

SET AWARDS 2021

Sustainability Excellence

Date: 8 September 2021

Presenter







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Chief Executive Officer and President



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Executive Vice President

Corporate Governance and Affairs



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Executive Vice President
Strategy



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Executive Vice President

Organizational Effectiveness



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Vice President
Group Company Secretary & Sustainability

Presentation Outline



- กลยุทธ์และแนวทางการดำเนินงานด้านความยั่งยืน
- 2 กลยุทธ์และแนวทางการดำเนินงานในสถานการณ์ COVID-19
- 3 กลยุทธ์ของบริษัทหลังจากสถานการณ์ COVID-19 สู่ New Normal
- 4 บทบาทของคณะกรรมการในสถานการณ์ COVID-19
- 5 การสนับสนุนผู้มีส่วนได้เสียของบริษัทในสถานการณ์ COVID-19



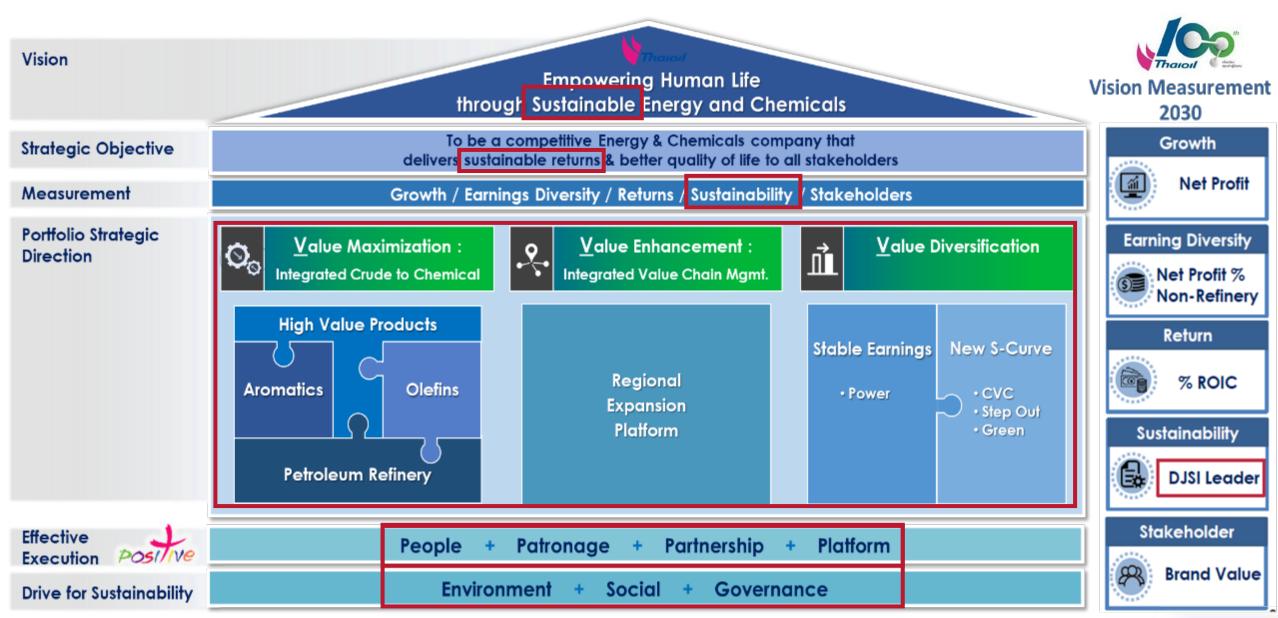


กลยุทธ์และแนวทางการดำเนินงาน ด้านความยั่งยืน



Sustainability is Embedded in Thaioil Group Strategic Structure.





Sustainability by Balancing all Stakeholder Interests through Business and ESG





Global Challenge



Energy disruption is accelerated



Responding to climate change



COVID-19



Change in legislation and regulation

Business Strategy: 3V



"Build on our strong foundation"



Value Enhancement: Integrated Value Chain Mgmt.

