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**ANNUAL REGISTRATION STATEMENTS/  
ANNUAL REPORT 2021**

(Form 56-1 One Report)

PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED

Sustainability Award  
Gold Class 2022  
S&P Global

Member of  
Dow Jones  
Sustainability Indices  
Powered by the S&P Global CSA

Global Compact  
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# 02

## 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 and Sustainability 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 also 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.

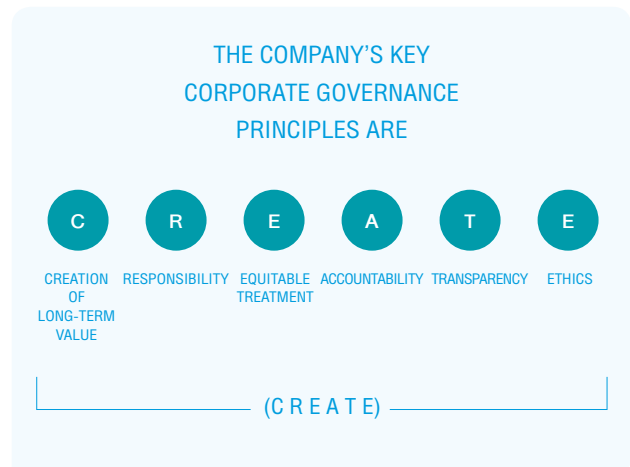
## OVERVIEW OF CORPORATE GOVERNANCE POLICY AND PRACTICES

The Board of Directors has established a fair management structure that governs the relationship of the Board of Directors, the management and shareholders. The Board of Directors also plays an important role in formulating visions, strategies, policies and important projects, ensuring that there are effective monitoring/assessing scheme, and risk management systems, in addition to maintaining its independence and accountability for outcomes of the performance of its duties pursuant to good corporate governance principles, with the following objectives:

- Strengthening the management system so that it is transparent and fair to all groups of stakeholders and complies with the applicable laws, regulations, rules and requirements of the government authorities and meets international and distinct standards, which will help enhance the Company's competitiveness and help the Company prevent and eliminate any potential conflicts of interest.
- Building confidence among investors and the general public both in Thailand and overseas and taking part in increasing the value of our shares in order to protect the Company's interests while taking into consideration the interests, rights and equality of the shareholders and relevant stakeholders.

- Serving as assessment tools for the Company's performance and inspecting the operation in order to improve, rectify and ensure a more effective operation.
- Determining the scope of responsibilities of the Board of Directors and Executives towards all stakeholders, including creating commitment of the management to ensure that their performance is within the determined scope of authority.

In this connection, the Board of Directors has established a Corporate Governance Policy as operational guidelines for all of the GC Group's Directors, Executives and employees by adhering to both domestic and international practices, e.g., the Stock Exchange of Thailand's Principles of Good Corporate Governance for Listed Companies 2012 (SET's CG Guidelines), the Corporate Governance Code for Listed Companies 2017 of the Securities and Exchange Commission (SEC's CG Code), the ASEAN Corporate Governance Scorecard (ACGS), the Dow Jones Sustainability indices (DJSI), etc. Moreover, the Board of Directors is determined to continuously improve the Company's corporate governance in accordance with international standards which include taking into consideration the shareholder's rights, equitable treatment of shareholders, emphasizing the roles of stakeholders, information disclosure and transparency and accountability of the Board of Directors.



These principles have been adopted by the Company as guidelines to ensure that our operation complies with the applicable laws and regulations of every country in which we operate. The Board of Directors and Executives serve as ethical leaders and role models in

complying with the Corporate Governance Policy, Anti-Corruption Policy, Corporate Governance and Business Code of Conduct Handbook of the GC Group. They also promote good corporate governance culture, attend to the stakeholders and promote practices and business operation which take into account human rights, consumer rights and fair labor practices. In addition, they shall put in place the auditing, monitoring, assessing and revision systems in order to ensure that all employees adhere to and follow the Corporate Governance Policy fully and enduringly. Details of corporate governance performance can be found under “Ensuring Compliance with 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 of 15 members, consisting of one Executive Director and 14 non-Executive Directors. Among these, eight (8) are Independent Directors, which is considered suitable for the size and type of business of the Company and allows for an effective delegation 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 and Sustainability 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. 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 has appointed and entrusted the Nomination and Remuneration Committee with the authority to search for and select qualified candidates suitable to take position as the Company’s Director to replace resigning Directors or Directors due to retire by rotation in accordance with the Company’s fair and transparent nomination criteria and procedures, as well as to search for and select candidates for the Chief Executive Officer and President position by considering the Directors who are qualified and suitable for the position and propose the name of such candidates to the Meeting of the Board of Directors and/or the General Meeting of Shareholders for consideration and approval. Such candidates shall have all qualifications and do not hold any of the prohibited characteristics as stipulated by the applicable laws and regulations, including the Public Limited Company Act B.E. 2535 (1992), the Securities and Exchange Act B.E. 2535 (1992), the Organic Act on Counter Corruption B.E. 2561 (2018), Notifications of the Capital Market Supervisory Board, Notifications of the Bank of Thailand, SEC’s CG Code, rules and regulations of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), articles of association of the Company and our Corporate Governance and Business Code of Conduct Handbook, and the independence and conflicts of interest of the Directors shall be also be taken into consideration in all aspect. Every Director shall perform their duties with responsibility, considering the duty of care and duty of loyalty. In addition, the Nomination and Remuneration Committee may consider candidates from a list and director’s pool of creditable organizations, such as, the State Enterprise Policy Office (SEPO), and list of chartered directors of the Thai Institute of Directors (IOD) which has compiled a list of knowledgeable and

competent persons who are specialized in different areas, who would benefit the operation of the Company. The list also recognize necessity of the Board diversity, including a ratio of female Directors (sexual diversity), Independent Directors, diversity of race and nationality and diversity of skills of existing Directors of the Company including knowledge, skills, expertise, experiences and specialization that would benefit the Company and correspond with business strategies pursuant to Board Skills Matrix of the Company, without any discrimination against gender, race, nationality, skin color, ethnicity or religion, in order to ensure the diversity of the Board composition, suitable and in line with the Board Diversity Policy and that the Board of Directors can effectively respond to the existing and future strategies and goals of the Company, as follows:

*The nomination and appointment of Director to replace the Director retired by rotation.* The Company gives opportunities to shareholders to nominate suitable and qualified persons for selection as Directors of the Company in advance of the Annual General Meeting of Shareholders every year. The Nomination and Remuneration Committee has an obligation to search for and select suitable and qualified candidates in accordance with the Director Nomination and Appointment Criteria and Procedures and propose the candidates to the Meeting of the Board of Directors for consideration and approval before proposing the list of such candidates to the General Meeting of Shareholders for consideration and approval. The approval of the General Meeting of Shareholders must be a majority of votes of shareholders who attends the meeting and is entitled to vote. In order to be in compliance with the corporate governance principles, the shareholders should be allowed to vote on each candidate for the election of Director. In case of nomination of a candidate who is previously a Director of the Company, the results of performance in the previous years, time dedication and participation as Director of each such candidate shall be taken into consideration.

