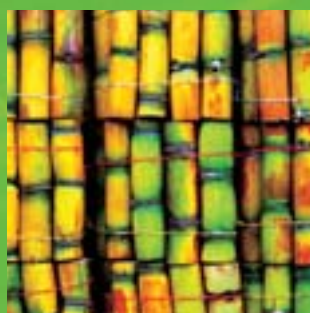


# SUSTAINABLE BUSINESS DEVELOPMENT IN HARMONY WITH ENVIRONMENT AND SOCIETY



## SUSTAINABILITY REPORT 2007

The Bangchak Petroleum Public Company Limited



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# Message from President



“ To improve equipments, to utilize all resources as well as to produce friendly products to environment and society. These business operations have indicated the business culture as defined: To sustainably business development in harmony with environment and society. ”



Since establishment more than 20 years, The Bangchak Petroleum, Thailand leading oil company, has continually operated business fully accompany environmental and social care. To essentially perceive the importance of the managements and staff's accountabilities for all stakeholders, the Company has aimed to strengthen the business performance, to enhance the staff's welfare including safety in workplaces, to improve equipments, to utilize all resources as well as to produce friendly products to environment and society. These business operations have indicated the business culture as defined: "To sustainably business development in harmony with environment and society".

In 2007, the Company has more strength in the better business performance with the achievement in driving onward to sell renewable energy, gasohol and biodiesel, in response of the government policy. Furthermore, the Company has significantly supported renewable energy with the project of biodiesel plant which used either crude palm oil or used cooking oil as feedstock. Besides, the Company has preceded the campaign to encourage Thai people to realize and to understand that used cooking oil can caused environmental impacts and harmful to health by disposing to the public waterways and repeated using. The Company has promoted this campaign for people to sell their used cooking oil for biodiesel production at fresh markets and Bangchak petrol stations in Bangkok. In addition, the Company has expected to complete the product quality improvement project at the end of 2008 in order to punctually improve oil specifications according to new laws and regulations of the Ministry of Energy becoming effective.

In the part of organizational development, the Company has integrated electronic system into business processes and operations such as procurement system, human resources management system, accounting and financial system as well as safety control system to facilitate and to increase efficiency of work processes as well as to decrease paper consumption for environmental preservation. For the refining process, the Company has implemented "**Reverse Osmosis Technology**" for raw water treatment system resulting in decrease in city water and chemical substances consumption and environmental impacts. To ensure safety and quality of the environmental management system, the Company has also invited people from surrounding communities to visit the refinery. With the intention to continually decrease pollution of production process, the Company has stated pollution reduction as the Company's goal.

To develop surrounding communities and society is as important as organizational development. The Company has particularly allocated the budget especially for social development not only for education development or scholarships but also for others public benefits to improve living standards of people in surrounding communities and society. The related details has stated in this Sustainability Report.



(Signed) Anusorn Sangnimnuan  
(Anusorn Sangnimnuan)  
President

# Vision

## Vision

“To be the leading Thai-owned company in energy and energy-related businesses, which creates business returns that are fair and sustainable, with full commitment to environment and society by modernize management, Good Corporate Governance principles and highly capable employees.”

## Corporate philosophy

“Sustainable Business Development in Harmony with Environment and Society.”

## Employee philosophy

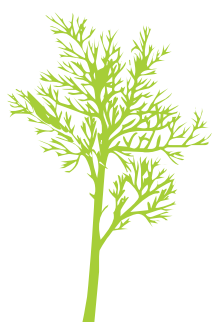
“Be virtuous, knowledgeable, competent and contributive to the general society”





## Performance Indicators

Corporate goals	Indicators	Performance	
"Maintaining EBITDA at no less than Bt1,907 million	EBITDA > Bt1,907 million	EBITDA = Bt 2,136 million	
Sustaining leadership in renewable energy	Gasohol 91 sale volume at service stations > 15 million liters at year's end	23.64 million liters	
	B5 sale volume at service stations > 22 million liters at year's end	52.43 million liters	
Being a role model in CSR and receive trust from community, and government in safety, environment, society and communities surrounding the refinery, depots and service stations with emphasis on minimizing accidents and complaints	● No. of employee participations in community/environment activities is 4 times per year per person	6.9 times per year per person	
	● No. of complaints on safety and environment Refinery - 0 Oil depot - 0	Refinery - 0 Oil depot - 0	
	● No. of accidents Refinery - 0 Oil depot - 0 Service stations - 0	Refinery - 2 Oil depot - 0 Service stations - 0	
Encouraging Life Long Learning	At least 50% of employees participates in self-learning through provided channels	The percentage of such employees was 97.4%	





The Company's board therefore arranged for the making of “the good governance policy” as the operation guidelines that the directors, management and staff will observe to realize the Company's vision. The policy aims to ensure that the Company would operate its business with fairness, transparency and accountability. The goal is to ensure the maximum benefit to the shareholders by taking into account the stakeholders' interests to maintain the Company's credible reputation. In addition, the Company embraces the principles of social responsibility, being environmentally-friendly and accountable to related persons to ensure the sustainable growth. Deemed part of the corporate culture, this policy has been the heart of the Company's operation all along. Since its inception, the Company has followed the guideline that: **The Company will ensure the sustainable growth of the business along with the environment and society.** Besides, the result of this policy execution serves as the performance index for business management evaluation for the Company's Board of Directors and its management as well as the performance evaluation of all staff.

To date, the Company still continues to promote good governance in its business to protect the benefits of the shareholders and stakeholders. The Company aims to upgrade the good governance standard to the internationally-accepted level according to the intent of the National Corporate Governance Committee, the Stock Exchange of Thailand and the Securities and Exchange Commission, which has aimed to raise the level of the credibility of Thai capital market to the international level. If we can raise the competitiveness of the Thai capital market, it should serve the interests of the whole nation.





## Good Governance Policy

The Company's board provided for the good governance policy in writing since 2003. The policy has stipulated the role of the board in which it has the duty to consistently review and improve the supervision policy to make it clear, complete and updated. In August 2007, the Company conducted the third revision of the policy by amending the clauses regarding the board's duty and desirable roles, management and employees to upgrade the Company's good governance. In addition, the Company communicated such policy through various channels as well as provided the manuals and made known of such policy through the Company's intranet and internet systems. The Company aims to convey its commitment to good corporate governance to the Company's staff, the shareholders as well as other stakeholders. Six principles of good governance are as follows:

1. Accountability
2. Responsibility
3. Transparency
4. Equitable Treatment
5. Vision to Create Long Term Value
6. Ethics

Apart from the above-mentioned communication methods, the Company, over the past year, focused on various activities to create the understanding among its staff, instill the awareness on this issue to integrate this concept into the corporate culture. For instance, the Company produced the "CG" programme, exhibition boards featuring the outstanding performance and giving corporate governance awards. The Company also organized the "2007 CG Day" with the highlights on CG exhibition and the speech on the topic of "Corporate management and desirable lifestyle according to His Majesty's footsteps" by ML Panadda Disakul, a security affairs advisor and the spokesperson for the Interior Ministry, who also answered questions from the employees on this topic. Moreover, the Company included the good governance in one of the curriculum for the new staff's training programme.

## Shareholders' rights

The Company realizes that every shareholder is entitled to the ownership right of the Company. Shareholders exercise their right by appointing the directors to act on their behalf and make major decisions with regard to the significant changes of the Company. The Company thus encourages the shareholders to continuously exercise such rights and never acts in any way to violate or deprive the rights of the shareholders.



## The Company's role to the stakeholders



Main stakeholders within corporate governance system incorporate customers, employees, trading partners, shareholders or investors, creditors as well as the communities where the Company is located.

The Company places high priority on every interest group. The Company's board has stipulated the process to promote the cooperation between the Company and these interest groups, including employees, customers, trading partners, competitors, shareholders and especially the communities surrounding the refinery's area, to create prosperity, financial stability and sustainable operation. Operating a large-scale industry, the Company therefore takes into consideration the environmental and safety aspects all along. To achieve this, the Company produced the Sustainability Report to inform the shareholders, relevant parties and interested persons of three aspects of the Company's operation, namely, environment, society and business. This reflected the Company's determination to constantly develop and operate the business ethically with an environmental friendly attitude and safety precaution. The Company also participated in the economic development by improving the public's quality of life as well as taking part in the community and social development in accordance with Corporate Social Responsibility: CSR Principle that the Company now observes as part of the corporate governance policy.

In 2007, the Company's board developed the mechanism to promote the stakeholders' participation in the good governance to enhance the Company's operation by disclosing the information with transparency, listening to opinions made during the meeting with the management, distributing information through investor relations department and website to ensure the sustainable development of the Company.

The Company has outlined the stakeholders' protection guidelines in the "Good Governance Policy" which can be summed up as follows:





## Employees

The Company has realized that the employees are the main driving force of the Company's progress. Therefore, the Company supports all employees' efforts to improve their knowledge and capability. Besides, the Company looks after all employees equally by providing them appropriate and fair returns and welfare benefits. The Company provides the medical welfare, transportation service, birthday activities, Children's' Day activity for the staff's children and various recreation clubs after daily work routine. Moreover, the Company also sets up the Employee Stock Option Programme (ESOP) as a reward to employees to encourage them to excel in their performance. This has brought about maximum benefits to the corporate and ensured the Company's business success.

## Customers and the public.

The Company has determined to develop the quality of its products and services to ensure the customers' confidence and satisfaction.

## Suppliers/partners.

The Company has outlined the ethical requirements for procurement, transaction of petroleum and petroleum products as part of the Company's code of conduct to ensure that the Company will do business with its suppliers/partners efficiently and fairly in accordance with the good corporate governance. Besides, the Company has also provided for the "the business contact manual" and "Guidelines for Bangchak Gas Stations' Dealer" for partners in dealing with the Company to ensure that the operators/the Company's agents will operate the quality business in line with the supervision guidelines and appropriate business ethics.

## Creditors

The Company treats the creditors fairly, with responsibility and transparency by strictly following the requirements stipulated by the contract and the financial obligations. The Company will not act with bad faith, conceal the information or any facts to cause the damage to the creditors.

## Competitors

The Company concentrates on doing business with ethics, transparency and fair competition. The Company's staff acts in accordance to the desirable rules and regulations without seeking the confidential information from the trading partners in bad faith or having any inappropriate manners such as bribing the competitor's employees. And the Company will not destroy the reputations of its trade competitors by making scandalous claims.



## Shareholders

The Company is determined to do the business by observing the corporate governance principles, being credible and maintaining the financial security to boost the competitiveness in the long term. The Company aims to provide appropriate returns to the shareholders by setting the policy to provide the dividend at 50 per cent of the net profit to the shareholders every year.



## Communities surrounding the refinery and society.

The Company considers the occupational health, safety and environment management as part of its business. Therefore, the Company sets the policy to promote occupational health, safety, environment and energy efficiency as the guidelines for the board, management and every staff under the sustainability concept as follows:

- Operate with safety without leaving negative impacts to oneself, related persons, communities and environment.
- Observe the relevant laws regarding occupational health, safety, environment and employees.
- Prevent the causes of the pollution, oil leakage and loss.
- Prevent the causes of every possible accident.
- Efficiently utilize the resources such as energy, water and chemicals.
- Constantly improve occupational health, safety and environment management.

In addition, The Company has also produced bimonthly “Green family” and “Around Bangchak” Newsletters to distribute to the communities in the refinery area to inform the nearby residents of the Company’s information. The recipients receive useful information such as the energy saving methods, daily safety precautions, and health tips as well as the environment protection activities, among others. The newsletter is another communication channel and means of taking care of the communities in the refinery’s neighborhood.

## Business ethics.

The Company’s board has stipulated the policy and business direction in line with the good governance guidelines by placing high priority on the internal control and supervision as well as risk management system for the long term benefit of the shareholders and stakeholders through transparency, information disclosure, equitable treatment, risk management system, performance excellence, social responsibility and an assurance that the good governance will be observed at every level of the organization.





# Organization Structure

The Bangchak Petroleum Public Company Limited is a Thai petroleum company, engaging in integrated petroleum operations from crude oil procurement and production to refined oil distribution. It is headquartered in Sukhumvit Soi 64 where a 120,000 barrels/day refinery is located along side with under-construction Product Quality Improvement Project and the oil distribution center to serve service stations in Bangkok and peripheral provinces. The Company also has an oil distribution center in Tambon Bang Krasan, Bang Pa-In, Ayutthaya, which serves service stations in the North and Northeast, as well as business offices in the North, the Northeast and the South. Product sale in 2007 including LPG, gasoline, gasohol, aviation fuel, biodiesel, fuel oil, lubricant and others, reached 4,575 million liters.

