



Certificate in ESG Management Program by SET & Sasin

Self-paced online learning program

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M1 Module 1 ESG Fundamentals

- S1** Session 1 Introduction to ESG
- S2** Session 2 ESG Management: Environment
- S3** Session 3 ESG Management: Social
- S4** Session 4 ESG Management: Governance

M2 Module 2 ESG Integration Management

- S1** Session 1 ESG Integration Management
- S2** Session 2 Integration - Case Studies

M3 Module 3 ESG Disclosure

- S1** Session 1 ESG Disclosure
- S2** Session 2 Data Management
- S3** Session 3 ESG Performance Assessment and Indices

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Module 1 ESG Fundamentals Session 1 Introduction to ESG



Self-paced online learning program

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Module 1 ESG Fundamentals
Session 1 Introduction to ESG

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Module 1 ESG Fundamentals
Session 2 ESG Management: Environment

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Session 3 ESG Management: Social

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Module 1 ESG Fundamentals
Session 4 ESG Management: Governance

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Module 2 ESG Integration Management
Session 1 ESG Integration Management

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Module 2 ESG Integration Management
Session 2 Integration - Case Studies

M3S1

Module 3 ESG Disclosure
Session 1 ESG Disclosure

M3S2

Module 3 ESG Disclosure
Session 2 Data Management

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Module 3 ESG Disclosure
Session 3 ESG Performance Assessment and Indices

Learning Objectives

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Course Structure	Learning Objectives
Module 1 ESG Fundamentals	
Session 1 Introduction to ESG	
1. ESG Foundation and Stakeholders in ESG Ecosystem	To enable learners to... Explain the importance and fundamental concepts of ESG, as well as the crucial roles of stakeholders in the ESG ecosystem, in promoting sustainable business practices encompassing environmental, social, and governance dimensions.
2. Key Players in the ESG Ecosystem	
3. Value Chain Analysis and Stakeholder Analysis	Explain the concept of Value Chain Analysis, which helps in understand the business process from start to finish, identifying areas of value creation and cost efficiency. Apply Value Chain Analysis to analyze stakeholders involved in or affected by the business.
4. Materiality	Explain the concept of materiality, which focuses on identifying key sustainability issues that significantly impact a company's business, stakeholders, and the environment. Apply materiality analysis to prioritize these key sustainability issues, helping guide appropriate management and mitigation strategies.

Instructor

M1S1

Module 1 ESG Fundamentals
Session 1 Introduction to ESG

Instructor

Suraphon Buphakosum



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Module 1 ESG Fundamentals Session 1 Introduction to ESG

- 1. ESG Foundation**
2. Key Players in the ESG Ecosystem
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Vocabulary Related to Sustainability

ESG	Environmental Social Governance
CSR	Corporate Social Responsibility
CSV	Creating Shared Value
SD	Sustainable Development

Businesses and Global Changes

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Transportation
and Storage of
Raw Materials

Production
of Goods
and Services

Distribution
of Products

Marketing
and Sales

After-Sales
Services

Consumption
and Utilization

Climate Change



Causes natural disasters such as floods, droughts, and storms affecting supply chains.



Advanced Technology

Adoption of new technologies disrupts business and industrial operations.

Overuse of Resources

The need for goods and services increases the use of limited resources, leading to long-term cost reductions.



Waste Issues



Waste from goods and packaging has adverse environmental impacts and adds to the burden of waste management.

Corruption



Creates distrust in the economic and social systems, affecting business operations.

Human Rights Issues

Misuse of labor laws results in human rights violations.



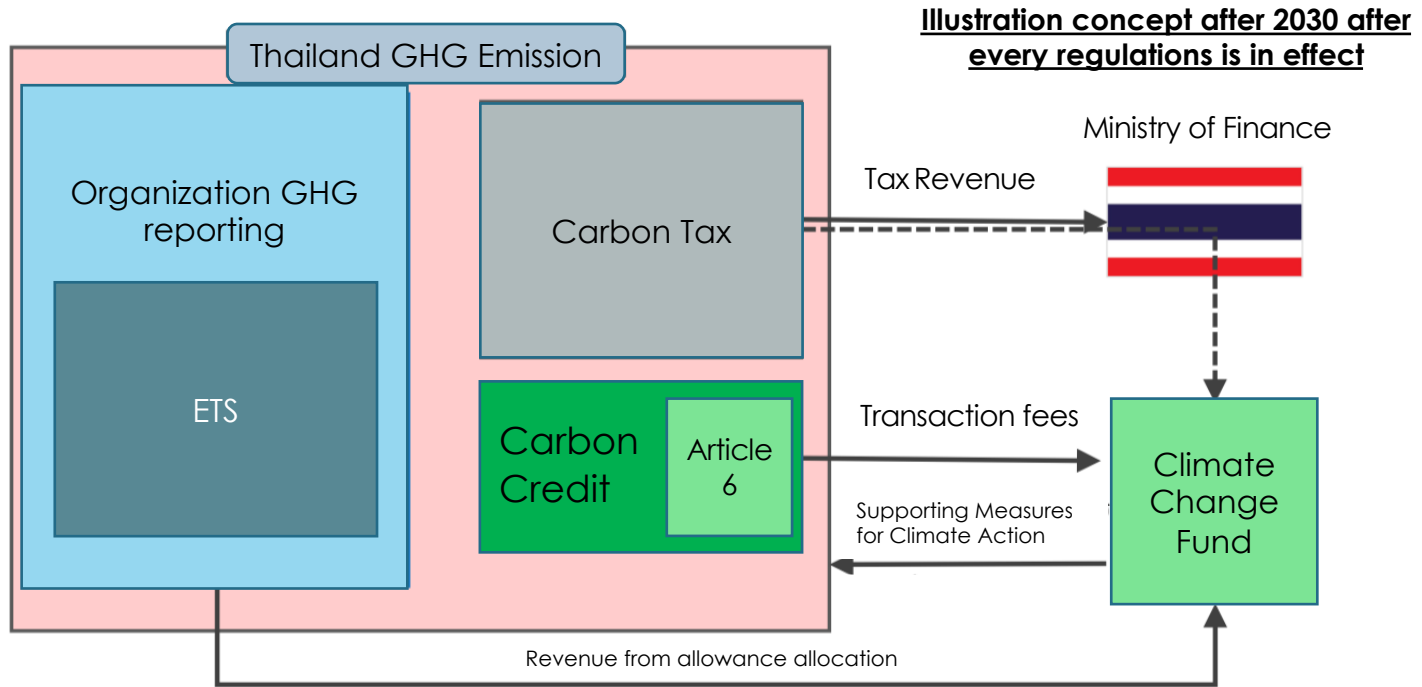
Aging Population

Affects the labor market structure and impacts business and industry.



