



BETTER LIVING THROUGH RESILIENCE

**ANNUAL REGISTRATION STATEMENTS/
ANNUAL REPORT 2020**
(Form 56-1 One Report)
PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED

CORPORATE
GOVERNANCE

Corporate Governance Policy

GC, under the supervision of the Board of Directors, is committed to maintaining its corporate governance standard in conformity with international standards since its establishment in 2011. To this end, Corporate Governance Policy has been established as part of the Business Operations Policy. The Corporate Governance Committee has been assigned to oversee relevant matters and ensure that GC's corporate governance practices meet international standards, align with the Company's business strategies and directions, and comply with any other requirements, laws and guidelines.

The Board of Directors is responsible for monitoring and assessing corporate governance performance on a yearly basis through meetings of each sub-committee. The assessment results are regularly reported to the board and disclosed to regulatory agencies, shareholders, and the general public in the Form 56-1 One Report. The details of the corporate governance policy are shown in Appendix under "GC Policy and Practices of Corporate Governance and Business Code of Conduct".

OVERVIEW OF CORPORATE GOVERNANCE POLICY AND PRACTICES

POLICY AND PRACTICES FOR THE BOARD OF DIRECTORS

(1) BOARD OF DIRECTORS

The Board of Directors shall be appointed by the Annual General Meeting of Shareholders. All Directors shall be qualified and possess no prohibited characteristics stipulated by relevant laws and regulations. A board diversity policy has also been established as part of the Director nomination and selection process to ensure a suitable and diverse board composition in line with the Corporate Governance and Business Code of Conduct Handbook. Under this policy, the nomination takes into consideration the range of knowledge, competency, and expertise in various fields beneficial to the Company according to the Board Skills Matrix, such as engineering, industry,

economics and finance, business administration, accounting, law, national security, sustainability, and information technology, and take into account gender diversity without discrimination on the grounds of ethnicity, nationality, skin color, race, or religion, in order to achieve a diverse range of expertise and perspectives necessary for GC's business strategies.

The Board of Directors comprises 15 members, consisting of one Executive Director and 14 non-Executive Directors. Of these, eight are Independent Directors, which is considered suitable for the size and type of business and allows for the effective discharge of duties. The duties and responsibilities of Directors are clearly defined based on laws, requirements, GC's Articles of Association, resolutions of shareholder meetings, and good corporate governance principles. The Chairman is responsible for overseeing the operation of the Board of Directors to ensure effectiveness and independence from the Management. Further details appear under "Key Information on the Board of Directors".

(2) SUB-COMMITTEES

The Board of Directors has appointed four Sub-committees, namely the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee and the Risk Management Committee, each consisting of members with the expertise and knowledge required to oversee specific issues that each is tasked with according to the GC articles of association. The charter of each sub-committee prescribes its members' desired qualifications, terms of office, and scope of duties and responsibilities. The names of sub-committee members, their duties and responsibilities, the number of meetings convened, and their meeting attendance are detailed under Key Information on "the Sub-committees".

Each sub-committee regularly reports its performance to the Board of Directors at Board meetings and disclose its annual performance in the past year to regulatory agencies, shareholders, the general public in the Form 56-1 One Report on a yearly basis.

(3) NOMINATION AND APPOINTMENT OF DIRECTORS, INDEPENDENT DIRECTORS, AND CHIEF EXECUTIVE OFFICER

The Board of Directors, through the Nomination and Remuneration Committee, considers and nominates candidates for directorship to replace resigning Directors or Directors due to retire by rotation. Such candidates shall be qualified, possess no prohibited characteristics stipulated by relevant laws and regulations, exhibit independence, and have no conflicts of interest. The Board shall also take into account the board diversity, which includes the ratio of female Directors and Independent Directors as well as the range of knowledge, skills, expertise, experiences and specialization that would benefit the Company and correspond with the Board Skills Matrix, without any discrimination based on gender, ethnicity, nationality, skin color, race, or religion, in order to achieve a suitable and diverse board composition consistent with GC's board diversity policy. The Board is also responsible for nominating the Chief Executive Officer and establishing principled and transparent criteria or procedures to be presented to board meetings for approval. Activities related to the nomination, development, and assessment of Directors and Subcommittee Members in the previous year are detailed under "Nomination, Development, and Performance Assessment of the Board of Directors".

(4) BOARD MEETING

The Board of Directors schedules the dates and times of Board meetings for the entire year in advance and clearly sets each regular meeting's agenda. The Board will call the meeting on every Monday of fourth week of each month. The Board may also call special meetings as appropriate or necessary. At least seven days before each meeting, Directors will receive a Board meeting invitation, draft minutes of the previous meeting, and supporting information for the consideration of the meeting agenda. The aforementioned documents are sent via the secure D-Join system (Digital Join Application) to ensure convenience and speed as well as reduce paper use. In 2020, the Board convened a total of 15 Board meetings, consisting of 13 scheduled meetings and two special meetings.