Bangchak has a 49-percent-owned subsidiary: Bangchak Green Net Co., Ltd, which has the registered capital of Bt one million. Bangchak Green Net runs Bangchak service stations and the distribution of other consumer products at Lemon Green and Bai Chak Shops as well as other services to support retail business expansion. Bangchak also has an 11.4 percent-owned affiliate, Fuel Pipeline Transportation Co., Ltd. which has Bt 1,592 million in registered capital. The affiliate supplies fuels through a multi product pipeline which starts from Bangchak refinery and runs along the railway to Don Meung and Suvarnabhumi Airport and ends at the Company's oil depot in Bang Pa-In, Ayudhaya province.

## Shareholders (As of 31 December 2007)

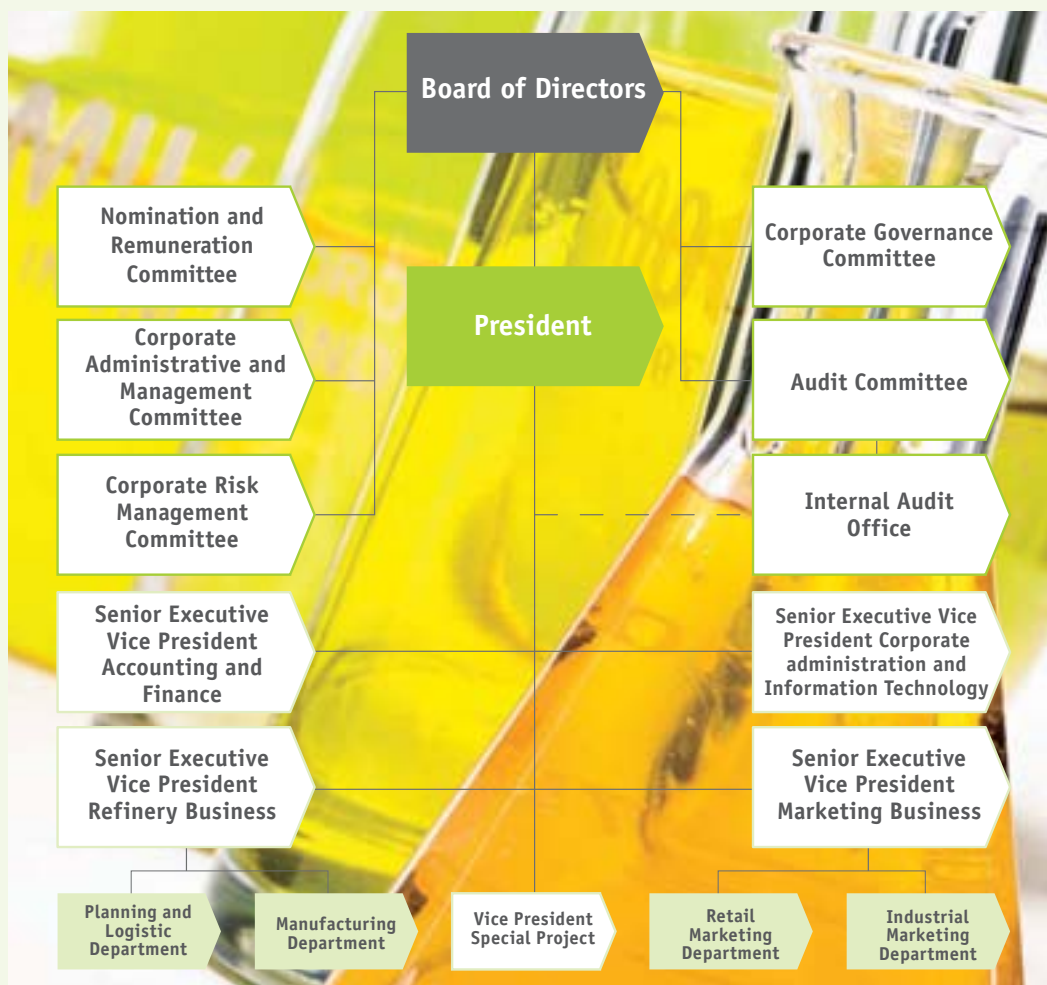
BCP shareholders	% holding
<ul style="list-style-type: none"><li>Siam D R Co., Ltd.</li></ul>	47
<ul style="list-style-type: none"><li>PTT Plc.</li></ul>	25
<ul style="list-style-type: none"><li>Minor shareholders</li></ul>	28

BCP-DR 1 shareholders	% holding
<ul style="list-style-type: none"><li>Ministry of Finance</li></ul>	24
<ul style="list-style-type: none"><li>PTT Plc.</li></ul>	10
<ul style="list-style-type: none"><li>Small investors</li></ul>	66





## Management Structure



## Editorial Notes

Bangchak has prepared and distributed the Sustainability Report since 2005. In the third issuance, it contains economic, environmental and social information, gathered under the Global Reporting Initiatives (G3)-based indicators for particular business circumstances. The issue also presents the environmental cost account, as an environmental management tool.

## Report Scope

The contents cover primarily the 2007 performance and some comparative figures dating back to year 2005 for the analytical and development purposes. The Report covers all operations of The Bangchak Petroleum, exclusive of the operations of subsidiaries and affiliates. On the environmental cost accounting, the figures belong only to the production area, which oversees the oil production process and is the main environment-related area.

For more information or suggestion, send to [chongprode@bangchak.co.th](mailto:chongprode@bangchak.co.th).



# The Company's Performance



# Economic

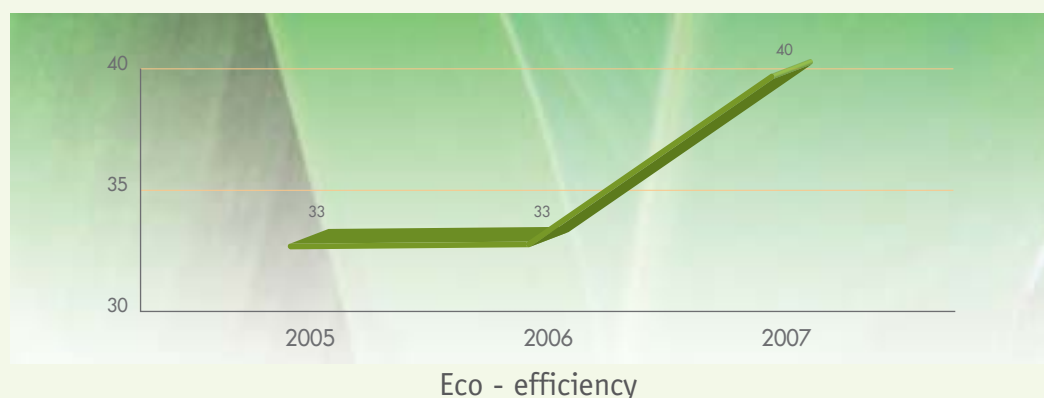
The Company's performance in 2007 outdid the previous year due to the continued hikes in crude oil prices, which drove Ministry of Energy to push forward renewable energy promotion for the country's energy security. The Ministry also eased consumers' burden by reducing the compulsory contribution to the Oil Fund and the Energy Conservation Fund, to make retail gasohol E10 and biodiesel cheaper than gasoline and diesel. The revenue of Bangchak, a leader in renewable energy - gasohol 95, gasohol 91 and biodiesel (B5), thus rose significantly from the previous year. Moreover, the Company has produced and distributed gasohol E20, of which ethanol content is higher, to help support the government's policy to reduce crude imports. The Company also had several improvement programs to bring down the production cost. All resulted in the higher net profit than last year and the higher amount of taxes for the country's development purposes.

Unit:Bt million	2005	2006	2007
Sale revenue	85,870	95,270	94,979
Gross margin	4,636	1,566	4,066
Income taxes	(292)	107	(903)
Net Profit	2,959	196	1,764



Besides the financial improvement, this year Eco-efficiency has been introduced as a tool to measure its economic against environmental performance and 2 year backdated data was done for comparison. The volume of production was employed as the indicator for economic performance and energy consumption which is the important environmental indicator in petroleum sector was used to indicate environmental performance. It is found that eco-efficiency in year 2007 is better than in year 2005 and 2006. The higher rate demonstrated better performance for both economic and environment.

$$\text{Eco - efficiency} = \frac{\text{Volume of production (kiloliters)}}{\text{Energy use (kiloliters)}}$$





# Environment



## Production with Responsibility Towards the Environment

Building on its principle of “behaving responsibly towards the environment”, it has continued to improve its environmentally operational performance for the better living quality of employees, the contractors and the communities nearby the Bangchak refinery.

One of the Bangchak’s key instruments of the environment management is the ISO 14001 guideline of practices. Bangchak is the first Southeast Asia’s company acquiring the ISO 14001 certification for the “Scope of Petroleum Refining”. It has been certified in 1997. It has also formulated the policy of the occupational health, safety, environment and energy to guide the employees in their operation as detailed below:

### Occupational health, safety, environment and energy policy

“The Bangchak Petroleum Public Company Limited is a Thai company, which has operated the integrated petroleum businesses, from logistic, production, to marketing. Bangchak has its own refinery and has operated the businesses on the philosophy of “the sustainable business development in harmony with the environment and society”. By this philosophy, it is under the direct responsibility of all concerned parties, from executives to the employees and the contractors, to be committed to the following practices.

- Operate with all due caution, refrain from causing any negative impact on themselves, the concerned persons, the communities, and the environment
- Strictly comply with the relevant laws on the occupational health, safety, environment and energy
- Implement the pollution control measures, prevent the oil leakage and spillage
- Implement all necessary measures and consider all aspects to prevent the possible accident
- Optimal utilization of the natural resources, such as energy and water, including the chemical substance
- Continual improvement of the occupational health, safety, and environment management system

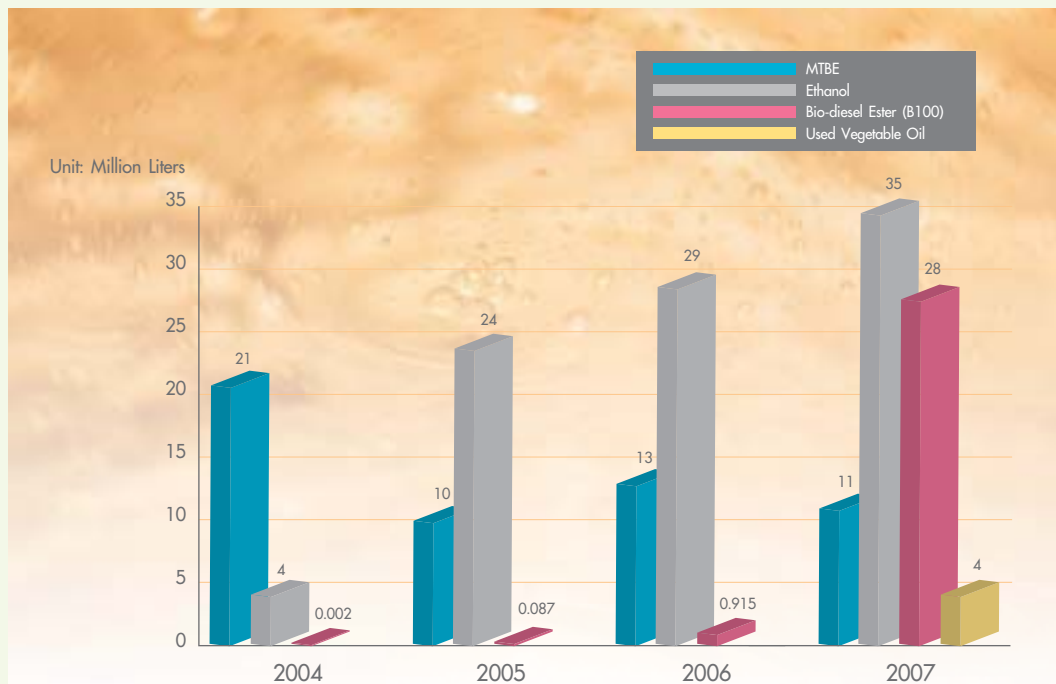
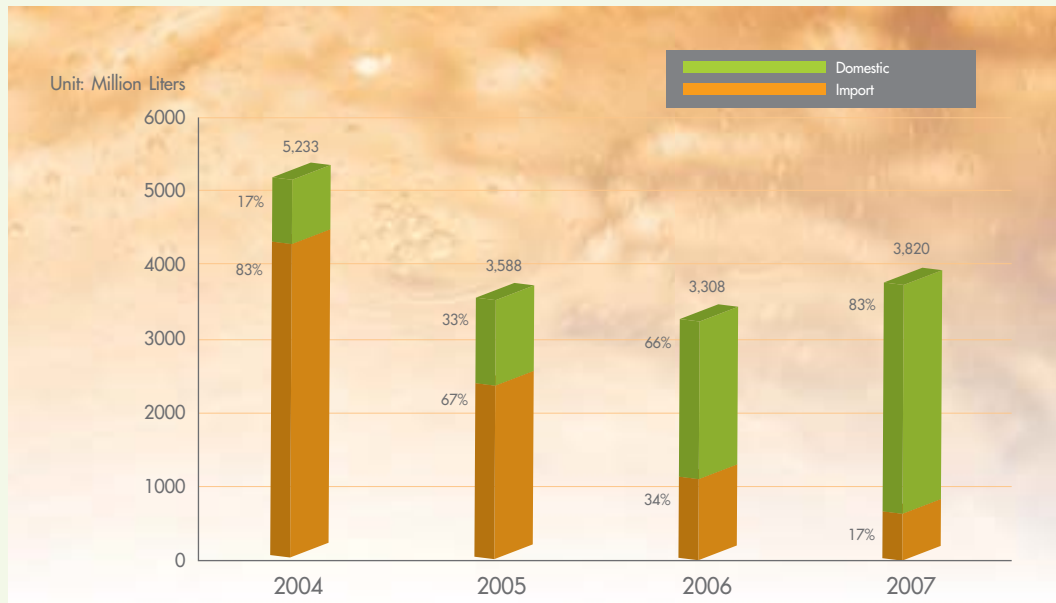
Bangchak’s management will provide sufficient resources and supports to the concerned parties to help them effectively carry out all the above-mentioned. Bangchak also provides the comprehensive relevant training courses to the employees in all levels to enable them to efficiently fulfil their duties and responsibilities. It supports the employees in all levels to share ideas and participate in the process of Bangchak’s determination of the corporate management policy.”