Framework and Guidelines under the Draft Climate Change Act

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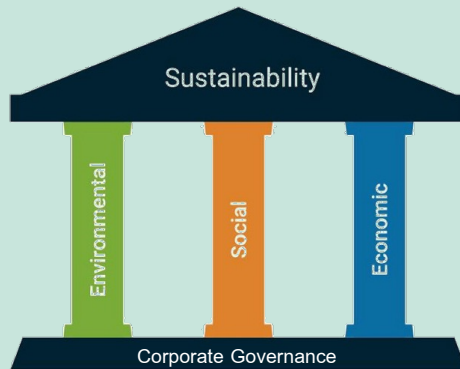
Source: Office of Agriculture and Cooperatives, Samut Songkhram Province, participating in a public hearing on the Draft Climate Change Act B.E. 2567 (Office of the Permanent Secretary, Ministry of Agriculture and Cooperatives, 2024) <https://www.opsmoac.go.th/news-preview-461091792747>

Characteristic of a Sustainable Business

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ESG → Sustainable Business

Three Pillars of Corporate Sustainability



Use resources efficiently to develop and reduce environmental impacts.

Conduct business ethically and transparently, contributing to improved quality of life for society.

Increase economic value while maintaining ethical practices.

9 Characteristics of a Sustainable Business:

- ✓ An organization with **capable and ethical people**.
- ✓ **Transparent** management systems.
- ✓ Awareness of **risk** management.
- ✓ Seizing global **opportunities**.
- ✓ Responding to **innovations**.
- ✓ Generating **profits**.
- ✓ Not exploiting **stakeholders**.
- ✓ Promoting employee **quality of life**.
- ✓ Creating harmony with the **environment**.

Definition of ESG

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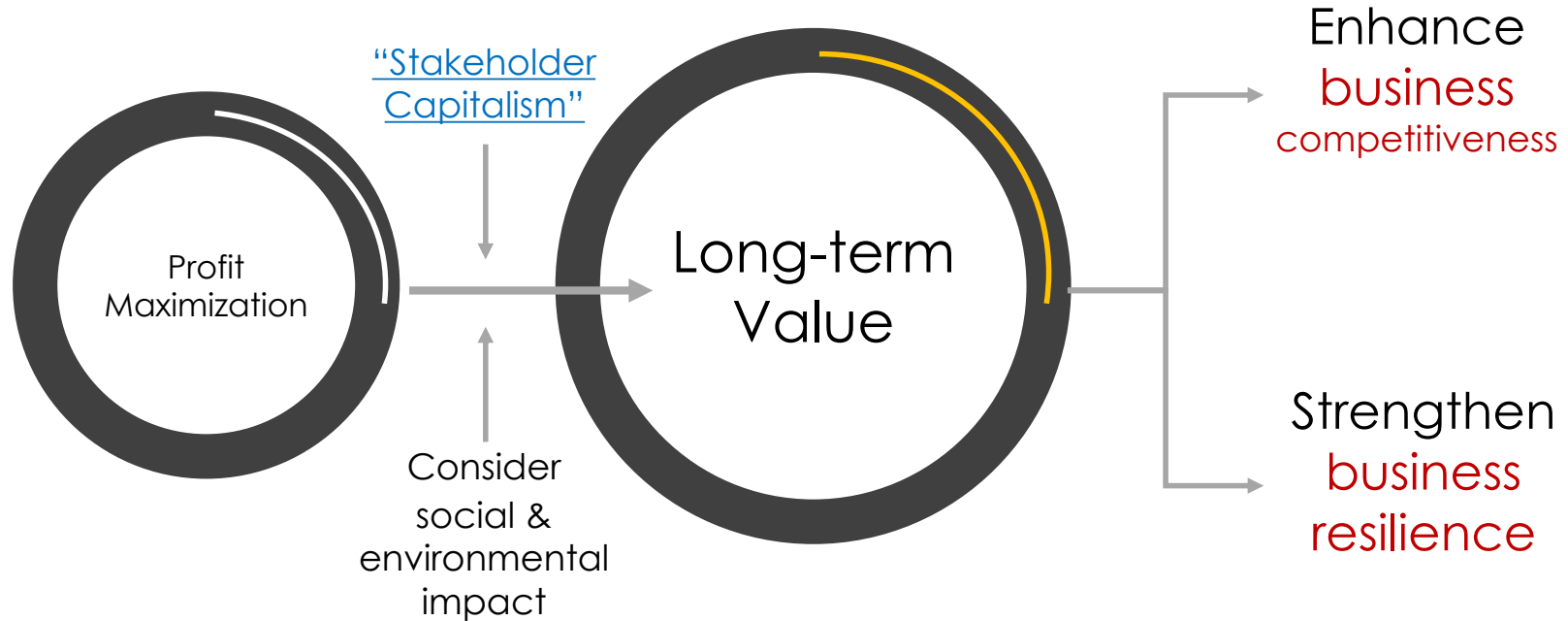
Environmental, Social, and Governance (ESG) are the three central factors in measuring an investment's sustainability and societal impact on a company or business.

Source: Environmental, Social, and Governance (ESG) influence continues to grow. (HSE International, 2021)

<https://www.hseinternational.com/news-insights/2021/4/environmental-social-and-corporate-governance-esg-influence-continues-to-grow>

Sustainability and Business Value

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Sustainability and Business Value

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Corporate Value & Value Creation

Financial Form

Financial information such as data in financial statements (assets, liabilities, income, expenses, etc.)

Other Forms

Non-financial information such as market share, customer satisfaction, innovation, employee retention, number of incidents, community acceptance, etc.

Successful Business Drivers



Increased business value
or "Value Creation"

Financial Form



Other Forms

Case Study: Nestlé

15

The fight to stop Nestlé from taking America's water to sell in plastic bottles.