*The nomination and appointment of Director to replace the Director in cases other than retiring by rotation.* In accordance with the articles of association of the Company, the Nomination and Remuneration Committee has an obligation to search for and select suitable and qualified candidates according to the Director Nomination and Appointment Criteria and Procedures and propose such candidates to the Meeting of the Board of Directors for consideration and appointing a candidate as Director to replace the director position in vacancy except in the case that the vacant seat has less than two (2) months left in its term. The Director who claims the seat shall remain in office for the

remaining term of the Director one has replaced. On this matter, the approval of the Meeting of the Board of Director for such appointment requires at least 3/4 votes of the number of remaining Directors.

*The nomination and appointment of members of Sub-Committees.* The Nomination and Remuneration Committee has an obligation to search for and select suitable and qualified Directors of the Company in accordance with the Sub-Committee Nomination and Appointment Criteria and Procedures, which include the charter of each Sub-Committee, and propose the candidates to the Meeting of the Board of Directors for consideration and appointing as members of the Sub-committee. The member of the Sub-Committee shall hold the office for three (3) years per term. The approval of the Meeting of the Board of Directors for such appointment requires a majority of votes of the Meeting of Board of Directors. The member of the Sub-committee who retires by rotation may be re-appointed for another term by the Board of Directors. In case of vacancy other than by rotation, the replacing Director shall remain in office in the Sub-committee for the remaining period of the Director one has replaced.

*Consideration of qualifications of the Independent Directors.* The performance of Independent Director's duties is a key mechanism of administering the Company's business operation as it is to assure that the decisions of the Board of Directors will take into account the interests of shareholders as a whole and to ensure compliance with the corporate governance principles. In this connection, we have specified qualification of Independent Directors of the Company in the Corporate Governance and Business Code of Conduct Handbook and disclosed such manual on the Company's website. The qualifications of Independent Directors established by the Company is stricter than those prescribed by the Notification of the Capital Market Supervisory Board on the matter regarding the shareholding of no more than 0.5% (while the Notification of the Capital Market Supervisory Board requires only shareholding of no more than 1%) of total shares with voting rights of the Company, parent company, subsidiaries and affiliates, major shareholders or persons with controlling power over the Company whereby the shareholding of related persons of the Independent Director must be counted in. In addition, the Company requires that the Independent Directors may remain in office for no more than nine (9) consecutive years from the date of initial appointment. This requirement is included in the charter of Independent Directors which has been disclosed on the Company's website.

*The nomination and appointment of the Chief Executive Officer and President (CEO).* In case of vacancy of the CEO position, the Nomination and Remuneration Committee has an obligation to search for and select a candidate for the position from the list of Directors of the Company who possesses skills, experiences, professions and specific qualifications in areas necessary and suitable for the business operation of the Company in accordance with the Board Skills Matrix, which shall include knowledge, capability in business administration and experience in relevant fields, such as, energy, petroleum, petrochemical. Furthermore, the candidate must have leadership characteristics and has experience in being leader of a company well-regarded by the relevant business organizations. While the selection process must also take into account any conflicts of interest with the GC Group, and propose the candidate to the Meeting of the Board of Director for consideration and approval.

Details of performance in relation to the nomination and appointment of Directors, Independent Directors and high-level Executives can be found under “Nomination, Development, and Performance Assessment of the Board of Directors.”

#### **(4) REMUNERATION FOR THE BOARD AND EXECUTIVES**

*The Board of Directors.* Details of remuneration of the Board of Directors can be found under “Meeting Attendance and Remuneration Payment to Each Board Member.”

*Executives.* Details of remuneration of the Executives can be found under significant information relating to “Executives.”

#### **(5) DEVELOPMENT OF DIRECTORS AND EXECUTIVES**

The Board of Directors places great importance on seminar attendance as a way to enhance Directors’ knowledge and competence to enable them to enhance their duties as well as to prepare for any internal rotations and succession to the CEO position and other roles 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”.

#### **(6) 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 peer-assessment (assessing another Director). Furthermore, new Board KPIs have also been 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 of four (4) 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 and Sustainability 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 practically optimizing the Board’s performance. 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.”

#### **(7) 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 THE SHAREHOLDERS AND STAKEHOLDERS**

The business operation of the Company involves various groups of stakeholders ranging from shareholders, customers, business partners, creditors, competitors, government sectors and employees to communities, society and environment. Each stakeholder has different needs and, therefore, the Board of Director has established policies and good practice guidelines relating to responsibilities towards each stakeholder of the Company in accordance with the requirements of each group of stakeholders and included them in the

Corporate Governance and Business Code of Conduct Handbook and disclosed them on the Company's website.

## SHAREHOLDER RIGHTS

The protection of shareholder rights is prioritized and has been included as part of the Corporate Governance and Business Code of Conduct Handbook to ensure full compliance.

### (1) The Provision of Important and Pertinent Information to Shareholders

GC provided shareholders with clear, up-to-date information of importance and pertinence to its business operations. To this end, it also disclosed information deemed necessary, albeit not legally required, on its website and via the portal of the Stock Exchange of Thailand (SET).

### (2) The 2021 Annual General Meeting of Shareholders

GC held the 2021 Annual General Meeting of Shareholders (AGM) at 09.00 a.m. on Monday, April 5, 2021, at Bangkok Convention Center, 5<sup>th</sup> Floor, Central Plaza Ladprao, Bangkok. GC has also accommodated to the convenience of the attending shareholders during the COVID-19 pandemic as detailed below.

#### ○ Prior to the Meeting

- GC clearly notified shareholders of the rules and procedures relating to rights of shareholders to propose matters to be included as agendas of the General Meeting of Shareholder and to nominate suitable and qualified persons for consideration and election of Director in advance of the General Meeting of Shareholders from September 16, 2020 to December 31, 2020 via SET and the Company's website. The nominated persons or proposed matters will be considered in accordance with the prescribed rules. The Nomination and Remuneration Committee will be in charge of considering the qualifications of such nominated persons and Corporate Governance and Sustainability Committee will consider the proposed matter deemed beneficial and which should be proposed as an agenda of the meeting before proposing to the Board of Directors for further consideration. In this regard, the Board of Directors will inform the shareholders of its decision and rationale at the 2021 Annual General Meeting of Shareholders. In this connection, none of the shareholders has proposed a matter to be included as an agenda of the meeting or nominated any person to be considered for Director appointment to the Company.
- According to the resolutions of the Board of Directors' meeting held on February 15, 2021, GC instantly notified SET after the meeting to disseminate the news to its shareholders that the 2021 AGM would be held on April 5, 2021, and the record date

was set for March 1, 2021, to afford shareholders the rights to attend the 2021 AGM and receive dividend payment. This information was also published on GC's website.