### Natural Resource Management

#### Raw Materials

Crude oil is The Company’s main raw material of its production process. In 2007, it increased the proportion of domestic crude oil used in the refinery to 83 percent. This is to support the government’s policy of reducing the crude oil import in a bid to stem the foreign exchange loss.



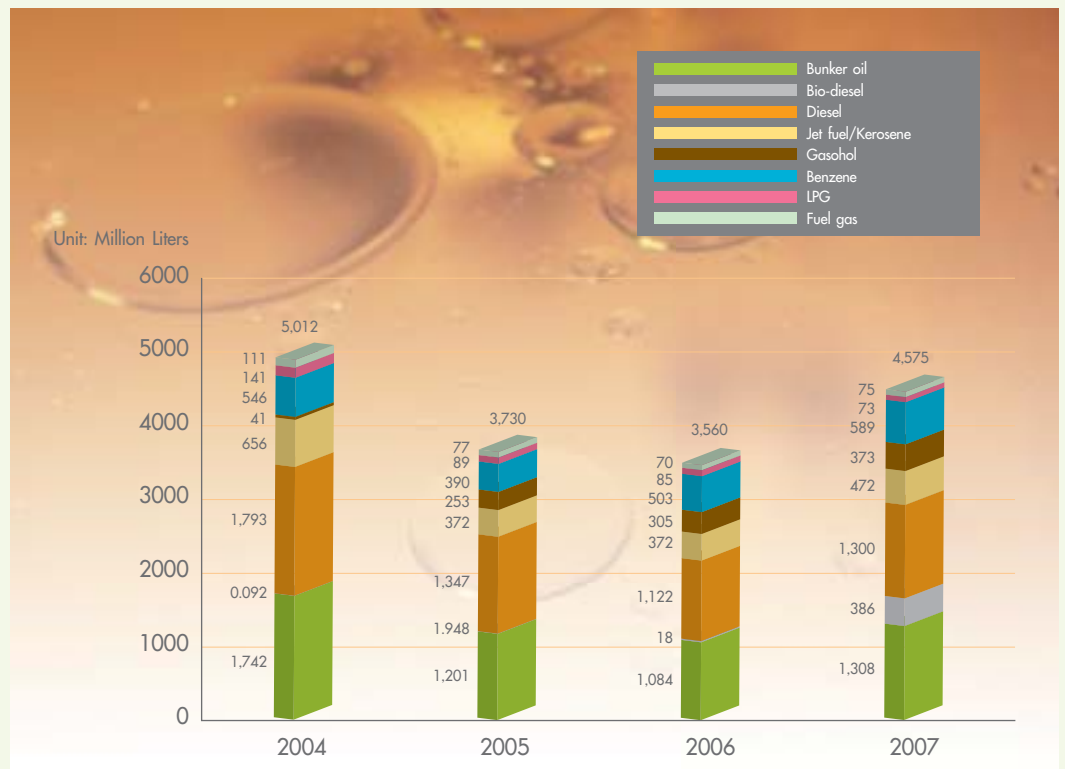


In addition to the crude oil, The Company has utilized the ethanol and biodiesel (B100) as the raw materials for producing gasohol and diesel B2 and B5, respectively. In 2007, the utilization of the ethanol and the bio-diesel jumped to 35 million liters and 28 million liters, respectively. This was in response to the government's support of the use of the renewable energy in the attempt to combat the global warming. Moreover, the import of Methyl Tertiary Butyl Ether (MTBE), the oxygenate in the gasoline, was reduced from 13.23 percent to 10.60 percent, as a means to help the country curb the foreign exchange loss. Furthermore, Bangchak established the bio-diesel plant with the production capacity of 20,000 liters per day. The unit can utilize either the crude palm oil or used cooking oil as the raw materials. In this process, the used cooking oil will be converted to the ester through the "transesterification" process. The ester derived from the process has more or less the same properties as diesel oil and can be blended with the diesel sold as Power D B5 and B2.



## Products

Bangchak has various types of products, including fuel gas, LPG, Gasohol 91, Gasohol 95, jet fuel, high speed diesel, Power D B5 and B2, and bunker oil. Another product is the liquid sulfur - the by-product of the oil quality improvement process was sold to the sulfuric acid plant.



## Energy

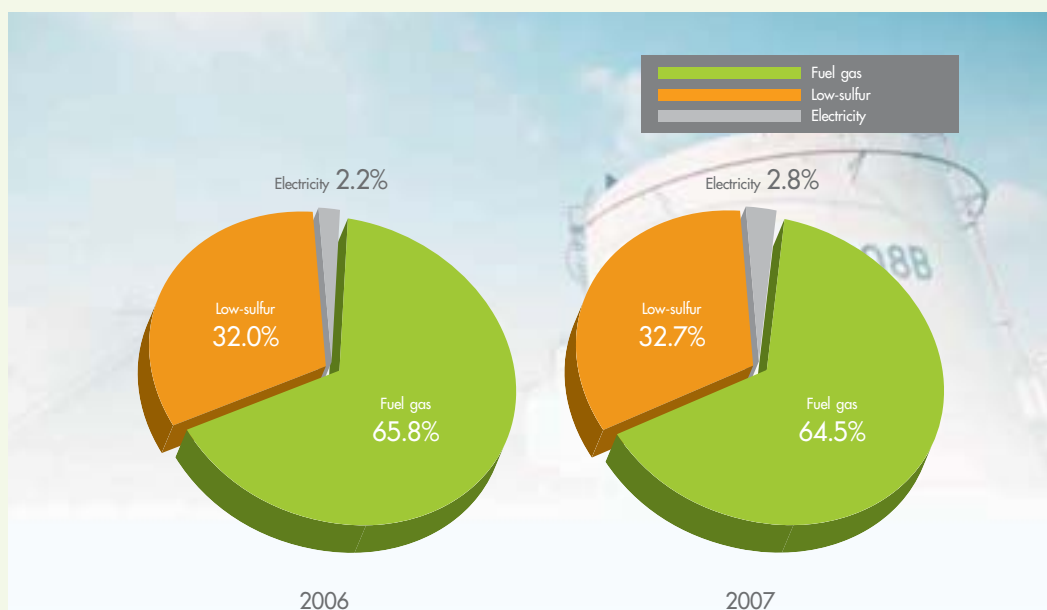
Bangchak refinery has utilized the sulfur-free-fuel gas as its main energy source and the low-sulfur (less than 0.5 per cent) bunker oil as the supplementary energy. It also purchased a certain volume of electricity from the Metropolitan Electricity Authority. The Company has constantly implemented the effective management of electricity consumption to reduce the use of electricity during an on peak period and maintain the reliability of its production process.





With the concern of energy use , Bangchak has carried on the programs of optimizing energy utilization. In 2007, its energy consumption rate dropped from that in 2006, due chiefly to the following measures:

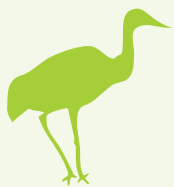
- Improved the operating plan to obtain higher efficiency of the refinery and to be in line with the diesel product management plan
- Changed the catalyst of the Isomerization Unit.
- Cleaned its heat exchangers as well as installed the new equipment to boost the heat exchange rate and to prevent the clogged-up in the system



## Water

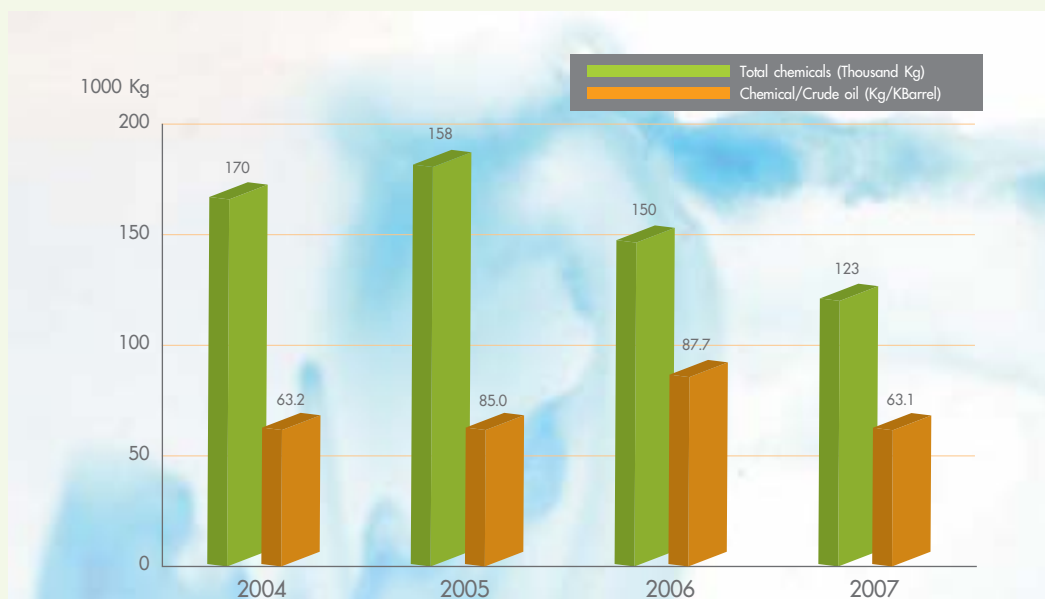
The Company has utilized city water from Metropolitan Waterwork Authority in the entire production process and has recognized that water is one of the most valuable natural resources. Therefore, it has carried on implementing many programs to reduce the use of the water in the production process. The implemented measures are as follows:

- The deployment of the Reverse Osmosis technology, which extends the period of the regeneration cycle of the demineralization water system. The water discharged from the Reverse Osmosis unit was reused for cooling tower, instead of using the city water as it normally does.
- Instead of using the city water, the water discharged from both Desulfurization Unit and the Distillation Unit was recycled for desalting unit.
- Re-use the water, which was used in the process of cleaning the demineralization plant.
- Re-use the treated water for gardening.



## Chemical substances

As Bangchak invested on the Reverse Osmosis technology at its demineralization plant, the frequency of the regeneration and time required for the regeneration results in substantially reducing both water volume and chemical substances needed for the regeneration process.