Source: The fight to stop Nestlé from taking America's water to sell in plastic bottles. (Tom Perkins, 2018)

<https://www.theguardian.com/environment/2019/oct/29/the-fight-over-water-how-nestle-dries-up-us-creeks-to-sell-water-in-plastic-bottles>

Source: Nestlé's Water Controversy, Explained (HOPE NGO, 2023) <https://www.mashed.com/717227/nestles-water-controversy-explained/>

Case Study: Volkswagen

16

Volkswagen: The scandal explained



Source: Volkswagen: The scandal explained (Russell Hotten, 2015) <https://www.bbc.com/news/business-34324772>

Case Study: IKEA

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IKEA likely to have sold furniture linked to illegal logging in forests crucial to Earth's climate, report says



Source: IKEA likely to have sold furniture linked to illegal logging in forests crucial to Earth's climate, report says (Andrew W. Lehren, Dan De Luce and Anna Schecter, 2021)

<https://www.nbcnews.com/science/environment/ikea-likely-sold-furniture-linked-illegal-logging-forests-crucial-earth-n1273745>

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Module 1 ESG Fundamentals Session 1 Introduction to ESG

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3. Value Chain Analysis and Stakeholder Analysis
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Key Players in Thailand

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Investors, Financial Institutions & Intermediaries

- Individual investors
- Domestic institutional investors such as GPF, Social Security Office
- Foreign institutional investors such as BlackRock, Goldman Sachs
- Commercial banks
- Stock Exchange of Thailand (SET)

Regulators

- Bank of Thailand
- Office of the Securities and Exchange Commission (SEC)
- Various ministries such as the Ministry of Finance and the Ministry of Natural Resources and Environment

Consumers

- Domestic consumers
- International consumers

Non-Governmental Organizations (NGOs) and Civil Society

- Domestic, such as the Foundation for Community Development and the Business Council for Sustainable Development (BCSD Thailand)
- International, such as Greenpeace, Amnesty International, World Wildlife Fund (WWF)

Key Players in Thailand

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Industry Associations

- Federation of Thai Capital Market Organizations (FETCO)
- The Federation of Thai Industries

Standards Organizations

- Global Reporting Initiative (GRI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- International Organization for Standardization (ISO)-ISO26000

International Media and Rating Agencies

- S&P
- FTSE
- MSCI ESG Ratings
- Sustainalytics
- Bloomberg

Academic and Research Institutions

- ESG research and Provide education and training

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Key Steps of ESG Integration

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6 Main Steps in Driving Business Towards Sustainability

From **Why “ESG”** to **“What”** + **“How”** + **“When”**



Concept of Value Chain

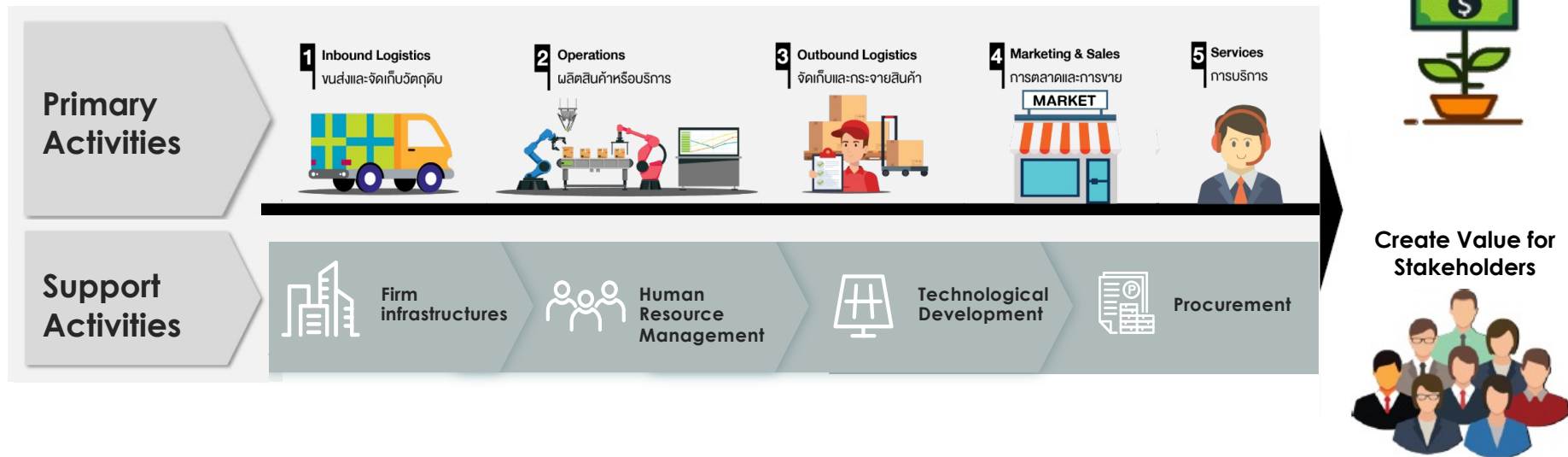
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The series of activities
that a company performs
to create value for its customers

Components of the Value Chain

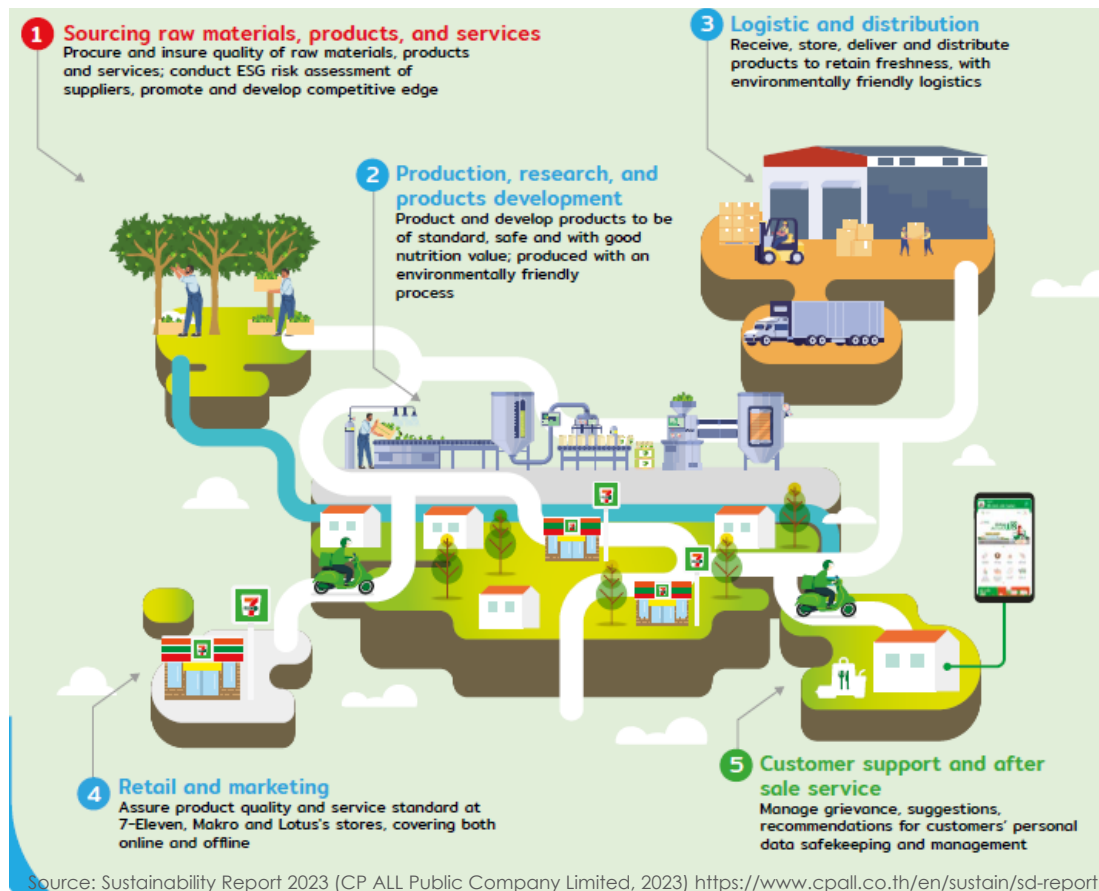
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Managing the Value Chain: A Path to Enhancing Sustainable Business Value



