



Sustainability and Corporate Governance Committee Report

Dear Shareholders,

The Board of Directors of Bangchak Corporation Public Company Limited (“the Company”) has appointed the Sustainability and Corporate Governance Committee, chaired by Mr. Narin Kalayanamit, with Maj. Gen. Yuttasak Raksereepitak, Pol. Lt. Gen. Samran Nualma, Mr. Chaovalit Ekabut, Mrs. Woranuch Phu-im, and Mr. Phairoj Chotikasatien serving as members, and Mr. Chaiwat Kovavisarach serving as a member and secretary.

The Company is committed to conducting business in accordance with good corporate governance principles and ethical standards, and places high emphasis on sustainable development that encompasses environmental, social, and governance (ESG) dimensions, in line with the Company’s Vision, Mission, and Goals to drive the business towards transparency, sustainability, and a zero-tolerance policy towards corruption. This commitment includes adhering to good governance principles, developing organizational capabilities to ethical standards, and enhancing sustainable management standards for continuous efficiency improvement, thereby building confidence among all stakeholders and advancing significant policies across the Bangchak Group through group management to collaboratively develop toward sustainability throughout the value chain.

The Sustainability and Corporate Governance Committee has been assigned by the Company’s Board to refine and review policies and practices related to corporate governance and sustainable development. Additionally, the committee is tasked with developing governance processes for the optimum benefit of shareholders and stakeholders, in alignment with the principles of good corporate governance from the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as well as recommendations from the Corporate Governance Assessment Report and the ASEAN Corporate Governance Scorecard (ACGS). This includes adherence to the United Nations Global Compact (UNGC)’s ten principles, the United Nations Sustainable Development Goals (UNSDGs), the United Nations Guiding Principles on Business and Human Rights (UNGP), sustainability assessments by various organizations, the Thailand Quality Award criteria, the Women’s Empowerment Principles (WEPs), and various ISO standards such as ISO 14001 for environmental management, ISO 45001 for safety management, ISO 50001 for energy management, and Process Safety Management (PSM).

In 2023, the Committee convened three meetings, with full attendance from all serving members, diligently fulfilling their responsibilities as outlined in the Charter and as assigned by the Company’s Board, consistently reporting progress to keep the Board informed. This effort aims to monitor operations and assess performance according to the governance and compliance plan, compliance with laws, organizational regulations, anti-corruption efforts, sustainability management, and social, community, and environmental care (Corporate Social Responsibility: CSR). Key highlights include:

1. Shareholder Rights:

- Announced the Notice of the Annual General Meeting of Shareholders on the Company's website prior to the meeting date and dispatched the Notice to the shareholders on March 14, 2023, 28 days before the meeting.
- Announced the 2023 AGM Minutes of Meeting on the Company's website on 25 April, 2023, within 14 days of the meeting.
- The Company achieved an excellence score (100 points) in the AGM Checklist by the Thai Investors Association, marking excellence for consecutive 13th year.

Moreover, the Company provided an opportunity for shareholders to submit questions they wanted the Company to clarify in each agenda in advance before the shareholders' meeting. The Company's board is aware of and assigns importance to the rights of shareholders by promoting the use of their rights and will not take any actions that may infringe upon or diminish the rights of the shareholders.

2. Equitable Treatment of Shareholders:

All shareholders shall be treated equally and fairly, and the Company's board will ensure that shareholders receive equitable treatment and protection of their fundamental rights.

- Four independent director nominations are presented as options for shareholders to vote on at the Annual General Meeting (AGM).
- Shareholders are given the opportunity to propose agenda topics and nominate individuals for consideration as company directors for the 2024 AGM from September 1, 2023, to December 31, 2023, enabling shareholders to exercise their ownership rights through the appointment of directors to act on their behalf and make decisions on significant changes.
- The ownership of securities by directors and executives is reported in the monthly Company board meeting.

3. Stakeholder Roles:

Monitor reports of whistleblowing or complaints through internal audit channels. In 2023, there were three cases from whistleblowing / complaint reports submitted to the internal audit via ICO@bangchak.co.th related to corruption or ethical misconduct, which the Company has addressed according to the investigative and management process for such complaints.

