



# SET AWARDS 2022

Sustainability Excellence

Date: 1 September 2022



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Chief Executive Officer and President



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Strategy



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Vice President  
Group Company Secretary & Sustainability

- 1** กลยุทธ์ภาพรวมธุรกิจของกลุ่มไทยออยล์ในปัจจุบัน
- 2** กลยุทธ์ด้านการเปลี่ยนแปลงสภาพภูมิอากาศของกลุ่มไทยออยล์
- 3** บทบาทของกลุ่มไทยออยล์ในการสร้างการเปลี่ยนแปลงเชิงบวกด้านสิ่งแวดล้อมและสังคม



# 1

**กลยุทธ์ภาพรวมธุรกิจของกลุ่มไทยออยล์  
ในปัจจุบัน**

# The biggest & long standing challenges facing Thairoil's sustainability has long been



## Climate Change & Environmental Pressure

Concerns over declining fossil fuel demand, peak oil & energy transition



## Address sustainability challenges thru vision & business transformation (3V's) since 2018

### Vision

From "Refinery Last Man Standing" to  
"Empowering Human Life through Sustainable Energy and Chemicals"



### Value Maximization : Integrated Crude to Chemicals

Value chain maximization via integrated crude to chemicals (IC2C)

#### Petroleum

CFP as a strong foundation

#### Petchem

Aromatic/Olefins & to emphasize downstream

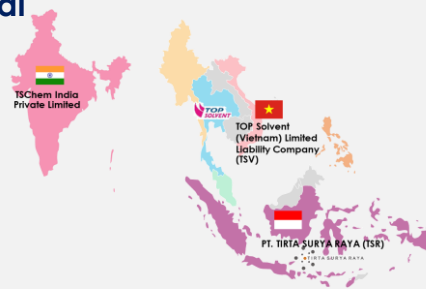
#### HVP

Through own development & partnership



### Value Enhancement : Integrated Value Chain Mgmt.

To capitalize regional & investment playground, create marketing platform for Thairoil Group's today & tomorrow product portfolio



### Value Diversification

Diversify business portfolio to new S-Curve

#### HVB

Offensively jump forward with partners

#### Other New S-Curve

Defensive strategy to step up effort on new ventures (bio, new energy)

#### Power

Own use & growth along with GPSC/PTT

Leveraged on 4P's (People, Patronage, Partnership, Platform)

Sustainability via ESG as the License to Operate

# We are entering into the 2<sup>nd</sup> phase of our Transformation Journey



Lessen the dependence on fossil fuel

Extend its value chain to Petchem to capture higher value, less volatile & vulnerable

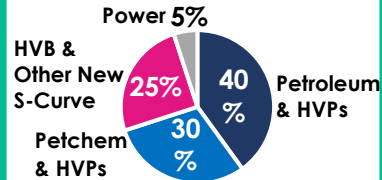
Diversify earnings to more stable & growing high value products & businesses

## Success Measurement 2030

### 1 Growth

Net Profit  
2,000 M\$

### 2 Earnings Diversity



### 3 Returns

ROIC  
12%

### 4 Sustainability

DJSI  
Leader

### 5 Stakeholders

Corporate  
Brand Value

## Thaioil's Strategic Transformation Journey

2018 – 2021  
Accelerate the Reform



we are here

2022 – 2025  
Building on Our Strong Foundation : IC2C

2026 – 2030  
Post CFP : New Round of Growth

### • Key strategic investment made

- 2018 : FID CFP
- 2021 : CAP Investment



### 3V's Strategy

#### Value Maximization

- **Re-accelerate CFP progress** in accordance with new execution plan
- **Olefins platform (CAP)**, & Indonesian foothold established
- **HVP/HVB** instituted & gaining momentum

#### Value Enhancement

- **Reposition Top Solvent** as Thaioil's international marketing arm
- **Identified** Indonesia, Vietnam & India as **our prioritized countries**