## Pollution control

### Water Pollution

Bangchak has taken the stringent measures to control the water pollution discharged from its production process. The wastewater has been treated through oil separation system and the activated sludge process to ensure that it meets the effluent standard. Bangchak regularly carried out the analysis of the treated water before discharging to the Bang - Ao canals. Moreover, it deployed the COD online analyzer to keep monitoring the qualities of the treated water all the times.



Effluent	Parameter	Unit	2007
pH	5.5-9	-	7.7
Fat, oil and grease	5.0	ppm	1.3
Suspended solid	50	ppm	21
Dissolved solid	3000	ppm	1535
Lead	0.2	ppm	0.1
BOD	20	ppm	6
Sulfide	1.0	ppm	0.4
Cyanide	0.2	ppm	0.003
Pheno	1.0	ppm	0.022
Mercury	0.005	ppm	0.002
COD	120	ppm	81



To prevent water pollution from marine transportation, Bangchak not only procured the new oil buoyant barrier and repaired the oil clean-up equipment as part of the measures but also prepared employee to be ready for the emergency situation at all times. Moreover, Banchak is one of the main members of the Oil Industry Environment Safety Group Association (IESG), which has played a key role in alleviating the problems stemming from the oil spill incidents in marine environment.

## Air pollution

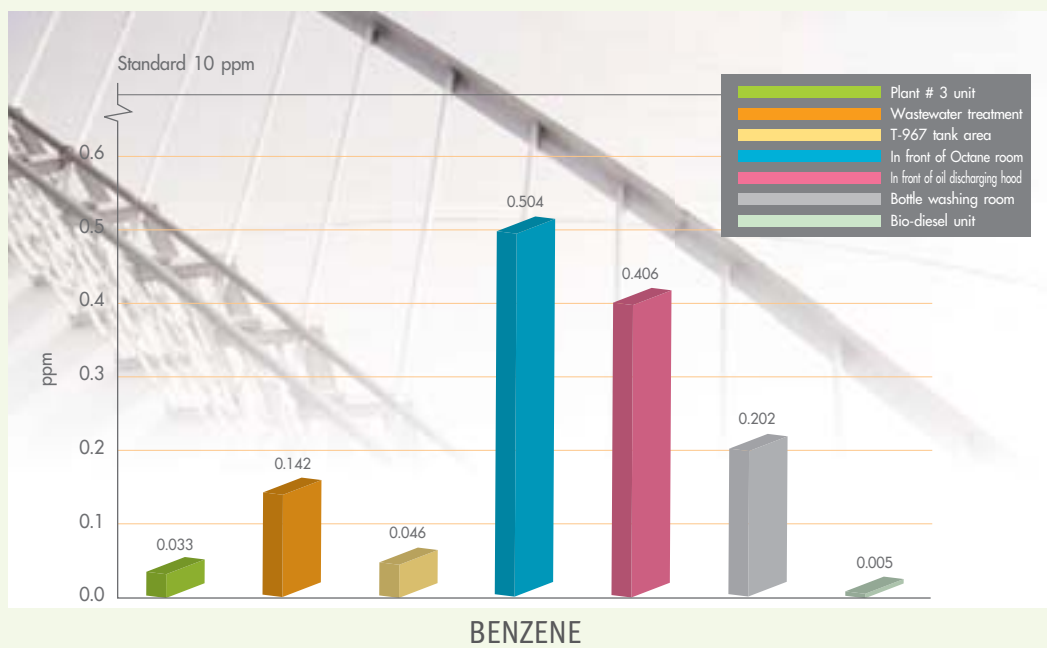
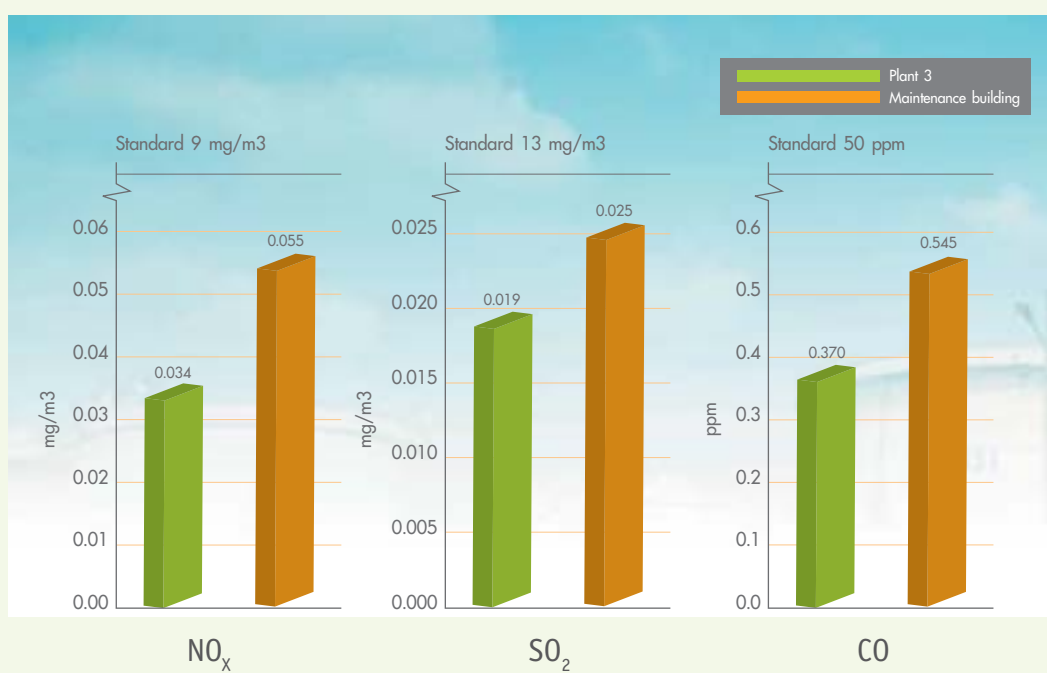
Due to the concern on the employees' safety, Bangchak conducts the checking of the working environment on the regular basis. It is found that the working environment standard level is better than the working environment standard under the Labor and Welfare Ministry. Furthermore, ambient air quality around the refinery were monitored and found that they were better than ambient air standard issued by the Pollution Control Department.

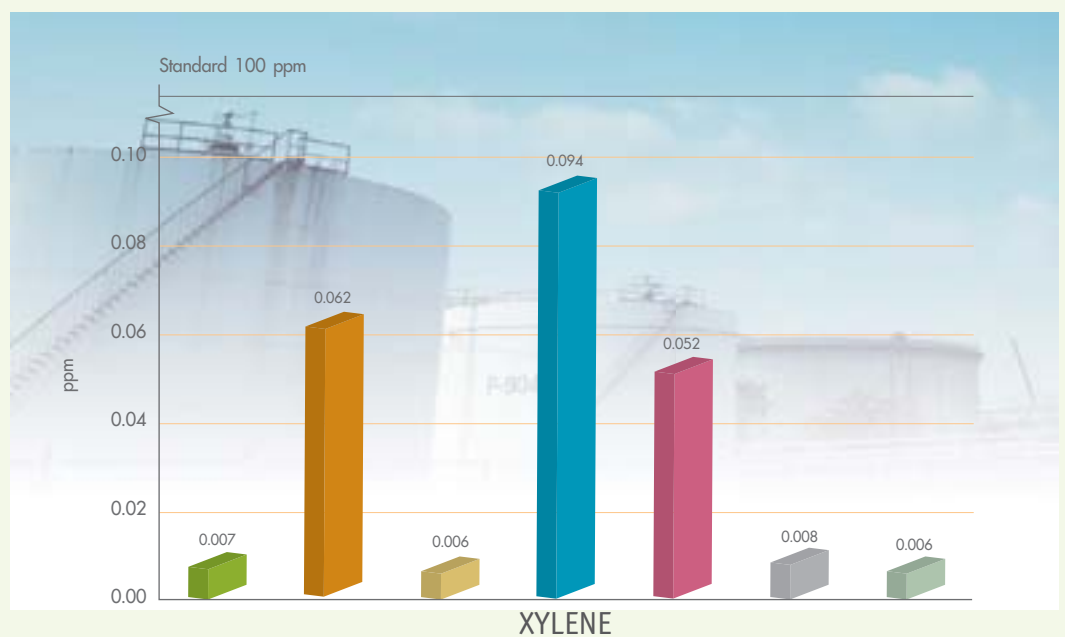
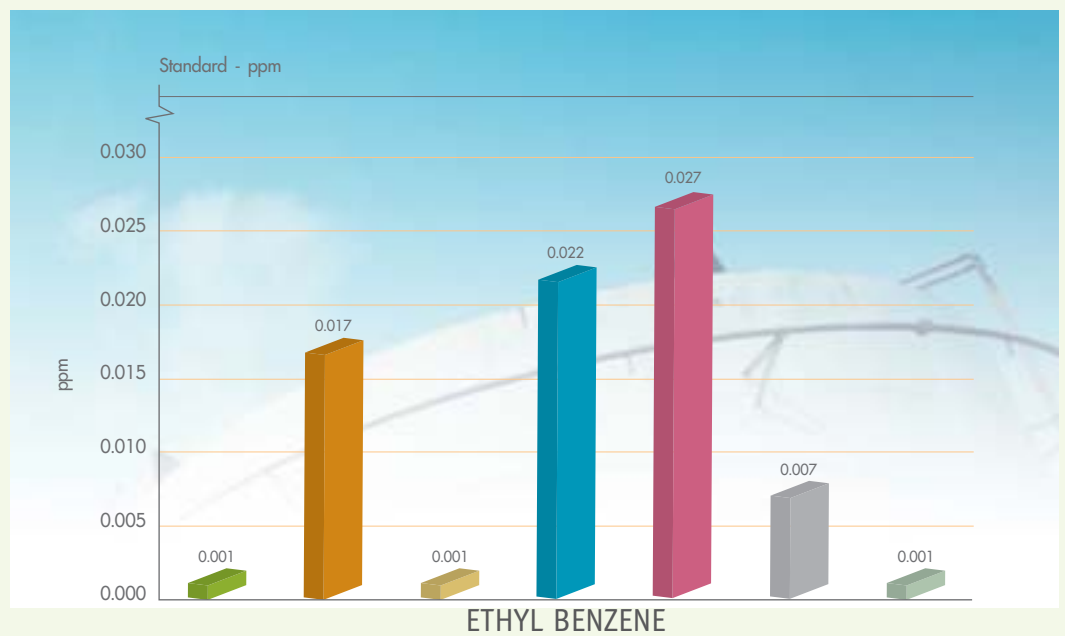
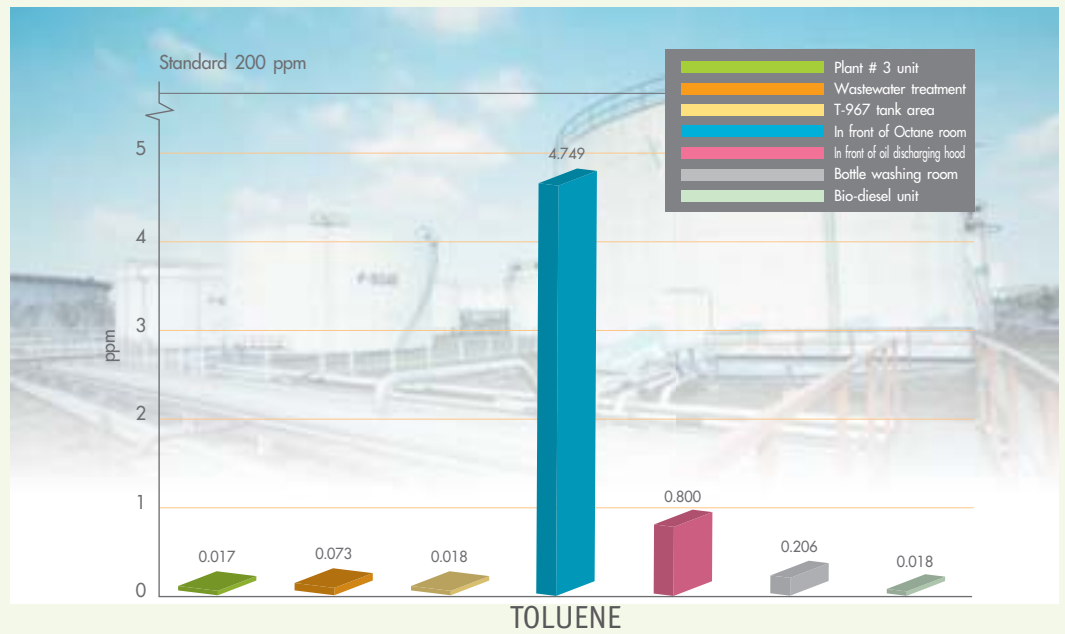
### Air Quality