- GC published the invitation letter on GC's website, comprising the agenda items with the Board's opinions on each agenda item as well as the attachments, and measures and guidelines for attending the AGM during the COVID-19 pandemic, in both Thai and English, on March 4, 2021, over 30 days in advance to the meeting. In addition, GC sent an invitation letter, along with QR codes for registering to attend the 2021 AGM and for downloading the digital versions of the 2020 Annual Report and the 2020 Integrated Sustainability Report.
  - If a shareholder would like to assign a proxy to attend and vote at the AGM on their behalf or if they were unable to attend the AGM in person, GC provided them with a proxy statement that allowed them to specify their "for," "against," or "abstain" vote for each agenda item. Independent Directors' names and profiles were also included for their consideration. Details of the proxy assignment process and documents required to facilitate the procedure were enclosed with the invitation letter. All of the documents were available in both Thai and English.
  - The invitation letter was mailed to its shareholders on March 15, 2021, over 21 days ahead of the meeting. A map of the meeting venue and location and a phone number for inquiries were also included in the invitation letter.
  - GC provides for the shareholders to submit questions relating to any of the agendas of the meeting in advance of the meeting to the Company by E-mail at corporatesecretary@pttgcgroup.com or ir@pttgcgroup.com or cg@pttgcgroup.com.
- #### ○ On the Day of the Meeting
- During the outbreak of the coronavirus disease 2019 (COVID-19), GC introduced preventive measures in strict compliance with the orders of the center for COVID-19 Situation Administration (CCSA), announcement of the Bangkok Metropolitan Administration, as well as relevant laws and regulation. Such measures included screening points, disease screening forms for shareholders, alcohol gel and disinfectant stations, 1.5-meter physical distancing to avoid crowding, the 300-seat limit for each meeting hall, and mandatory check-in and check-out via Thai Chana application before registering to attend the AGM. Shareholders were required to wear cloth face masks or surgical face



masks at all times while in the meeting venue. No microphone was arranged for the Q&A session. Any attendee who wished to ask a question must proceed to QR Code scanning or write the question down on a piece of paper and passed it to the officer. In addition, it has managed that the AGM took place within mere 2 hours time.

- GC used barcode scanning in the registration process for convenience and efficiency. GC also assigned staff to verify shareholders' documents ahead of time. The said registration began more than two hours before the meeting started.
- Arranged for the broadcast of the meeting via Web-Live Broadcast on the Company's website to facilitate those shareholders who could not attend the meeting in person and appointed a proxy to attend the meeting to be able to watch the meeting session and prepare for the circumstance where the meeting room becomes of full capacity. In this case, the shareholders would be able to post questions or query for information through the aforesaid system after which the Company would compile all the questions for response in the meeting room or in the minutes of the meeting. However, shareholders watching the meeting via this system would not be able to vote in the meeting.
- 2021 AGM was attended by all 15 Directors (14 Directors were present in the meeting hall, while the other Director was residing overseas and attended the AGM via electronic means). Top management, auditors, legal advisors, shareholders volunteering to witness the vote counting, and shareholders' right protecting volunteers from the Thai Investors Association responsible for evaluating the quality of the 2021 AGM were also present.
- Before the meeting began, shareholders were explicitly informed of the voting and vote-counting procedure for each agenda item. "For," "against," or "abstain" voting ballots for each agenda item were provided to shareholders and proxies.
- At the meeting, the Chairman proceeded with all agenda items in order and afforded all shareholders equal rights to express their opinions. During each agenda item, shareholders or proxies could submit inquiries in advance by scanning the QR code on the question form provided or write down their questions and submit them to the staff to be presented them to the Board of Directors. Sub-committee chairpersons, Chief Executive Officer and President, and any relevant top management were assigned to answer shareholders' questions. All expressed questions and opinions were fully recorded in the minutes of the AGM.

### ○ After the Meeting

- GC disclosed its resolutions of the 2021 AGM through the SET Portal once the meeting was finished. The disclosed resolutions included a complete set of the "for," "against," "abstain," and invalid ballots of each agenda item.
- The minutes of the AGM were prepared in Thai and English, specifying the names of Directors and Executives attending the meeting, as well as other relevant attendees, key explanations, a list of questions and answers and a summary of opinions expressed. The minutes were submitted to SET and other relevant organizational authorities within 14 days after the meeting. They were also made available on [www.pttgcgroup.com](http://www.pttgcgroup.com) for shareholders' inspection. GC allowed the shareholders to object to the minute of the AGM within 30 days. In this regard, GC was evaluated for the quality of the 2021 Annual General Meeting of Shareholders and was rated "excellent" by receiving 100 point (from 100 point in total) for 10 consecutive years from 2012 to 2021.

### (3) The Extraordinary General Meeting of Shareholders No. 1/2021

GC held the Extraordinary General Meeting of Shareholders No. 1/2021 (EGM 1/2021) at 09.00 a.m. on Monday June 7, 2021 by way of electronic meeting (E-EGM) pursuant to the Emergency Decree on Electronic Meeting B.E. 2563 (2020) and other applicable laws and regulations and in accordance with the suggestion of the SEC to limit the risk of COVID-19 transmission. In this connection, the objective of the EGM 2021 was for the shareholders to consider and approve the entering into a transaction for the sale of shares in Global Power Synergy Public Company Limited. GC fully attended to and facilitated the shareholders to exercise their rights to attending the E-EGM, including publishing the meeting invitation and documentation specifying process and method to register for attending the meeting by E-EGM and accepting proxy forms and documentation via the Company's website and information disclosure system of the SET in order to ensure that all shareholders received details and agendas of the meeting that are accurate and complete and could cast their votes pursuant to the objective of the meeting.

### **EQUITABLE TREATMENT OF SHAREHOLDERS**

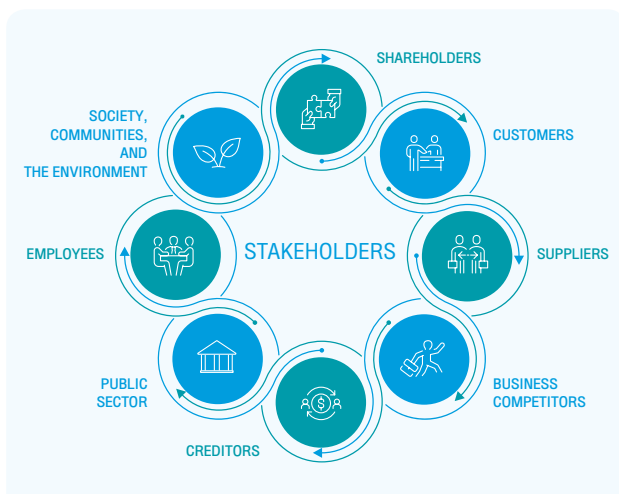
The Board of Directors ensures equitable treatment of all shareholders, whether majority or minority, Thai or foreign. GC's equitable treatment of shareholders is summarized as follows:



- The Company values all shareholders and has put in place measures to fairly and equitably safeguard the fundamental rights of every shareholder. These measures are aimed at fostering investors' trust and confidence in the Company and ensuring continuous and proper returns.
- Minority shareholders are given the opportunity to express their opinion, provide suggestions and submit complaints to the Board, Chairman of the Corporate Governance and Sustainability Committee (an Independent Director) and the Company Secretary via the GC website on Corporate Governance or email at [cg@pttgcgroup.com](mailto:cg@pttgcgroup.com). The Corporate Governance and Sustainability Committee will review the complaints submitted and take appropriate action. Institutional investors can request information or express their opinions via E-mail at [ir@pttgcgroup.com](mailto:ir@pttgcgroup.com) under the care of Investor Relations.