Case Study: CPALL

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WHO are your stakeholders?

WHY do we need to engage stakeholders?

Case Study: Do We Know Our Stakeholders Well Enough?

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Human Rights Issue: Misleading Media and Consequences

- A global clothing brand published an ad featuring a black child wearing a hoodie with the slogan "Coolest Monkey in the Jungle," which was criticized as being racially insensitive and discriminatory.
- This incident led to protests, and 17 H&M stores in South Africa were closed down.
- Media and fashion industry experts highlighted the importance of responsible advertising.



Source: H&M closes 17 stores in South Africa amid protests (Amarintv, 2561)
<https://www.amarintv.com/news/detail/4099>

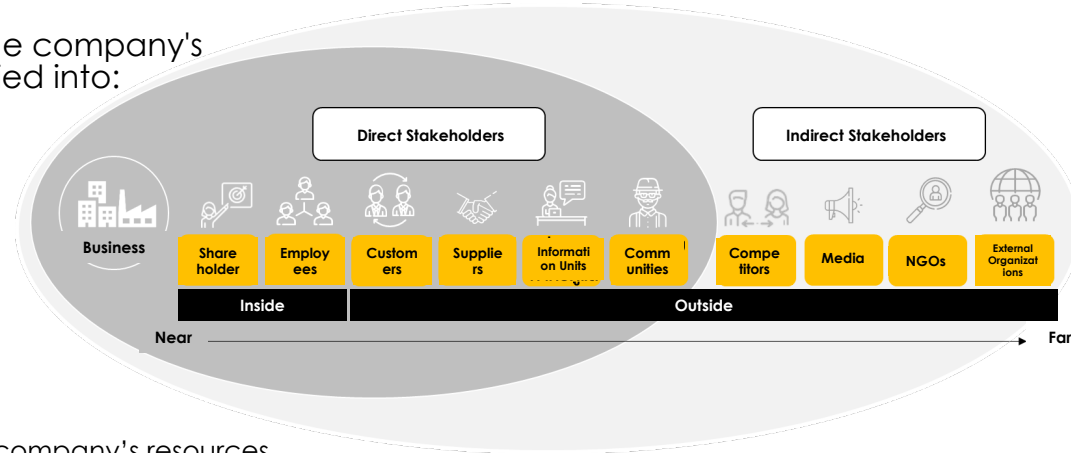
Stakeholder Identification & Engagement

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Understanding... Stakeholders

Individuals or groups with interests related to the company's operations, directly or indirectly, can be classified into:

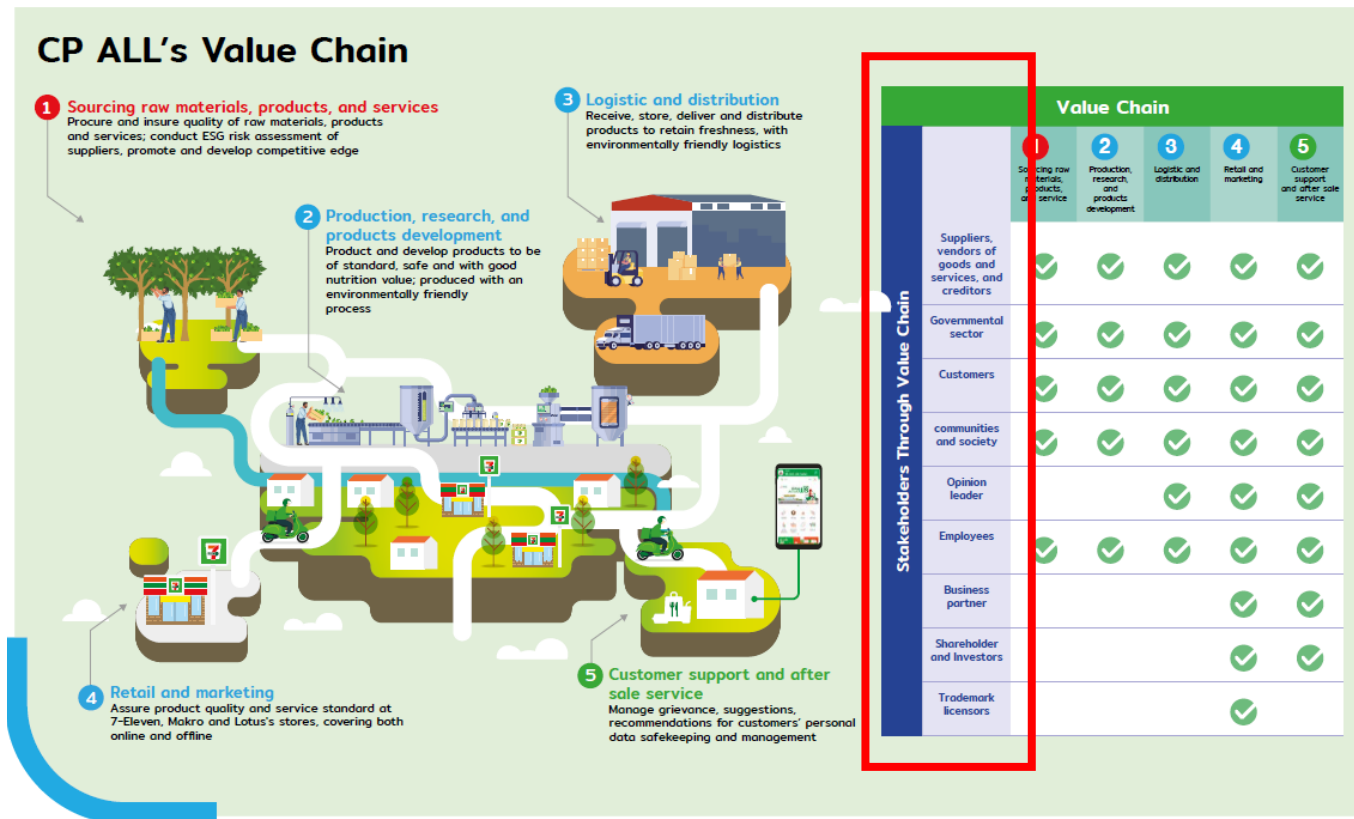
- 1 Direct Stakeholders
- 2 Indirect Stakeholders



