

TIPCO Asphalt Public Company Limited

Overview on our Sustainable Development and E.S.G. in 2022

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Prepared by Sustainable Development Department Office of Corporate Strategy Management TIPCO Asphalt Public Company Limited





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Agenda



- Strategy and Framework
 - Vision 2025 and our SD strategies/foundations
 - SD org structure, standards, related policies
 - SD Materiality Analysis
- Economic: focus on Innovation
- Environment
 - GHG, climate change
 - Energy consumption
 - Others

• Social

- Safety: employee/ customers
- Road traffic safety
- Governance
 - $\bigcirc \quad \text{Good Governance} \\$
 - O Community development/ Key CSR activities
 - O Enterprise Risk Management/ ESG risks
- Human capital development
- ESG Recognitions and Rating

Our Mission/Vision, strategic goals, and sustainable development purpose





6 strategic goals

51 Truly Global Entity

Diversified Portfolio of Solutions

) Innovation Beyond Product

4 Client Centric

55 Datum Driven Organization

S6 Sustainable Organization

S6 was supported by 3 sustainable development strategies (*innovation leader, eco-efficiency* and *safety awareness*) and 2 SD foundations (*good corporate governance* and *value for the future*).

With our SD purpose "*Innovative solutions for sustainable living of all societies*", TIPCO Asphalt can fulfil our steward leadership through executions of these SD strategies and strengthening of 2 SD foundations through various activities with key stakeholders across ESG dimensions.

TIPCO Asphalt fully integrates the philosophy of sustainable development into our long-term strategic plan (*Vision 2025*). Our Mission/Vision were accompanied by *6 strategic goals* each of which contain specific sets of strategies and action plans to be implemented to ensure our strategic goals and objectives are met.

S6 indicates our goal to become a "sustainable organization" with stewardship purpose to contribute to benefits of related stakeholders.

"Innovative Solutions for Sustainable Living of all Societies."



Sustainability: Org chart, Framework, key Policies





International frameworks and standards **SUSTAINABLE** DEVELOPMENT C Global Reporting Initiative TCFD TASK FORCE ON CLIMATE-RELATE FINANCIAL DISCLOSURES **UN Guiding** Principles on **Business and Human Rights**

	Key Policies
Sustainability	Sustainability Development PolicyStakeholder Engagement Policy
Economic	Policy on Innovation
Environment	 Environmental Policy Policy on energy conservation
Social safety	 Integrated Management System Policy Road safety management policy
Governance	 Corporate Social Responsibility Policy Enterprise Risk Management Policy Corporate Governance Policy IT security policy Sustainable Procurement Policy Anti-Corruption Policy Human Rights Policy Tax policy
People	Thai Labor Standard Policy





Sustainability Materiality Assessment Survey results: 2021-2022







SAFETY AWARENESS



GOOD AND TRANSPARENT CORPORATE GOVERNANCE





Source: SD materiality survey 2021-2022 SD Department, April 2022

Economic: Innovation Leader

Tipco Asphalt group integrates and promotes an innovation culture by focusing on developing their skills and providing incentives to initiate and execute innovative ideas. This has come to teams and projects that have passed through these programs. In addition, to ensure that they involve technology efficiency.



Short-term goals : 2021

- Innovation culture survey to measure organizational competence and employee competence of no less than 55%.
- At least 50 percent of staff attend an Innovation Bootcamp
- 10 project increase in number of innovation projects, with focus on environmental and social aspects

Long-term goals : 2025

- The Group promotes innovations within the organization and in collaboration across organizations.
- More than 25 percent of profit increased from 2018 (base year).

Key Performances 2021





Environmental: Eco-efficiency

We encourage any innovation projects that directly and indirectly make significant decreases in the greenhouse gas emissions. This applies to our refinery, production, distribution units, and storage facilities.



 Reduce greenhouse gas emission intensity (scopes 1 and 2) by at least 2 % from 2020 (base line)



 Reduce greenhouse gas emission intensity (scopes 1 and 2) by at least 6 % from 2020 (base line)

Key Performances 2021





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Environmental : Eco-efficiency









Cost: 2.56 million Baht



Absorb greenhouse gas Project objectives Increase 'green' space 777 Ecotourism and area for public recreational activities/exercise tons CO2 equivalent Total number of trees 3,296 trees

Social : Safety Awareness

Tipco Asphalt group aims to achieve zero injury and zero accident. Tipco Asphalt group considers all stakeholder as our top priority. We enhance the safety awareness through assessment of occupational risks followed by safety control measure implementation.



Short-term goals

- Zero fatality and lost time injury
- Zero lost time injury frequency rate from work-related accidents and logistics
- Lost time injury frequency rate less than 0.74 per a million hours worked



- Zero lost time injury
- Zero lost time injury frequency rate from work-related accidents and logistics

Key Performances 2021



number of cases/million hours worked





Smart Knowledge Platform

- Machinery and equipment safety
- Proper maintenance of the machine
- Able to perform works promptly

Knowledge Sharing with Customers

- Promote safety awareness
- Conduct root cause analysis for incident or near-miss incident
- Expand network

Delivery Route Survey for Safety

- Survey for new/alternative delivery routes
- Identify potential risky route/ locations
- Assign rest points

The Group was certified with ISO39001:2012 (Road Traffic Safety Management System).