## ROLE OF STAKEHOLDERS

GC places importance on the rights of all stakeholders. Based on principles related to the rights and impacts on stakeholders, written good practice guidelines have been formulated and published on GC's website. Stakeholders are also provided with channels to express their opinions, suggestions, and recommendations. Stakeholder-related policies, guidelines, and actions in 2021, are summarized below:



### ○ Shareholders

GC respects the fundamental rights of shareholders and treats every shareholder equitably for their utmost satisfaction. These rights include the rights to participate in the AGM, the rights to vote, to propose meeting agenda items, and to nominate candidates for directorship. GC also listens to their opinions and suggestions and has provided them with contact channels via [www.pttgcgroup.com](http://www.pttgcgroup.com) and via E-mail addresses at [ir@pttgcgroup.com](mailto:ir@pttgcgroup.com) and [cg@pttgcgroup.com](mailto:cg@pttgcgroup.com)

With regard to the treatment of institutional and retail investors, GC held quarterly performance review meetings via Facebook Live and Microsoft Team and virtual roadshows, in which online booking channels were made available to enable interested institutional investors to directly make an appointment with GC.

In addition, the Company took part in the quarterly Opportunity Day as well as SET Digital Roadshow, an online meeting held in collaboration with the Stock Exchange of Thailand (SET) to provide investors with access to information sources and an opportunity to learn more about listed companies. To comply with the Code of Conduct for Investor Relations, GC refrained from meeting with investors for 14 calendar days prior to the disclosure of its operating results to protect and safeguard GC's confidential information not yet publicly disclosed.

### ○ Customers

To achieve customer satisfaction, GC has continued to maintain and improve the quality of its products and services and established a key account management unit to listen to the voice of the customer to inform the development of its products and services to meet their different demands and expand sale opportunities. GC has also collaborated with trade partners to develop eco-friendly products and protective equipment for COVID-19 to help the community.

GC has continuously improved and developed systems relating to facilities, management, sales, marketing and customer management to reinforce its strengths in customer management process and systematically improve the quality of information in order to deliver the best customer experience, including enhancing effectiveness and the speed of the internal operation as well as being able to communicate faster between each department.

Additionally, GC guarantees product qualities in accordance with various international standards to enhance customer confidence and has put in place a whistleblower channel for complaints about its products and services to systematically handle such complaints, track progress, and report solutions to customers in every business unit. It also discloses complete information about its products and services to customers by holding Coordinating Meetings between the Commercial and Supply Unit, the Production Unit, and customers to exchange market condition information, review result of operation, consult on the product quality. It also provides trainings through various channels, including organizing annual Knowledge Sharing of market condition for clients.

Furthermore, GC treats all customers equitably and protects confidential data by creating a Data Lost Protection (DLP) system and establishing a policy and working team to develop the management and protection measures for customer data in accordance with the Personal Data Protection Act (PDPA). The Company also supervises its operation to ensure absence of profiteering and unfair trade conditions.

### ○ Suppliers

GC has retained supplies of materials to ensure that we can delivery products and services with quality that meets the requirements of our customers as well as supports the confidence in our production process and continuous business expansion. Our supply policy is targeted to be effective, transparent, fair, verifiable and in compliance with laws together with prioritizing occupational health and safety principle, including responsible to the society and environment for sustainability and utmost benefits of the stakeholders.

GC also emphasizes on accountability to the suppliers by formulating supplier management strategy covering effective supplier selection process, supervising and supporting suppliers to operate their business with responsibility to the environment, society and corporate governance in accordance with the Supplier Code of Conduct, supplier's performance evaluation, supplier relations management and supplier capability development.

GC has carried out environmental, social and governance (ESG) assessment on the key suppliers within the high spending group (i.e., the 1<sup>st</sup> Tier Critical Supplier) for six (6) consecutive years whereby assessing 91 key suppliers in total and carried out review of external ESG assessment of two (2) suppliers. From the review, there was no operation which violated the labour rights, human rights, breach of corporate governance, business code of conduct, or violated the applicable laws, regulations or rules. In conclusion, the safety and legal compliance management met the standards.

GC has held the Annual Supplier Conference to communicate our visions, operational plans and legal requirements as well as our strategies and business directions to our suppliers, and conveyed to them the business code of conduct and good corporate governance principles to emphasize our intention on anti-corruption on every aspect, ask for their co-operation on our no gift policy and support them to be a member of the Thai Private Sector Collective Action Against Corruption (CAC).

GC also gives priority to hearing and accepting complaints both from our staff and third parties through our Whistleblower system, being in compliance with human rights principles and carrying on green industry practice for sustainability.

Furthermore, GC has prepared itself in order to comply with the Personal Data Protection Act B.E. 2562 (2019) (PDPA) with regards to the procurement process, which is comprised of two (2) parts being personal data protection of the suppliers and personal data protection of our employees and third parties. In this connection, we have prepared documentation and work manual in line with the PDPA, which includes the notification on personal data protection, consent letter for personal data disclosure and supplier's PDPA compliance assessment. The operational guidelines have been communicated by the supply department to each of the stakeholders, including suppliers, users and supply staff and PDPA compliance pilot project has been rolled out in respect of supply function involving personal data and are monitored to ensure that the procedures put in place has been correctly implemented.

### ○ Business Competitors

To ensure that treatment of business competitors is consistent with international standards and within the scope of the laws on trade competition, GC has established its Business Code of Conduct on Treatment of Business Competitors in conformity to those principles to ensure fair and transparent competition by neither seeking confidential information of business competitors through fraudulent or inappropriate means nor tarnishing their reputation with slanders.

### ○ Creditors

GC treats its creditors fairly and responsibly and strictly complies with contractual terms and conditions. A Payment Tracking System (PTS) has been set up to enable creditors to conveniently track and check payment statuses. The Company, in collaboration with financial institutes, has introduced an E-mail Advice System, which is based on GC's Outsourced Payment System and informs its creditors in advance of a payment in process. An additional system has also been introduced to issue invoices, tax invoices, and receipts electronically. Accounts payable aging reports are also prepared for the benefit of tracking the resolution of overdue transactions. In the event that GC is unable to fulfill contractual obligations or terms, it will notify its creditors in advance to seek a common ground resolutions.

In collaboration with banking institutions, GC has utilized blockchain to manage documents and letters of guarantee with secured measures for tracking any alteration to the creditors' data to prevent cybersecurity risks and ensure that all transactions are accurate and appropriate. In addition, GC has worked together with a group of banks to employ E-Withholding tax system to allow creditors to be able to verify information on the Revenue Department's system by themselves. GC has also enforced a new standard for companies in GC Group requiring that they comply with the conditions between GC and creditors to ensure adherence to defined procedures, prudence, and accountability.