The Chairman of the Board of Directors presides over Board meetings and gives Directors a chance to participate and express their opinions freely. At least two-thirds of all Directors on the Board must be present to constitute a quorum, which must be

maintained until voting is completed. Each Director has one vote, and a resolution is passed based on majority votes. In case of a tie vote, the Chairman is to exercise the casting vote. The Board values the management of conflicts of interest of related parties in a prudent, impartial, and transparent manner, with all information regarding such conflicts is fully disclosed. If a Director has a personal interest in an agenda item, he or she is required to refrain from taking part in the decision-making process of that particular item.

After each meeting, the Company Secretary is responsible for preparing the minutes of the meeting, which will be presented for the Board's approval in the next meeting and signed by the Chairman for verification. The approved minutes and supporting documents for each agenda item will be systematically filed in an electronic format by their level of confidentiality for easy retrieval and reference purposes.

Moreover, in compliance with good corporate governance principles, The Board of Directors mandates that meetings be held for Non-Executive Directors, so that they could offer their opinions and propose guidelines for the Company's business management and operations. The Board also mandates Independent Directors meetings to exchange ideas and review their roles and performance every year. In 2020, the Non-Executive Directors held one meeting (July 20, 2020), and the Independent Directors held one meeting (September 21, 2020). The summaries of these meetings were presented to the Board for their acknowledgement.

(5) REMUNERATION FOR THE BOARD AND EXECUTIVES

• BOARD OF DIRECTORS

The Board of Directors has set up a fair and reasonable remuneration policy for its Directors

GC HAS DEVELOPED D-JOIN
(DIGITAL JOIN APPLICATION)
FOR EASY, CONVENIENT,
AND SECURE DELIVERY OF INFORMATION
AND MEETING DOCUMENTS
TO ALL DIRECTORS.

in accordance with good corporate governance principles. The Nomination and Remuneration Committee determines suitable remuneration for Directors based on the Company's financial standing, the practices of other SET-listed companies of similar sizes in the same industry, as well as each Director's responsibilities. Directors appointed to Sub-Committees are entitled to additional remuneration due to their additional responsibilities. Remuneration for Directors, divided into monthly remuneration and meeting allowance, is subject to approval at shareholder meetings.

In a year where dividends are paid to shareholders, the Board of Directors as a whole is award a bonus for the year at the rate of 0.30% of the year's net profit but not exceeding Baht 60 million. Each Director's bonus is calculated based on the time served in the corresponding year, and the Chairman of the Board of Directors is entitled to a 25% higher bonus than that of the other Directors.

- **EXECUTIVES**

The Company evaluates the performance of its Executives annually against the pre-determined Key Performance Indicators (KPIs). These include financial performance, implementation of long-term strategic goals, personal performance, the Company's performance, and practices of other listed companies of similar sizes in the same industry. The evaluation also takes into account their responsibilities, management development, and overall economic conditions.

The remuneration for the Chief Executive Officer is appropriately determined according to transparent, fair and reasonable criteria, taking into account the duties and responsibilities in conjunction with personal performance. The Nomination and Remuneration Committee is charged with reviewing and proposing the remuneration of the Chief Executive Officer to the Board of Directors for approval. It should be noted that, as the highest-ranking officer of the Company's management hierarchy, the Chief Executive Officer is awarded compensation and other benefits in addition to those received as a Director on the Board of Directors.

Further details can be found in this report under key information on "the Executives".

(6) DEVELOPMENT OF DIRECTORS AND EXECUTIVES

The Board of Directors places great importance on seminar attendance as a way to enhance Directors' knowledge and competence and enable them to discharge their duties more effectively as well as to prepare executives for internal rotations and for succession to the CEO position and a role in the top management. The Board of Directors also encourages their participation in pertinent training courses and has prescribed the potential assessment of top executives to enhance their preparedness for executive-level duties.

Key development initiatives can be summarized under "Development of Directors, Executives, and Company Secretary".

(7) ASSESSMENT OF DIRECTORS' PERFORMANCE

The Board of Directors has prescribed annual Board performance assessments to enable Directors to review their performance and review problems and obstacles during the year. There are three types of performance assessment, namely group assessment, self-assessment, and cross-assessment (assessing another Director). Furthermore, new Board KPIs have also established according to the Thai Corporate Governance Code for Listed Companies 2017 (CG Code) and the international criteria of the Dow Jones Sustainability Indices (DJSI), comprising four aspects, which are the Company's performance, the Board's group assessment results, Directors' meeting attendance, and Directors' engagement during Board meetings. Additionally, group assessment and self-assessment have been prescribed for the Company's sub-committees, namely the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Risk Management Committee. The assessment results and suggestions are subsequently presented to the Board of Directors and used to develop guidelines for optimizing the Board's performance in a tangible way. The assessment results are also disclosed in the Form 56-1 One Report and used by the Nomination and Remuneration Committee as a factor in the determination of Directors' annual remuneration in addition to the Company's performance. The details are provided under "Nomination, Development, and Performance Assessment of the Board of Directors."