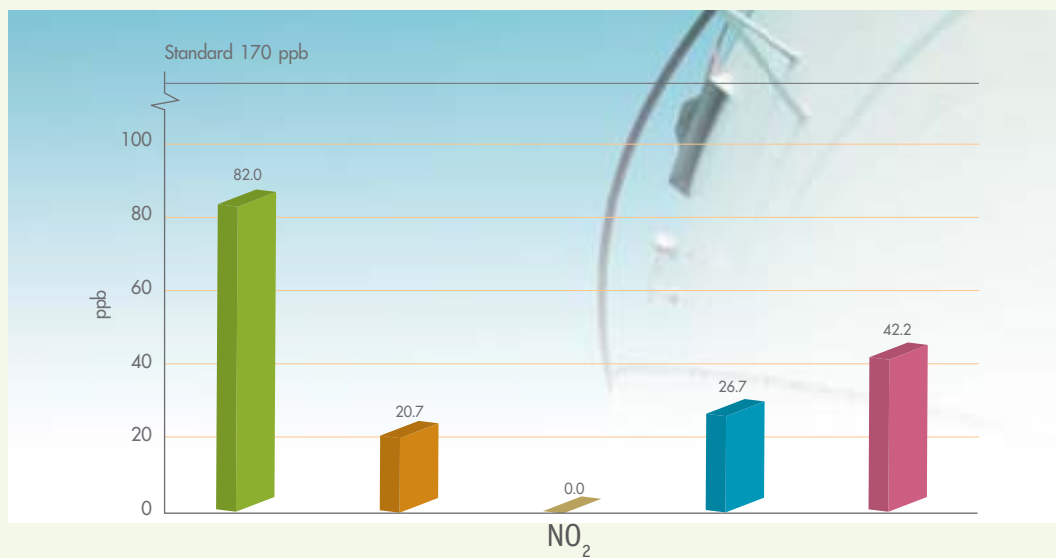
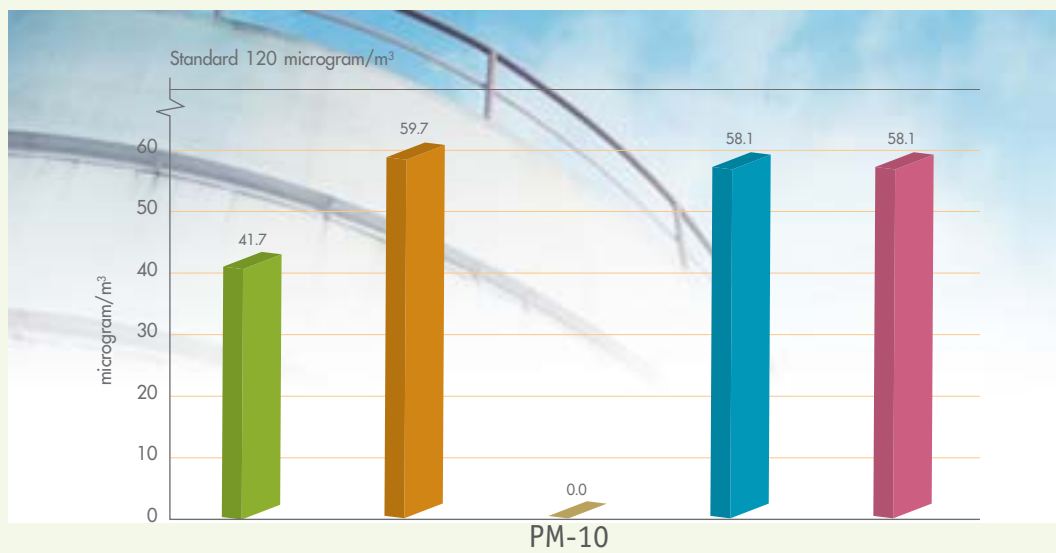
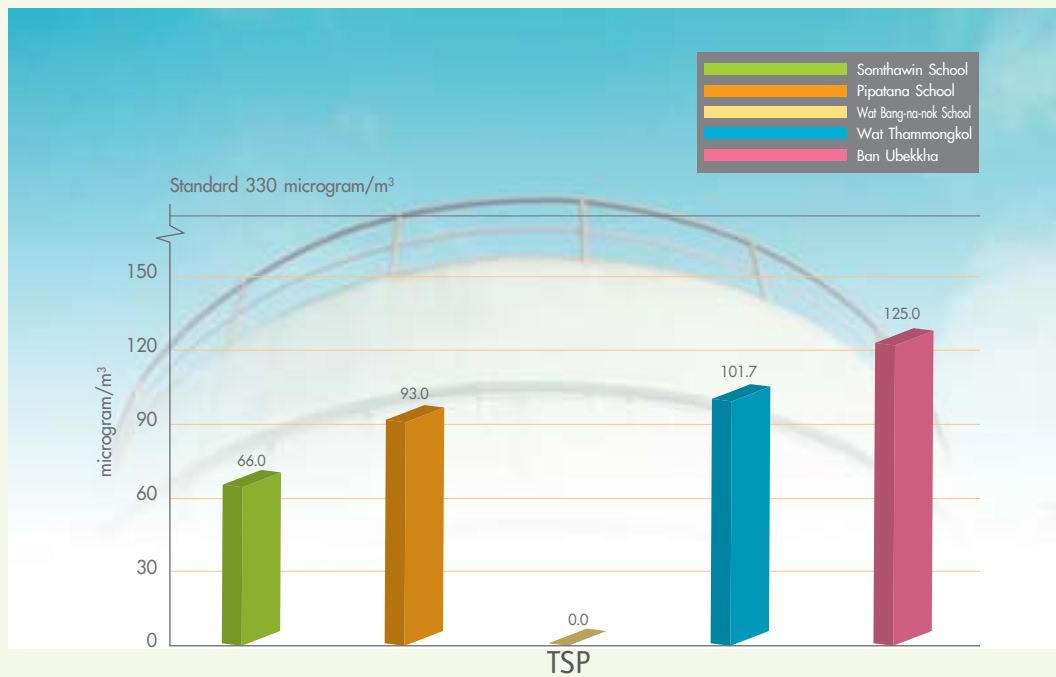
## Working area

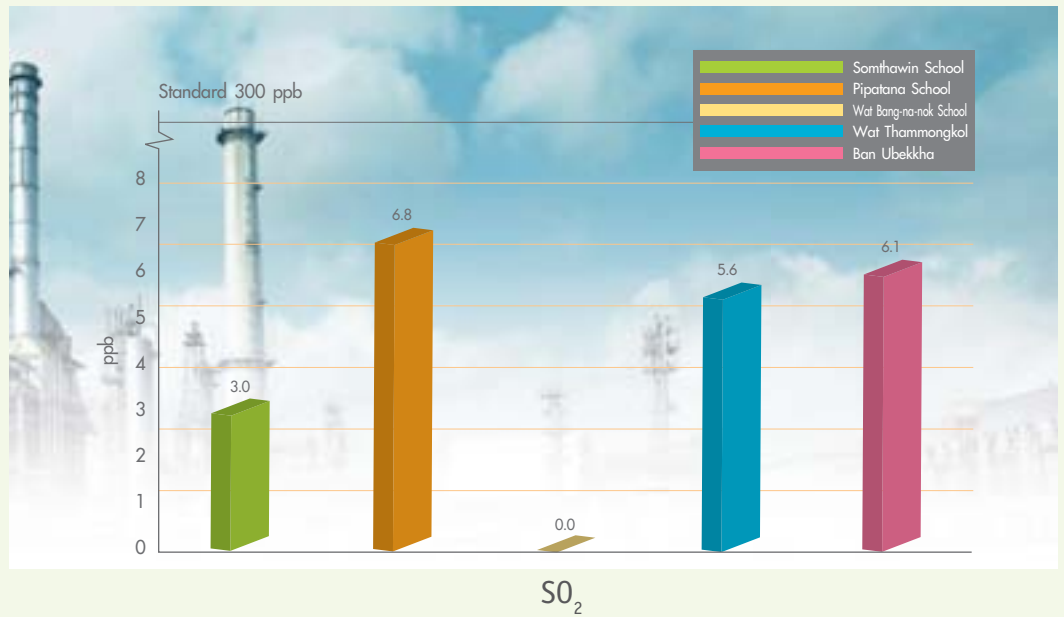






## Ambient air quality





## Solid wastes

The hazardous and non-hazardous solid wastes from the refinery process can be recycled and used as raw materials or fuel by other industries, such as the cement production industry. To optimize resource, the guidelines of the solid waste treatment are as follows:



- The hazardous wastes, which can be recycled into the fuel or the raw materials, were disposed of in the cement kiln. This method is the recycle of the energy and will prevent the possible contamination in the environment in the future.
- While the non-hazardous wastes were re-use or recycle as much as possible. The rest were sent to landfill.

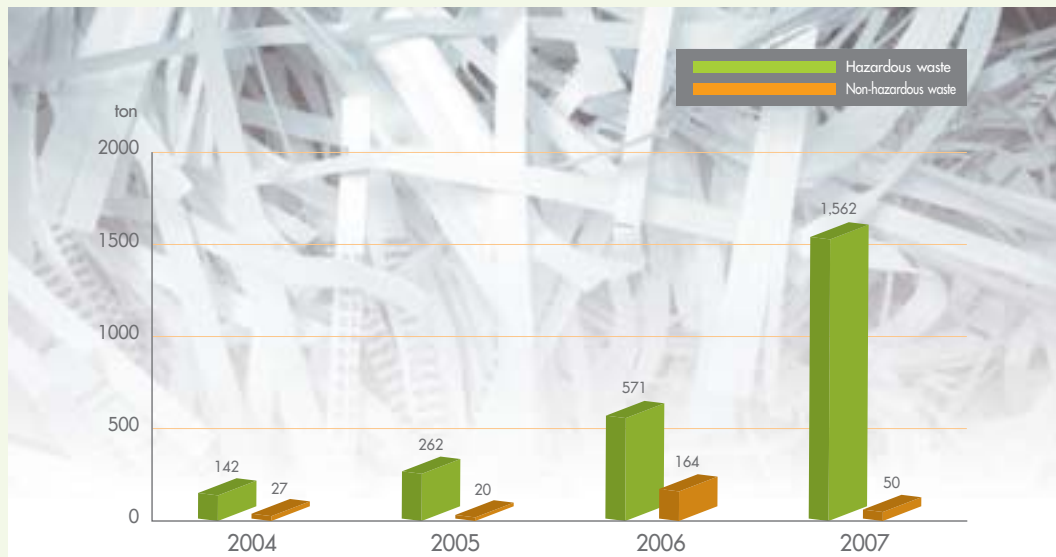
And to ensure that the wastes are handled properly and do not cause negative impacts on the environment, only registered firms from DIW's list are considered in addition with stipulating the clauses and conditions concerning the environment in all the procurement contracts.

The amount of wastes sent to be disposed of by external companies reached 1,549 tons in 2007 and were higher relative to that in 2006 due to wastewater from biodiesel plant just operated this year.