Identifying Stakeholders Based on Impact

- 1 Stakeholders Impacted by the Company
 - They provide support or are affected by the company's resources.
 - They have influence over the company's decisions, policies, or practices that may impact or be impacted by the company.
 - They have a vested interest in the company's/organization's activities and success.
- 2 Stakeholders Affected by the Company
 - They receive benefits or impacts from the company's projects/activities.

Case Study: CPALL



Source: Sustainability Report 2023 (CP ALL Public Company Limited, 2023) <https://www.cpall.co.th/en/sustain/sd-report>

Stakeholder Identification & Engagement

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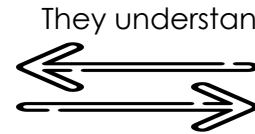
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- 2 Stakeholders Affected by the Company
 - They receive benefits or impacts from the company's projects/activities.

Understanding... Stakeholders



Business



They understand us

We understand them



Stakeholders

Engaging Stakeholders

- 1 Communication Channels
 - One-way communication
 - Two-way communication
- 2 Stakeholder Expectations and Concerns
- 3 Active Involvement

Information can be collected from departments within the company that work closely with those stakeholder groups.

Case Study: KBANK

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Stakeholders	Forms and Communication Channels	Interests and Expectations of Stakeholders	KBank's Actions	Details of Actions to Meet Stakeholders' Needs
Shareholders 	<ul style="list-style-type: none"> • Holding Annual General Meeting and Extraordinary General Meeting of Shareholders • Disclosure of information via the SET Link system, KBank website, and both internal and external publications • On-site and online meetings and providing information to shareholders, investors, and general public, either one-on-one or as a group, both in Thailand and abroad • Inquiries via KBank's channels such as website and telephone • Answering questionnaires 	<ul style="list-style-type: none"> • High, stable and sustainable growth in return on investment • Sound and stable growth in operating results • Transparent and fair operations • Prudent risk management • Ethical operation and consideration of ESG issues • Knowledge-sharing of new regulations of regulatory agencies 	<ul style="list-style-type: none"> • Creating sustainable and balanced growth in operating results under cautious and prudent risk management • Disclosure of information to shareholders and SET via activities or other communication channels with transparency and verifiability • Inviting shareholders to Annual General Meeting and Extraordinary General Meeting of Shareholders and encouraging them to express their views in meetings • Announcing policy, structure and measures related to credit underwriting processes for strict compliance of employees and offering such training to related employees • Monitoring and providing knowledge concerning new regulations in compliance with international standards such as Thai Financial Reporting Standard No. 9 (TFRS 9) • Establishing measures in auditing, monitoring, and disclosing information to enhance transparency 	<p>In all chapters of the Sustainability Report 2023</p>

Source: Sustainability Report 2023 (KBANK, 2023)
<https://www.kasikornbank.com/en/sustainable-development/SDAnnualReports/y2023-sd-en.pdf>

Case Study: KBANK

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Stakeholders	Forms and Communication Channels	Interests and Expectations of Stakeholders	KBank's Actions	Details of Actions to Meet Stakeholders' Needs
Employees 	<ul style="list-style-type: none"> • Holding orientation for new employees at all levels and farewell ceremony for retiring employees • Enquiring into the requirements of employees and supervisors to prepare appropriate learning courses for employees, in line with their duties and responsibilities as well as KBank's business directions • Conducting employee satisfaction surveys • Organizing employee engagement activities • Boosting employee morale with the aim of becoming "The Best Employer" • Managing communications to create correct 	<ul style="list-style-type: none"> • Providing fair and appropriate remuneration and welfare in line with employees' skills and abilities as well as economic conditions • Offering career path and advancement • Continued development of employees' skills for work and life • Providing occupational health and safety at work, including physical, mental and financial health, in line with current working conditions • Providing appropriate equipment to facilitate employees' operations at the office and home • Providing opportunities for employees to 	<ul style="list-style-type: none"> • Setting up policies and operational guidelines for HR Department, and compliance with labor law • Setting up a human rights policy and guidelines to manage diversity in the workplace • Setting up a roadmap to promote staff career paths • Undertaking annual salary surveys in the markets to come up with appropriate remunerations and benefits • Organizing training courses suited to duties and responsibilities of staff in different divisions and levels, while also providing them financial literacy • Conducting annual employee satisfaction surveys and regular performance assessment • Enhancing work environment in line with the principle of occupational health and safety at work • Answering inquiries via different communication channels in a consistent manner 	<ul style="list-style-type: none"> • Human Resource Management • Human Rights Operations

Source: Sustainability Report 2023 (KBANK, 2023)
<https://www.kasikornbank.com/en/sustainable-development/SDAnnualReports/y2023-sd-en.pdf>

Case Study: KBANK

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Stakeholders	Forms and Communication Channels	Interests and Expectations of Stakeholders	KBank's Actions	Details of Actions to Meet Stakeholders' Needs
Customers 	<ul style="list-style-type: none"> Assisting customers via Relationship Managers Conducting regular customer visits to strengthen relationships with them Producing public relations media to disseminate information on KBank products and services in an accurate, complete, clearly defined and transparent manner Using a diverse range of digital channels for flexible and swift communications via social media, in line with customers' lifestyles, such as LINE, Facebook, Twitter (x), YouTube, and answering service questions on Pantip, etc. Providing services through KBank branches 	<ul style="list-style-type: none"> Customer service provision with responsibility and fairness A variety of quality products and services that meet customers' demands Convenient access to financial products and services Provision of financial advice and knowledge Protection of customer data privacy Preparedness and swiftness in responding to customers' demands Availability and stability of mobile application to enhance continued, swift and smooth services 	<ul style="list-style-type: none"> Establishing basic principles and standards on customer service provision with responsibility and fairness (Market Conduct) Conducting staff training to maintain excellent service delivery per KBank's slogan of "Towards Service Excellence" Delivering products and services matching customers' demands and lifestyles Promoting a good corporate culture, governance, business ethics, and code of conduct to employees, in order to deliver accurate, honest and transparent products and services to customers Adding channels to offer varied and convenient access to financial products and services matching customers' lifestyles Launching training and seminar sessions to provide knowledge on financial products, financial discipline and protection against cyber threats Cyber risk management 	Financial Innovations and Services Cyber Security and Data Privacy Financial Inclusion and Financial Literacy Task Force on Climate-related Financial Disclosures (TCFD)