(8) GOVERNANCE OF GC AND GC GROUP

The Company grows in the petrochemical and chemical industry and engages in investment and joint venture expansion in various countries both by itself and through its subsidiaries, joint ventures, affiliates and others, as detailed under “Business Operation and Performance”. The Board of Directors has approved the implementation of governance guidelines for the management of GC Group which are in line with GC Business Principle, as described in details under “Governance of Subsidiaries and Affiliates”.

POLICY AND PRACTICES FOR COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

The Board of Directors has established a fair management structure that governs the relations among the Board of Directors, Executives, and shareholders and plays a vital role in formulating visions, strategies, policies and essential action plans and putting in place effective monitoring/assessment systems and risk management. The Board must also exhibit independence and accountability for the results of its performance of duties in accordance with corporate governance principles. The objectives are as follows.

- Fostering a management system that is transparent, equitable to all stakeholders, in compliance with laws, rules, regulations, and requirements of government agencies, and has a clearly defined standard consistent with those accepted internationally, which will enhance the Company’s competitiveness and enable it to prevent and eliminate potential conflicts of interest that may arise.

- Fostering confidence among investors and the general public both in Thailand and overseas and contributing to the increase in the value of the Company’s shares to protect GC’s interest while also taking into consideration the benefits, rights, and equitability of shareholders and stakeholders.
- Serving as a tool for assessing and examining the Company’s operations so as to be able to improve the efficiency.
- Defining the scope of responsibilities of the Board of Directors and Executives towards all groups of stakeholders and creating obligations to ensure that the management exercises its authority within the defined scope.

The Board of Directors has thus prescribed Corporate Governance Policy to serve as operational guidelines for the Board of Directors, Executives, and all employees of GC Group. The policy adheres to both domestic and international practices, such as guidelines of the Stock Exchange of Thailand (SET), the CG Code of the Securities and Exchange Commission (SEC), ASEAN CG Scorecard, and the Dow Jones Sustainability Indices (DJSI). The Board also strives to consistently elevate Company’s corporate governance standards to comply with more stringent international principles, such as respect for shareholder rights, equitable treatment of shareholders, prioritizing roles of stakeholders, disclosure and transparency, and the Board’s accountability.

CORPORATE GOVERNANCE PRINCIPLES ACCORDING TO INTERNATIONAL STANDARDS CONSIST OF FIVE AREAS:
AREA 1: SHAREHOLDER RIGHTS
AREA 2: EQUITABLE TREATMENT OF SHAREHOLDERS
AREA 3: ROLE OF STAKEHOLDERS
AREA 4: DISCLOSURE OF INFORMATION AND TRANSPARENCY
AREA 5: RESPONSIBILITIES OF THE BOARD OF DIRECTORS

GC’S KEY CORPORATE GOVERNANCE PRINCIPLES:

CREATION OF LONG-TERM VALUE
RESPONSIBILITY
EQUITABLE TREATMENT
ACCOUNTABILITY
TRANSPARENCY
ETHICS

(“CREATE”)

GC is adopted as guidance for the Company's operations to ensure compliance with relevant laws and regulations in every country where GC holds investment, with the Board of Directors and Executives serving as role models for ethics and compliance with the Company's Corporate Governance Policy and Business Code of Conduct. They are also tasked with cultivating governance in the corporate culture, taking care of stakeholders, promoting business practices and conduct that take into account human rights, consumer rights, fair labor, and putting in place auditing, monitoring, assessment, and review systems so as to ensure full and sustainable compliance with the Corporate Governance Policy. The corporate governance performance is detailed under "Ensuring Compliance with Corporate Governance Policy and Practices".

Prevention of Internal Information Use

The Company's Internal Information Use Policy has been included in the Corporate Governance and Business Code of Conduct Handbook and published on the Company's website for shareholders' ready access. Directors, Executives and employees are constantly reminded to comply with the policy, under which they are prohibited from using material insider information not yet publicly disclosed for personal gain or the benefit of others, including for trading GC's securities. The essence of the policy is summarized below:

- (1) Directors and Executives under SEC's definition must report to SEC changes in their holding of the Company's shares within three business days as required by SEC. Moreover, the Company has established a policy requiring Directors and Executives to notify the Company Secretary of their intention to trade the Company's shares at least one business day before the transaction is made.
- (2) The Board of Directors monitors each individual's compliance with GC's Business Code of Conduct on internal information every month. The Company Secretary, who receives information from SEC via email on changes to Directors and Executives' shareholding when their shares are traded or transferred, will report such changes to the Board. Their shareholding at the beginning and the end of each fiscal year and any changes during the year are disclosed.
- (3) GC notifies Directors and Executives in writing that they are prohibited from trading the Company's

shares 30 days ahead of the disclosure of the quarterly and annual financial statements or that of other information that may affect the prices of the Company's shares. They are also prohibited from trading the Company's shares within 24 hours after the said disclosure.

