

# **Driving Business for Sustainability**

In 2024, CH. Karnchang Public Company Limited published its 12th consecutive Sustainability Report to communicate its operations, management policies, strategies, and sustainability framework. The report encompasses key aspects of economic and corporate governance, social responsibility, and environmental stewardship, ensuring transparency for all stakeholders. Furthermore, CH. Karnchang reaffirms its commitment to the transparent disclosure of critical information, emphasizing both accuracy and accountability in the reporting process.

This report covers the company's activities and operations from January 1 to December 31, 2024. CH. Karnchang Public Company Limited has prepared this report in accordance with the Global Reporting Initiative (GRI) Standards. All data has been collected and verified by relevant departments within the company to ensure its completeness, accuracy, and reliability.

Furthermore, the company has aligned its operations with the United Nations Sustainable Development Goals (SDGs) to ensure that its business activities contribute to sustainable development objectives.

The information disclosed in this report has been reviewed based on its relevance to the business, the availability of data, and its impact on operations, particularly within the company's core business sector—construction. This disclosure specifically pertains to the business activities of CH. Karnchang Public Company Limited, as outlined below.

- Southern Purple Line MRT Project: Contract 1 (Tao Poon National Library)
- Southern Purple Line MRT Project: Contract 2 (National Library Phan Fa)
- Double-Track Railway Project (Den Chai Chiang Rai Chiang Khong): Contract 2 (Ngao Chiang Rai)
- Double-Track Railway Project (Den Chai Chiang Rai Chiang Khong): Contract 3 (Chiang Rai Chiang Khong)
- Chulabhorn 60th Anniversary Learning and Research Center
- Water Transmission Tunnel Project along Kanchanaphisek Road and the Old Railway Road (Bang Mod Pumping Station - Samrong Pumping Station)
- Bang Ban Bang Sai Flood Drainage Canal Project: Contract 4
- Thonburi Wastewater Collection and Treatment System Project: Contract 1

However, this report does not fully disclose all operational information, as some projects are nearing completion and in the process of being handed over to their respective owners. Additionally, the company is refining its data collection processes to ensure that performance reporting aligns with corporate standards and provides comprehensive and clear insights. CH. Karnchang remains committed to improving the efficiency of its data collection systems to enhance the quality of performance reporting in accordance with GRI standards in the future.

# Sustainability Management Policies and Goals

### Sustainability Management Goals

CH. Karnchang is dedicated to operating its business in a socially and environmentally responsible manner, setting key sustainability goals as follows.

# Corporate Governance and

# **Environmental**

Dimension

#### Social Dimension





No complaints related to corruption were reported.



100% of suppliers acknowledge and comply with the Supplier Code of Conduct.



All new suppliers undergo a thorough screening process.



Achieve a 1% annual reduction in energy consumption, using 2020 as the baseline year.



Achieve a 1% annual reduction in water consumption, using 2020 as the baseline year.



Received an award for excellence in environmental compliance, recognizing effective occupational health



• Employees received an average of 9 hours of training per year.

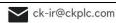


• No cases of human rights violations were reported.



• The Lost Time Injury Frequency Rate (LTIFR) for employees and contractors was 0.01 per million hours worked.









100% of suppliers have been evaluated.



Maintain corporate governance at the highest standard.



• Fully digitalize procurement processes to enhance transparency.



Strengthen anti-corruption initiatives at every level of the organization.



Achieved an "AA" rating in the SET ESG Rating for sustainable stocks.



The company's Annual General Meeting (AGM) management received an "excellent" rating.

and safety (OHS) management and construction site conditions. This award was granted by the Mass Rapid Transit Authority of Thailand after meeting the assessment criteria at the Outstanding level.



• No employee or contractor fatalities were recorded.



• 100% of customers rated their satisfaction as good or very good.



All customer complaints were successfully resolved.







• Recognized as an ESG100 Company.



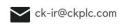
• Honored with the "Best CEO, Best CFO, and Best IR" awards by the Investment Analysts Association.

# Review of Sustainability Management Policies and Goals in the Past Year

Over the past year, Ch. Karnchang has reviewed and updated its sustainability policy, achieving the following key milestones.

Corporate Governance and Economic Dimensions	Environmental Dimension	Social Dimension
• Achieved a top-tier corporate governance rating for the third consecutive year.	<ul> <li>Achieved an 8% reduction in greenhouse gas emissions year-over-year.</li> <li>Implemented a water recycling management system</li> </ul>	CH. Karnchang has strengthened its human rights policies by ensuring compliance with local labor laws on working hours and overtime. A key focus has been on minimizing excessive working hours, particularly by promoting job opportunities







 80% of the digital procurement system improvement has been completed.



 All employees have received training on the anti-corruption policy. in five large-scale construction projects.