Source: Sustainability Report 2023 (KBank, 2023)
<https://www.kasikornbank.com/en/sustainable-development/SDAnnualReports/y2023-sd-en.pdf>

M1S1

Module 1 ESG Fundamentals Session 1 Introduction to ESG

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What is Materiality?

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Materiality Key Sustainability Issues



Identifying and prioritizing sustainability issues that significantly impact **business operations and stakeholders**, both positive and negative.

Importance of Materiality

- Helps understand what issues pose **risks and opportunities** for business survival and growth.
- Helps see who the **main stakeholders** are and how they impact or are impacted by business activities in the short and long term.
- Assists in forming effective and efficient **sustainable business strategies**.

What is Materiality?

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Source: Climate Change: Low-Carbon Options for Business and Industries (Samuel Chijioke Okorie, 2021)
<https://www.linkedin.com/pulse/converting-climate-change-low-carbon-options-business-okorie-/>

Steps to Materiality Analysis

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1. Analyze Business Context

- Vision, Mission, Value Chain
- Risks and Opportunities
 - Current & Emerging risks (Impact / Exposure)
 - Trends & Industry practice (Leaders, Peers)



2. Analyze Key Sustainability Issues

- Identify issues impacting the business
- Identify business issues impacting society and the environment
- Prioritize key issues



3. Determine Key Sustainability Issues

- Define material issues
- Set management direction for material issues

Techniques for Analyzing Issues "Inside-Out" and "Outside-In"

(1) Inside-out Analysis

Technique for identifying and prioritizing issues related to the organization's products and services from the inside out.

- ✓ Impact
- ✓ Risk
- ✓ Opportunity

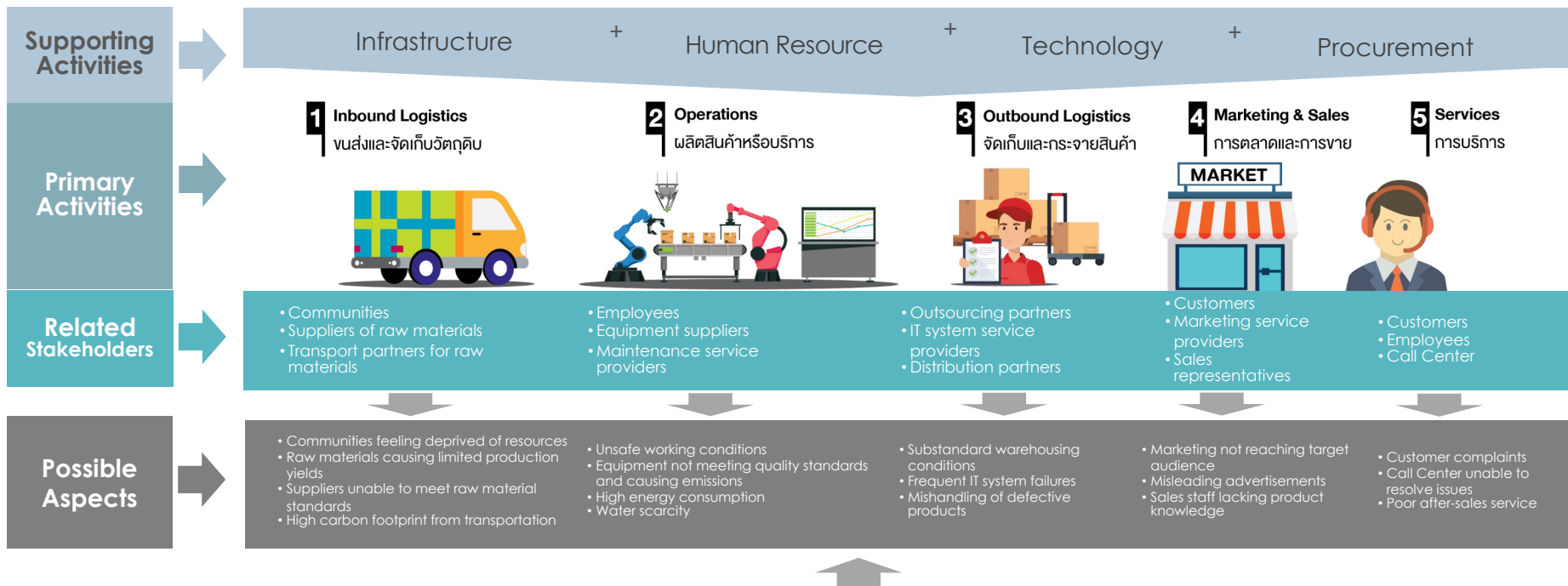
(2) Outside-in Analysis

Mapping or examining external issues affecting the organization to understand drivers and manage risks and opportunities.

- ✓ Mega Trends/Forces
- ✓ Sustainability Development Goals (SDGs)
- ✓ Government policies and regulations
- ✓ Standards, requirements, and best practices

Identifying Sustainability Issues

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Issues / Risks That May Arise for Stakeholders in the Value Chain and **Can Lead to Business Strategies**
(Consider Key Strategic Issues)

Examples of Sustainability Issues

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Financial

Economic

- Direct/indirect economic impact
- Customer Relationship Management
- Product/Service Innovation
- Product/Service Quality
- Business Growth
- Sustainable Supply Chain
- Research & Development

Non-Financial

Environmental



- Carbon Emission
- Product Carbon Footprint
- Climate Change Vulnerability
- Financing Environmental Impact
- Water Stress
- Biodiversity & Land Use
- Raw Material Sourcing
- Toxic Emission & Waste
- Packaging Material & Waste
- Electronic Waste
- Opportunities in Clean Tech.
- Opportunities in Green Building
- Opportunities in Renewable in Energy