- (4) All Executives and employees are required to comply with the Company's guidelines on Confidentiality of Information and safeguard its information, business partners' information and personal information of related parties. They are also required to adhere to the Company's measures on the safeguarding of confidential information or information that is not yet publicly disclosed.
- (5) GC's Directors, Executives and employees are regularly kept up to date on regulations and policies regarding insider information to ensure their acknowledgement and compliance. The Company has clearly implemented disciplinary sanctions in case of violation of inside trading policy.

Prevention of Conflicts of Interest

The Board of Directors has included a policy and guidelines for considering transactions that involve or may involve a conflict of interest in the Corporate Governance and Business Code of Conduct Handbook, to which all Directors, Executives and employees must adhere. They must also carefully follow the guidelines for connected transactions and refrain from violating the regulations of SEC and SET. Directors and Executives under SEC's definition must report to the Company their interests and those of their related parties. In addition, a connected transactions manual has been issued, and principles concerning connected transactions have been communicated to relevant units under GC and GC Group. Information on these transactions has been compiled in a database retrievable by relevant departments for reference so as to prevent errors.

GC has also put in place measures to prevent conflicts of interest, under which Directors, Executives, and all employees are required to annually report potential conflicts of interest. When a conflict of interest arises, the person with vested interests must immediately report GC of such a conflict, using the Conflict of Interest Form (for the Directors) or the form via the intranet (for executives and employees), to their immediate supervisors for acknowledgement and further action.

Anti-Corruption

GC has established an Anti-Corruption Policy, which has been approved by the Board, as well as written guidelines precluding all requests, offers, payments, and transactions with individuals or juristic persons involved in corruption, with disciplinary sanctions clearly defined. In addition, the Company is a member of Thai Private Sector Collective Action against Corruption (CAC). Further details can be found under “Ensuring Compliance with Corporate Governance Policy and Practices.”

BUSINESS CODE OF CONDUCT

Corporate Governance and Business Code of Conduct Handbook

The Board of Directors approved the compilation of “Corporate Governance and Business Code of Conduct Handbook,” comprising of two parts. The first part is the corporate governance management structure and principles according to corporate governance policy; and the second part is the business code of conduct, consisting of principles and best practices for ethical business operations, such as observance of laws, rules and regulations; anti-fraud and anti-corruption measures; responsibility towards stakeholders; human rights; consumer rights; and fair labor. The handbook was distributed to Directors, Executives and all employees, who signed in acknowledgment of the handbook and their obligations to use it as guidance when carrying out their duties. The Business Code of Conduct Handbook has also been distributed to GC’s joint ventures and business partners and published on the Company’s website (www.pttgcgroup.com) under “Corporate Governance” for ready access for shareholders, investors, regulatory agencies, stakeholders, and those interested. The details of the Business Code of Conduct are shown in Appendix under “GC Policy and Practices of Corporate Governance and Business Code of Conduct”.

Additionally, the Board of Directors has implemented an annual review of the Corporate Governance and Business Code of Conduct Handbook to ensure its consistency with criteria and practices issued by regulators and assessment agencies, both domestic and international. In 2020, GC updated the handbook to ensure its currency and compliance with various standards, namely the Dow Jones Sustainability Indices (DJSI); the Personal Data Protection Act B.E. 2562; GC’s Personal Data Protection Policy, announced on May 29, 2020; SET’s Investor Relations Code of Conduct, and Notification of the Capital Market Supervisory Board No. Tor Jor 39/2559 by SEC.

Serving a crucial role in fostering and driving an ethical organizational culture, the Board of Directors and Executives have also cultivated “GC SPIRIT”, an organizational value that places importance on integrity and ethics, as well as established a behavioral assessment accordingly to encourage its adoption. GC SPIRIT 4 Core behaviors has been communicated to all employees across the organization through CEO Townhall and Functional Townhalls and integrated into the working process in order to cultivate it into GC’s corporate culture.

Corporate Compliance

Acknowledging that compliance with laws or even more stringent standards promotes sustainable development, GC places importance on operating its businesses in full compliance with relevant regulatory and legal requirements at home and overseas. The Company has adopted the ISO 19600 (Compliance Management Systems-Guidelines: 2014 (E)) international standard as its operational framework in order to ensure an organization culture of integrity and compliance.

THE CULTURE OF INTEGRITY AND COMPLIANCE CONSISTS OF SIX STEPS:

- | | |
|---------------|--------------|
| (1) ESTABLISH | (4) EVALUATE |
| (2) DEVELOP | (5) MAINTAIN |
| (3) IMPLEMENT | (6) IMPROVE |



At the operational level, the first line of defense has prepared and disseminated information on the corporate compliance comprising of three processes, namely (1) Assessment - to identify major

non-compliance risks; (2) Prevention - to define measures for compliance control and minimize Non-Compliance risk; and (3) Correction and Improvement - to appropriately respond to or manage matters that deviate from the standard and to regularly review and improve compliance control measures.

