

Report of the Sustainability and Corporate Governance Committee

Dear Shareholders,

Appointed by the Board of Directors, the Sustainability and Corporate Governance Committee (SCGC) is chaired by Mr. Narin Kalayanamit, with Mr. Suthep Wongvorazathe, Dr. Kuyala Tantitemit, Mr. Boonchob Suthamanuswong, and Pol.Lt. Gen. Samran Nualma serving as members and Mr. Chaiwat Kovavisarach as member and secretary.

This year the Board renamed the Corporate Governance Committee as the Sustainability and Corporate Governance Committee and amended its roles and responsibility to embrace sustainability operation in line with Bangchak's vision, mission, and goals that strive to drive a business model for transparency, sustainability, and non-tolerance of corrupt practices and uphold the corporate governance code. At the same time, Bangchak seeks to upgrade its ethics standards together with a code of business conduct and improve its sustainability management standard to relentlessly elevate its efficiency. All these would foster faith among all stakeholders and jointly drive essential policies among Bangchak's subsidiaries through group management to together evolve sustainability across the value chain.

The Board assigned SCGC to map out and revisit corporate governance and sustainable development policies and guidelines and develop a corporate governance process in the best interests of shareholders and stakeholders in line with the following: Corporate Governance Code of SEC and SET; recommendations of the Corporate Governance Assessment Report and the ASEAN Corporate Governance Scorecard (ACGS); United Nations Global Compact (UNGC); United Nations Guiding Principles on Business and Human Rights (UNGPR); BCG Model, namely Bio Economy, Circular Economy, Green Economy; S&P Global Corporate Sustainability Assessment (S&P Global CSA); Women's Empowerment Principles (WEPs); and ISO standards, including ISO 14001 (environmental management), ISO 45001 (safety management), ISO 50001 (energy management), as well as PSM (Process Safety Management).

This year three meetings were held to follow up work and assess plan implementation on corporate governance, compliance with laws and corporate rules and regulations, anti-corruption, sustainability management, and CSR (Number of individual meeting attendance appear in 8.1.2 Summary of Sub-committees meeting attendance). Below are the essences.

1. Shareholders' rights

- Publicized AGM meeting notices on the Company's website 30 days ahead of the meeting date
- Publicized the 2022 AGM meeting minutes on the Company's website within 14 days of the meeting
- Garnered 100 (full) marks on the Thai Investors Association's AGM Checklist, regarded as excellent, for the 14th year.

2. Equitable treatment of shareholders

- Proposed four independent directors as alternatives for shareholders' proxies at the AGM
- Allowed shareholders to propose meeting agenda and nominate directors for election from September 1 to December 31, 2022
- Each month, reported the directors' and management's shareholding to the Board meeting.

3. Roles of stakeholders

- Followed up on whistleblowing reports made through Internal Audit. This year three such reports were filed through ico@bangchak.co.th about corrupt practices or morality/ethics offenses by subsidiaries. Bangchak provided oversight to the complaint-handling process and notified related parties about the conclusions as follows:
 - 1) Customers: Two offenses were detected. The Company meted out punishment and duly defined preventive measures

2) Business process: One complaint was found caused by the operation process of the oil depot which was returned from Fuel Pipeline Transportation Company Limited in January 2022, therefore the Company applied the summary of investigation to the improvement of the related work process for efficiency improvement.

4. Information disclosure and transparency

- Continually prepared the 56-1 One Report and Sustainability Report and released Bangchak's quarterly performance outcomes together with material information for shareholders, investors, and the public containing complete, adequate, credible, and timely information through assorted channels, including the SET Portal and the Company's website
- Each quarter, released performance outcomes, company data, and outlooks for domestic and international analysts and investors to disclose such data for analysts and investors (a total of 21 occasions).

5. Board's responsibility

- Broadened the skills and expertise of the Board, as Bangchak's leaders, for effectiveness, achievement of short-term and long-term goals, and achievement of corporate sustainability by encouraging their participation in assorted training courses to elevate their competency and skills, including those of IOD and applicable institutes. In addition, internal talks were staged by guest speakers, who presented related information to the Board's performance
- Prepared information for four new directors' orientation (Mr. Achporn Charuchinda, Mr. Chavalit Ekabut, Mr. Narin Kalayanamit, and Pol.Lt.Gen. Samran Nualma) so that they may be kept current on the nature and style of Bangchak's business, applicable regulations, corporate governance policy, and other essential data that are useful to the efficient performance of their duties
- Held an annual strategic corporate seminar with management to revise the corporate vision and goal setting
- Held two independent directors' meetings in March and July
- Held two non-management directors' meetings in April and September.