Social



- Labor Management
- Health & Safety
- Human Capital Development
- Supply Chain Labor Standards
- Product Safety & Quality
- Chemical Safety
- Consumer Financial Protection
- Privacy & Data Security
- Insuring Health & Demographic Risk
- Responsible Investment
- Community Relations
- Controversial Sourcing
- Access to Communications
- Access to Finance
- Access to Health Care
- Opportunities to Nutrition and Health

Governance

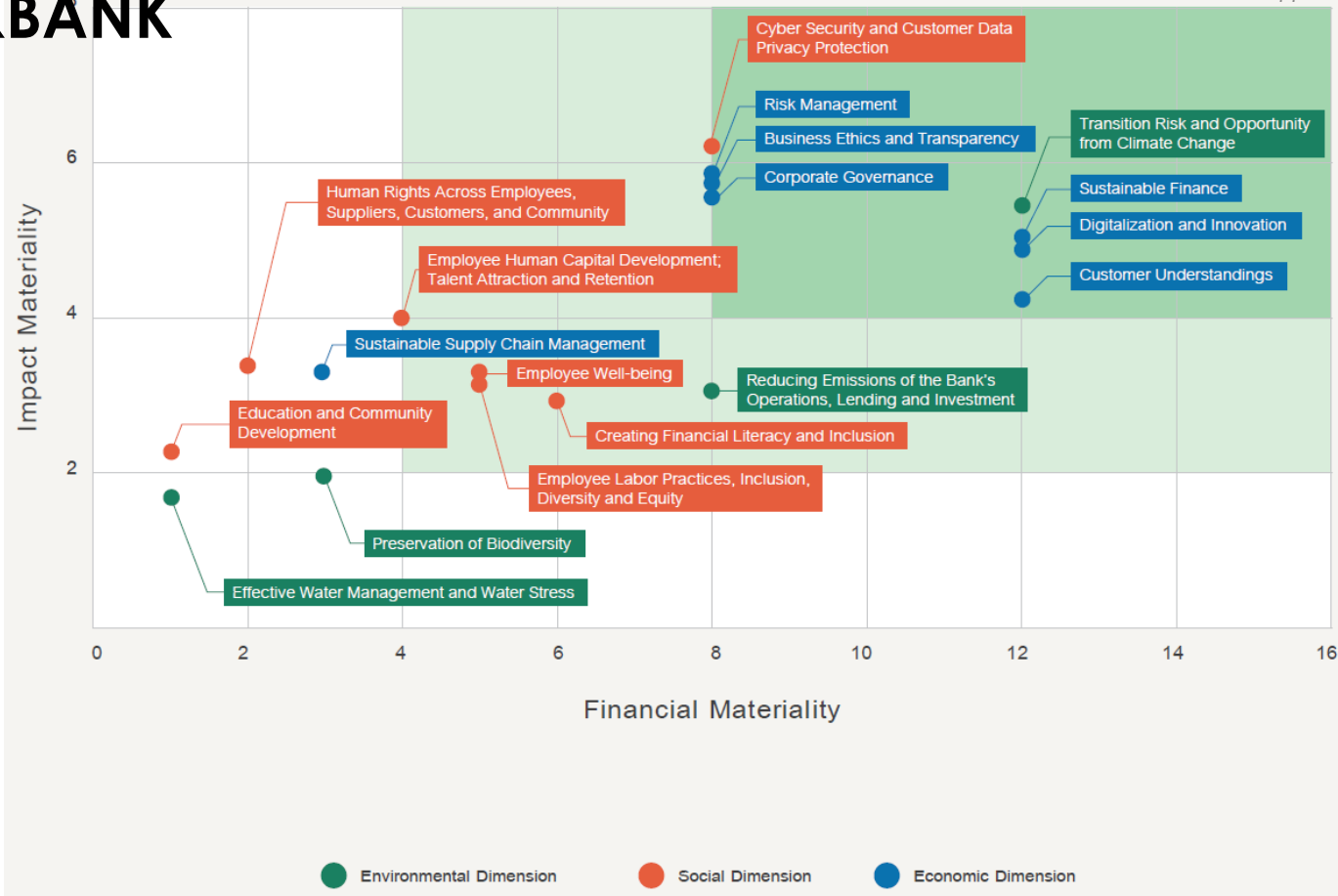


- Ownership & Control
- Board
- Pay
- Accounting
- Business Ethics
- Tax Transparency

Source: ESG Industry Materiality Map (MSCI ESG Research LLC, 2024) <https://www.msci.com/our-solutions/esg-investing/esg-industry-materiality-map#information-section>