Furthermore, GC has appointed a function to strengthen the integration of Governance, Risk Management & Internal Control and Compliance in accordance with the GRC Approach to create an integrated organization-wide management system regarding policies, compliance, and information sharing and improves the company's overall connectivity and efficiency.

For compliance monitoring, GC has applied a compliance assessment checklist to GC and its subsidiaries, requesting them to identify non-conformance or non-compliance issues in order that GC can create appropriate compliance control measures.

In addition, Management Committee is tasked with organization-wide Compliance Oversight and reporting the progress to the Corporate Governance Committee for their acknowledgement and comments. This is to ensure that GC's corporate compliance process is more efficient and consistent with international standards.

Dissemination of Good Corporate Governance Principles

GC communicates its key corporate governance principle entitled "C R E A T E," comprising six elements: the Creation of Long-Term Value for the organization; Responsibility; Equitable Treatment of all stakeholders; Accountability for decisions made and being able to offer justification for such decisions; Transparency, which entails full, accurate, equitable

and timely disclosure through appropriate channels; and Ethics in business conduct, to its employees for their acknowledgement from the first day of work. GC also continuously underlines and instills the corporate governance principle into its employees through training programs, seminars, and other activities. For example, GC offers a mandatory e-Learning program on its "Hook e-Learning" system, through which Executives and employees can sign to acknowledge the Corporate Governance and Business Code of Conduct Handbook and take an assessment test. An event entitled "PTT Group CG Day 2020: CG's World in the New Era ... Step to the Future" was also organized to help employees understand how CG was driving the organization forwards in the new normal era. Additionally, GC's corporate governance practices are assessed by domestic regulatory authorities and against international standards, such as the Thai Institute of Directors Association (IOD), the Thai Investors Association (TIA), and the Dow Jones Sustainability Indices (DJSI) in order to gauge the GC's corporate governance performance and keep its corporate governance practices in line with international standards.

Furthermore, Executives are responsible for communicating the principles of corporate governance and corporate compliance to employees through internal meetings of each business unit ("Hook Talk") to encourage them to behave ethically and perform their duties in strict compliance with good corporate governance principles, the Company's regulations, laws and rules. GC also regularly improves its best practices. In 2020, guidance involving frequently-asked questions on corporate governance, corporate compliance, and business code of conduct was compiled and published on GC's intranet and the Hook e-Learning system as reference for Executives and employees in their discharge of duties.

GC'S SIX CORPORATE GOVERNANCE PRINCIPLES (C R E A T E):

VISION TO CREATE LONG-TERM VALUE FOR THE ORGANIZATION (CREATION OF LONG-TERM VALUE)	RESPONSIBLE DISCHARGE OF DUTIES (RESPONSIBILITY)	EQUITABLE TREATMENT OF STAKEHOLDERS (EQUITABLE TREATMENT)	ACCOUNTABILITY FOR DECISION MAKING (ACCOUNTABILITY)	TRANSPARENT, ACCOUNTABLE, ACCURATE, EQUITABLE, AND TIMELY DISCLOSURE OF INFORMATION (TRANSPARENCY)	ETHICAL BUSINESS CONDUCT (ETHICS)
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MAJOR CHANGES AND DEVELOPMENTS IN CORPORATE GOVERNANCE POLICY, PRACTICES, AND SYSTEMS IN 2020

The Board of Directors recognizes the role of leadership as a governing body of the Company. To this end, the Board has prescribed a review of the application of the Corporate Governance Code for Listed Company 2017 (CG Code) to GC's business context at least once a year as well as an assessment of compliance with each item in CG Code to ensure that the outcome is appropriate and that development plans suitable for the business are consistently formulated. For any item of the CG Code that GC is unable to or has yet to apply to its business, explanations have been recorded as part of the Board's resolution.

Major changes and developments connected to the use of CG Code to inform the review of the Company's corporate governance policy, practices, and systems and to the application of CG Code to the Company's business context and the COVID-19 situation in 2020 can be summarized as follows.