#### Value Diversification

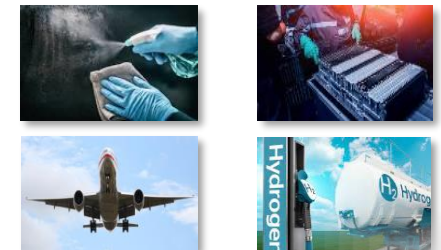
- **Power** to focus on tag along with **PTT Group**
- Dual approaches of CVC/Startups & Step-out
- Identified **2 focus areas** for potential step-out business (bio, energy & mobility)

- **Recapitalization plan on track** (GPSC share sale, equity offering)

### • Deliveries of investment : CFP & CAP2

### • Renew growth

- IC2C
- PetChem downstream/HVP/ specialties
- New S-curve ventures



# We have experienced one short term turbulences after another

## One Black Swan after Another



COVID-19 Pandemic



Global Trade War



Impacts on Geopolitical Tension

- Russia/Ukraine/US/EU
- China/Taiwan/US



Lead the world into inflation & recession

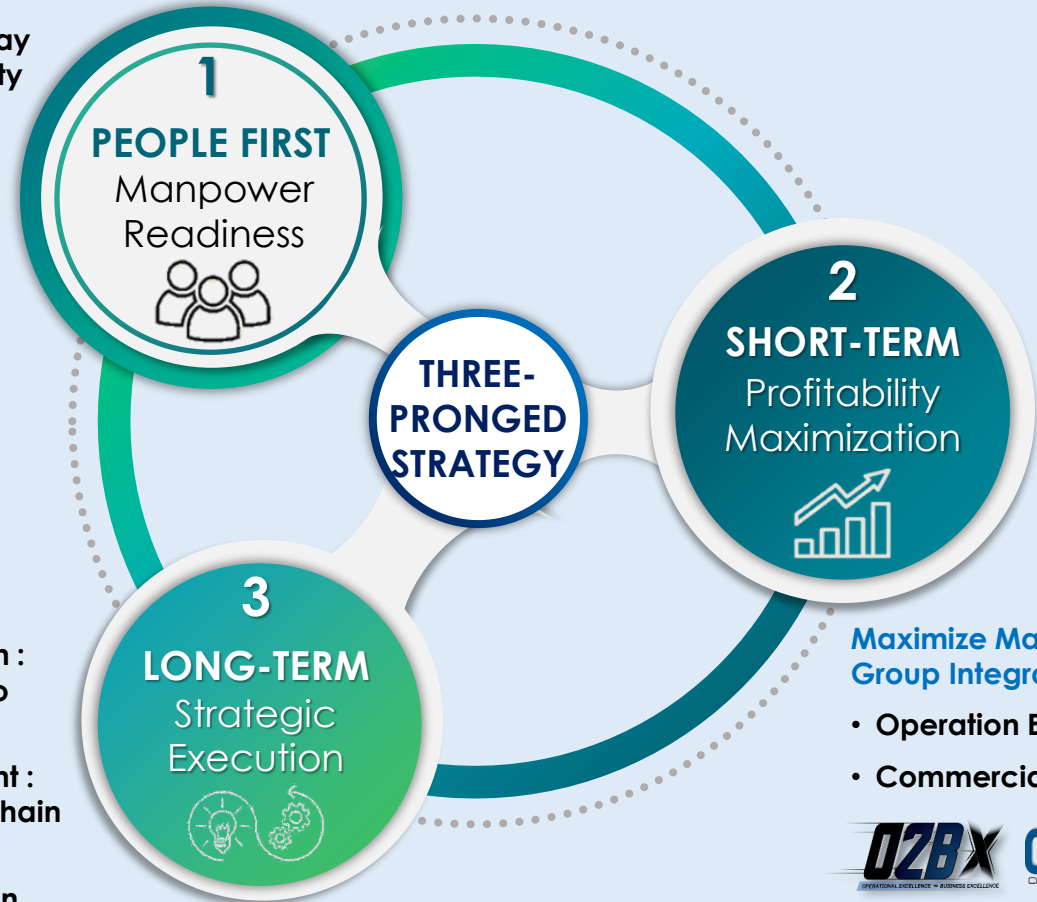
## We have deployed our 3-pronged strategy