For financial institutions and debenture holders, GC gives equal opportunities for all financial institutes to propose transactions and maintains independence in decision making. It also acts on the basis of correctness without requesting, accepting, or offering any undue benefits in contacting financial institutions and debenture holders. All information of events related to GC's businesses is also regularly disclosed to financial institutions, debenture holders, and institutional investors. GC also fosters relations with creditors through series of activities every year.

#### ○ Public Sector

Recognizing the significance of the public sector as one of its stakeholders, GC has established a policy on the treatment of the public sector in the countries in which it invests so as to avoid adverse consequences. This policy has been included in the Corporate Governance and Business Code of Conduct Handbook. GC is committed to comply with laws, rules, and governmental regulations in obtaining supports for our business activities, including (1) our strategies, such as, carrying forward rules, regulations and standards and cooperating in joint projects, and (2) our ordinary business operation, such as, permits, benefits, and concessions according to applicable laws, rules, and regulations as well as established procedures, processes, and practices. All contacts and communication with the public sector, including local authorities and state enterprises, must be transparent, with full disclosure of accurate information as per governmental requirements. To this end, GC has adopted the Online Permits & Privilege Licenses System in the planning and monitoring of operation progress to ensure compliance with governmental rules, regulations, and conditions.

GC has also established an emergency communication center, which is connected to Rayong's local communication centers. The names of officers assigned to communicate with government agencies have been publicly and pertinently disclosed so as to make known information communicated to relevant government agencies and local communities as well as create an accurate understanding of situations. GC seeks to foster relations with relevant government agencies through facilitation and partaking activities such as anti-corruption activities - which was aimed to establish understanding and reaffirmed mutual commitment to transparency and anti-corruption efforts - and providing venues for Knowledge Sharing meetings upon arising matters or on new laws, for instant.

During the COVID-19 Pandemic, GC has adjusted the working format with the government sector by increasing the work via online system. GC also supported the operation of its plants in monitoring various measures of Rayong Province to ensure accurate compliance and coordinated with the government sector to seek approval to operate its plants in accordance with the conditions stipulated by the government sector. During the drought situation, GC has participated in the working team to search for source of water reserve and has jointly carried the issue forward to the government section in order to establish a regulator for fairly controlling the water price, in which the process of is still in progress.

#### ○ Employees

GC ensures that its employee care is in line with good corporate governance principles and business ethics by fostering positive experience for employees at every part of the employee life cycle, focusing on employee development through various forms of learning in order to promote practical application of knowledge. Such development supports include individual development plans (IDP) and a 24/7 digital learning platform where employees could learn anywhere and anytime. GC also ensures safety and a good workplace environment and conducts employee surveys on various topics to understand their issues and genuine needs in order to make improvements accordingly. As for remuneration scheme, GC considers its policy in a systematic manner, in parallel to its operating results. Furthermore, in preparation for employees in anticipation of business growth, a Talent and Succession Management System has also been laid out to accommodate such business demands in both domestic and overseas business.



In addition, it is within GC's policy to employ and promote occupations for people with disabilities, in line with the Empowerment of Persons With Disabilities Act, B.E. 2550. The details of GC's employee treatment with respect on human rights appear in key information on the "Employees".

### ○ Society, Communities, and the Environment

The Company conduct its business with responsibility towards communities, society, and the environment, reflected through activities, projects, and continuous stakeholder engagements. Under the strategy of creating balance through sustainable development principles focusing on Social Paradigm Shifts, GC have been investing in social enterprises (SE), Creating Shared Value (CSV), and Corporate Social Responsibility projects. All which aims to create shared value in three areas, namely the environment, economy, and society. GC also conducts site visits to consult and exchange dialogues with local medical professionals and communities, especially in the vicinity of its plants, to better understand their issues and true needs and support improvement. In addition, CG has initiated "RAYONG Get&Go", a delivery platform, to support income generation in the Map Tha Phut community, Rayong Province, by focusing on the delivery of food and merchandise from shops in the Map Tha Phut community and those which are under Pracharath Rak Samakkee Rayong (Social Enterprise) Company Limited with a plan to expand the service area to cover all areas of Rayong Province.

GC has also adopted the world-class sustainability reporting framework known as Integrated Sustainability Report (ISR), which covers economic, social and environmental topics, as well as other issues that may significantly affect GC. Further details can be found in the "Integrated Sustainability Report 2021".

### Compensation for violation of rights

GC has established guidelines for protection of rights of stakeholders who have been violated as a result of the business operation of GC Group by considering to provide compensation at a rate not lower than that prescribed by the law.

### Prevention of Internal Information Use

The Company' 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 changes in their holding of the Company's shares to SEC within three business days as required by SEC. Additionally, the Company has established a policy requiring Directors and Executives to notify the Company Secretary of their intention to trade the Company's shares one day prior to when the transaction is due to be 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. The Company would also disclose such transactions at the beginning and the end of each fiscal year as well as during the year if any transaction has been made.
- (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 has not yet been publicly disclosed.
- (5) GC's Directors, Executives and employees are regularly kept up to date on regulations and policies regarding exclusive information as well as prescribed disciplinary sanctions in case of violation to ensure corporate acknowledgement and compliance.

### Prevention of Conflicts of Interest

The Board of Directors has put in place policy and guidelines for determining transactions which have, or may have, conflicts of interest and included them in the Corporate Governance and Business Code of Conduct Handbook of the Company for Directors, Executives and employees to adhere to and be conscious in undertaking related party transactions and to ensure that related party transactions are not being undertaken

in violation of the regulations of the SEC and the SET. Directors and Executives pursuant to the definitions stipulated by the SEC have obligation to report any conflict of interest whether on personal involvement or through involvement of their connected parties to the Company. GC also puts in place a manual regarding entering into related party transactions and communicates to relevant departments within the Company and its Subsidiaries. In addition, we have compiled information of transactions as database for our relevant internal departments to search and use, as guidelines, when considering undertaking any transactions of the Company to avoid any operational misconduct.