"Know your customers

& knowledge-based"



Value Diversification

"Stable Earnings & New S-Curve"





Sustainability Strategy: Environment + Society + Governance: 3E



nhance **ENVIRONMENT**

Enhancing Green Economy and Climate Commitment



25%

Green Revenue



Net GHG reduction from BAU by 2030





ngage SOCIETY

Engaging with community and society to create long-term social value



Community Engagement

Through CARE strategy Support society and community during and post COVID 19





GOOD GOVERNANCE

Ensuring Good Governance and Transparency



case of non-compliance & fraud incidents through GRC

Sustainability Management Framework is Integrated in Corporate Strategy



CEO Connect



Thaioil Strategy Cycle

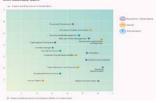
ALL YEAR

Oct-Dec

-Environmental Scanning Analysis

- -Internal Health Check
- -Materiality Assessment
- -STS Expert Sharing

Materiality Assessment



KPI Online



ONLINE

Monitor Corporate Performance, KPIs, KRIs, Budget and Key strategic projects

Monthly: Business performance/ Business outlook

Quarterly: Corporate budget/ Key strategic projects

Cascade strategy to all level

through meeting & forum

Cascade **Functional KPIs to**

Business and ESG Strategic Formulation & Portfolio Rationalization

4

- **Board individual interview**
- **Revisiting Existing Strategy**
- **Define New Opportunity & Strategy (TOP STS I)**

Sharpen Business and ESG Strategic Direction plan & Target Setting (TOP STS II)

ESG Strategy & Targets

BUs & departments

Board approval (TOP BoD STS)

- STS

Strategy plan [STS]			40
1 Yr	5 Yr	10 Yr	



TOP BoD STS

to Functional

Cascading KPI to Affiliate



Board approval

Corporate plan, **Budget & KPIs Corporate risks** & KRIs



Review Strategy Map, **Strategic Objectives** & Corporate KPIs

CORP PLAN & KR

3492-BUA



- Review assumption & corporate plan
- STS Communication Forum



Board Involvement	
Strategic Deployment	

Sustainability Governance

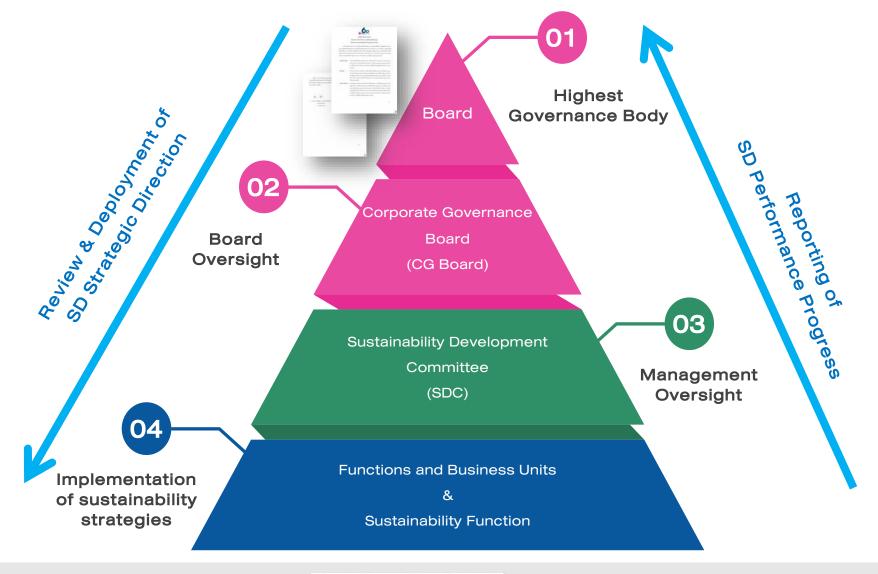


Roles & Responsibilities

กำกับดูและการบริหารจัดการ
ความยั่งยืนของค์กร ผ่านการ
กำหนดนโยบายและแนวทางใน
การดำเนินงาน