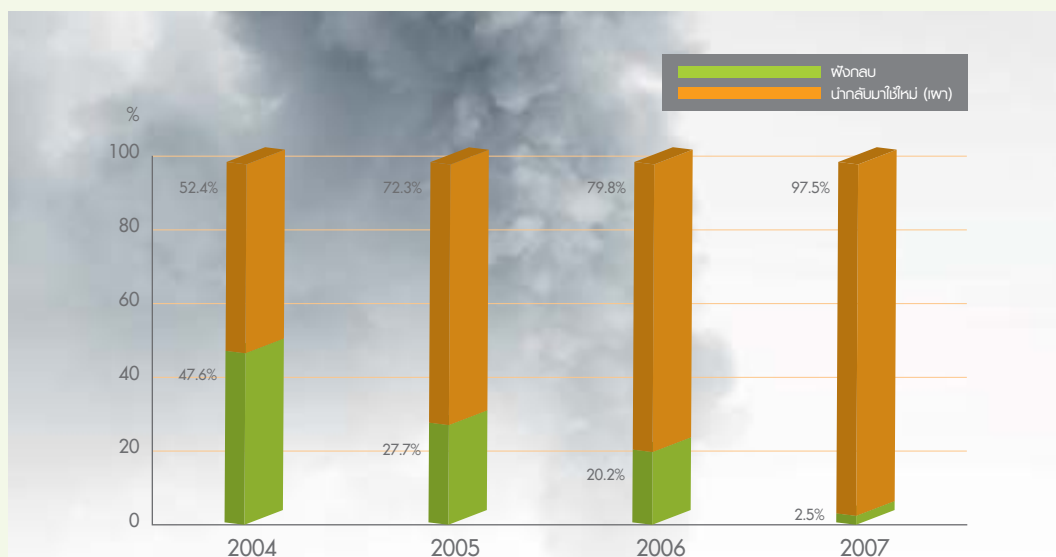
The general garbage were separated for the re-use or the recycle. For example, after papers were used on both sides, they were donated to the schools for the blind. The other types of garbage which cannot be re-used or recycled, were disposed of by BMA.



## Type



## Treatment





## Environment Management Account

Since 2005, Bangchak has prepared the environment cost accounting (scoped only the production line) and released the account to the public. It has circulated the information to other interested companies through training since 2006. In 2007, two training session were held. Besides, Bangchak has also joined hands with educational institutions to disseminate advice to interested students.

### The environment management account in 2007 could be summarized as follows:



Due to the rising volume and cost of nearly all raw materials, the material cost of product outputs in 2007 extraordinarily exceeded that of 2006. However, the expenses were factored into product price and hence resulted in revenue for the Company. Meanwhile, the Company witnessed a drop in the material costs of non-product outputs, the materials become waste in stead of products, such as slop oil which was re-processed, sub-standard sulfur and excess chemicals in neutralizing ponds. This reflected employees' determination in reducing losses. Expenses on waste- water however slightly increased due to the higher consumption of water in line with higher production. (The water consumption per crude run however dropped, indicating higher efficiency.)

On environment control expenses, spent on production wastes, the waste water treatment expenses slightly declined as the water condition was suitable for bio-treatment without requirement for additional nutrients. However, waste disposal expenses in 2007 were higher relative to the previous year as Bangchak installed a biodiesel production unit. The unit generated highly-contaminated wastewater which could not be treated at the existing facility and needed to be treated externally. On environmental protection items, most expenses were for environmental monitoring and maintenance of environmental laboratory equipment. The expenses rose as The Company strengthened the environment monitoring system.

On revenues, besides product sale, the Company's environment-related revenues gained from liquid sulfur- a by-product from treating units, scraps and recycled paper. This year, despite the higher price of sulfur, revenue on this part dropped as the Company used low-sulfur crude oil resulting in lower volume of liquid sulfur. Moreover, the Company also earned less from the sale of wastepaper because some of them were donated to the school for the blinds. Meanwhile, the sale of metal scraps increased due to the demolition of unused equipment, to clear the area for the Product Quality Improvement and the Efficiency Enhancement of Utility projects.



**Unit: Bt1,000**

**2005**

**2006**

**2007**

#### Material Costs of Product Outputs

Crude oil	49,769,773	51,610,896	59,805,028
Ethanol	436,016	665,415	607,622
Biodiesel (B100)	2,680	15,535	743,896
Used cooking oil	-	3,105	67,571
Chemicals	15,713	17,993	27,598
Water	6,429	7,275	8,433
Energy	1,177,739	1,293,318	1,499,759

#### Material Costs of Non- Product Outputs

Slop Oil	18,201	6,452	5,946
Oil sludge from crude oil/bunker oil tanks	0	1,072	766
Wastewater	6,731	5,418	5,648
Excess chemicals in neutralizing pond	241	80	33
Sub-standard sulfur	101	75	21

#### Waste and Emission Control Costs

Maintenance cost for environmental control equipment	34,079	29,567	27,979
Depreciation cost for pollution control equipment	50,894	51,839	62,938
Wastewater treatment cost	1,623	1,754	1,716
Waste disposal cost	1,704	2,705	6,427
Environment fees and taxes	N.A.	N.A.	N.A.
Fines	N.A.	N.A.	N.A.

#### Prevention and Other Environmental Management Costs

Monitoring and measurement cost	1,498	1,671	2,876
Solid waste storage depreciation cost	30	35	28
Environmental management system expenses	0	80	96
Maintenance cost for environment prevention equipment	291	251	122

#### Benefit from by-product and waste recycling

Liquid sulfur	7,896	7,389	6,534
Steel /aluminum scrap	2,595	4,099	5,806
Wastepaper	17	17	10



# Society



## Human Resource Development

With the vision of being the leading Thai-owned company in energy and energy-related businesses, which creates business returns that are fair and sustainable, with full commitment to environment and society by modernize management, Good Corporate Governance principles and highly capable employees, the Company has implemented the scheme of “Learning and Growth” through many activities, aiming to develop the professional human resources. Apart from providing substantial training courses to the employees, the Company has developed and managed the database of the total knowledge of the existing businesses and future plan.

As part of the learning culture, the Company established various learning channels for the employees, including the intranet-based channel. the Company has encouraged all employees to participate in the intranet-based “Happy Quiz”, which was held twice a month, and asked them to conduct the self-evaluation of their knowledge after the learning. Of total, 97.35 percent of the employees took part in the quiz activity.

In addition, Bangchak has promoted the knowledge and experience sharing of the employees among different departments through many initiatives, for example, the “TTD Tour” or Terminal and Transport Division Tour. The program is aimed to enable the employees to better understand the working process of the different units as well as enhance empathy among them, apart from broadening their knowledge scope.

The Company also upgraded the Competency Baseline of the employees in 2007 by improving the Competency Dictionary and determining New Competency Baseline.





## Professional Training and Development

Bangchak has recognized the value of all the employees and realized that the professional human resources are the key to ensure its firm and successful move into the future. In this regard, the Company has provided the employees with access to many training courses and higher education programs in order to promote their substantial self-development. This will make them ready at all times to deal with any change in the future. The contents of the available training courses were based on the Company's principle of the Core Competency and Functional Competency. The names of the available courses based on the purpose are as follows:

- Sustainable Work: Corporate Social Responsibility, Cross Functional Communication, Strategic Planning, Creative Thinking, The fifth Discipline, and Coaching Technique
- General Management: Supervisory GRID, Negotiation to win, and Effective presentation
- General Knowledge: The importance of collateral, corporate tax saving, and IT Awareness

With strong commitment to become the Learning Organization, the Company has continuously cultivated the Life-Long Learning culture within the organization to enable the employees to learn at "anywhere, anytime". Apart from providing the professional training courses to the employees, Bangchak has continued to develop its own experts to provide several courses to the public, ranging from basic fire - fighting to advanced fire-fighting course, Environmental Management Accounting, Corporate Social Responsibility. It reflects the strong commitment to contribute to the society.

### Expense of human resource development

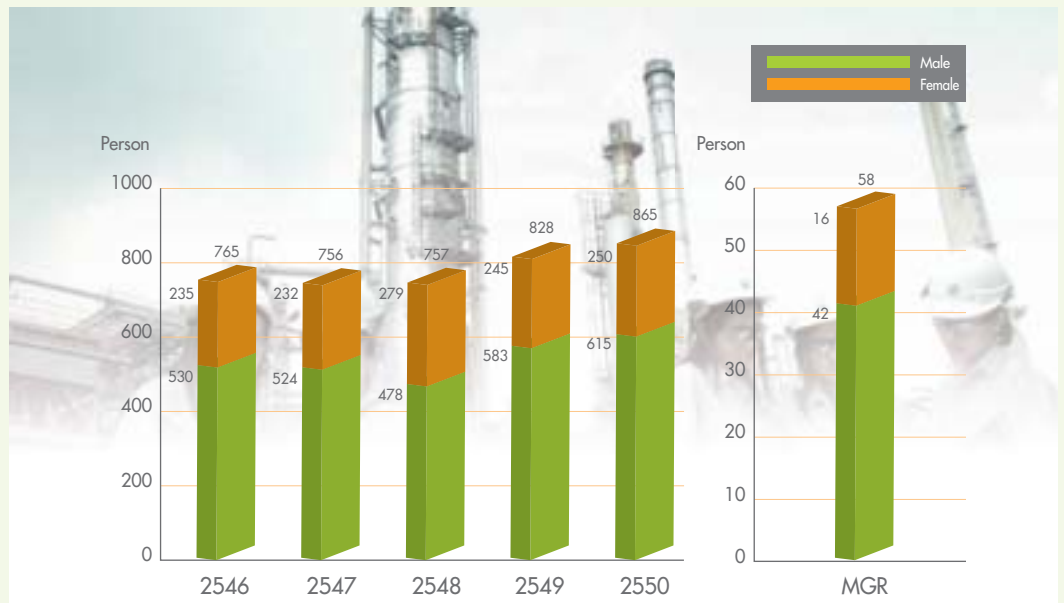


## Employee Number

In 2007, the Company recruited a greater number of the employees to support Product Quality Improvement Project, which will be completed and commissioned by late 2008. The new employees were made up of engineers and operators, who can work either day or night therefore most of them are male. This prompted the increase of the male employee number in the Company in 2007.



## Employee Number Male - Female



Having been a good and responsible Thai company, Bangchak has strictly complied with the relevant laws and regulations, including the labor laws. It is obligatory that age of all the employees and contractors are not under 20. The Company respects the employees' rights and treats all male and female employees equitably. Every individual employee is entitled to the equal rights as set forth in the Company's regulations. All the employees are entitled to earn the fair, appropriate benefits and rewards and to be provided with the equal access to the job promotion opportunity, regardless of their genders. Moreover, the employees are also entitled to the right to apply for membership of "the Provident Fund of The Bangchak Petroleum Public Company Limited" and can choose the contribution rate either 5 or 10 percent of their monthly salaries to the fund, while the Company will contribute the same amount for them.

### Employee Benefits

The Company has provided the benefits to employees and their family in a greater number than required by the laws. The types of the available benefits have been adjusted to be in line with the current social and economic situations and the business environment. The available benefits include the medical expenses of the employees, their family members, and their parents, the pension fund, the education fees for their children, the housing loan, life and accident insurance fee, First-Aid room, annual medical check-up, canteen, and commuting buses for the employees.

### Salaries and Remuneration

The Company has managed the wages and salaries of the employees on the fair basis to ensure that they have been rewarded according to their capacities and performances, and maintain its competitive edge in the sector. To achieve these goals, the Company has deployed the Key Performance Indicators to evaluate the performances of all employees.



## Employee Relation

The Company has continuously promoted many activities to foster the relations and the unity among the employees. The employees were encouraged to participate in various activities :

- **Birthday activity** The Company arranges not only the Birthday party for the employees, who share the common birth dates but also valuable activity to society, such as the merit-making, the visit of the communities nearby the plants, the cleaning of the community area, the tree-planting, and the nursing of elders and disable persons.
- **Study Tour** The Company organizes the Study Tour programs for the employees as a mean to cement their relationship and promote their learning activities.
- **Thod Pha Pa Samakki** The Company organizes this religious activity every year to provide the financial support to the temples and rural schools and to maintain its social contribution activity.
- **Songkran Day activity** Every Songkarn day, traditional Thai New Year, the employees take a chance to pay respect to elder such as Executive Board, Chairman and executive team of the Company through “ROD Nam Dum Hua” ceremony.
- **Bangchak Family Day** Many activities were held on this day for the families of the Company’s executives and the employees to enjoy together aiming to further forge their relationship.
- **The Company’s Establishment Day** In this special annual event, the Company’s executives and the employees join together in the merit-making activities, which include the offer of the foods to the monks, in order to bring luck and fortune to the Company.



## Bangchak Labor Union

Currently 20 percent of the employees are members of the union, which has been very active in taking care of the employees' welfare. The union regularly convenes with the management team in order to promote the collaboration and understanding between the executives and the employees.



## Employees' Committee

The Employees' Committee representing all employees comprises those appointed by the labor union and those nominated by all employees. It has worked closely with the representatives from the management team in ensuring that all the employees are fairly treated in term of welfare and benefit gain.

## Employees' Clubs

Bangchak initiated the Employees' Club on the goal of enhancing the strong relations among the employees and supporting their constructive activities. The employees having common interests, can join together to set up their own clubs. The existing clubs include bird-watching, marine conservation, photography, health, water-color painting, Thai classical and Western music, badminton, soccer, swimming, tennis, and etc.