- Creation of sustainable business value through the STEP UP strategy
 - Establishing goals for the expansion of the Company's sustainability initiatives to the entire value chain in addition to its existing internal activities to contribute to the overall sustainability of the country and the world. The two main goals of the Company in 2020 were namely SDG 12: Circular Economy and SDG 13: Reduction of Greenhouse Gas Emissions, with a circular economy strategy consisting of three components: Smart Operating, Responsible Caring, and Loop Connecting.
- Fostering an effective Board of Directors
 - Reviewing the appropriateness of the sub-committee charters and the independent director charter. In 2020, the charter of the Nomination and Remuneration Committee was revised to ensure consistency with standards of regulatory agencies, best practices stipulated in the Company's Corporate Governance and Business Code of Conduct Handbook, and the duties assigned by the Board of the Company.
 - Revising the Board Skills Matrix to ensure the Board possesses a diverse range of knowledge and expertise according to the Dow Jones Sustainability Indices (DJSI) and ESG (Environmental, Social and Governance) criteria.
 - Reviewing the appropriateness of the annual assessment forms for the Board of Directors (self-assessment/group assessment/cross-assessment) and for the sub-committees (self-assessment/ group assessment). In 2020, the performance assessment forms for the Nomination and Remuneration Committees and the Corporate Governance Committees were revised to better align with the duties assigned by the Board of Directors.
- Improvement of GC's policies, regulations, and practices
 - Revising the Quality, Security, Safety, Occupational Health, Environment, and Business Continuity Policy and the Energy Management Policy to better align with GC's circular economy operations.
 - Revising GC's regulations regarding the IT Security Policy to include current cyber threats.
 - Revising GC's regulations regarding levels of confidentiality and the safeguarding of important company documents to better align with the Company's current management structure.
 - Revising the charter of internal audit units to correspond with the Charter of the Audit Committee, in which the duty of the Audit Committee has been extended to the management of resources and budgets and the hiring of external auditors.
- Governance of Subsidiaries and Affiliates
 - Revising GC Way of Conduct 2020 to better align with PTT Group Way of Conduct 2020 guided by multi-level governance and based on the principle of "Apply & Explain" and ultimately establish operational uniformity across the group.
 - Driving the adoption of multi-level governance in four target subsidiaries, namely Global Green Chemicals PLC (GGC), GC Marketing Solutions Co. Ltd. (GCM), GC Logistics Solutions Co. Ltd. (GCL), and NPC Safety and Environmental Service (NPC S&E), encouraging them to develop their own Way of Conduct.

- Employee management and development
 - Revising the assessment of employees' core behaviors from an assessment with only a supervisory perspective into one with a 360-degree perspective to reflect employee behavior with greater accuracy.
 - Introducing a learning management system to the organization to add new learning channels, allowing employees to learn anytime, anywhere, through any device.
 - Ensuring that employees have savings and investment plans in anticipation of retirement by reporting the investment performance of the provident fund to employees every month and educating them on SET's investment to foster financial literacy.

- Responsibility towards stakeholders

- Customers/Suppliers

- Improving the Customer Relation Management (CRM) to cover the operations of all units, enhance the capability to support sales and services, and collect the voice of the customer.
 - Improving the Approved Customers/Suppliers System, which is used to select customers and suppliers to procure raw material from or sell products to, so as to bring it up to standard and ensure verifiability.
 - Amending purchase contracts for certain groups of spare parts into servitization contracts in order to obtain a comprehensive range of products and care, which encourages suppliers to enhance their services, enhances the factory's reliability and performance, and helps reduce costs.
 - Organizing monthly seminars to share market and product directions with suppliers.

- Communities

- Providing support and relief to communities at all levels to diminish impact of COVID-19.

- Investors

- Using online platforms to organize meetings with analysts as well as national and international roadshows to maintain the level and quality of communication with investors without interruption.

COMPLIANCE WITH THE PRINCIPLES OF CORPORATE GOVERNANCE IN OTHER AREAS

GC consistently complies with corporate governance standards. Relevant activities in 2020 are summarized below.

- (1) The Board of Directors reviewed the Board KPIs to be implemented in 2021 to ensure their alignment with the best practices stipulated in CG Code and the Dow Jones Sustainability Indices (DJSI).
- (2) With regard to IT compliance and management, GC adopted GCMS, which is its integrated management system, as well as COBIT 5 (IT Framework), TQA (Thailand Quality Award) and GC Way of Conduct as frameworks for establishing its IT standards, which place emphasis on various aspects of IT systems, namely the quality, security, and availability of data and information, the specifications of hardware and software, cybersecurity, and availability in case of emergency. The management is divided into three levels as follows:

1. Governance Level

- GC Group's Digital and IT Steering Committee (DISC) is responsible for defining the group's digital and IT direction, policies, and goals to ensure uniformity and the level of standard comparable to that of leading international companies in the same industry, with the Chief Executive Officer serving as the chairman of DISC.
- The Digital & IT Investment Management Committee (DIM) consists of DIM1, responsible for reviewing investments worth over Baht 10 million but not exceeding Baht 300 million, and DIM2, responsible for reviewing investments worth under Baht 10 million.
- The Information Safety and Security Committee (ISMS Committee) is charged with ensuring that GC's information security, cybersecurity, and cloud security are consistent with international standards.
- The Enterprise Architecture Committee (EA Committee) is charged with the management of the Company's IT structure to ensure its alignment with usage requirements and currency as well as maximum benefits in use.