ผลักดัน ขับเคลื่อนและติดตาม การดำเนินงานด้านความยั่งยืน อย่างเป็นระบบ

ดำเนินการตามแผน กลยุทธ์ด้านการบริหารจัดการ ด้านความยั่งยืน



Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Industry Leader

in oil & gas refining and marketing industry for **6 years**

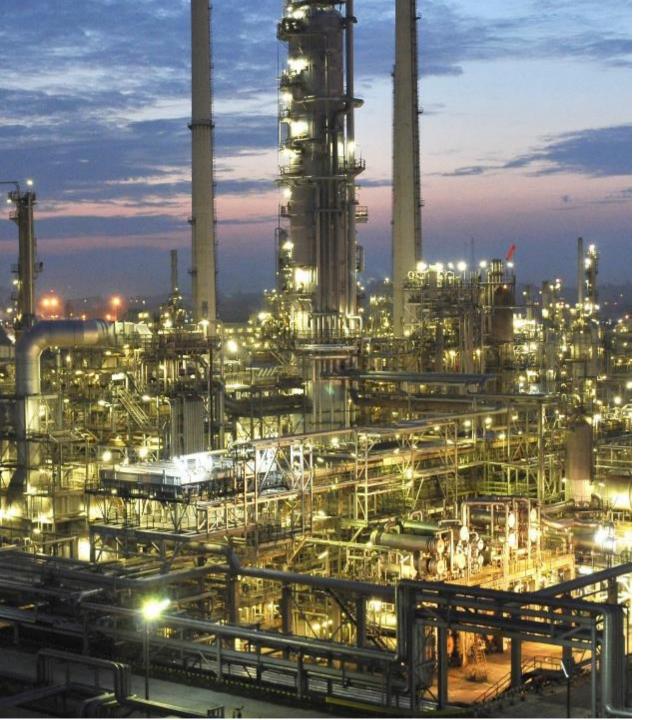
Sustainability Award

Gold Class 2021

S&P Global

Sustainability Award (Gold Class)

in oil & gas refining and marketing industry for **7 years**





กลยุทธ์และแนวทางดำเนินการ ในสถานการณ์ COVID-19

- People First
- Short-Term Maximize Profitability
- Long-Term Strategic Execution



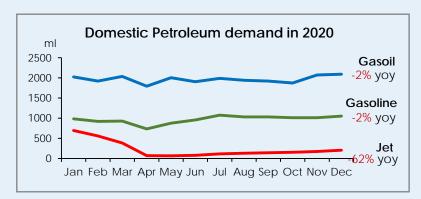
Ongoing COVID-19 Crisis Since 2020



COVID-19 Impact

COVID-19 An Unthinkable World Scenario & Impact Continue to 2021

- Countries around the world implemented lockdown measures to slow the spread of the coronavirus
- Global economy collapsed 3.5% in 2020 due to restrictions on the economic activities
- Domestic petroleum demand significantly dropped especially jet fuel



Crude Oil Price Plunged to Multi-Year Lows

- Crude Oil Price Plunged to Multi-Year Lows after OPEC deal failure sparked oil price war in Mar' 20
- Quick supply/demand rebalance brought oil prices back to \$50 a barrel in Dec'20
- Steep OSP crude discount helped support Asian GRM

Thaioil Hardest Hit

Lower Jet Demand

- Decrease in integrated intake from petroleum demand collapsed
- Minimum jet production due to fight cancellations worldwide

Worst GRM Ever

- Huge stock loss Q1'20 THB 10.77 bn in particular, from sharp oil price drop due to price war
- Lowest MKT GRM in 2020 esp, in Q3/20 \$-1.1/bbl due to weak product spreads and higher crude cost
- Huge net loss THB 13.75 bn in Q1'20



Business Excellence: Thaioil Group's Three-Pronged Strategy



- COVID-19 Response Measures
- Ensure **BCM Strategy** for smooth operations

Operation & Commercial

- Optimized overall value-chain utilization & production
- Operational to Business
 Excellence



- Commercial excellence to capture high margin products & markets
- Maximize subsidiaries profitability

Finance

• Rigorous cost management

"Our Extraordinary Efforts"



THREE-PRONGED STRATEGY



Short-Term

Maximize Profitability

Long-Term
Strategic Execution



Accelerate the Reform

- Value Maximization : Integrated Crude to Chemicals
- Value Enhancement : Integrated Value Chain Management
- Value Diversification
- Proactively procure competitive pre-funding

"Ready to Capitalize on Post COVID-19 Recovery"



People First: Covid-19 Response



Strong Commitment to Protect People and Continuous Caring People

Established I-COVID Center:

Prevention & Protection Management on 3P (Promote, Protect, Preserve) & 3C (Clustering, Control, Conformity) Measures.