## The "Lunch for the Needy Children" project

The small group of the employees of The Company initiated the project in July 1988 and began with the joint contribution of Bt877. They have been aware of the two serious problems that have been experienced by many Thai children - the starvation and malnutrition. The problems were apparent in the communities nearby the Company's refinery. As a result, the group has voluntarily donated money every month to provide lunch to the needy school children. The project reflects their strong intention to "share benefit with the others in the society". Currently the Bangchak project makes the monthly donation to 15 schools under BMA administration in Prakhonong and Bang-na district, one elementary school in Samut Prakan province, and Ban Tan Ta Wan, Children Foundation for, totaling 17 organizations or 14,024 of children. The project also donates money to schools in the remote area on the special events related with the Company.



## Occupational Health and Safety

BCP has continuously promoted safety and occupational health. In 2007, the Company introduced the “Environment Health and Safety: EHS” system running on a web-based application to collect the data on environment, occupational health and safety. The new system enabled the Company to search and collect the information faster and more effectively. The sub-unit systems, which are already operational, include:

1. **Danger warning system:** All employees can notify whenever they find unsafe environment or risky work operations in the workplace. The safety coordinators will pass on such warning to the responsible persons. This system increases safety at work.
2. **Incident report:** The system records undesirable incidents in the Company by analyzing the causes of incidents to set the corrective and preventive measures to avoid the repetition of undesirable incidents.
3. **Document collecting system:** It is the system to collect the safety information, occupational health and working environment to make it more convenient for work operation. These include:
  - results of working environment monitoring (noise, light and heat).
  - procedures of Job Safety Analysis and Quality Control Analysis (JSA&QCA)
  - risk assessment information of safety and occupational health at work
  - Material Safety Data Sheets (MSDS)

## SHEE promotion activities

- *Social & SHEE Channel*

BCP distributed information on social, safety, occupational health, environment and energy saving to every employee through the in-house radio program every Monday. In addition, the Company also distributed the information on health care to all employees through the Company’s “Outlook” channel every Wednesday.

- *Social & SHEE Movie*

Since environmental problems need everyone’s cooperation Global Warming, in particular, BCP has promoted the awareness and understanding on global warming. “An Inconvenient Truth” Movie were shown to staff three times this year.





- **Social & SHEE Talk** To ensure the continuity and make the staff realize the importance of the impacts from the global warming, the Company organized special lecture on “How to Cool Down the Global Warming” by Dr.Thorn Thamrongnavasawasdi and “How to Live when the Danger from Global Warming Arrives” by Dr.Chirapol Sinthunava.
- **Social & SHEE Day** BCP organized the exhibition to summarize the Social & SHEE activities in 2007 and organized activities to promote safety and occupational health as follows:
  - Special lecture on the topic “How to stimulate and energize oneself at work” by Dr.Boonchai Kosolthanakul.
  - Live performance to instill the safety awareness by “Choern Yim”.
  - Physical check-up service for the Company’s fire-fighting team by experts from the Sports Authority of Thailand.

## Environment and Safety Training Center



Bangchak’s Environment and Safety Training Center is located at the Bang Pa-In terminal, Ayudhaya province. The center provides the basic and advanced fire-fighting techniques, fire extinguishing techniques, crisis commands, annual fire drills for the employees and outsiders. Last year, the Company organized 98 training courses with a total of 8,562 trainees.

## Performance

Bangchak sets the targets and indicators for preventive safety performance together with the accident statistics to make the employees realize and participate in the safety precaution measures. Key indices were as follows:

- **Injury rate of employees and contractors**

Bangchak has continuously organized the activities to promote safety and occupational health. This has reduced the injury rate of the employees and contractors. The number of accidents has steadily decreased.





## Injury rate of employees and contractors (per 200,000 work hours)



Remark : \* In 2007, two staffs took sick leave on work-related injuries.

- Sub-emergency drills and annual drills

Bangchak placed high importance on the readiness and the well-prepared measures to respond to the emergency case by requiring the work units in production line and Bangkok oil distribution centers to execute the sub-emergency drills and annual drills more frequently.

## Sub-emergency drills and annual drills / Sick leave statistics





## Social Development

Being a part of the society, Bangchak does not only have the goal to be a sustainable Thai energy company but also aims to take part in the development of the social well-being. Therefore, the Company has continuously conducted social works activities. Last year, the Company engaged in various activities of community services.

### 1. Education

#### 1.1 Exhibition boards on "Biodiesel-Gasohol: Thais' ways of sufficiency"

His Majesty the King has promoted the ideas of turning crops into energy like biodiesel or gasohol for over 20 years. Bangchak, as leader in alternative energy, joined hands with the Office of Basic Education Commission (OBEC) in organizing a contest on exhibition boards and board presenters "Bio-Gasy Brothers" under the "Biodiesel and gasohol: Thais' way of sufficiency" theme, to promote His Majesty's ideas particularly to the youth nationwide and to honor the King on his 80<sup>th</sup> birthday anniversary.

The activity led to the creation of exhibitions and extra-curriculum project for students in Grade 7-9 in over 400 schools in all parts of Thailand. Over 600 "Bio-Gasy Brothers" helped educate them on biodiesel and gasohol with different techniques. The project created knowledge exchange among over 600,000 students.





While students and teachers from 25 schools in five regions won the Prime Minister's awards and award money, they joined the Company's Youth Club to tour the Chitralada Palace Project where Thailand's alternative energy was originated, the Energy of Ministry, and production process at Bangchak's refinery. They also helped campaign for the public to sell used vegetable oil to Bangchak for biodiesel production and received suggestions and techniques in promoting their exhibition boards from actors and professional hosts.

## 1.2 Open the World of Learning with Bangchak Project

### • *Open the World of Learning Activity*

With intention to turn Bangchak refinery into a learning center in the modern education world, where learners are encouraged to learn from direct experience aside from textbooks, the Company joined hands with Bangkok Education Service Area Office 1 to introduce the "Open the World of Learning with Bangchak Project". Participants learnt on various subjects - science, technology, career, social, art, hygiene, Thai and foreign languages - through 2 integrated learning units. They are "Talui Loke Namman" (Explore the Oil World) and "Sangsan Sing Waedlom" (Rebuild Environment). In 2007, the Company welcomed 1,400 teachers and students from primary and secondary schools to the project.

### • *Prepare learning tools/exhibitions/science play on alternative energy*

The Company realized the need to develop alternative fuel for sustainable self-reliance along with educating the public particularly the youth of alternative energy advantages. The Company thus staged annual exhibitions and a science play on alternative energy at schools around the refinery and other venues on major occasions like the National Science Week 2007 and schools' science camps.





### 1.3 My School Project

- ***Phee Son Nong (Bangchak Brothers to Brothers) Activity***

The Company's staff teamed up to organize "Rongrian Khong Noo" (my school) project, to teach children in the near-refinery communities 1-1.5 hours before end of office hours, 4 days a week. This is to help parents, tied up with work that they could not take care of children after school. The staff coached the children, over 20 at a time, on their homework and hosted activities to teach them on mathematics, English, Thai, social subject, arts and ethics in the refinery premises or in the communities.

- ***Bangchak Summer Camp***

In summer, after exams, children enjoyed their free time and recharged themselves for the new semester. The Company organized the youth summer camp where over 70 children from communities near the refinery attended 5 - day program (without overnight stay) and enjoyed a variety of activities - recreation, sports, handicraft making, energy studies and tours - provided by the Company's volunteer staff. The children also met friends from other communities. Through the project, the children were taught new knowledge and learnt to improve their emotional development and socializing skills.

### 1.4 Bangchak scholarships

The Bangchak Public Company Limited has been committed to promoting youth education, particularly the young with good behaviors and kindness but financial problems. Scholarships are provided to students from 19 schools, enlisted for the Company's lunch scheme, and community children for the study in the kindergarten, primary school, secondary school, diploma and bachelor-degree levels. In 2007, the Company awarded 249 scholarships worth Bt726,000.





## 2. Sports activities

- ***Bangchak sports project***

During the October school break, over 100 male and female children, aged 7-18, living in near-refinery communities joined the futsal training session, hosted by former national football player Surasak Tangsurat and a team of experienced trainers. Aside from the right futsal techniques, the children learnt the team spirit and made friends with others who came from adjacent communities.

- ***Bangchak youth football club***

Thanks to the 6-year operations of the Bangchak youth sport project, the Company has found several talented children in the near communities. To allow the underprivileged children to demonstrate their talents, the Company formed the Bangchak Youth Football Club where talented and dedicated children aged 7-10 years from nearby communities were recruited for the training from former national football players as well as the scientific approach in nurturing their physiques. They also joined several football matches nationwide, as members of the Bangchak Youth Football Club. The Company sponsored the uniforms and equipment, as well scholarships to the children.

## 3. Safety

### Bangchak's community care project

- ***Community safety training activities***

The Bangchak Petroleum Public Company Limited has encouraged communities to pay attention to safety and prevention.

Trainings were organized to educate nearby communities of tips in preventing fires, mostly originated in houses: for example, how to check and maintain the power system and electrical appliances, as well as instructions on the use of fire extinguishers and procedures to handle emergencies. The trainings were supervised by officers from Bangchak's environment and safety training center.

- ***Basic fire fighting***

To prepare the communities of proper procedures at times of emergency, aside from knowledge in fire extinguishers, the Company also hosted Basic fire fighting training for children around the refinery, where they were coached on theories and practiced. The community committees exercised the fire extinguish simulation at Bangchak's environment and safety training center, at the oil depot in Bang Pa-In.





- *Provision of fire extinguishers and chemical filling*

The Company encouraged nearby schools and communities to realize the need of preparation for safety at emergency and non-emergency situation. The Company helped check and change the parts of malfunctioning fire extinguishers, fill up the tanks, and provide new extinguishers to needy schools.

## 4. Environment

### 4.1 Purchase of used vegetable oil for biodiesel production

At present, part of over 100 million liters a year of used vegetable oil is used as a raw material in soap or feed mill production and the rest is released to public channels, causing environmental problems. Some are resold at cheap prices for reuse. Medical experiments show that consuming food made of repetitively-used vegetable oil for a long time could lead to the accumulation of polar chemical which affects liver and kidney cells and could cause cancer. Turning used vegetable oil to fuel is a means to reduce the problem. The Company has not only expanded the distribution of biodiesel, but also encouraged the public to consume more biodiesel as advised by His Majesty through the purchases of used vegetable oil for biodiesel production at Bangchak's refinery on Soi Sukhumvit 64 and over 20 Bangchak service stations in Bangkok and peripheral provinces, as well as in Sri Prachan district, Suphan Buri. Bangchak also launched the "Biodiesel for Thai society: Towards Sufficiency Economy to Honor His Majesty the King's 80<sup>th</sup> birthday" project in cooperation with Bangkok Metropolitan Administration, communities and business enterprises in 50 districts.





Besides, the Company's employees also joined the campaign to buy used vegetable oil at fresh markets and organizations in Bangkok to raise awareness in environmental problems from the dumping of used vegetable oil in public channels and the prevention of health problems by avoiding consuming used vegetable oil.

#### 4.2 Hua Jai Bai Mai (heart of leaves) Project

- *Donation of seedlings to Phu Long*

The Bangchak Petroleum Public Company Limited collaborated with the Lam Patao river source reforestation project (Phu Long) in Chaiyaphum, in reviving the natural forest, expanding the green areas and preserving the river sources. The collaboration, running for five years from 2005 to 2009, is also dedicated to raise awareness in environment conservation and conservation participation among students near the refinery and those in rural provinces. The Company invited five nearby schools and a 1 provincial school to join the seedling planting project, which will produce 20,000 seedlings to Phu Long forest per annum (or 50 rai of forest land).

- *Pha Pa-river source reforestation*

The Company and employees jointly organized a "Pha pa" (robe offering to monks) to raise funds for reservation forest reforestation. The volunteer employees also brought and plant the seedlings - prepared by students in the Phu Long seedling program - at Sukhato Temple in Chaiyaphum.

#### 4.3 "Bangchak Rak Chao Phya" (Bangchak conserves Chao Phya)

On Their Majesties' remarks on the conservation of the Chao Phya River which is the main blood vein of Bangkok, the Company accordingly helped collect garbage at Bangchak's refinery pier to clean the river. To commemorate His Majesty the King's 80<sup>th</sup> birthday, the Company also joined with the Phra Khanong District Office and nearby communities to collect garbage in Bangchak canal and clean the surrounding areas for the better community environment.