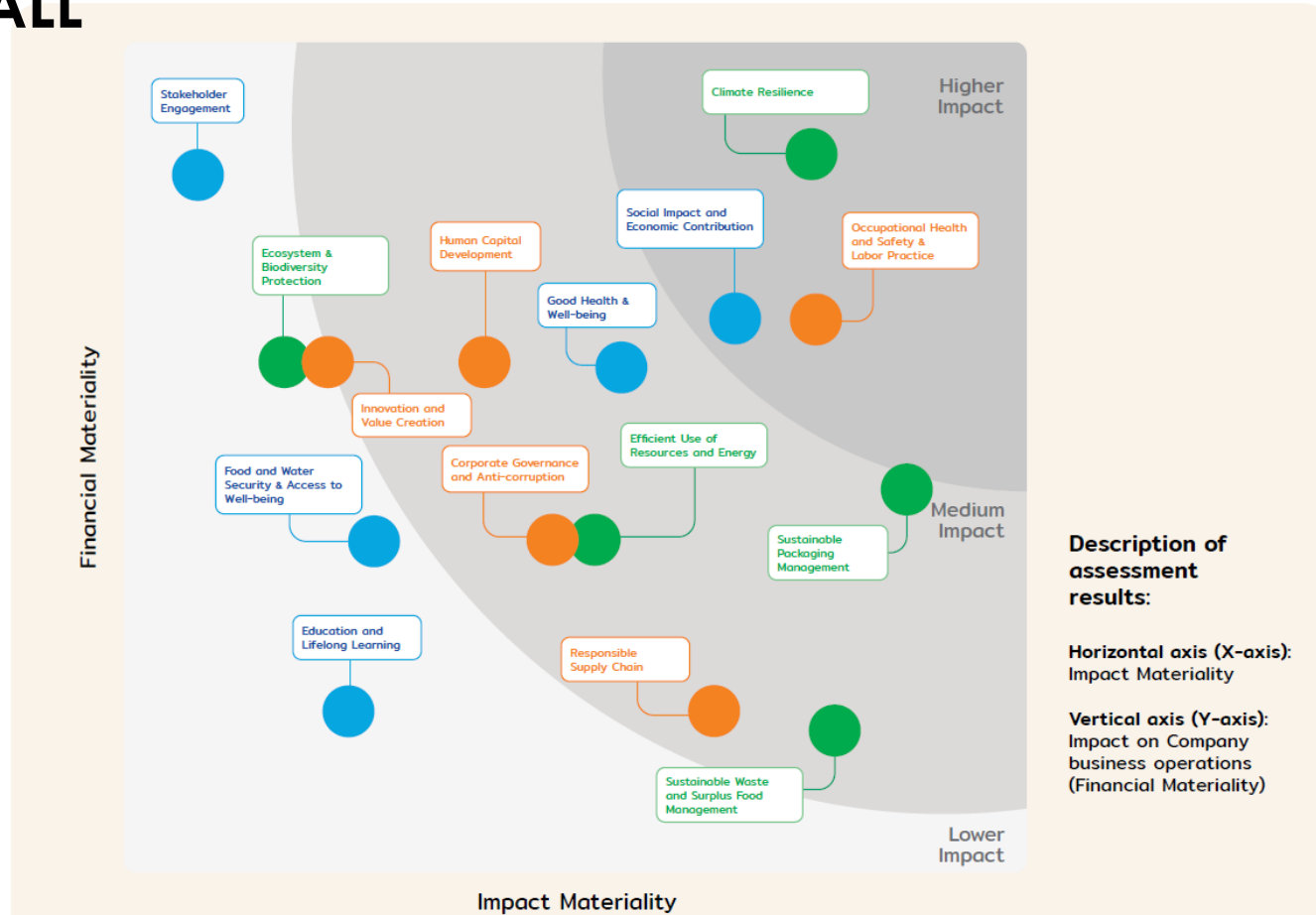
Case Study: KBANK

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Source: Sustainability Report 2023 (KBank, 2023)
<https://www.kasikornbank.com/en/sustainable-development/SDAnnualReports/y2023-sd-en.pdf>

Case Study: CPALL



Source: Sustainability Report 2023 (CP ALL PUBLIC COMPANY LIMITED, 2023)

<https://www.cpall.co.th/en/sustain/sd-report>

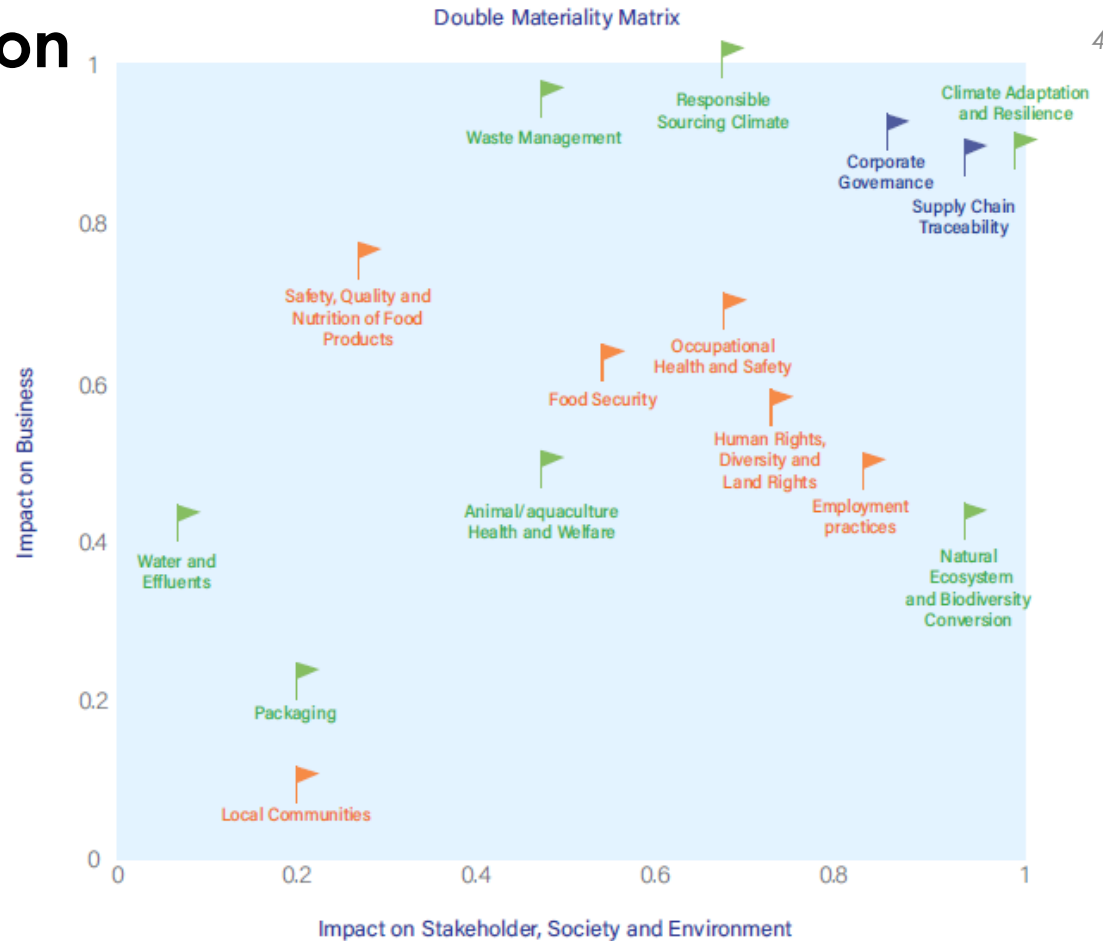
Case Study: PTT



Source: Sustainability Strategy, Policy and Management (PTT Public Company Limited, 2023)
<https://www.pttpc.com/en/Sustainability/Sustainabilitygovernance/Sustainabilitystrategy.aspx>

Case Study: Thai Union

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Source: Sustainability Report 2023 (Thai Union Group, 2023)
<https://www.thaiunion.com/files/download/sustainability/sd-report-2023-en.pdf>

1. **ESG issues** are both risks and opportunities for business.
2. **Managing ESG issues** contributes to business value and sustainability.
3. **Different business sectors** have unique contexts and strategies for managing sustainability issues.
4. **Key to sustainable business operations** is understanding and addressing key sustainability issues (Materiality).
5. **Businesses should align strategies** with key issues to manage risks and enhance competitiveness.

You have successfully completed
Module 1, Session 1.

[Go to the next session](#)