2. Management Level

- Establishing data and information management policies, such as information security (IS), cybersecurity policy, cloud security policy, and service level agreement (SLA).
- Adopting the ISO Series (ISO 27001 and ISO 22301) as compliance framework and control for users to ensure the accuracy and availability of data and information; and introducing internal and external audit systems to the audit and review of its processes so as to ensure the accuracy, reliability, and integrity of the data and information.

3. Operation Level

- Establishing systems, procedures, and services for users; publishing and storing them on the internet as reference for users; and sending out IT updates via email every two weeks, except emergencies, for which users will be given an immediate notification.
- Tracking progress and using the results to further improve the Company's IT management and services; overseeing and keeping IT security up to date; and reporting progress to Executives and responsible Sub-committees regularly.
- Assessing IT resource risk every year to ensure the resources are sufficient to protect the accuracy, integrity, reliability, and currency of data and information.

Additionally, GC has carried out the following activities in relation to IT management :

- **Data and Information Security** GC has implemented a data and information security system that uses ISO 27001 as framework. A real-time monitoring system is also employed to review risks related to IT threats on a monthly basis.
- **Data and Information Availability** GC has established data and information usage plans in line with its corporate strategic plans and surveyed the needs of all business groups to formulate IT strategic plans. In addition, a data recovery site (DR Site) has been set up for 24-hour backup of important information,

which can be readily retrieved. The Company has also formulated disaster recovery plans for the main data system in accordance with business continuity management standards (ISO 22301), along with recovery procedures for handling an emergency that impacts the main data system. IT disaster recovery drills are conducted every year.

- **Standard Control and Specifications of Hardware and Software** GC has introduced policies to control hardware and software standards, which require, for instance, the replacement of IT equipment every three years; quarterly preventive maintenance; the installation of a server monitoring system that notifies administrators via SMS and email upon detecting irregularities for prompt troubleshooting; annual vulnerability assessment and remediation; the installation and regular updating of antivirus software in server and client computers; as well as daily, weekly, and monthly data backup.
- **Information Security and Safety** GC has implemented various measures, including the identification of key information assets according to ISO 27001 and ISO 22301 and risk assessment for safety planning. The Company has also established relevant policies, compiled handbooks, installed defense systems, and appointed a cyber response team to cope with cyber attacks, examine damage, and initiate recovery according to the cyber security incident procedure, as well as fostered a cybersecurity culture and cultivated cybersecurity awareness in all employees.

**GC OVERSEES
CORPORATE GOVERNANCE
AND MANAGES ITS INFORMATION
TECHNOLOGY SYSTEM,
USING GCMS, GC'S INTEGRATED
MANAGEMENT SYSTEM.**

Report of the Corporate Governance Committee

Dear Shareholders,

In 2020, the Corporate Governance Committee comprised its Chairman, namely Professor Somkit Lertpaithoon and its Committee members, namely Major General Nithi Chungcharoen, Mrs. Watanan Petersik, and Mr. Chansin Treenuchagron. The Committee performed its duties as stipulated by the Corporate Governance Committee Charter and executed tasks as assigned by the Board of Directors. The Committee held a total of six meetings. A summary of its activities is given below.

1. Ensuring Compliance with Requirements, Laws, Rules, Regulations, and Best Practices

- Overseeing the operation of GC and its subsidiaries to ensure corporate compliance. In 2020, the Corporate Governance Committee supported the establishment of Compliance Universe, a compilation of relevant laws that 1st line operators could use to inform compliance risk assessment and compliance operations in companies in GC Group, both domestic and abroad.
- Overseeing and monitoring GC's corporate governance to ensure compliance with international standards and criteria set forth by domestic regulatory agencies.
 - Overseeing the preparation of the 2020 Annual General Meeting of Shareholders (AGM) during the COVID-19 pandemic to ensure compliance with announcements, orders, and measures issued by the government, applicable laws, corporate governance principles, and best practices. To this end, GC received a perfect assessment score of 100 on the 2020 AGM checklist, with a rating of Excellence, for the ninth consecutive year from the Thai Investors Association (TIA).
 - Reviewing and providing guidelines for establishing criteria to ensure that minority shareholders were given more than three months in advance of the 2021 AGM to propose agenda items and nominate director candidates, from September 16 to December 31, 2020
 - Reviewing the suitability of the adoption of the Corporate Governance Code for Listed Companies 2017 (CG Code), providing comments and suggestions to the Board of Directors to improve and develop their performance of duties in accordance with the business situation and context, and disclosing relevant information in Form 56-1 One Report.
 - Reviewing and providing comments and suggestions on the disclosure of information related to corporate governance in Form 56-1 One Report to ensure the complete disclosure of all material information and compliance with the criteria of regulatory agencies. As a result, GC continued to receive the "Excellent" rating on the Corporate Governance Report of the Thai Listed Companies (CGR) of Thai Institute of Directors Association (IOD) for the ninth consecutive year.
- Overseeing complaint handling through the whistleblower channel to ensure compliance with the Whistleblower Policy, monitoring complaints filed through other channels with respect to shareholders and investors, the environment, communities, and customers through quarterly reports, and encouraging other companies in GC Group to establish their own whistleblower system.
- Supporting the adoption of an integrated management system for governance, risk management and internal control, and compliance (GRC) to boost efficiency and enhance corporate governance with GC Group as well as the use of digitization in creating databases to improve the agility, promptness, and efficiency of GC's risk assessment, monitoring, and fraud risk warning.