Furthermore, GC has set up protective measures against conflict of interest by requiring Directors, Executive and employees at all levels to report on any transactions which may have conflicts of interest every year and should there be any of such transaction, it must be reported to the Company immediately using our conflicts of interest reporting form (in case of Directors) or via conflicts of interest report system on our intranet (in case of Executives and employees) so that the supervisors are informed and can make consideration on further appropriate 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 to be imposed on those who violates the guidelines clearly defined and has included them in the Corporate Governance and Business Code of Conduct Handbook for Directors, Executives and employees to follow. 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**

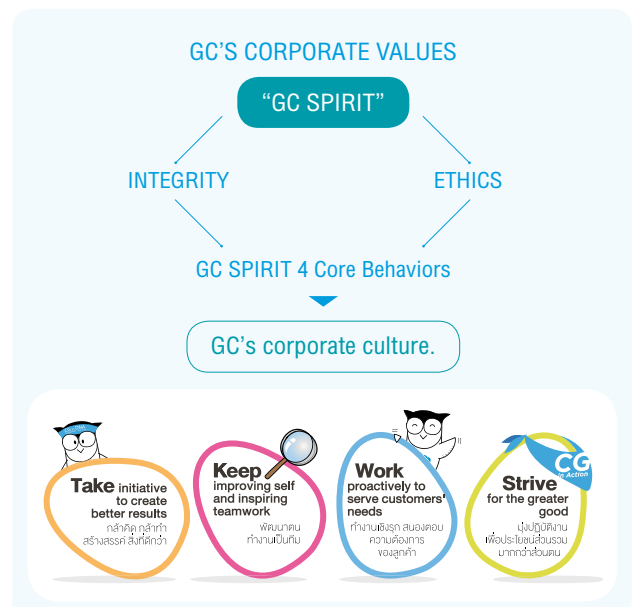
**Corporate Governance and Business Code of Conduct Handbook**

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 5 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 Electronic Transactions Act B.E. 2544; the Emergency Decree on Electronic Meetings, B.E. 2563; the Personal Data Protection Act B.E. 2562; GC’s Personal Data Protection Policy, announced on May 29, 2020, etc.

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 with a 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, which consists of 6 steps: (1) Establish; (2) Develop; (3) Implement; (4) Evaluate; (5) Maintain; and (6) Improve

### ORGANIZATION CULTURE OF INTEGRITY AND COMPLIANCE, WHICH CONSISTS OF 6 STEPS:

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

At the operational level, the 1<sup>st</sup> 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.

GC has further improved our Compliance Management System by adopting internal control system principle so that operational officers can identify and evaluate compliance risks relating to the operation process and keep them as database for undertaking compliance assessment for the Company and our group companies in order to verify items which are deviated from or not in compliance with the applicable requirements and to put in place appropriate compliance control measures. In addition, GC has adopted ISO 37301: Compliance Management Systems – 2021 (E) as guidelines for improving compliance control so that it becomes more effective, protecting against risks and building sustainability of the Company

In addition, Management Committee is tasked with organization-wide Compliance Oversight and reporting the progress to the Corporate Governance and Sustainability 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 (6) 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 2021: The Power of Business Integrity" 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 examined cordially to international standards, such as the Thai Institute of Directors Association (IOD), the Thai Investors Association (TIA), and S&P 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 line and 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 2021, 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.

## MAJOR CHANGES AND DEVELOPMENTS IN CORPORATE GOVERNANCE POLICY, PRACTICES, AND SYSTEMS

In 2021, GC has undergone major changes and developments in our corporate governance policy, practices and systems to enhance effectiveness in the supervision and improve our corporate governance standards in accordance with the CG Code, as follows:



### (1) Determination of goals, strategies and corporate cultures

- Setting goal to lessen the greenhouse gas emission to zero by 2050 in line with global direction and to demonstrate leadership in sustainability within the industry.
- Considering chance of Energy Transition emergence which could potentially affect GC's business operation and employ such consideration in formulating corporate strategies.
- Determine strategies to develop corporate cultures under the theme "Conviction to Change", emphasizing on making change by operating under the concept of "Speed with Challenge Status Quo".

### (2) Fostering an effective Board of Directors body

- Improving criteria and procedures for director nomination and appointment to cover the applicable rules, regulation and conditions relating director nomination and appointment and to be in line with the guidelines in the Corporate Governance and Business Code of Conduct Handbook of the Company and conform to the performance of obligations of the Nomination and Remuneration Committee.
- Improving the performance assessment form for the Board of Directors (as a whole, as individual and peer-assessment) to be in line with the rules and good practices of regulators both in Thailand and overseas and contemporary obligations, roles, duties and responsibility of the Board of Directors of a Company as stipulated in the Company's Corporate governance and Business Code of Conduct Handbook.
- Improving the performance assessment form for a Sub-committee being the Audit Committee (both as a whole and as individual) to reflect true performance results in order to develop and improve the performance of the Audit Committee's duties and enhance efficiency.
- Improving the performance assessment form for the Board of Directors and Sub-committees from using hard-copy documents to online director assessment form to lessen to the use of papers and increase practicality of information keeping and processing.
- Improving charter of two (2) Sub-committees being (a) the Charter of the Nomination and Remuneration Committee by adjusting the composition of the Nomination and Remuneration Committee so that it comprises only Independent Directors and (b) the Charter of the Corporate Governance and Sustainability Committee by amending the objectives and scope of duties of the Corporate Governance and Sustainability Committee to cover the supervision over sustainable development work in line with the main target of the Company and adding duty on

providing advice relating to receiving ratings for good corporate governance and sustainable development from external organizations and on the Governance, Risk Management and Internal Control and Compliance (GRC) in order to conform to the performance of the Corporate Governance and Sustainability Committee's duties.

- Changing the name of a Sub-committee by the resolution of the Meeting of the Board of Director No. 16/2021 on 13 December 2021 approving the change of name of "the Corporate Governance Committee" to "the Corporate Governance and Sustainability Committee" so that the name of the Sub-committee is in line with its scope of responsibilities which have been expanded to cover the supervision over sustainable development work in accordance with the Company's main objectives.

### (3) Putting in place/improving policies, manuals and guidelines of the Company

- Putting in place and promulgating Data Governance Policy as framework for supervising and managing information of the Company to maintain security and quality of the Company's information.
- Putting in place and promulgating E-signature Policy as framework for supervising electronic transactions both inside and outside the Company.
- Improving the Corporate Governance Policy by adding contents relating to corporate resilience to promoting long-term competition capacity.
- Improving the Human Rights Policy to cover the merger/acquisition of business/business partners and freedom of joint negotiation, adding "Vulnerable Groups" definition to cover immigrants, outsourced labors, indigenous people, local communities, LGBTQ, and placing importance to equitable compensation.
- Improving the Digital and IT Policy by adding contents relating to compliance with laws, regulations, rules and requirements relating to digital, the development and employing to the best interest digital and IT as important tools for business operation, the enhancement of digital capacity of employees and the transparency of business operation within the data governance framework and stakeholder's information control.
- Improving the Anti-corruption Policy and guidelines of the Company to be in line with self-assessment form version 4.0 of the Thai Private Sector Collective Action Against Corruption (CAC).
- Improving the Complaint Accepting Policy to cover human rights matters in accordance with the Dow Jones Sustainability Indices (DJSI)
- Improving contents and guidelines in the Corporate Governance and Business Code of Conduct Handbook to be in line with the strategies and operation of the Company, including closing the

additional gaps pursuant to the criteria of both Thailand's and international corporate governance assessment.

