

Report of the Corporate Governance and Sustainability Committee



The Corporate Governance and Sustainability Committee is committed and persisted to drive PTT to be an organization with business capability managed with transparency, auditability, ethics, and integrity management, and zero tolerance to all fraud and corruption, adhering to the principles of governance, risk and compliance (GRC), anti-fraud and corruption, sustainability management (SM) and corporate social responsibility (CSR), which creates fairness and confidence for all stakeholders, and encourage important policies to companies in PTT Group through PTT Group Way of Conduct for sustainable growth throughout the value chain.

The current Corporate Governance and Sustainability Committee is made up of three independent directors, namely Mr. Jatuporn Buruspat (Chairman), Associate Professor Dr. Narongdech Srukhsosit (member), and Mr. Payong Srivanich (member). Senior Executive Vice President, Organization Effectiveness and Corporate Governance is serving as secretary. In 2022, the Committee held 6 meetings, of which details are as follows:

January 1, 2022 to April 7, 2022

- Mr. Danucha Pichayanan,
Chairman
Attended 1 meeting
- Mr. Jatuporn Buruspat,
Member
Attended 1 meeting
- Associate Professor Dr. Narongdech Srukhsosit,
Member
Attended 1 meeting

April 8, 2022 to November 20, 2022

- Mr. Jatuporn Buruspat,
Chairman
Attended 4 meetings
- Associate Professor Dr. Narongdech Srukhsosit,
Member
Attended 4 meetings
- Mr. Payong Srivanich,
Member
Attended 4 meetings

**November 21, 2022 to December 31, 2022***

- Mr. Jatuporn Buruspat,
Chairman
Attended 1 meeting
- Associate Professor Dr. Narongdech Srukhsosit,
Member
Attended 1 meeting
- Mr. Payong Srivanich,
Member
Attended 1 meeting

*Remark: * Improve the structure, duties, and responsibilities to be the Corporate Governance and Sustainability Committee*

The Corporate Governance and Sustainability Committee supervises, monitors, and evaluates the performance of the Company's operations, as highlighted below:

Information Disclosure and Transparency

- Prepared 56-1 One Report and disclosed PTT's quarterly performance and material information to 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 towards Sustainability, 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, GRI 11: Oil and Gas Sector 2021, Integrated Reporting (IR) of The International Integrated Reporting 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 for the 12th consecutive year. 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 2022 AGM and provided in advance adequate and timely information, 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 pandemic. PTT thus 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, 2022, under the criteria prescribed by PTT.
- Required all directors and executives to disclose vested interests of themselves and related parties for 2022 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 in any meeting agenda items to abstain, refrain from commenting, and skip such agenda items.
- Required all directors, executives, and employees to report their conflicts of interest for 2022, 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, management and personnel with privilege of inside information to refrain from PTT Group companies' securities trading. If such trading is necessary, for transparency they must notify the Company Secretary ahead of time, including providing a briefing on Insider Trading case studies to the Board by a consulting firm.

Responsibilities of the Board

- Assessed Board performance using 5 types of forms: overall, self-assessment, cross-assessment, specific committee assessment, duty and performance assessment of the Chairman, satisfaction with the performance of specific committees and chairman of each specific committee. The 2022 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 Revision 5 of PTT's Corporate Governance, Ethical Standards and Code of Business Ethics Handbook, including the short-term (2022 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.

- Organized internal control assessments of operational processes of PTT and PTT Group by assessing risks, efficiency, and effectiveness of the control activities, including developing control activities to reduce the risks to an acceptable level.

- Continuously supported and pushed PTT's legal and regulatory compliance processes and managed the non-compliance practices to prevent and reduce the likelihood of repeated non-compliance in the future. In 2022, no incidents of non-compliance with substantial impacts on the organization were found.

- Supported the formulation of personal data protection policies and practices to ensure that PTT's operations related to the personal data of various groups of stakeholders have appropriate and concise governance processes and guidelines, including organizing training to educate the personnel on personal data practices and proper operations in line with the Personal Data Protection Act B.E. 2562 (PDPA).

- Supported the third-party screening program to establish standards for auditing the qualifications of those who enter into transactions with PTT to be rigorous and appropriate with effective risk management and internal control system.

- 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 for alignment and harmony, including supporting the development of Guideline for New Company for small start-up companies with different business models.

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

Sustainability Management

- Determined strategic directions for sustainability management in 3 dimensions: environmental, social, and governance, with 3 enablers in the sustainability management master plan to demonstrate the social and environmental responsibility of PTT in 2021 - 2025:

- **Environmental:** Sustainable Production and Consumption,
- **Social:** People Well-being, and
- **Governance:** Good Governance and Performance Excellence.



Enablers include:

- Innovation and Technology Promotion
- Supply Chain Management
- Stakeholder Management

• Considered and approved the 2022 sustainability management plan and related action plans to support the Master Plan on Sustainability Management, Social Responsibility, and the Environment 2021 - 2025 by continuous follow-ups and recommendations.

• Considered and approved the reviews of PTT's sustainability management policy, Master Plan on Sustainability Management, Social Responsibility, and the Environment 2021 - 2025 and Sustainability Management Practice Manual 2022. Corporate Social Responsibility and Sustainable Development

Corporate Social Responsibility and Sustainable Development

• Supported PTT's social contribution activities aiming for sustainable community development by applying PTT Group's potential and expertise along with building community engagement as a positive contribution to enhancing livelihood to increase income and reducing expenses by more than 10%, as well as creating important skills for the community self-reliance to achieve sustainability, as well as aiming to become a low carbon society and raising environmental conservation awareness of society. Key social projects implemented are as follows:

1. The "Giving Breath Project": Social assistance in the COVID-19 situation
2. Assistance to disaster victims
3. PTT Group Innovation for Society Project: Enhance community economic potential, develop the agricultural area, upgrade community products, and extend tourism development by the community.
4. Smiling Community Project: Promote community product distribution via online channels.
5. Enhancing education by focusing on science and technology, creating innovation for the country.
6. Conservation and enhancement of green spaces across the country by promoting planting and maintaining green spaces and promoting livelihood for communities around the country.

7. PTT's Forest Learning Center in 3 sites: PTT Metro Forest, Wangchan Forest Learning Center, and Sirinart Rajini Mangrove Ecosystem Learning Center to transfer knowledge on forest planting and maintenance, as well as create awareness about resource conservation and the environment.

Awards of Pride

Thanks to our firm commitment to operating businesses with CG, social responsibility, and sustainability management for continuous standard enhancement, in 2022, 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 11th consecutive year in the World Index group and Emerging Market Index group and the leader in the Oil & Gas Upstream & Integrated (OGX).
- Three ASEAN Corporate Governance Scorecard awards: ASEAN Asset Class PLCs for listed companies with a rating of 75% or more than 97.50 points, ASEAN Top 20 PLCs for ASEAN listed companies with the top 20 scores, Country Top 3 PLCs for listed companies with the top 3 scores in Thailand.
- Excellent ranking from the Corporate Governance Report of Thai Listed Companies 2022 for the 14th consecutive year.
- Integrity & Transparency Assessment (ITA) at the A level from the NACC according to the 2022 criteria.
- Two SET Awards 2022 for the 2 consecutive year: Sustainability Awards of Honor and Best Innovative Company Awards.
- Excellent Low Carbon and Sustainable Business Assessment Program (LCSB) from Thailand Greenhouse Gas Management Organization (Public Organization).

Mr. Jatuporn Buruspat

Chairman of the Corporate Governance
and Sustainability Committee