4. Disclosure and Transparency:

- Prepared the annual disclosure form/report (Form 56-1 One Report) and disclosed the Company's performance on a quarterly basis, along with key information for shareholders, investors, and the public. The information provided is comprehensive, sufficient, reliable, timely, and continuously provided through various channels such as the Stock Exchange of Thailand's system and the Company's website.
- Announced performance results, company information, and future outlooks to analysts and investors, both domestically and internationally, on a regular quarterly basis, and disclosing information regarding the Company's performance and business trends. This was repeated 30 times (as of November 2023).

5. Board Responsibilities:

- Enhance the skills and knowledge of directors as organizational leaders to be effective, capable of achieving goals both short-term and long-term, and steering the organization towards sustainability. This is supported by encouraging the board to participate in various training programs to enhance knowledge, capabilities, and expertise in performing their duties, such as courses offered by the Thai Institute of Directors and other relevant institutions, including organizing internal lectures by inviting experts to present information related to the board's operations.
- Prepare orientation materials for six new directors: Mr. Surin Chiravisit, Mrs. Vilai Chattanrassamee, Mr. Chanvit Nakburee, Mrs. Woranuch Phu-im, Maj. Gen. Yuttasak Rakseereepitak, and Mr. Phairoj Chotikasatien. This is to acquaint new directors with the overview and approach of business operations, roles and responsibilities according to the law,

related regulations, good corporate governance policies, and other necessary and useful information to effectively perform their duties.

- Communicating good corporate governance policies regularly to the Company's board, emphasizing the directors' roles and responsibilities, such as the use of internal information, reporting conflicts of interest and stakeholder involvement, and securities trading reports, and to be regularly reported in board meetings.
- Conduct annual organizational strategy seminars in collaboration with the management team to review the vision and set organizational goals twice a year (June and November).
- Held 2 meetings among independent directors per year (March and August).
- Conduct 2 meetings among non-executive directors per year (April and November).

6. Good Corporate Governance and Anti-Corruption

- For executives and employees, the Company has established a system for annual declaration of personal information and potential conflicts of interest (Conflict of Interest Report System) through the online HR services channel (HR-Services). Upon engagement, new employees shall complete these reports. Furthermore, reports of any changes in information shall also be made to prevent conflicts of interest.
- The Company has developed the BCP Blackout Period Application, a system that maintains a list of personnel holding internal information (Insider List) that will be activated should any event that relates to that information take place. Furthermore, the system will also set the duration of the prohibition for securities trading (Blackout Period) until an expiry of one day after the information has been publicly disclosed. This ensures adherence to the ethical use of internal information as outlined in the Company's good corporate governance (CG) policy.
- The Company communicates its corporate governance policy to all employees and requires them to complete a test on this policy through the online knowledge management system (BCP KMS). In 2023, the Company promoted understanding of corporate governance, effective internal control frameworks according to The Committee of Sponsoring Organizations of the Treadway Commission (COSO), important aspects of personal data protection under the Personal Data Protection Act B.E. 2562 (2019), and human rights principles.
- The Company has developed CG e-Learning on corporate governance policy to provide concrete case studies for self-study by employees.
- The Company encourages its partners to become certified members of the Collective Action Against Corruption (CAC) of the Thai private sector and to participate in CAC training sessions every quarter. Continuous support by the Company since 2013 has led to 136 partners declaring their intent and this year 10 companies including 8 partners and 2 subsidiaries, received CAC Certification. This is a result of the Company's plan to support and advise its subsidiaries to obtain CAC Certification, leading to BCPG Plc., to receive its second CAC renewal and BBGI Plc., to receive its first CAC Certification.
- Through procedural improvements and developments in corporate governance operations and disclosure of information according to the Corporate Governance Report (CGR 2023) criteria, the Company achieved an average CGR Score of 112 percent, ranking in the Excellent category (above 80 percent).
- The Company emphasizes and reinforces its No-gifts policy during festivals and any other occasions, aiming to enhance good corporate governance and establish a standard of conduct for all related parties, ensuring equality and fairness.

7. Sustainable Development

- The Company has developed its sustainability management through a dedicated sustainability and corporate standards department that proposes organizational sustainability strategies aligned with the business strategy. This includes sustainability reporting (Reporting & Publicity) in line with the GRI Universal Standards 2021 (Global Reporting Initiative), sustainability performance assessment (Benchmarking) in line with international sustainability assessment criteria that includes the S&P Global CSA, the Morgan Stanley Capital International (MSCI) index, and the Stock Exchange of Thailand's (SET) ESG index. The sustainability efforts are reported to the management and

the Company board through meetings of the Sustainability Management Committee (SMC), the Sustainability Policy Committee (SPC), and the Sustainability and Corporate Governance Committee (SCGC).