- **Defined Major Critical Activities (MCA):** Operations (MCB) and Engineering and Formulated protection measures: Thaioil Bubble and Seal -Safe House and Clustering
- Clustering camp sites with bubble & seal and specific health measures for project contractors.
- Integrated COVID-19 response in corporate **Business Continuity Management (BCM)**

Phases of Responses to COVID-19 infection		Response Measure
Phase 0	No infection	I-COVID Center Monitoring and Prevention
Phase 1	Non-MCA staff infected	I- COVID Center Protection and Control
Phase 2	MCA staff infected or widespread	Crisis Mgt Center (CMC) BCP Activation

Work from home (WFH) policy and enforce Self **Protection Measure: THAM-D**

T - Testing: Have body temperature measured frequently

H - Hand Washing: Washing hands frequently with soaps/alcohol gel

A - Application Downloading: 'MorChana', 'ThaiChana', 'Thaioil Chana'

M - Mask Wearing: Wearing mask correctly and at all time

D - Distancing: Keep 1 - 2 meters distancing

Launch & use 'Thaioil Chana' application:

- ✓ Health Declaration before visiting Thaioil Site
- √ Health Declaration at Thaioil Site
- √ Check-in & Check-out



Safe House for MCA-Operations 100% (176 staff) during severe COVID-19 pandemic in Chonburi.









- 100% Clustering for MCA-Engineer (252 staff, 642 contractors).
- 100% Rapid Test and Antigen Test (ATK) for employees/ contactors/vendors approved entering the company areas including random ATK regularly.
- Active & Continuous Monitoring COVID-19 situations. Regularly announce measures via I-COVID News to communicate & educate to employees and contractors for self-protection.

Vaccination to Protect People

Proactive vaccination 1st and 2nd Doses for employees, contractors and employees' families as planned.



- MCA Staff (affiliate included)
- International Staff
- **CFP Team Staff**
- PMC Staff (Thai & Expat)



- Non-MCA Staff (affiliate included)
- **EPC Staff**
- **Concurrent Contractors**



- Staff's family
- Contractors (LC1)
- **CFP Sub-Contractors**







To vaccinate the booster dose to all employees in Q4/2021



Thaioil Group's Three-Pronged Strategy



- COVID-19 Response Measures
- Ensure **BCM Strategy** for smooth operations

Operation & Commercial

- Optimized overall value-chain utilization & production
- Operational to Business Excellence



- Commercial excellence to capture high margin products & markets
- Maximize subsidiaries profitability

<u>Finance</u>

• Rigorous **cost management**

"Our Extraordinary Efforts"



THREE-PRONGED STRATEGY

Short-Term

Maximize Profitability

Long-Term
Strategic Execution

3



Accelerate the Reform

- Value Maximization : Integrated Crude to Chemicals
- Value Enhancement : Integrated Value Chain Management
- Value Diversification
- Proactively procure competitive pre-funding

"Ready to Capitalize on Post COVID-19 Recovery"

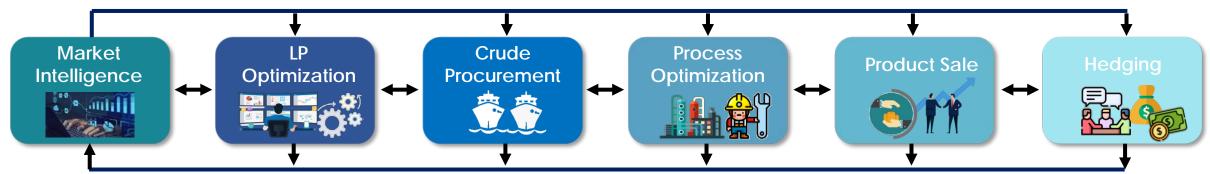


Short-Term Maximize Profitability: Operational Excellence



Optimized overall value-chain utilization & production

Commercial and Operation Optimization Integrate from End to End to Boost up Margin amid Market Fluctuation



Able to Maintain 95-100% Utilization by Minimizing Jet Yield

- Maximize local sale
- Manage stock & use hedging as a tool for price risk management
- Optimize production & import





Short-Term Maximize Profitability: Commercial Excellence & Maximize Subsidiaires Profitability



Commercial Excellence

Capture high margin products & markets

Regional Expansion

- Regional presence expansion to high growth countries
- TOP Group sale collaboration
- Increase international revenues











