



56-1 One Report 2021
PTT Public Company Limited

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Report of the Corporate Governance Committee



The current Corporate Governance Committee is made up of three independent directors, namely Mr. Danucha Pichayanan (Chairman), Mr. Jatuporn Buruspat (member), and Associate Professor Dr. Narongdech Srukhsosit (member). Senior Executive Vice President, Organization Effectiveness and Corporate Governance and Senior Executive Vice President, Office of General Counsel are serving as secretaries.

PTT Board of Directors is committed to guiding the Company to become a model corporation of transparency, integrity, honesty, accountability, with zero tolerance to any form of fraud and corruption, while adhering to business conduct under corporate governance (CG) principles, ethical standards, a Code of Business Conduct, and PTT's sustainability management standards for continuous development and enhancement of our CG efficiency. This will in turn foster fairness and trust among all stakeholders, as well as drive key policies to PTT Group companies through PTT Group Way of Conduct for sustainable growth throughout the value chain.

The Board has assigned this Committee to propose CG guidelines and oversee the operations of the directors and management to ensure conformance to CG principles of PTT, the Securities and Exchange Commission (SEC), and The Stock Exchange of Thailand (SET), as well as recommendations from the Corporate Governance Assessment Report and the ASEAN Corporate Governance Scorecard (ACGS), the Ten International Principles of the UN Global Compact (UNGC), and the Dow Jones Sustainability Index (DJSI).

In 2021, the Committee held seven meetings as planned to supervise, monitor, and evaluate performance in the areas of corporate governance, operational risk management and internal control, and compliance (GRC), anti-fraud and corruption, sustainability management (SM), as well as corporate social responsibility (CSR), as highlighted below:

Information Disclosure and Transparency

- Prepared 56-1 One Report and disclosed PTT's quarterly performances and material information for shareholders, investors, and the public, complete with material, adequate, credible, and timely details through assorted channels, including SET's publicity channels and PTT website (www.pttplc.com). The core units taking charge of information distribution were Investor Relations Department and Corporate Communication and Branding Department.

- Disclosed 3-dimension sustainability performance information i.e. Environmental, Social and Governance (ESG) through 56-1 One Report under the topic of Driving Business for Sustainability, as well as integrating sustainability performance into the topics of Risk Management, Management's Discussion and Analysis, and Corporate Governance. The information was made public on PTT's website under the topic of Sustainability, by applying Global Reporting Initiative (GRI), Sustainability Reporting Standard, Oil and Gas Sector Disclosure (OGSD), Integrated Reporting (IR) of the International Integrated Reporting



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Council (IIRC), the United Nations Global Compact (UNGC), and the Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation of the World Economic Forum (WEF). PTT's unwavering support for the UN Sustainable Development Goals (SDGs) was confirmed, as was the adoption of Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in reporting its climate change operations. In addition, information disclosure was reviewed by independent external agencies on a yearly basis for entrusted confidence. PTT encouraged and supported PTT Group companies to disclose their information in compliance with SEC's and SET's directions that aspire listed companies to disclose their sustainability performance on a par with international practices.

Rights of Shareholders and Equitable Treatment of Shareholders

- Held the 2021 AGM and provided in advance adequate and timely information on the date, time, venue, and agenda, as well as all information relevant to matters needing decisions at the AGM. Informed the shareholders about meeting rules and distributed such information on PTT's website before sending out meeting notices to give shareholders adequate time to study details. Facilitated their full exercising of meeting and voting rights under the safety measures in attending the AGM amid the COVID-19 epidemic. As a result, PTT achieved an "outstanding" score on the AGM Checklist assessment.

- Allowed shareholders to propose additional agenda items and nominate directors for election in advance from September 1 to November 30, 2021, under the criteria prescribed by PTT.

- Required all directors and executives to disclose vested interests of themselves and related parties for 2021 so that the Board might review PTT's transactions with potential conflicts of interest and decide in PTT's best interests. Required directors with potential vested interests on any meeting agenda items to abstain, refrain from commenting, and skip such agenda items.

- Required all directors, executives, and employees to report by paper form or electronically report their conflicts of interest for 2021 on PTT Intranet, which was fully implemented, and no significant conflicts were found.

- Required all directors and executives to report their securities portfolios as required by law and assigned the Company Secretary to compile and report these to the Board every quarter.

- Ensured enforcement of the Insider Trading Guidelines by asking the directors and management to refrain from PTT Group companies' securities trading. If such trading is necessary, for transparency they must notify the Company Secretary ahead of time.