Corporate Governance



The Board of Directors recognizes the importance of corporate governance in the Company's sustainable development, creating shareholder value, and securing trust from all stakeholders, including shareholders, employees, customers, business partners, competitors, and creditors.



- Achieve 5 stars of Corporate Governance Report of Thai Listed Companies ("CGR")
- Certified in Thai Private Sector. Collective Action Against Corruption ("CAC")







• To stay at the highest level of respective of corporate governance guideline



One of 100 listed companies invited in
 ASEAN Corporate Governance Scorecard

• Certified

Corporate Governance: Structure of the Board of Directors





Independent Director
Executive Director
Director

Number of listed companies which Tipco Asphalt's directors serve

Board of Directors Attendance





Corporate Governance: Nomination of the Board of Directors







Self assessment



- The evaluation is for the Board of Directors and all sub – committees on annual basis

- The evaluation is conducted on collective and individual basis
- Evaluation result is publicly disclosed and considered as part of director remuneration

Remuneration

🕨 Fixed 🛛 🕈 Variable

- In determining appropriate remuneration, the N&R committee takes into account the scope of responsibilities of each director and the Company's long-term strategies and targets, to ensure that remuneration is comparable with the average for similar companies in the relevant industries.
- The final remuneration is proposed to the Board of Directors and shareholders for approval.

Corporate Governance: Anti-Corruption





Corporate Governance: Whistleblowing







Several channels for whistle blowing

Protection of issue reports

The group provides the rights protection of those who report potential or actual corrupt or fraudulent activity to do so in an anonymous fashion, keeping their name, address or other personal information confidential, with no disclosure to non-related units, except when to do so would be against the law.

Fact-finding and Investigation procedures

Fact-finding committee will be formed to perform the investigation. The committee must report its finding to the CEO and/or the Board of Directors within 14 days

Report to the Board of Directors

The Human Capital Management Department will then collect the investigation reports, notify the whistleblower and the Board of Directors, as well as the person who received the complaint

whistleblowing cases



Highlights of our social activities in 2021

Total coverage 7 provinces

Total number of participants (partners/ community members)

2,001 persons

Total number of Social projects

110 projects





Community Development and Key CSR activities 2021



Patching Potholes project



Provide a training program for road surface fixing: 1,187 persons



Road Fixing: 10 Routes

increase revenue: 120,000 from 2020

SROI : 7.98 percent



CPR Basic Life Saving Project

Be able to save a person's life :1 real case



Instructor : 38 persons



Provider : 440 persons



SROI: 109.98 percent



Community Development and Key CSR activities 2021; CPR



Training Success:

ONE LIFE SAVED!

28 June 2021 at 18.00 hrs. Ms. Thidathip Uraikul, Quality Control Officer, Thai Bitumen Co.,Ltd. rescued a fainted person while jogging at the Surat Thani Provincial Stadium.

" I feel so proud to be able to save someone's life. He is an elder in the running club of Surat Thani province. Thanks to the company that saw the importance of basic life saving skills. Also encourage employees to receive CPR training and the use of AEDs." Ms. Thidathip Uraikul said.





The Group continue to improve our enterprise risk management practice. Our risk registers are reviewed with control measures implemented and risk monitoring on a regular basis Our ERM also identifies top corporate risks, emerging risks as well as risks associated with social, environmental, and governance





Risk Culture

The Group of Companies encourages employees to understand and apply risk management principles in their work processes to prevent and manage risks and to look for ways and opportunities to continually improve their work processes.



Business Continuity and Crisis Management Plan

Tipco Asphalt Group places great emphasis on Business Continuity and Crisis management. We implement BCP to protect safety while ensuring business continuity across value chain.



Human Capital Development

Tipco Asphalt Group's vision on human resource management focuses on career development in line with personal satisfactions At the same time, great work environments are created to enhance mutual collaboration and good morale among staffs. We also promote work environment and flexible work conditions to accommodate staffs' work styles as well as changing situations (for instance, WFH



protocols)

Short-term goals

- No more than 10% voluntary turnover rate
- At least 24 hours of training hours per staff per year (managerial and functional training)

Key Performances 2021



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ong-term goals

- Career development plan, as measured by progress in IDP for high-potential employees, must be greater than 75%
- 100% succession planning across all target positions



Total Productive Maintenance (TPM)

To develop employees to have a variety of skills Able to streamline work processes and be able to multitask.





ESG Recognitions and Rating





Business Excellence

(2 consecutive years)

- Outstanding Company Performance Awards

Sustainability Excellence: 2019, 2021

-Rising star (2019) -Highly commended (2021)



Certified

- Certified since 2017 until 2020
- Re-certification in 2020 until 2023
- Preparation for 2nd recertification in 2023



4 consecutive years

TASCO to be included in list of Thailand Sustainability Investment



3 consecutive years Recognition by Thaipat Institute' Sustainability Disclosure Award



4 consecutive years

Recognition for "Excellent" (5 stars) under the corporate governance report by IOD **S&P Global** Ratings S&P Global: (CSA) 2021 ESG score

61% percentile (in Construction material sector worldwide)

Thank you

Any queries, please contact us!



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