 Increased the proportion of recycled materials used in construction projects by 15%. for underprivileged individuals through various company initiatives.



 Provided skills training for 850 local workers.



 Ensured that local hires made up an average of 35% across all projects.



 Achieved a 40% reduction in accident rates from the previous year.

Over the past year, the company has reviewed and refined its human rights policy to enhance its clarity and scope, ensuring the protection of all stakeholder groups in alignment with international standards. Additionally, the company has strengthened its ability to systematically monitor and assess policy implementation.

#### Defining the Content of the Sustainability Report

#### Process for Assessing the Company's Material Sustainability Issues

CH. Karnchang conducts its sustainability reporting by identifying and analyzing key material sustainability topics through an evaluation of both internal and external organizational factors, stakeholder expectations across the value chain, and the risks and opportunities affecting the business. This assessment follows the principle of Double Materiality, covering economic, corporate governance, social, and environmental dimensions in alignment with the Global Reporting Initiative (GRI 3) standards. To ensure continuous relevance, CH. Karnchang engages with





stakeholders every two years to reassess its material sustainability topics. In the intervening period, the company conducts a materiality review by analyzing industry trends and sustainability-related documentation to keep its approach aligned with evolving business and environmental conditions.

In 2024, CH. Karnchang conducted a materiality assessment to reassess key sustainability issues by evaluating various internal and external factors. These factors include regulatory changes, legal requirements, international sustainability standards, and emerging global trends within the construction industry. To align with stakeholder expectations, CH. Karnchang analyzed both potential benefits and adverse effects, as well as associated risks and opportunities. Additionally, the company assessed the potential human rights impacts of its business operations and external influences across the value chain. The materiality assessment process follows four key steps:

#### Step 1

# Review of Material Sustainability Issues

CH. Karnchang has collected and analyzed all business activities, including its roles as both a main contractor and a subcontractor, to assess the impact on eight key stakeholder groups—government agencies and related organizations, customers, business partners, employees, communities and the general public, shareholders, investors and analysts, the media, and competitors—throughout the value chain. Furthermore, the company has evaluated relevant environmental, social, and economic issues.

Furthermore, the company has analyzed data from industry peers with similar business operations to CH. Karnchang, taking into account emerging trends, sustainability standards, and assessment frameworks at both national and international levels. To ensure alignment with evolving industry expectations, key sustainability issues have been updated to reflect current best practices.

### Step 2

# Identifying Impacts Across the Value Chain

The company assesses and identifies the impacts of its business operations across economic, environmental, and social dimensions, considering both positive and negative effects that arise from various activities, either directly or indirectly. The company's value chain is composed of five key activities: sourcing and procurement of construction materials and partners, engineering design and construction, construction execution, project delivery, and post-construction management. Additionally, supporting activities include corporate infrastructure management, human resource management, procurement, and the integration of technology. This assessment aims to provide a clear understanding of the scope



	of impacts on stakeholders and their connection to CH. Karnchang's sustainable
	development goals.
Step 3	Based on the assessment of key material issues impacting stakeholders in Steps 1
less as at Amalysis	and 2, CH. Karnchang has developed a weighted heat map to evaluate the
Impact Analysis	significance of each issue. This process includes analyzing peer companies, industry
	standards, emerging trends, and both national and international sustainability
	assessment frameworks. Key references include the Dow Jones Sustainability
	Indices (DJSI), the Sustainability Accounting Standards Board (SASB), and the Stock
	Exchange of Thailand's SET ESG Ratings. Additionally, the company is preparing for
	upcoming changes in the Stock Exchange of Thailand's sustainability assessment
	methodology, particularly in alignment with FTSE Russell's evaluation framework.
Step 4	In the 2024 review of CH. Karnchang's material sustainability topics, the company
Summarizing the Review	categorized these topics into two levels: Material Topics and Non-Material Topics.
of Material Sustainability	This classification ensures a structured approach to prioritization, guiding policy
	formulation, delegation of responsibilities, strategic planning, and the development
Topics	of short-, medium-, and long-term operational frameworks. It also supports the
	implementation of strategic initiatives and performance monitoring to enhance
	future management practices. The reviewed material sustainability topics were
	presented to and approved by the company's board of directors and leadership
	for public disclosure.

## Results of the Materiality Assessment

For the 2024 review of material sustainability topics at CH. Karnchang, the method of presenting evaluation results has been revised. Previously, topics were categorized into a three-tier matrix format (highest importance, high importance, and important topics). Now, a two-tier classification system is used, consisting of Significant Material Topics and Material Topics. Additionally, the number of material topics has increased from 11 to 12, with Product Safety and Quality introduced as a new topic. This inclusion reflects industry trends in both private and government construction sectors—spanning large-scale and smaller projects, domestically and internationally—where sustainability frameworks are placing greater emphasis on product safety and quality. This encompasses factors such as the quality and type of construction materials, including low-emission building materials, to ensure compliance with environmental standards. The goal is to enhance customer and stakeholder confidence in receiving high-quality,





safe, and environmentally responsible products. The details of the 2024 material topics are illustrated in the following image.