Responsibilities of the Board

- Assessed Board performance using 5 types of forms: overall, self-assessment, cross-assessment, specific committee assessment, and duty and performance assessment of the Chairman, satisfaction with performance of specific committees and chairman of each specific committee. The 2021 results were "outstanding."

- Encouraged directors to attend training courses to develop directorship competencies, such as courses hosted by the Thai Institute of Directors Association (IOD) and other relevant institutes, as well as holding in-house courses and sessions by inviting experts to provide information related to the Board's work.

- Studied business management practices in PTT Group and matters relevant to energy and related businesses.

- Held one meeting among the independent directors.
- Held one non-executive meeting.

Corporate Governance, Operational Risk Management and Internal Control, Compliance (GRC) and Anti-fraud and Corruption

- Endorsed PTT's CG policy, anti-fraud and corruption policy, and Revision 5 of Corporate Governance, Ethical Standards and Code of Business Ethics Handbook, including the short- (2021 Year Plan) and long-term GRC and anti-fraud and corruption action plans, as well as setting goals for further cascading for implementation, followed by continuous monitoring and recommendations to bring PTT's CG standards up to international par.

- Granted policies and advised the Governance, Risk and Compliance Management Committee (GRCMC), which is responsible for overseeing compliance with CG, operational risk management and internal control and compliance. GRCMC also serves as PTT's Anti-Fraud and Corruption Operation Center for State Enterprises.

- Provided internal control assessments of operational processes within PTT and PTT Group companies, by assessing risks and effectiveness of control activities and developing control activities to reduce risks to acceptable levels.

- Continuously supported and pushed PTT's legal and regulatory compliance processes and managed the non-compliance practices by defining reporting processes and follow-up on tangible corrective actions to prevent and reduce the likelihood of repeated non-compliance in the future. At present, no incidents of non-compliance with substantial impacts on the organization were found.

- Provided policies and recommendations to management to formulate PTT Group governance policies by developing PTT Group Way of Conduct, a collection of management guidelines, principles, and work processes in various dimensions of PTT and PTT Group companies that align and harmonize with one another, thereby aiding the oversight of all PTT Group companies to adopt the same standard.

- Advocated and urged PTT's business partners to declare their intention to join the Private Sector Collective Action Coalition Against Corruption (CAC).

Social Responsibility and Sustainable Development

- Defined PTT Group Sustainability Management Framework by committing to corporate citizenship that values the three dimensions of Environmental, Social and Governance as operating policy in tandem with business, as well as defining a social responsibility direction towards communities at all operating sites whose wellbeing PTT aims to improve. PTT's stewardship also extends to social network communities across the country under the two-aspect operations, namely Social - development of human resources, communities' livelihood towards a low-carbon society, and social economics, and Environment - protecting, restoring, and promoting sustainable use of land and marine ecosystems, while raising natural resource and environmental preservation awareness, as well as focusing on waste management and conducting businesses that design processes for efficient resource circulation in the value chain. PTT has introduced PTT Group's expertise to support communities' potential for their sustainable self-development through a three-level operating model.

1. Lead by Champions, in which each company is responsible for leading the focus on social projects based on topics linked to its business, expertise, and strengths.

2. Collaboration Approach is a joint operation of PTT Group by mobilizing expertise from each company to integrate or jointly support resources to achieve the common goals.

3. Independent Organization/ Affiliates are independent enterprises that PTT Group engages in their support, namely the Sustainable Future Foundation, Sarn Palung Social Enterprise Company Limited, and the Green Globe Institute.

Awards of Pride

Thanks to our firm commitment to operating businesses with CG, social responsibility, and sustainability management for continuous standard enhancement, in 2021 PTT earned extensive acclaim from domestic and international entities, as highlighted below:

- Passed S&P Global Sustainability Performance Assessment and was selected as a member of DJSI for the 10th consecutive year in the World Index and Emerging Market Index.

- Commendation Award from the 10th Integrity Award presented by the Office of the National Anti-Corruption Commission (NACC).

- NACC Integrity & Transparency Assessment (ITA) with the assessment result of 94.26 points or at the A level from the NACC in accordance with the 2021 criteria.

- "Excellent" ranking from the Corporate Governance Report of Thai Listed Companies 2021 for the 13th consecutive year.

- Sustainability Awards of Honor, the highest SET Awards in the Sustainability Excellence Awards category from The Stock Exchange of Thailand in collaboration with the Banking and Finance Magazine.

- Outstanding Low Carbon and Sustainable Business Index (LCSI) Award from the Greenhouse Gas Management Organization (Public Organization) for the 3rd consecutive year.

Mr. Danucha Pichayanon
Chairman of the Corporate
Governance Committee