6. Corporate governance and anti-corruption

- Required executives and employees to provide personal data and file a conflict-of-interest report through the annual HR-Services system or with each data change
- Required executives and employees to take a test on the corporate governance policy through the online BCP KMS system. This year Bangchak promoted mastery of corporate governance and sound internal control system under the scope of The Committee of Sponsoring Organizations of the Treadway Commission (COSO) together with the essences of the Personal Data Protection Act of 2019
- Developed CG e-Learning on the corporate governance policy to illustrate relevant case studies in a more concrete way for employees to study by themselves
- Encouraged suppliers to join certified membership of the Collective Action against Corruption (CAC) Project and urged quarterly training with CAC. As a result of Bangchak's continual encouragement since 2013, to date 126 suppliers have declared their intention
- Valued and stressed the No-Gift Policy during festive and other occasions to elevate corporate governance practices while laying a solid foundation for fair business conduct with all applicable parties.

7. Sustainable development

- Bangchak evolved its management of sustainability by having Corporate Sustainability Development and Standard propose corporate sustainability strategies in line with corporate business strategies, develop reporting and publicity, and benchmark Bangchak's sustainability practices. Sustainability operation reports were given to management through Sustainability Management Committee (SMC) and Sustainability Policy Committee (SPC) meetings for eventual presentation to SCGC
- Bangchak defined its annual sustainability plan under the ESG scope that addressed UN Sustainable Development Goals (UN SDGs) through three key goals:

- 1) **SDG Tier 1 / In-Process (to achieve the Race to Zero)**
 - o SDG 13: Climate action
 - o SDG 6: Clean water and sanitation
 - o SDG 7: Affordable and clean energy
 - o SDG 9: Industry, innovation, and infrastructure
 - o SDG 12: Responsible consumption and production
 - o SDG 16: Peace and justice strong institutions
 - 2) **SDG Tier 2 / After-Process (create social values)**
 - o SDG 8: Decent work and economic growth
 - o SDG 4: Quality education
 - o SDG 11: Sustainable cities and communities
 - 3) ESG Rating & SDG Performance consisted of sustainability rating under the THSI guidance, the S&P Global Corporate Sustainability Assessment (S&P Global CSA), and CGR of listed companies.
- Bangchak Group defined its route to Net Zero GHG Emissions by defining long-term goals of Carbon Neutrality by 2030 and Net Zero GHG Emissions by 2050, leveraging the BCP 316 NET. Instances of this strategy are the application of technology and fuels with less carbon emission, reduction of energy and water consumption in refining processes; formation of the Carbon Markets Club with multiple organizations to ease impacts of greenhouse gas emission through carbon credit trading; Thailand's first startup Winnonie (an electric motorcycle platform) that trailblazed such platform service together with automatic battery-swapping stations; display of sample "blue carbon" seagrass to investigate carbon-trapping ability in marine environment; and production plans for Sustainable Aviation Fuel (SAF) from used cooking oil in food preparation, which promotes sustainable clean-energy consumption.

As a result of Bangchak's priority given to sustainability and corporate governance, this year it was continually ranked high and garnered awards for sustainability and corporate governance, including:

- Thailand Corporate Excellence Awards 2022, bestowed by HRH Princess Maha Chakri Sirindhorn, for sustainability excellence and outstanding leadership. The awards were presented by Thailand Management Association (TMA) in conjunction with Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Sustainability Award of Honor for the third consecutive year, an honorary award presented to listed companies that have won three consecutive Best Sustainability Awards. In addition, Bangchak was among Thailand Sustainability Investment (THSI) shares for the eighth consecutive year
- Outstanding Thai Capital Market Sustainability Model Organization Award Program Support for People with Disabilities for 2022, presented by SEC in conjunction with the Ministry of Labour, Department of Skill Development, Department of Employment, Department of Empowerment of Persons with Disabilities, Thai Listed Companies Association, and Disabilities Thailand
- UN Woman 2022 Thailand WEPs Awards (First Runner-Up) for Bangchak's transparency and reporting of gender equality promotion in line with the principles of women's empowerment promotion
- LCSB (Low-Carbon Sustainable Business) Award for the second consecutive year, presented by Thailand Greenhouse Gas Management Organization (Public Organization) to model entities running low-carbon businesses and mobilizing sustainability
- Excellent (Five-Star) ranking under the Corporate Governance Report (CGR) 2022 Project and a listed company with the high score in Thailand, presented by IOD and SET

- ASEAN Asset Class and ASEAN Top 20 ranking under the ASEAN CG Scorecard Project, presented by IOD and SEC
- Third membership renewal of the Collective Action against Corruption (CAC) Project.

Having revisited Bangchak's corporate governance practices, the Sustainability and Corporate Governance Committee regarded its own performance as effectively fulfilling its duties and responsibility as prescribed by the Corporate Governance Policy and as assigned by the Board of Directors.

(Signed) Narin Kalayanamit

(Mr. Narin Kalayanamit)

Chairperson of the Sustainability
and Corporate Governance Committee