TSM JSKem TSChem

Customer Portfolio

 Expand sales to end users

Product Portfolio

• Increase HVP sale

Crude Portfolio

 Crude cost & freight management

Platform and **Optimization**

 Optimize daily operations based on current market situation

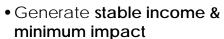
Maximize Subsidiaries Profitability

Beauty of Integration and Resilience Portfolio

Power







Solvent













Ethanol







- Additional income from Alcohol Sanitizer
- Profit & social contribution

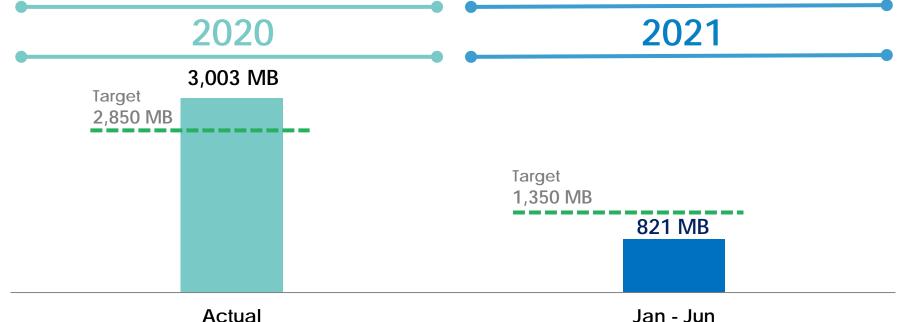






Short-Term Maximize Profitability: Financial Excellence

Rigorous Cost Management: Orchestra & Symphony Project



Jan - Jun



Stretch Target: Proactively review budget setting & usage with all parties and together set new target



Timely Communication: Business Excellence, CEO Connect, CMM, Budget Roadshow, Saving Tips Saving TOP Season 1 Campaign



Close Monitoring & Report: Automatic email at 70% usage & monthly budget usage report



Clear Unused Budget: Clarify/clear unused & return budget



Reduce cost related to P/L impact: Optimizing cash management, financing cost reduction, FX/accounting/tax management



Lean Budget Setting: Promote lean budget setting during Corporate Plan process since Q4'21



Challenging KPI: Set challenging target plus new saving ideas from each department



Cost Conscious as Culture: Proactive communication in Business Excellence, CEO Connect, CMM and continue Saving Tips Saving TOP (STST) season 2 to get more saving ideas



Continue to reduce cost related to P/L impact







Our Extraordinary Efforts during COVID-19



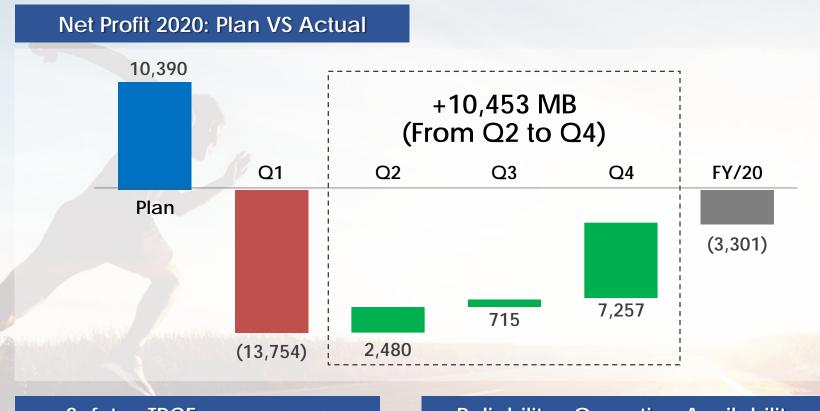
An Extraordinary Time

Needs

Extraordinary Efforts

By

Extraordinary People





0.40 Plan 0.29 Actual Reliability: Operation Availability (%)

99.5 Plan 100.1

Actual



Highest overall OEMS (Operational Excellence Management System) assessment score in PTT Group in 2021

Thaioil Group's Three-Pronged Strategy



- COVID-19 Response Measures
- Ensure **BCM Strategy** for smooth operations

Operation & Commercial

- Optimized overall value-chain utilization & production
- Operational to Business Excellence



- Commercial excellence to capture high margin products & markets
- Maximize subsidiaries profitability