### Transform Manpower Readiness

- Ensure new normal to **stay safe & business continuity**
- Prepare manpower to **support business growth**
- Maintain **strong relationship with all stakeholders**

### Time to TOP UP

- **Value Maximization** : Integrated Crude to Chemicals
- **Value Enhancement** : Integrated Value Chain Management
- **Value Diversification**



Maximize Margin through Group Integration

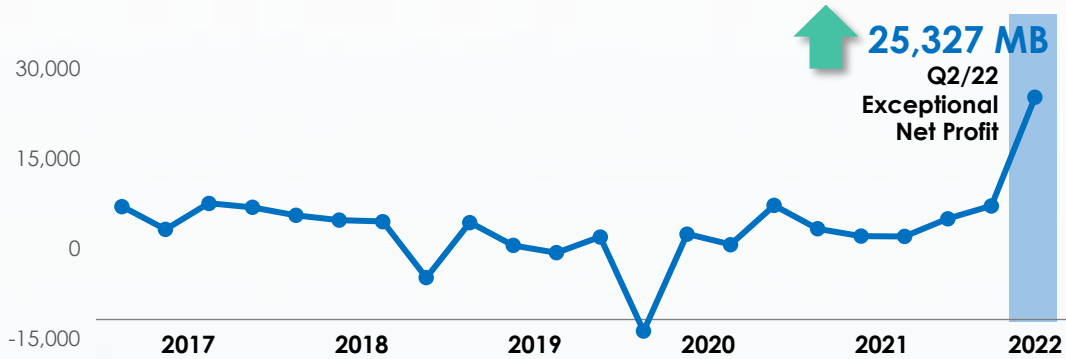
- Operation Excellence
- Commercial Excellence



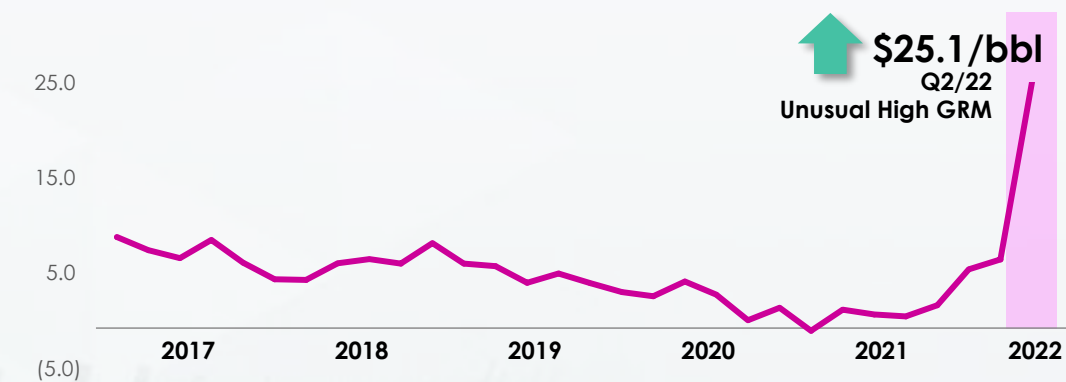
# What we have achieved from our 3-pronged strategy

## Net Profit hit a Record High

Net Profit (MB)



GRM (\$/BBL)



## Our Extraordinary Efforts

### PEOPLE FIRST

Manpower Readiness



Employee & Customer Engagement

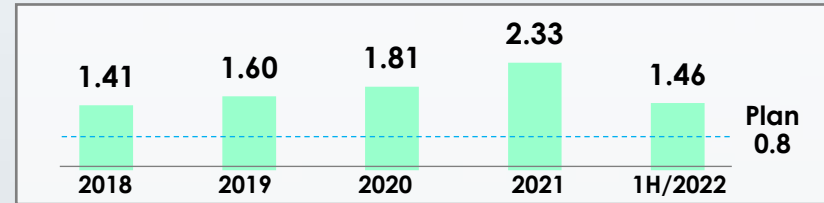
	Employee (%)	Customer (%)
2020	75	98
2021	74	94

### SHORT-TERM

Profitability Maximization



Productivity Improvement (\$/bbl)