#### (4) Supervision of policies and operation of group companies.

- Improving criteria and guidelines for appointing the Company's Executives to take a director position in any group company to enhance effectiveness of promoting the investment objectives of the Company.
- Putting in place the GC Subsidiaries Director's Governance Handbook to set a clearer scope of duties and responsibilities and to use as guidelines for Director's self-assessment on performance review.
- Holding site visit session to review the operation of the group companies in accordance with GC Way of Conduct and putting in place site visit close out as a mutual agreement between Executives and the relevant staff of the group companies including the Company's staff in order to successfully carry out the operation under GC Way of Conduct pursuant to the determined objectives.
- Develop webpage using share point system to create additional channel to receive news and updated information relating to GC Way of Conduct, e.g., news letter, Q&A, etc.
- Providing consulting engagement relating to internal control to newly established group company.
- Providing advice and supports to companies within GC Group to put in place their own corporate governance policy, anti-corruption policy, and corporate governance and business code of conduct handbook, being in line with organization structure and characteristics of business operation, and providing supports to companies within GC Group to have effective, transparent and verifiable management system in accordance with good corporate governance principles.
- Communicating and providing advice on assessment of process level control to group companies which are strategic owner and operator by taking into consideration internal control and compliance supervision using methodology of control self-assessment (CSA).

#### (5) Responsibility towards stakeholders

##### Customers/Suppliers

- Developing Sale Service system to support better customer's opinion management system.
- Putting in place privacy notice and consent form relating the keeping, use and disclosure of personal data and assessment of supplier' PDPA compliance.
- 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.

##### Employees

- Improving the Performance Management System to allow regular communication between supervisors and staff (feedback), regular target review and performance assessment (dynamic), internal performance raking and mobile working support.
- Developing diverse learning channels including Online, Classroom, e-Learning and Micro-Learning.
- Providing training on "financial coach" as change agent of operation unit to give investment knowledge to every level of employees.
- Procuring COVID-19 vaccines to employees and providing quarantine facility in case any employee or any of their family members gets contracted with COVID-19 virus.

#### (6) Risk management and internal control

- Improving Risk Matrix to clearly prioritize the risks and improving criteria for evaluating effect and possibility of risks in order to assess the effect on the satisfaction of business objectives and strategies in 2022.
- Carrying out mitigation plan when encountering cyber attack crisis on the Operation Technology (OT) system both at the Cyber Incident Response level and at the Corporate Crisis Management Level.
- Developing IdeaMANI system to monitor the key risk indicator (KRI), a leading indicator, via online system.
- Developing COSO Connect assessment system to assess the adequacy of internal control system of the Company via online system.
- Carrying out anti-corruption actions, i.e., being CAC Change Agent to expand transparent business network to business partners, supporting group companies to be CAC members and putting in place automated CAC Checklist system to improve working procedures and efficiency of database management relating to the Company's anti-corruption measures, as well as monitoring, processing, analyzing, information reviewing and giving advice on CAC Checklist and referencing document via online system.
- Supervising and managing IT related matters, i.e., appointing Chief Information Security Officer (CISO), setting up cyber security project unit and data classification project to compile and classify confidential information and analyze risks in the Company's information, including providing advice on managing and protecting each class of information to be in accordance with international standard.

The Board of Directors recognizes its function 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.

From the review and assessment of the Company's compliance with each item in the GC Code in 2021, the Company could adopt most of the CG Code items pursuant to the apply or explain principles. The CG Code item that the Company is not yet able to adopt or has not been adopted by the Company have been recorded in the Board of Directors' resolutions, as follows:

Pracetice/Guideline	The Company's Practice
Item 3.1.2 The Board of Directors should determine appropriate number of directors to efficiently performing its duties whereby there shall be no less than five (5) directors and not exceeding 12 directors depending on the size, types and complexity of the business	<ul style="list-style-type: none"> <li>• Currently, the Board of Directors is comprised of 15 directors.</li> <li>• The Company Corporate Governance and Business Code of Conduct Handbook stipulates that the Board of Director shall consist of no less than 5 directors but not exceeding 15 directors. The Meeting of the Board of Directors resolved that the aforesaid number of directors is appropriate for the complexity and diversity of business types of the Company.</li> </ul>
Item 4.2.1 (1) The Board of Director should ensure the compensation structure by considering appropriatness of the ratio of salary, short-term operation results (e.g., bonuses) and long-term operation results (e.g., Employee Stock Ownership Plan).	<ul style="list-style-type: none"> <li>• The Company is in the process of studying the appropriate compensation structure and the connection of compensation, long-term operation results, project duration, stock exchange conditions that would facilitate such undertakings.</li> </ul>

## COMPLIANCE WITH THE PRINCIPLES OF CORPORATE GOVERNANCE IN OTHER AREAS

GC consistently complies with corporate governance standards. Relevant activities in 2021 are summarized below.

### (1) Board KPIs

The Board of Directors reviewed the Board KPIs to be implemented in 2022 to ensure their alignment with the best practices stipulated in CG Code and the Dow Jones Sustainability Indices (DJSI).

### (2) Data Governance

With regards to IT compliance and management, GC adopted GCMS, which is its integrated management system, and used Data Governance Framework to maintain security and quality of information, ensuring that information important to the Company has been dealt with correctly and appropriately and the operation can be carried out continuously, effectively and in line with international standards. GC put in place administration guidelines throughout the life-cycle of information covering compiling, using, maintaining and destroying information to create the Company's capacity

manage information to its best interests. The management is divided into three (3) levels as follows:

- **Governance Level** - Appointing the Chief Information Security Officer to supervise and be responsible for network infrastructure security maintenance and IT security and establishing the Data Governance Council which has a duty to make deviation and set direction of information supervision, including setting up policies and objectives in accordance with missions and strategies of the Company, as well as providing advice, promoting, supporting and encouraging the information supervision of the Company.
- **Management Level** - Setting standard and information supervision process of the Company starting from making plan and continuously carry out the supervision, including setting goals, indicators and guidelines in accordance with standard and policies, information supervision issues, undertaking relating to information to be carried out to be in line with the framework for information supervision, and setting up roles and responsibilities of stakeholders and relevant parties.



- **Operation Level** - Comprising the operation relating to information supervision, giving supporting, analyzing, evaluating, controlling information access, prioritizing importance of each information. Information problem solving, controlling information quality and security in case there is a change of and to comply with information supervision standard, policy and framework, following indicators and being responsible and performing duties of operational officers.

Furthermore, in supervising organization information, the Company has executed the following actions:

- Data Governance Framework: referencing the DAMA International's Data Management Body of Knowledge (DAMA-DMBOK) standard to allow the information supervision working team being able to push forward and use as working framework for information supervising, including monitoring information management to ensure that it is transparent, create confidence in operating the business, verifiable and result in quality, security and full integration of information, as well as allowing information which is important to the company to be managed correctly in accordance with the life-cycle framework of information.
- Specifying confidentiality level and security maintenance of the Company's information to ensure that the management of important information of the Company are being carried out orderly, concisely, systematically and in accordance with the PDPA with an objective to put in place policy and confidential maintain of the Company's information.

### **(3) Integrated Operation for Corporate Governance, Risks Management and Internal Control and Supervision of Operation to be in Compliance with the Laws, Rules and Regulations (Integrated GRC)**

GC placed importance on the integration of corporate governance, risk management and internal control and compliance with laws, rules and regulations or GRC to support the satisfaction of business objectives effectively while being transparent and verifiable and lessen the risks that may affect the business.