Finance

• Rigorous cost management

"Our Extraordinary Efforts"



2 PRONGED STRATEGY Short-Term



Maximize Profitability

Long-Term Strategic Execution

Accelerate the Reform

- Value Maximization : Integrated Crude to Chemicals
- Value Enhancement : Integrated Value Chain Management
- Value Diversification
- Proactively procure competitive pre-funding

"Ready to Capitalize on Post COVID-19 Recovery"



Long-Term Strategic Execution : Accelerate the Reform





<u>V</u>alue Maximization : Integrated Crude to Chemicals

Manage CFP Project amid COVID-19





 Jumpstart to Olefins through JV with existing player





• Drive HVP effort by launching few HVP's e.g. LRAE, high purity toluene



<u>V</u>alue Enhancement : Integrated Value Chain Mgmt.

- Regional expansion
- Solvent/chemicals expansion in Singapore, India & Vietnam
- Establishing foothold in Indonesia through Alpha & TSR
- Combined force Thaioil & TOP Solvent regionally



Value Diversification

- Rationalize investment portfolio : power, marine
- Manage TOP SPP expansion project
- Progress in VC's & Start-Ups

Proactively Procure Competitive Pre-Funding

- Tremendously successful \$1,000 mnUSD bond issuance –with lowest-ever 10-Yr coupon in Thai corporate
- Successfully secured 15,000 MB long-term bank facilities to enhance liquidity





กลยุทธ์ของบริษัทหลังจากสถานการณ์ COVID-19 สู่ New Normal



Macro Global Trend: Respond to Next Normal & Resilience to the Future





Accelerated by COVID-19 Emerging New Normal



- Energy transition (EV)
- Renewable Energy penetration
- Volunteer & moderate environmental law & regulations

- Accelerate peak oil demand from EV penetration
- · High renewable demand growth



- Climate awareness
- ESG requirement
- · Energy efficiency & low carbon electricity
- Recycle & circularity

- More stringent on environmental regulations
- Net Zero : harsh climate around the world our new normal



- Efficiency & automation
- Technology increase connectivity e.g. block chain, 5G

- Accelerate technology disruption
 - Virtual/Augmented reality (VR,AR)
 - Digital healthcare
 - Data driven, data monetization



- Segmented goods and services
- Environmental friendly
- · Aging society & concern on health

- More work from home, less travelling
- · More health conscious
- Individual customization
- More shared society

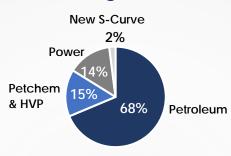
Long-Term Strategy Execution



"Refinery Last Man Standing"

"Empowering Human Life through Sustainable Energy and Chemicals"

Existing Portfolio



Avg. Y2015-Y2019

2018 - 2021

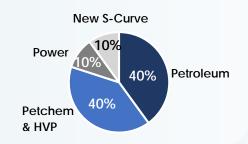
Accelerate the Reform

2021-2025

Building on Our Strong Foundation

Integrated Crude to Chemicals

Portfolio Target 2030





<u>V</u>alue Maximization : Integrated Crude to Chemicals

- Strengthen core through CFP project
- Speedup growth by building on our strong foundation
- Existing value chain (Aromatics, Lube & LAB) & HVP via revamp/ debottleneck & partnership
- Olefins value chain, jumpstart via JV/partnership & bypass to downstream HVP
- Expand product portfolio & develop HVP through customer orientation, technical expertise & partnership



<u>V</u>alue Enhancement : Integrated Value Chain Mgmt.

- ASIAN region as our investment playground & market
- Prepare for CFP & PetChem
- Move closer to customers to promote HVP's



Value Diversification

- Power to provide stable earnings
- Step up effort on New Ventures
- Window to identify new S-curve opportunities & diversity sources of earnings





บทบาทของคณะกรรมการ ในสถานการณ์ COVID-19



Board of Directors' Role during COVID-19



Thaioil's Board has assumed vital roles in guiding the organization through Covid-19 crisis and toward the next normal through Crisis Management Framework

Crisis Management Framework

Reaction



Resilience



Recovery



Re-imagination

People First

- **★**I-Covid Center
- ★ Health & Safety
- **★**Communication

Social Support

- People / Community / Society
- ส่งพลังงาน....สร้างพลังใจ

Enterprise Risk management

- ★ Business continuity Management
- **Business Continuity Plan**
- ★ Margin Hedge