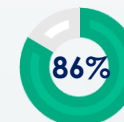
### LONG-TERM

Strategic Execution



CFP Progress

As of Jun'22



CAP Investment

Post-acquisition business integration



Maintain Credit Rating

MOODY'S

Baa3 with stable outlook (Aug' 22)





# 2

**กลยุทธ์ด้านการเปลี่ยนแปลงสภาพ  
ภูมิอากาศของกลุ่มไทยออยล์**



## 4 Dimensions of Climate-related Risk Analysis

### Climate-related Risks



Market Risk



Technology Risk



Regulatory Risk



Reputation Risk

### Outcome to Thaioil

- In the short term, oil demand growth will **continue** to scale up.
- While, in the longer term, oil demand may **substitute by alternative energy** towards low carbon transition **with technology breakthrough**
- Thailand carbon pricing regulations are **uncertain and still in early development** phase.
- Government regulation & **Carbon tax will dictate energy prices** and speed with which energy transition will take place
- Investors and our stakeholders seeks for Thaioil s **commitment towards Net Zero Targets as well as disclose our strategy.**

STS 2022



**Strategic Transformation**



**Business Strategy (3Vs)**  
+  
**Net Zero GHG Emissions Strategy (3Cs)**  
+  
**Sustainability Strategy**



With integration of climate change as part of **Strategic Thinking Session (STS) 2022**, Thaioil Group's Strategy to climate change include **3 dimensions**

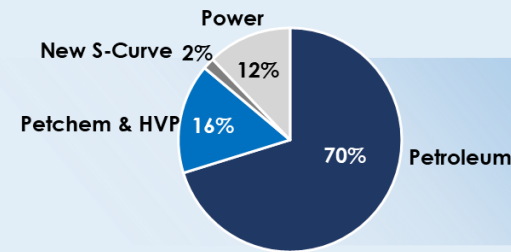
## 1 Business Strategy: 3Vs

### Execution Highlight

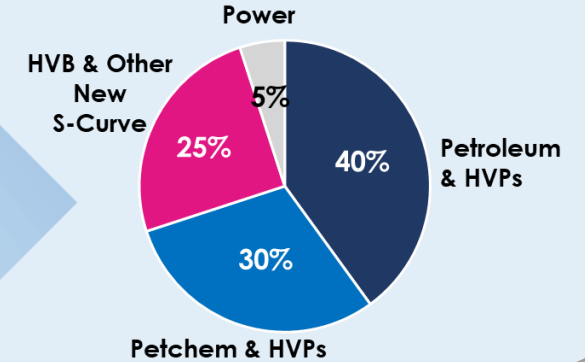
- **Less dependence on fossil fuel**
- Extend value chain to **Petchem (IC2C)**
- Diversify earning **offensive to HVPs/HVB and defensive to Bio/H2**
- **Aspiration strategic portfolio 2030**
  - **Refinery net profit contribution < 40%**
  - **Lower carbon & new S-curve contribution > 25%**

