as follows:

- Section 1: Project information – 4 questions (No score)
- Section 2: Collaboration with suppliers – 3 questions (20 points)
- Section 3: KPIs, targets and results – 3 questions (80 points)

### Section 1: Project Information

#### Rationale

Efficient supply chain management is instrumental in driving business success amid challenges. A critical success factor is the shared vision of problems and opportunities between a company and its supplier which culminates in the enhancement of competitive capabilities of both parties through the supply chain management processes. Therefore, submitted supply chain management that must not be a business-as-usual (BAU) operations without significant changes or common industry practices. Rather, they must represent novel approaches and be driven by well-defined purposes, underscoring the role of supply chain management process as an essential tool for the company and its suppliers to achieve mutual success. The submitted project / initiative may be implemented at any levels, which can be either at the department / division / group level or the corporate level, and should meaningfully contribute to the successful execution of business strategy.



## Outline of Assessment Questions

The questions in Section 1 address an overview of project, including its name, objectives and background, details of the implementation process, relevance to stakeholders, and the roles and responsibilities of the top executives responsible for and involved in the project / initiative. This information provides the basis for determining whether the submitted project / initiative must not be business-as-usual (BAU) operations. Project / initiative classified as BAU will be disqualified from consideration.

## Guidelines for Answering Assessment Questions

- Submitted project / initiative must be implemented and deliver results in 2024. However, they may commence before 2024 and/or conclude after 2024.
- Submitted project / initiative must involve significant improvement or enhancement of existing processes, rather than the implementation of common or widely-adopted practices. Examples of project / initiative that do not qualify include: establishing supplier codes of conduct, conducting on-site ESG audits, providing training for suppliers on codes of conduct, or implementing ESG data compilation requirements for suppliers.
- Project / initiative names should clearly indicate the distinctive elements of the project / initiative. For example, “Corrugated Cardboard Packaging Design for Large-Sized Electrical Appliances Project” is preferable to a generalized name like “Packaging Design Project” which lacks descriptive details.
- Project / initiative objectives should articulate how supply chain management functions as a tool for strengthening the company’s competitiveness. These stated objectives may address pain points or create added value for the company as illustrated in the below examples.
  - >> Addressing pain points experienced by the company and stakeholders: To increase revenue, sales, or profits, to reduce expenses or costs, to minimize resource consumption, to enhance competitiveness, to improve production efficiency, to manage organizational risks, to respond to business challenges, etc.
  - >> Creating added value for the company and stakeholders: To expand market reach for products / services, to enhance brand reputation or product / service positioning, to develop new product / service or create new business, etc.
- Specify the highest-ranking executive responsible for the project, excluding the CEO and excluding any task force / committee / working group appointed in a similar manner.
- Examples of project / initiative earning the Supply Chain Management Awards in 2024 are available for reference at [link](#).



## Section 2: Collaboration with suppliers

### Rationale

Successful supply chain management that generates mutual benefits for both the company and its suppliers should be built upon authentic collaboration between both parties as partners or co-developers, rather than unilateral execution. This collaborative approach could drive enhanced performance, strengthens competitiveness, expands business opportunities, and fosters long-term growth potentials.

### Outline of Assessment Questions

The questions in Section 2 examine supplier engagement across multiple dimensions: identification of suppliers engaged in the project, the types of suppliers, the relationship between the suppliers and the company, supplier buy-in strategy, and comprehensive collaborative action plans spanning the entire project life cycle. This information provides the basis for determining whether roles, responsibilities, and relationship between the suppliers and the company constitute collaboration as partners or co-developers, rather than unilateral execution. The lack of collaborative relationship as partners or co-developers will render the project / initiative ineligible for the award consideration.

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- Examples of supplier buy-in strategies include: offering high premium, proposing win-win scenarios, offering assistance and support to the suppliers to ensure the project success, articulating specific benefits for the suppliers from this collaboration, and showcasing opportunities for market expansion, sales growth, business acceleration or innovation development.
- Action plans must comprehensively detail all activities / steps throughout the project's life cycle (including activities / steps that started before 2024 and after 2024). Expected results should be stated along with responsible parties (the company, suppliers, or both) for each activity / step.
- When specifying roles and responsibilities of the company and suppliers collaborating as partners or co-developers, the collaborative relationship should be demonstrated through activities such as joint planning and problem-solving, mutual exchange of opinions or suggestions, establishment or improvement of operational processes, and co-creation of innovations. This does not include typical supplier functions, such as product designing / manufacturing and service delivery according to requirements or specifications, or fulfilment of contractual obligations such as meeting delivery schedule, compliance with regulations / criteria / requirements, participation in assessments, or attendance in training programs and seminars.





## Section 3: KPI, Targets and Results

### Rationale

Supply chain management should have clearly defined objectives and measurable results. KPI setting, target setting, and result measurement are essential processes that enable both the company and its suppliers to understand their shared goals, foster good cooperation and effectively evaluate success. Supply chain management should have clearly defined objectives and measurable results.


### Outline of Assessment Questions


The questions in Section 3 address the project implementation level, which can be either at the department / division / group level or the corporate level, as well as KPIs, targets, and results achieved by the company and its suppliers, and the project's alignment with the company's business strategy, where applicable. This information provides the basis for determining whether the collaborative project between the company and its suppliers has clearly defined KPIs, targets, and measurable results.

### Guidelines for Answering Assessment Questions

- When determining the project implementation level, the company should consider the project objectives, responsible units, and the project's connection with the company's business strategy. A corporate-level project typically demonstrates clear connections to the business strategy and its results evidently contribute to corporate KPI.
- Specify quantitative KPIs and targets of both the company and suppliers for 2024 (at least one KPI). If the project extends beyond 2024, also specify the targets to be achieved upon the project's completion.
- In cases where the project's results contribute to the 2024 business strategy, quantify the project's proportional contribution to the total results achieved under such business strategy. For example, the project resulted in a cost reduction of THB xx, accounting for 12% of the total cost reduction of THB xx achieved under the business strategy.
- The company must attach supporting documents evidencing the KPIs, targets, and results of the project for both the company and suppliers. These supporting documents may include, among others, a performance report presented to the Board of Directors or publicly disclosed information. Failure to provide supporting documents will render that question ineligible for scoring.
- The company must specify the total number of topics within its business strategy and list them. Explain the relationship between the project and the business strategy (including KPIs, targets, and results), identify the topics within the business strategy that are supported by the project and outline their relationship, and attach the business strategy. Failure to provide supporting documents will render that question ineligible for scoring.



 Sustainable Investment Department  
The Stock Exchange of Thailand

 0 2009 9882 and 0 2009 9902

 [SETsustainability@set.or.th](mailto:SETsustainability@set.or.th)