Digital Infrastructure

- ★ Work @anywhere
- Cybersecurity

Short Term Strategy

- ★ Cost Saving
- **Profit Maximization**
- Operation Excellence
 - Manufacturing
 - Commercial
 - Finance

Long Term Strategy

- ★ Business Opportunity
- New S-Cruve
- ★ 3Vs Strategy
 - Value Maximization
 - Value Enhancement
 - Value Diversification











Board of Directors' Role during COVID-19



Thaioil's Board has fully performed the governing duties to support management team

Board of Director

- ★ Business Continuity Management
- ★ Business Continuity Plan BAU/Project Execution
- Personnel Protection Measures & Budget
- Short Term Measures Cost Saving/Profit Maximization
- Long Term Strategic Plan
- ★ Risk Management Framework

Corporate Governance Committee

- ★ Personnel Measures People First
- ***** Community Support
- ★ Social Support ส่งพลังงาน..สร้างพลังใจ
- ★ AGM Arrangement Measures

Risk Management Committee

- Business Continuity Plan
- ★ Product Margin Hedge
- ★ Covid-19 Risk Management Commercial/Manufacturing/Project Execution

Audit Committee

- Continuity of Audit Activities
- ★ Cyber Security

Provide Advices



Follow-up Outcome





Governing Framework













การสนับสนุนผู้มีส่วนได้เสียของบริษัท ในสถานการณ์ COVID-19

- Employee
- Supply Chain
- Customer
- Society
- Community





Employee Support



Strengthen Employee Well

Health Prevention

Provide all employees with Hygiene Kit (mask, thermometer ,gel alcohol) for preliminary self-protection.

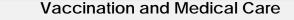
- Provide shift employees with 6 masks/week/staff to support their health protection.
- Supply 8 Thermoscan and 47 Infrared forehead for all entrances & check points.
- Proactive employee protection with ATK 100% and random 15-20%.
- 100% hygiene: regular UV care room & equipment sterilized, clean all work areas and provide alcohol gel in all meetings room.





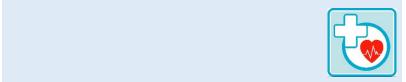
Work From Home (WFH)

- Encourage employees work from home as most as possible to protect risk of infection.
 Today, WFH rate = 94%.
- Provide laptop, PC, and accessories including tools to ensure efficient work from home.
- Provide I-COVID Call Center (24/7) in case the employee having inquires, or need support anytime.



- 100% Vaccination (5,000 people) to employees, contactors and employees' families (3 tiers).
- To vaccinate booster dose for all employee in Q4/2021.
- Fully take care of infected employees both hospitalization and medical expenses.





Employee Support and Help



Work @ Office

Prevent infection & contamination with measures of access (In-out) office building and working areas for employees, visitors, contractors.



Work @ Home

Employees are able to work from home and all employees are granted Baht 10,000 to subsidy for WFH expenses e.g. telecommunication
equipment, health care expense, on-line learning etc.



Digital Platform: 5 Happiness & Learning

 Employees can VDO Call with psychologist /psychiatrist anywhere/anytime/any device (5 Happiness-OOCA app.) and are enable to learn on Thaioil Academy (mobile learning) with 24/7 access.



Support Team for Safe House

• Upon safe house staff need support for personal or family business. They can request service from 4 support teams of I-COVID Center,



Keep In Touch

Regularly communicate/educate COVID-19 situation and company's measures to ensure employee safe.



Supply Chain Support



Suppliers' and Contractors' Impact



Cash flow





Supporting suppliers and contractors during the COVID-19 pandemic

- Early payment upon suppliers request
 - General service & goods
 - Logistics issues

Alternative choices to

minimize risk & costs

manufacturer plant

Extend period of impacted contracts

cost

- No impact to penalty
- No impact to other ongoing works
- Monitor and follow up with internal parties concerned for receiving and on time payment
- Collaborate to monitor and plan material delivery from UK, Italy
- Consolidate volume to minimize suppliers' number of delivery and and India

(SAP ARIBA) initiative to avoid the assembly at workplace

• Switch transportation mode

Accept supplier's alternative

- ♠ Accept the electronic files ♠ Transform online for documents receiving to keep social distancing
 - meeting i.e. Pre-bid Meeting, Kick off Meeting, Site Survey