Remarks: Details are already elaborated in Question 1

### Existing Portfolio



### Portfolio Target 2030



## 2 Net Zero GHG Strategy : 3Cs



Cut Down Existing Emission



Compensate Residual Emission



Control Future Emission



Carbon Neutrality by 2050



Net Zero GHG emission by 2060

## 3 Sustainability Strategy



Sustainability in Process



Sustainability for Society

# Thaioil Group's Net Zero GHG Strategy (3Cs)



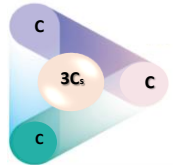
**Target**  
Scope 1 & 2

2050










Carbon Neutral

2060

Net Zero GHG Emissions



## Net Zero GHG Emissions “3Cs” Strategy

I. Cut Down Existing Emission	II. Compensate Residual Emission	III. Control Future Emission
 <p><b>Reducing and capturing GHG emission (Scope 1 &amp; 2) by</b></p> <ul style="list-style-type: none"> <li>• Energy Efficiency Improvement</li> <li>• Decarbonization technology</li> </ul>	 <p><b>Offsetting and carbon sink for residual emission by</b></p> <ul style="list-style-type: none"> <li>• Forestation</li> <li>• Carbon Credit</li> </ul>	 <p><b>Business portfolio transformation by</b></p> <ul style="list-style-type: none"> <li>• Pursuing low carbon product/business</li> </ul>
Initiatives		
 <p><b>Energy Efficiency:</b> 167 EE projects reduced 383,000 tons CO<sub>2</sub>e (2012 – 2021)</p>  <p><b>Decarbonization Technology:</b> Collaboration with PTT Group CCS Hub Model</p>	 <p><b>Forestation</b> Collaboration with PTT Group Net Zero Emission Taskforce</p>  <p><b>Carbon Credit</b> Registered carbon credit through Thailand Voluntary Emission Reduction Program: T-VER) with accumulated carbon credit of 953,629 tCO<sub>2</sub>e (2019 – 2021)</p>	<p><b>Value Diversification:</b> Expand into new businesses that focus on lower-carbon products and businesses through</p>  <p><b>High Value Business (HVB)</b> Offensive move with quick return</p>  <p><b>Step-Out business (JV/M&amp;A)</b> Defensive move for new venture &amp; support CO<sub>2</sub> reduction</p>



# 3

**บทบาทของกลุ่มไทยออยล์ในการสร้าง  
การเปลี่ยนแปลงเชิงบวกด้านสิ่งแวดล้อม  
และสังคม**

## Long Term Shared Value to Environmental and Society

**1** Taking Environment and Stakeholders into Making Business Decision

**2** Applying Business Expertise to Create Long-Term Social Value

### Sustainability in Process

### Sustainability for Society



#### Green Products

*Enhancing Human Life through environmentally friendly products.*



#### Green Operation

*Improving energy efficiency and reducing GHG emission towards Net Zero Emission.*



#### Clean Energy

*Supporting community in access to clean and sustainable energy By using our expertise.*



#### Health

*Promoting health and well-being by support in health care*



#### Culture and Religion

*Engaging local community through cultural activities*



#### Quality of Life

*Uplifting social well-being by social enterprise*



Business Strategy: 3 Vs

Net Zero GHG Strategy: 3 Cs

Energy & Engineering Expertises vs Staff Voluntary Culture

## Green Product



Thaioil Group is committed to making business investment decisions that consider environmentally aspect that reduce GHG and impact on the environment and health of users

### CFP : Clean Fuel Project



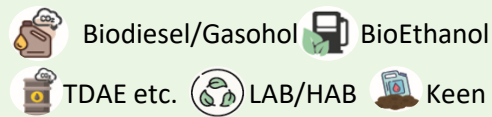
1<sup>st</sup> Refinery in Thailand to produce cleaner energy products [EURO 5]:

**Reduce PM 2.5**

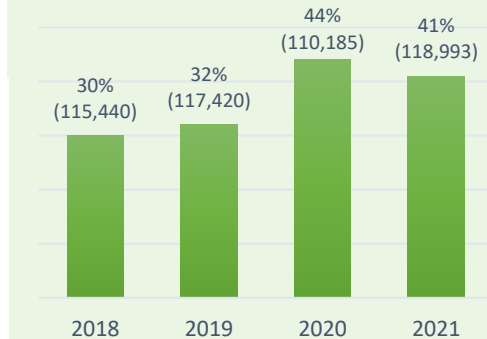
No more fuel oil production:

**Reduce GHG Emissions**

### Green Products



% of Product Green Revenue (M THB)