GC has created working team responsible for driving GRC forward involving departments and working teams and allowing their full participation in establishing system

and providing advice, suggestion, improvement and guidelines in accordance with GRC integration principles covering all group companies including subsidiaries. The working team responsible for GRC operation can be divided into four (4) working units consisting of (i) People and Communication, (ii) Process, (iii) Technology and (iv) Subsidiary, and work through the Integrated GRC Dashboard.

GC has promoted understanding and perception on Integrated GRC among Executive and employees of the Company and GC Group subsidiaries through various communication channels, in order to serve as concrete and effective guideline. It has also made such communication from Executives to employees (tone at the top) through the Company's CEO Townhall activity. Due to COVID-19 situation, the working format has been changed and the Company has adjusted ways to better communicate to employees by holding Integrated GRC (UP e-Learning) training to the Company's employees and subsidiaries so they understand the main principles and connection of GRC work, Control Self-assessment & Compliance Universe workshop to process owner of the Company and group companies which are subsidiaries so that they can identify and connect risks and evaluate the adequacy of internal control systems involving operation, reporting and compliance control at the operation level, as well as preparing GRC e-Newsletter and GRC Health Check to assess the perception, understanding and effectiveness of adopting the GRC for use within the Company and group companies which are subsidiaries.

As for the Process work unit, the GRC team has created FiT Project which serves as Subject Matter Expert (SME) and helped considering and providing advice on GRC related issues to initiatives of the Workstream, as well as participated in determining counter measures to resolve the risks found in the detailed study phase prior to the initiatives' proposal for further approval.

Under the situation with constantly occurring new challenges, GC keeps aiming to improve the integrated GRC continuously to create connection of operation between the GRC working teams and to use the same database in order to concretely lessen the redundancy of work and providing chances for Executive and employee to acquire work experiences so to have capacity to support the growth of the Company together alongside cultivation of desirable working culture in accordance with the integrated GRC, ultimately to build confidence among the Company's stakeholders.

# REPORT OF THE CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE

## Dear Shareholders,

In 2022, the Corporate Governance and Sustainability Committee comprised of its Chairman, Professor Somkit Lertpaithoon and its Committee members, namely Lieutenant General Nithi Chungcharoen, Mrs. Watanan Petersik, Mr. Chansin Treenuchagron, and Mr. Noppadol Pinsupa. The Committee performed its duties as stipulated by the Corporate Governance and Sustainability Committee Charter and executed tasks as assigned by the Board of Directors. The Committee held a total of five meetings. A summary of its activities is provided below.

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

- 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 2021 Annual General Meeting of Shareholders (AGM) and Extraordinary General Meeting (EGM) No. 1/2021 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 2021 AGM checklist, with a rating of Excellence, from the Thai Investors Association (TIA).
  - Setting guidelines for establishing criteria providing opportunity for shareholders to propose the meeting agenda and nominate any person for election as Director of the Company in advance of the 2022 Annual General Meeting of Shareholders.
  - Supervising the Company's disclosures to ensure complete details in accordance with the criteria stipulated by the regulators, i.e., the 56-1 One Report, report on integrated sustainability and on the Company's website. As a result, in 2021 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).
  - Monitoring and giving advice on receiving corporate governance operation assessment result from regulators both in Thailand and overseas, i.e. ASEAN Corporate Governance Scorecard, Corporate Governance Report of Thai Listed Companies (CGR) of the IOD, and AGM Checklist.
  - Reviewing the appropriateness 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.
  - Supporting the Company to become CAC Change Agent to expand transparent business network to cover suppliers and monitoring the progress of becoming a member of CAC.
- Overseeing the operation of GC and its subsidiaries to ensure corporate compliance. The Corporate Governance and Sustainability Committee supported the establishment of Compliance Universe, a compilation of relevant laws that process owners could use to inform the impact and likelihood compliance risk assessment.
- 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.

- Promoting the implementation of integrated organization management which include corporate governance, risk management and internal control and compliance (GRC).

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

- Monitoring and supervising the corporate governance work of the Company to be in accordance with the Corporate Governance and Business Code of Conduct Manual and policies, in line with strategies and business direction of the company, and promoting the development of the Company's corporate governance in various aspects, e.g., updating policies and guidelines on anti-corruption in according to CAC Checklist (version 4.0), updating the complaint receiving policies to cover human rights issues in accordance with the criteria of Dow Jones Sustainability Indices (DJSI) and promoting the use of digital platform to help increase the work efficiency in response to the new working style of the Company (i.e., smart governance), etc.
- 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 propriety 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 that they are au courant, compliance with domestic and international standards, and fitting 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 2022, to ensure its clarity and plausibility 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 (NACC).
- Reviewing and approving GC's corporate governance plan for 2022 to serve as guidelines for executing, monitoring, and assessing GC Group's corporate governance performance in a tangible manner.

## 3. Supervising Sustainable Development Operations

- Supervising the sustainability work progress to be in accordance with the strategies of the Company (i.e. Step Up) through 4 strategies: (1) Pursuance of operation to sustainably handle climate change and water management, (2) Business integration to enhance the operation on circular economy enhancement, (3) Enhancement of CSR operation to create sustainable value to the society (i.e. CSR Transformation to Social enterprise Model), (4) Enhancement of sustainable business operation leadership in creating a well-balanced sustainability in every aspect, including economic, social and environmental. This also includes monitoring the Company's sustainable development to ensure alignment with international standards, such as the Dow Jones Sustainability Indices (DJSI), the UN Global Compact and Carbon Disclosure Project (CDP), etc., to maintain its position as the world's leader in sustainability.
- Promoting a thorough revision of every elements within the sustainability framework of the Company to be in line with the world's situation and new challenges, providing opinions on sustainability operation working plans and indicators for the Company's operation during the five year period (2022 – 2027) and on a long-term basis. As well as providing suggestions for sustainable development related Rankings acquisitions from external organization both in Thailand and overseas.

- 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 putting in place communication to build understanding with stakeholders every year and take opinions and expectations into consideration when making decision, reviewing material sustainability issues and making plan on business operation of the Company.
- 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.

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

- Reporting the performance as well as group and self-assessment results of the Committee for 2021 to the Board of Directors for their acknowledgment.
- Reviewing the Corporate Governance and Sustainability Committee Charter to ensure that the contents align with their roles and duties and any applicable rules and regulations.
- Reviewing the Corporate Governance and Sustainability 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.
- Continuously ensuring Director development under good corporate governance principles by encouraging them to attend training courses of Thai Institute of Directors Association (IOD).
- Pre-setting the dates for its meetings for the entire year, arranging at least one meeting per quarter and may hold special meeting as necessary. 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.

The Corporate Governance and Sustainability 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 and Sustainability Committee

(Signed) Professor Somkit Lertpaithoon

**(Professor Somkit Lertpaithoon)**

Chairman of the Corporate Governance  
and Sustainability Committee