Outcome



Support Suppliers' cash flow and cost management



Closely collaborate & be more justify between suppliers & TOP



Be effective procurement & contract execution

Supplier Relationship Management (SRM) Communication and Collaboration

Interactive Communication Channel for COVID-19

Support Vaccination Program for Contractors

Support Contractors for Quarantine and Medical Treating

Closely coordinate preventive measure with I-COVID Center



Customer Support



COVID 19 Impact to Customer	Thaioil Support	Outcome
Demand impact		
Low domestic Jet demand	 Offtake volume adjustment allowance Alternative product offtake in respond to market demand 	Support change in market demand
Financial affect		
Tight financial liquidity Maximum credit limit	Credit term extensionCredit amount extension	Allow business continuity
Information and Communication problem		
Product portfolio information	E-Product catalogue implementation	Easily access to sales and information
Inaccessible communication via normal route	 Online market outlook Regular market situation and customer requirement update 	Fast and flexible sale plan adjustment
Transaction inconvenience		
Lengthen payment process from WFH	 Online payment system development "Thaioil Smart Biz" (TSB) 	Improve payment conveniency
Bank Guarantee (BG) issuance problem	Thaioil Blockchain system support	 Increase security and customer's convenience
Lorry loading access by cross boarder driver	 Online driver training Safety support from COVID-19 at lorry 	
 Limit driver loading training from COVID-19 preventive measure 	 ✓ Check driver temperature and Record in-out time ✓ Keep social distancing ✓ Provide hand sanitizer alcohol and regularly UV cleaning ◆ Drive thru loading document process 	Convenience and prevent COVID- 19 infection





ผลิตภัณฑ์

การช่วยสังคมในวงกว้าง

อุปกรณ์ป้องกัน และเครื่องมือแพทย์ วัตถุประสงค์: สนับสนุนหน่วยงานสาธารณสุข และประชาชนทั่วไป เครื่องวัดความดันโลหิต ทางการแพทย์ เครื่องวัดอุณหภูมิชาตั้ง หน้ากากอนามัย แอลกอฮอล์น้ำ เจลทำความสะอาด หน้ากากป้องกัน แบบตลับ

โครงการ"ส่งพลังงาน สร้างพลังใจ"

นำผลิตภัณฑ์ของกลุ่มไทยออยล์สนับสนุนหน่วยงานด้าน สาธารณสุขและช่วยเหลือประชาชนภายใต้วิกฤตโควิด-19









แนวคิด

- 🕀 ฉีดวัคซีนเชิงรุกให้แก่ประชาชน
- 🕀 เคลื่อนย้ายผู้ป่วยไปรักษาโรงพยาบาล / กลับภูมิลำเนา
- 🕩 ฌาปนกิจสงเคราะห์

หน่วยงานที่สนับสนุน







กรมอนามัย



รพ.ศิริราช





ศนย์ฉีดวัคซีน รพ.แหลมฉบัง สสอ.ศรีราชา และ สสจ.ชลบุรี



Community Support



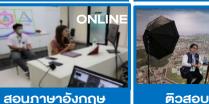
การช่วยเหลือสนับสนุน 23 ชุมชนในช่วงวิกฤตไวรัสโควิค-19

วิถีชีวิตใหม่











ติวสอบสัมภาษณ์

กิจกรรมร่วมกับชุมชน

เศรษฐกิจ / ค่าครองชีพ







ปรับเปลี่ยน ป้องกัน 23 ชุมชน ช่วยเหลือ รักษา

ศูนย์ฉีดวัคซีน

- ระบบเครือข่ายคอมพิวเตอร์ / ระบบบริหารจัดการ
- แอลกอฮอล์

อุปกรณ์ป้องกัน

หน้ากาก / แอลกอฮอล์







โรงพยาบาลสนาม

- สนับสนุน เครื่องให้อากาศผสมออกซิเจนHi-flow
- โรงพยาบาลแหลมฉบัง
- sw.สนาม ชุด PPE
- **การเคลือนย้ายผู้ป่วย** (โครงการส่งพลังงาน สร้างพลังใจ)

โรงพยาบาล





ศูนย์พักคอย