### Sales of Avoided GHG Emission Products 2021

Biodiesel & Gasohol

Avoided ~ **800,000** tons of CO<sub>2</sub>e from end users

Equivalent to GHG absorption from teak trees ~ **470,000** rai/year

or equivalent to ~ **17%** of Chonburi province

## Green Operation

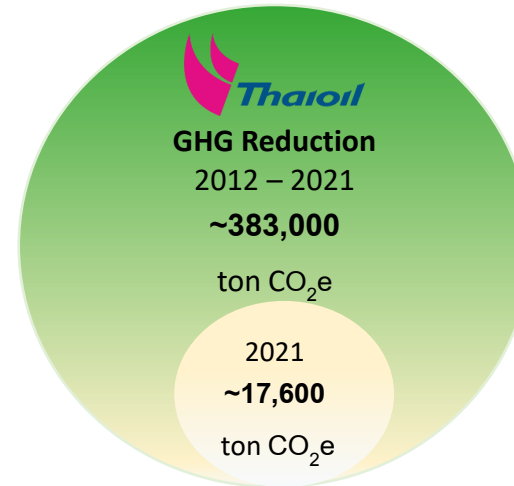


Thaioil Group has continuously improved energy efficiency in the production process to mitigate impacts on society and the environment

### Thaioil Group's Energy Conservation (Scope 1 & 2)

Energy conservation project (2012 – 2021)

- 167 projects
- Reduced ~ **383,000** ton CO<sub>2</sub>e
- Cost Saving ~ **1,900** Million THB



Thailand Energy Award  
2021 Recognition



### Improvement of Energy Efficiency Project 2021

Reduced ~ **17,600** tons of CO<sub>2</sub>e from operational processes

Equivalent to GHG absorption from teak trees ~ **10,000** rai/year

or equivalent to ~ **1%** of Chonburi province

## Energy & Engineering Expertises vs Staff Voluntary Culture

### Clean Energy

เสริมสร้างเสถียรภาพระบบไฟฟ้า ลดค่าใช้จ่ายและช่วยให้บริการทางการแพทย์มีประสิทธิภาพยิ่งขึ้น



**Sustainable Energy for Healthcare – ติดตั้ง Solar Cell** ให้กับ รพ. และนำผลประหยัดไปต่อยอดโครงการด้านสังคม

- โครงการบ้านห้วยตง: สร้างระบบเก็บน้ำดื่ม
- รพ. เกาะสีซัง: จัดจ้างเจ้าหน้าที่เก็บข้อมูลเวชศาสตร์ชุมชน
- รพ. ัญญารักษ์ แม่ฮ่องสอน: ช่วยเหลือผู้ติดยาเสพติด
- รพ. แหลมจบัง: ให้อาหารและซ่อมแซมอุปกรณ์ผู้พิการ

2021

Cost Saving : **700,000** Bath/Year

Total MW : **188** กิโลวัตต์

### Health

เพื่อพัฒนาคุณภาพชีวิต และสร้างเสริมสุขภาวะชุมชน



- สวน 60 ปี ไทยออยล์-นครแหลมจบัง: ประกอบด้วยลู่วิ่ง สนามเด็กเล่น และลานออกกำลังกาย
- อาคารไทยออยล์โรงพยาบาลแหลมจบัง: ประกอบด้วยห้องผ่าตัด ห้องฉุกเฉิน และห้องคัดแยกระบบทางเดินหายใจ

### Culture & Religion

เพื่อเป็นศูนย์กลางการบูรณาการชุมชน



ศูนย์สุขภาพและการเรียนรู้เครือไทยออยล์เพื่อชุมชน:

- หอพระ ประดิษฐาน “พระพุทธรัดนวมงคลสกลประชา นามมณี” ใช้เป็นสถานที่ประกอบศาสนากิจต่างๆ เช่น การสวดมนต์เย็นชำระใจ การหล่อเทียนพรรษา ช่วยให้เกิดความร่มเย็นทั้งทางกายและจิตใจ

2021

Community Engagement **97%**

### Quality of Life

เพื่อพัฒนาคุณภาพชีวิตของชุมชน และสังคม



- Amazon for Chance รพ. แหลมจบัง: จ้างงานผู้พิการทางการได้ยิน เข้าทำงานในตำแหน่งบาร์ISTAประจำร้าน
- โครงการผักยิ้มได้: ขยายช่องทางการขายให้กับโครงการ Smart Farming นำผักมาขายที่สำนักงานไทยออยล์ ศรีราชา





# THANK YOU

## Q&A



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[www.facebook.com/ThaiOilPCL](https://www.facebook.com/ThaiOilPCL)