- The Company has set sustainability goals (UN SDGs Goal) for 2023 in 8 categories with 12 indicators, aligning with environmental, social, governance and economic dimensions, approved by the Sustainability and Corporate Governance Committee. These goals address various SDGs including:

Environmental dimension, responding to

- SDG 13 (Climate Action),
- SDG 6 (Clean Water and Sanitation),
- SDG 12 (Responsible Consumption and Production), and
- SDG 15 (Life on Land).

Social dimension, addressing

- SDG 11 (Sustainable Cities and Communities),
- SDG 8 (Decent Work and Economic Growth), and
- SDG 16 (Peace, Justice, and Strong Institutions).

Governance and Economy dimension, supporting

- SDG 9 (Industry, Innovation, and Infrastructure), and
- SDG 16 (Peace, Justice, and Strong Institutions).
- Bangchak Corporation Group aims for Net Zero with long-term goals towards carbon neutrality by 2030 and Net-Zero greenhouse gas emissions by 2050, employing the BCP316NET strategy, including utilizing technology and fuels to reduce carbon emissions, energy and water use reduction in refinery processes, establishing the Carbon Markets Club together with various organizations to mitigate greenhouse gas emissions through a carbon credit trading platform, launching Thailand's first electric motorcycle platform Winnonie, Thailand's first start-up to pioneer service provision with an automatic battery exchange station network, showcasing "seagrass" or "blue carbon" for marine carbon sequestration studies, and plans for producing Sustainable Aviation Fuel (SAF) from used cooking oil to promote the use of clean, sustainable fuels.

The Company's emphasis on sustainability and corporate governance has led to continuous recognition and awards in these areas, such as:

- A sustainable stock rating of "AAA", the highest in Thailand for the resources industry, according to the SET ESG Ratings of 2023, reflecting excellent corporate governance with consideration to shareholders and stakeholders, and a commitment to sustainability across business, society, and the environment.
- The Global Performance Excellence Award (GPEA) 2023 at the World Class level from the Asia Pacific Quality Organization, Inc. (APQO), marking the first and only refinery worldwide to achieve this highest honor, reflecting a global standard and in being a model recognized for the management of all aspects of operations.
- The Human Rights Awards 2023 for Outstanding Large Business Organization from the Ministry of Justice, highlighting exceptional human rights and equality practices towards all stakeholders.
- The Asia Responsible Enterprise Awards (AREA) 2023 for Social Empowerment from Enterprise Asia for youth development initiatives in education and environment by the Leaf of Happiness Foundation.
- The EIA Monitoring Awards 2023 from the Ministry of Natural Resources and Environment for adhering to environmental impact assessment measures, showcasing commitment to environmental standards and social responsibility.
- The Mahidol Science Environment Sustainability Award 2023 from Mahidol University's Faculty of Science for the Carbon Markets Club's efforts in spreading awareness of global warming and promoting carbon offset markets.

- A distinguished Climate Action Leading Organization (CALO) award for outstanding performance (Gold level) in managing greenhouse gases through Measurement, Reduction and contribution, assessed by the Thailand Carbon Neutral Network (TCNN), part of the Thailand Greenhouse Gas Management Organization (Public Organization).
- An “Excellent” or 5-star rating in the Corporate Governance Report (CGR) 2023 surveyed by the Thai Institute of Directors and the Stock Exchange of Thailand (SET).

The Sustainability and Corporate Governance Committee has conducted a review of the corporate governance practices and is of the opinion that the Sustainability and Corporate Governance Committee has performed its duties and responsibilities adequately and effectively, as stipulated in the good corporate governance policy and as assigned by the Company’s board. The success achieved demonstrates the results of the commitment to promote and oversee the operations of Bangchak in accordance with good corporate governance principles, coupled with the development of sustainable business innovations along with environmental and social considerations, which are part of Bangchak’s corporate culture. This will ensure that Bangchak grows sustainably, gains trust from stakeholders, and is globally recognized.

(Signed) Mr. Narin Kalayanamit

(Mr. Narin Kalayanamit)

Chairman of the Sustainability and Corporate Governance Committee

November 20, 2023