For all 12 material topics identified in 2024, CH. Karnchang has established policies, strategies, and business management plans to address stakeholder needs, mitigate potential impacts across the entire supply chain, and support the company's commitment to sustainability. To ensure effective implementation, CH. Karnchang has set clear goals and key performance indicators (KPIs) for each material topic. Further details can be accessed through the CH. Karnchang Sustainability Website.

Material Topics for 2024	SDGs	
Significant Material Topics	Energy Management and Climate Change Adaptation	7 ATRIBUMENTAL AND 12 DESIGNABLE DESIGNABLE AND ACCOUNT ASSESSMENT
	Good Corporate Governance	12 personal to property to the property to the personal to the
	Occupational Health and Safety	3 DOOD BEALTH AND WELL-BERGE  B BESTIN HOUSE AND ESTIMATION CROSSTIN
	Environmental Management	8 DESENT WORK AND TO CONCURR C
	Human Resource Management	5 GENERAL SECURITY WORK AND TOWNSHIP CHAPMEN
	Product Safety and Quality*	11 SISTANGELECITIES 12 RESPONSIBLE AND DIMENSIONES AND PROJECTION
	Community and Social Engagement	4 quarry 10 separas 16 separas National
Material Topics	Sustainable Supply Chain Management	8 BOOKET MORECUMO
	Human Rights	1 NO POWERTY  3 GOOD REALTH  AND WHILL-SERIC
	Risk Management	8 SECONT MORE AND SOCIAL SOCIA
	Biodiversity	15 urt ortuna







#### Customer Relationship Management

\*The material topic newly introduced in 2024 was previously categorized under environmental management. Note: The text color is used to classify material topics into three key dimensions as follows.

Environmental	Social	Governance and
Dimension	Dimension	Economic Dimensions

#### **Report Content**

CH. Karnchang's sustainability reporting covers 12 key sustainability topics, along with related sub-topics that are managed in a similar manner. The operational data for these topics is regularly updated to align with the GRI Standard reporting framework. This information is disclosed through two primary channels: the 56-1 One Report and CH. Karnchang's sustainability website.

Reporting in

Key Sustainability Issues

Website Reporting
the 56-1 One Report

Environmental Dimensions			
		https://www.ch-	
Energy Management and  Climate Change Adaptation	✓	karnchang.co.th/storage/downloads/sustainability/sust	
		ainability-development-report/ck-energy-climate-	
J		change-management-th.pdf	
Environmental Management	✓	https://www.ch-	
		karnchang.co.th/storage/downloads/sustainability/sust	
		ainability-development-report/ck-environmental-	
		management-th.pdf	
Product Safety and Quality		https://www.ch-	
	✓	karnchang.co.th/storage/downloads/sustainability/sust	
		ainability-development-report/ck-quality-materials-	
		th.pdf	





		https://www.ch-
Biodiversity	Χ	karnchang.co.th/storage/downloads/sustainability/sust
		ainability-development-report/ck-biodiversity-th.pdf
Social Dimensions		
	✓	https://www.ch-
Occupational Health and Safety		karnchang.co.th/storage/downloads/sustainability/sust
occupational fleatiff and safety		ainability-development-report/ck-occupational-
		health-safety-th.pdf
		https://www.ch-
Human Pacaurea Managament	./	karnchang.co.th/storage/downloads/sustainability/sust
Human Resource Management	V	ainability-development-report/ck-human-capital-
		management-th.pdf
	✓	https://www.ch-
Common with count Contain Forman and		karnchang.co.th/storage/downloads/sustainability/sust
Community and Social Engagement		ainability-development-report/ck-social-community-
		engagement-th.pdf
	✓	https://www.ch-
		karnchang.co.th/storage/downloads/sustainability/sust
Human Rights		ainability-development-report/ck-human-rights-th.pdf
5		
Governance and Economic Dimensions		
	✓	https://www.ch-
Good Corporate Governance		karnchang.co.th/storage/downloads/sustainability/sust
		ainability-development-report/ck-corporate-
		governance-th.pdf
	X	https://www.ch-
Sustainable Supply Chain		karnchang.co.th/storage/downloads/sustainability/sust
Management		ainability-development-report/ck-supply-chain-
		management-th.pdf





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	karnchang.co.th/storage/downloads/sustainability/sust
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	relationship-management-th.pdf
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	ainability-development-report/ck-risk-crisis-
	management-th.pdf
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	performance-data.pdf
	✓