2. Promoting Compliance with Corporate Governance Policy and Business Code of Conduct

- Overseeing and monitoring activities related to GC's corporate governance to ensure compliance with the Corporate Governance Policy and the Corporate Governance and Business Code of Conduct Handbook as well as GC's business strategies and directors through regular reporting.
- Overseeing, monitoring, and promoting the development and improvement of GC's corporate governance practices under GC Way of Conduct to standardize practices across GC Group and improve suitability and alignment with the business context of each company.
- Reviewing policies and practices in the Corporate Governance and Business Code of Conduct Handbook to ensure currency, compliance with domestic and international standards, and suitability for application across the organization.
- Commenting and advising on anti-corruption measures and corruption risk assessment in GC's procedures, and approving GC's anti-corruption plan for 2021, which is clearly defined, suitable for GC's business context, and in line with relevant regulations, such as the criteria issued by Thai Private Sector Collective Action Against Corruption (CAC) and the Transparent Organization Project under the Office of the National Anti-Corruption Commission. The Committee also continuously monitored and encouraged GC's subsidiaries to join the CAC.
- Reviewing and approving GC's corporate governance plan for 2021 to serve as guidelines for executing, monitoring, and assessing GC Group's corporate governance performance in a tangible manner.

3. Supervising Sustainable Development Operations

- Overseeing Company's sustainable development to maintain its leadership as one of the Top 10 World Members in Chemical Sector by the Dow Jones Sustainability Indices (DJSI). In 2020, GC worked towards two main goals, which were to driving climate strategies to reduce greenhouse gas emissions and to introduce the concept of circular economy to society, under three core strategies, 1) Smart Operating, which refers to the creation of a business that uses technology to improve production in order to reduce consumption of natural resources; 2) Responsible Caring, which refers to the development of environmentally friendly products; and 3) Loop Connecting, which refers to increased collaboration with stakeholders to create a closed loop of integrated businesses.
- Overseeing GC's business operations to ensure responsibility towards stakeholders in accordance with good corporate governance principles; advising on and monitoring the results of relevant activities continuously through reports; and assessing the confidence of different stakeholder groups towards GC's business conduct in accordance with good corporate governance principles so as to establish plans to respond to the expectations of each stakeholder group.
- Promoting and valuing stewardship of communities and society of Rayong, GC's operating base, in collaboration with all sectors through CSR projects (Rayong Programs) designed to solve problems and meet the expectations of Rayong communities. The Committee also advised and monitored the CSR projects through regular reporting.
- Reviewing the Company's sustainable development to ensure alignment with international standards, such as the Dow Jones Sustainability Indices (DJSI) and the UN Global Compact and Carbon Disclosure Project (CDP) as well as reviewing every component of the Company's sustainability framework to ensure that it aligned with the global circumstances and rapidly evolving challenges. The Committee also approved sustainability plans and key performance indicators for 2021 to maintain its position as the world's leader in sustainability.

4. Reporting the Performance, Assessment, and Development of Directors

- Pre-setting the dates for its meetings for the entire year, arranging at least one meeting per quarter. Ad-hoc meetings were allowed to be held if necessary. In these meetings, the Committee considered and acknowledged the Company's performance and report as well as provided any recommendations to the Board of Directors and the Management.
- Reviewing the Corporate Governance Committee Charter to ensure its contents align with their roles and duties and any applicable rules and regulations.
- Reviewing the Corporate Governance Committee's assessment forms (group assessment and self-assessment) to ensure alignment with the current situation and compliance with international standards and criteria of domestic regulatory agencies.
- Reporting the performance as well as group and self-assessment results of the Committee for 2020 to the Board of Directors for their acknowledgment.
- Continuously ensuring Director development under good corporate governance principles by encouraging them to attend training courses of Thai Institute of Directors Association. In 2020, GC invited an external lecturer to share knowledge with Directors on digital trends and impacts of the 2019 coronavirus disease on the economy and the petrochemical industry.

The Corporate Governance Committee places great importance on ensuring GC's strict compliance with the Corporate Governance Policy and Business Code of Conduct. The Committee is also committed to continually enhancing corporate governance practices on par with international standards. GC believes that good corporate governance is a vital factor in promoting operational efficiency and business sustainability, which will enable the Company to earn the confidence of its stakeholders as well as international recognition.

On behalf of the Corporate Governance Committee

(Signed) Somkit Lertpaithoon

(Professor Somkit Lertpaithoon)

Chairman of the Corporate Governance Committee