#### 4.4 Environment Management Accounting

The Company arranged trainings on "environment management accounting", a tool in raising financial and environment efficiency, to the general public during 24-25 May and 6-7 September 2007. The Company's employees also lectured on the topic at the seminar on "A step forward, report standard, and corporate CSR valuation" on November 7, 2007, to disseminate the knowledge to society.





## 5. Quality of living

### 5.1 Health program for community: Wan Kaew project

The Company acknowledged the need of healthcare, as good health leads to good quality of living. It had collaborated with the Electricity Generating Authority of Thailand to organize “Wan Kaew Project”, whereby free optical check-up were provided to people in nearby communities since 2005. In 2007, the project served over 600 persons with eyesight problems.



### 5.2 United Family Project

The Company realized the significance of “families” - the basic social unit, as a happy family can benefit society. the Company thus encouraged members of families in Bangchak’s neighborhood to spend their free time together, in learning and improving their skills in creative ways. The project also promoted understanding in the maintenance of physical and mental condition of family members as well as in environment and environment conservation. Through activities such as Bangchak yoga, healing massage, health food cooking, bird watching, therapeutic laugh, Chitralada Royal Project’s visit and the family camp (tackling global warming episode); family members exercised their knowledge and expressed opinions, skills and personal talents.

### 5.3 Relationship strengthening

As Bangchak refinery is located in a city area, the Company and all staff are close to community people. On major occasions of festivals such as employees’ birthday, New Year, Songkran’s Day and Mother’s Day, the Company’s employees brought gifts to the people at their home. Beside, the Company annually opened its door to community people for a luncheon with executives and the tour of the refinery’s production area and environment surroundings. This is to exchange knowledge and inform them of the Company’s business and joint activities with communities. The Company published the journal “Krop Krua Bai Mai” and “Rob Rua” newsletter and communities were invited to express their views through the journal which was released every 2 months.

### 5.4 Children’s Day

It is undeniable that children are the country’s future and all children are anxiously awaiting the Children’s Day where they are the most important persons. The Company annually hosts the celebration on the day. But as several organizations cancelled the event in 2007 due to unstable conditions, the Company opted to bring gifts to school students and community children.



## 6. Public services

### 6.1 Religious and cultural volunteer

As part of society and communities, the Company and all employees realized the need of doing good deeds through various activities including blood donation and donation of money and items for the underprivileged. Part of the program was to organize Pha-Pa to raise funds for community temples in collaboration with communities, which needed money in restoring multipurpose buildings where community activities take place.

### 6.2 Community learning center

Through frequent visits to communities, the Company acknowledged the scarcity of the centers where communities could share their learning and do activities together. The Company built learning centers and nursery centers in communities and provided equipment. The Company also participated in building a fully-equipped computer center and donated some equipments to nearby schools.





## Product and Service Development (Product Responsibility)

### Leader in renewable energy

The Company's products consist of a variety of fuels. Those are fuel gas, bunker oil for industrial use, liquefied petroleum gas for household and transportation sectors, jet fuel, gasoline, gasohol, diesel and biodiesel of which qualities meet the Department of Energy Business's requirements.

Bangchak has followed His Majesty the King's initiative in developing renewable fuels, being the leader in the production and distribution of gasohol - the gasoline which contains agricultural-based ethanol and promises the same quality as gasoline in general, and Bangchak Power D B5 - the mixture of high-quality diesel Bangchak Power D and biodiesel at the 95:5 ratio. Bangchak Power D B5 is the second type of diesel under the diesel standards published in the Royal Gazette. Both products induce great benefits in economic, environment and social terms. They help save foreign currency loss with the reduction of the MTBE and the country's oil imports, strengthen the country's energy security, and lessen air pollution as well as greenhouse gases. They also solve the oversupplies of agricultural crops such as sugar cane and cassava and increase farmers' income and value of the country's agricultural sector.

To assure consumers of fuel quality, the Company has launched insurance programs for carburetor cars driven by Bangchak Gasohol as well as free maintenance for cars and motorcycles driven by Bangchak Gasohol on condition that the vehicles' manufacturers assured of the compatibility of the vehicles with gasohol 95 and gasohol 91.





## Gasohol Club Card

A card is a channel to help cut down motorists' burden, offering a 20 satang per liter discount on gasohol 95 and gasohol 91 as well as other privileges such as 24-hour emergency services nationwide, a discount on Bangchak lubricants and from participating shops, and privileges to participate in Bangchak's activities such as "Bird loving family, Bangchak Tour" created to strengthen family bonds and promote environment conservation. Besides, cardholders can return the benefits for social purposes. They can donate the discounts to various social and environment organizations e.g. the Child Protection Foundation, Khum Thammarak Foundation (AIDS, Lop Buri), the International Foundation for the Disable, the Rural Area Medical Aid Foundation, and the Hornbill Research Foundation.

## Solar-powered service station

Aside from development and distribution of renewable fuels, the Company develops an solar-powered service station in August 2007 as the first station of its kind in Thailand. The station located in Kasetsart University mostly relies on solar-generated electricity, combined with the power from the Metropolitan Electricity Authority, to reduce petroleum-based power and global warming.

## Alternative choices

To provide more choices to consumers, Bangchak in cooperation with PTT Plc. sells natural gas for vehicles (NGV) at its service stations. At the end of 2007, there are eight stations and in 2008 the number is expected to expand to 20 stations.

## Station rebranding

Bangchak has rebranded its service stations for the more colorful and modern look, under the "Green Service Station" concept which requires the blend with nature and environment. More greenery is added to the stations' landscape as well as a resting area where clients can enjoy the fresh scenery and greater convenience. Aside from filling up their tanks, clients are promised of peripheral services at Bai Chak Convenience Stores, Inthanin Coffee Shop, Green Auto Service (one stop service station), Green Serve (quick lubricant change), and Green Wash (car wash and coating center).





## Bangchak stations with SHEE standards

The Company has promoted activities on safety, health, environment and energy or SHEE at Bangchak stations for the sake of station operators and clients. The major component of SHEE is the fire drills to prepare for emergencies at stations. SHEE also covers the third-party insurance; consistent toilet cleaning; maintenance of the lawn, trees, and sewage system; waste and water treatment; garbage classification; and power management for energy conservation.

Following consistent care in the condition of toilets, Bangchak won an award from the World Toilet Expo for “Service Station’s Clean Toilet” competition hosted by Department of Health, the Public Health Ministry. Ranked in the first place among toilets along Phaholyothin Road is the toilet at the Bangchak Station on Phaholyothin 38, and the first on Rama II Road is Nakhok 1 Station.

## Continued supports to community products

In 2007, Bangchak hosted a special campaign for community products at its service stations namely “tamarind jelly from Phetchaboon and “preserved pineapple” - a product of the group of housewives from eight provinces (Prachuab Khiri Khan, Chumporn, Ratchaburi, Rayong, Chanthaburi, Trat, Phetburi and Lampang), to promote agricultural products and generate jobs and income for farmers and communities. Eventually, this helps promote sufficiency economy, for sustainability.

## Lubricants for community

Bangchak joined hands with the Cooperative League of Thailand to launch “Bangchak Co-Op” lubricants, particularly for community buyers who can buy the special-grade products at a reasonable price. Under the logo featuring intertwined ropes for the League and Bangchak emblem, the lubricants are “Bangchak Co-Op Extra” for heavy-work diesel engine, “Bangchak Co-Op DX” for agricultural machine, and “Bangchak Co-Op 4T” for 4-stroke motorcycles.



# Awards and Certificates



*CNBC's Corporate Social Responsibility Award 2008*



*Board of the Year for Exemplary Practices 2006/07*



*First runner-up in the 2007 contest on projects on sufficiency economy philosophy (large-sized enterprise category)*

- CNBC's Corporate Social Responsibility Award 2008 announced in CNBC's 2008 Asia Business Leader Award (ABLA) presentation hosted by CNBC (Consumer News and Business Channel) and NBC Universal. The award was granted to Mr. Anusorn Sangnimnuan, President, for Bangchak's leading role of CSR.
- Board of the Year for Exemplary Practices Award for 2006/2007 from the Thai Institute of Directors (IOD)
- First runner-up in the 2007 contest on projects on sufficiency economy philosophy (large-sized enterprise category), hosted by the Office of The Royal Development Projects Board (RDPB).
- ISO 17025 Certificate for laboratory operations on diesel product testing from Thailand Industrial Standard Institute (TISI), Ministry of Industry
- Commitment to Social and/or Environment Issues Certificate, jointly awarded by Thailand Management Association and Sasin Graduate Institute of Business Administration of Chulalongkorn University at the 6th "Thailand Corporate Excellence Awards" in 2007.
- Commitment to Energy Saving Certificate, jointly awarded by Thailand Management Association and Sasin Graduate Institute of Business Administration of Chulalongkorn University at the 6th "Thailand Corporate Excellence Awards" in 2007.
- One of nine companies with highest combined scores in good governance from the 2006 survey jointly hosted by Thai Institute of Directors (IOD), the Securities and Exchange Commission and the Stock Exchange of Thailand
- Certificate on Distinction in Maintaining Excellent Corporate Governance Report from Money & Banking Magazine and the Stock Exchange of Thailand, presented in the SET Awards 2006
- Best Corporate Social Responsibilities (CSR) Award from Money & Banking Magazine and the Stock Exchange of Thailand, presented at SET Awards 2006
- Certificate on Commitment to Social and/or Environment Issues by the Thailand Management Association (TMA) and Sasin Graduate Institute of Business Administration of Chulalongkorn University, presented at "The 5th Thailand Corporate Excellence Awards" in 2006
- Certificate on Commitment to Energy Saving from Thailand Management Association (TMA) and Sasin Graduate Institute of Business Administration of Chulalongkorn University, presented at "The 5th Thailand Corporate Excellence Awards" in 2006
- Best Toilet on Major Roads Award 2006, at "World Toilet Expo and Forum 2006", for Phaholyothin and Rama II Roads under the Thai public toilet improvement program, the Public Health Ministry's Health Department
- Excellent Board of Directors Awards 2004-2005 from the Thai Institute of Directors (IOD)
- OHSAS 18001 certificate for occupational health and safety at the Bang Pa-In Oil Distribution Center in Bang Pa-In, Ayutthaya, granted in 2005
- Best Corporate Governance Report from Money & Banking Magazine and the Stock Exchange of Thailand at SET Awards 2005

- Selected as one of companies in the Top Quartile Company Group for 2005, the third straight year, under the Corporate Governance of Thai Listed Companies 2005 program by the Thai Institute of Directors (IOD), the Stock Exchange of Thailand and the Securities and Exchange Commission
- Most Creative Issue Award from the Thai Bond Dealing Center at Best Bond Awards 2004
- Prueksanakara Prize for excellent greenery among large buildings, Front of the House Category during 2002-2004 from Bangkok Metropolitan Administration's Phra Khanong District Office
- TIS 18001-1999 and OHSAS 18001-1999 certificates for occupational health and safety management system in all operating processes in 2004
- OHSAS 18001 Certificate for 2003
- ISO 9001:2000 for lubricant oil business' product development, procurement and distribution; as well as for car care services in 2002
- EIA Award for standard environment management from the Office of Natural Resources and Environmental Policy and Planning (ONEP) in 2001
- TSI 18001 certificate for occupational and safety in 2000, being the first Thai refinery awarded the certificate by the International Organization for Standardization
- EIA Award for standard environment management from the Office of Natural Resources and Environmental Policy and Planning (ONEP) in 1998
- Award for the outstanding committee on occupational health, safety and working environment in 1998
- ISO 14001 - Petroleum Refining Certificate for environment management at all production systems in 1997 and renewed certificate awarded in 2003
- Honored as an enterprise that followed environmental standards and closely monitored environment quality in 1995
- Outstanding Workplace on safety in 1995
- Outstanding Enterprise on safety management in 1994
- Outstanding Enterprise on Environmental Conservation in 1991
- Outstanding Energy Saving Enterprise in 1990



## Vision

To be the leading Thai-owned company in energy and energy-related businesses, which creates business returns that are fair and sustainable, with full commitment to environment and society by modernize management, Good Corporate Governance principles and highly capable employees.



### **The Bangchak Petroleum Public Company Limited**

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