



Annual Registration Statement / Annual Report 2022  
(From 56-1 One Report)

# Leading Sustainable Growth





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## Certain Terms and Conventions

In this report, all references to:

Company, Esso (Thailand), we, us, our	refers to	Esso (Thailand) Public Company Limited
ExxonMobil, Exxon Mobil Corporation	refers to	Any one or more of Exxon Mobil Corporation and/or any of its subsidiaries or affiliates, as the context may require.

In case this Annual Registration Statement/Annual Report (Form 56-1 One Report) references information disclosed on the Company's website, the disclosed information shall be deemed to be part of Form 56-1 One Report. The Board of Directors certifies the correctness and completeness of disclosed information and annual information disclosure in Form 56-1 One Report.

Forward-looking statements described in this document, for example "believe that", "expect that", "plan to", "intend to" or "estimate that", or, change of applicable law governing the business operation of the Company, government policy, etc. which are forecasts made by the Company at present do not represent or warrant the operating result or occurrence in the future. Actual outcome may be materially different from such forecasts. Information in this section which refers to, or is relevant to, the government or overall economy of the country is derived from the information disclosed in, or extracted from, the government's published documents or other sources, the correctness of which are not verified or certified by the Company.



## Message from the Chairperson

Esso (Thailand) Public Company Limited had an exceptional year in 2022. Even though global geopolitical tensions and economic recession had major implications on overall industry, the company endeavored to deliver superior results in a responsible and sustainable manner, supplying high-quality products while working to minimize environmental impacts and supporting the communities where we live and work. Our capability to compete in the market is strengthened by our Thailand Vision, “Power Life with Premier Energy Experience” that leads the organization towards success.

As global mobility has recovered to pre-pandemic levels, our effective Return to Office management provided smooth transition while sustaining worksite health and wellness. We would not have achieved that without cooperation and commitment of our employees. These efforts demonstrate our value in collaboration and the resiliency of our people who could respond and adapt to the new normal business environment.

In 2022, ExxonMobil announced the aim to achieve net-zero operated Scope 1 and 2 greenhouse gas emissions by 2050. ExxonMobil has taken a comprehensive approach to create emission-reduction roadmaps for major operated assets. It is part of a continuum that includes specific near-and medium-term emission-reduction goals and new 2030 plans that are expected to reduce emissions intensity across a variety of metrics. Esso (Thailand) will contribute to this ambition and we are making progress in this area through our active Environmental Social and Governance (ESG) committee.

As we move forward, we are continuing to evolve and streamline our business structure to fully leverage our competitive advantages-in scale, integration, technology, functional excellence, and our highly skilled people. Esso (Thailand) is committed to continuing to provide solutions that support a lower-emission future and lead sustainable growth for all stakeholders.

Although financial performance was influenced by global economic uncertainties, we were able to achieve improved financial results with 2022 earnings of 9,509 Million Baht (5,065 Million Baht higher than that of 2021) through the excellence of our people and our operations.

**Our notable milestones in 2022 include:**

- ▶ Sriracha refinery achieved record safety and strong reliability performance while continuing production adjustment to capture improved demand from resumed mobility and gas-to-liquid switching in the power generation industry. This year the refinery was able to maximize gasoline and diesel production and alleviate logistic constraints resulting in flexibility in responding to dynamic market environment.
- ▶ Retail fuels sales expanded its service station from 731 stations at the end of 2021 to 802 sites at year end 2022 as a result of the effort to capture growth opportunity in the market while enhancing customer experience. Meanwhile, non-fuel shops in Esso stations grew from 345 outlets at the end of 2021 to 436 outlets at year end 2022 including 79 Coffee Journey stores. All stations are now equipped with mobile EDC machines that enable the customer to collect and redeem Esso Smiles Points and pay for fuel at pump with various payment options, including digital payments.
- ▶ Commercial business successfully captured growth in opportunistic sales including Power Plant sector with more than double sales volume from prior year as well as Aviation business expansion into domestic airlines and private jet sector. Overall, commercial sales achieved volume growth of 8% in 2022.
- ▶ Lubricants successfully won new business opportunities in the energy sector to supply Mobil lubricants to 6 new Small Power Plants while continued to strengthen brand loyalty and leveraged data to grow sales volume at more than 1,500 workshops and 700 retailers.
- ▶ In efforts to address energy transition, the Environmental Social and Governance (ESG) committee has been taking active actions to monitor government policy development, identify opportunities, and engage with potential partners. We are also leveraging expertise from ExxonMobil on lower emission solutions and technology advancement.

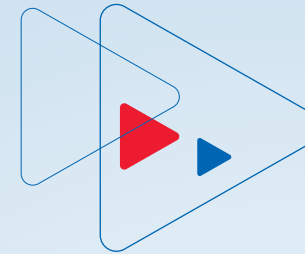
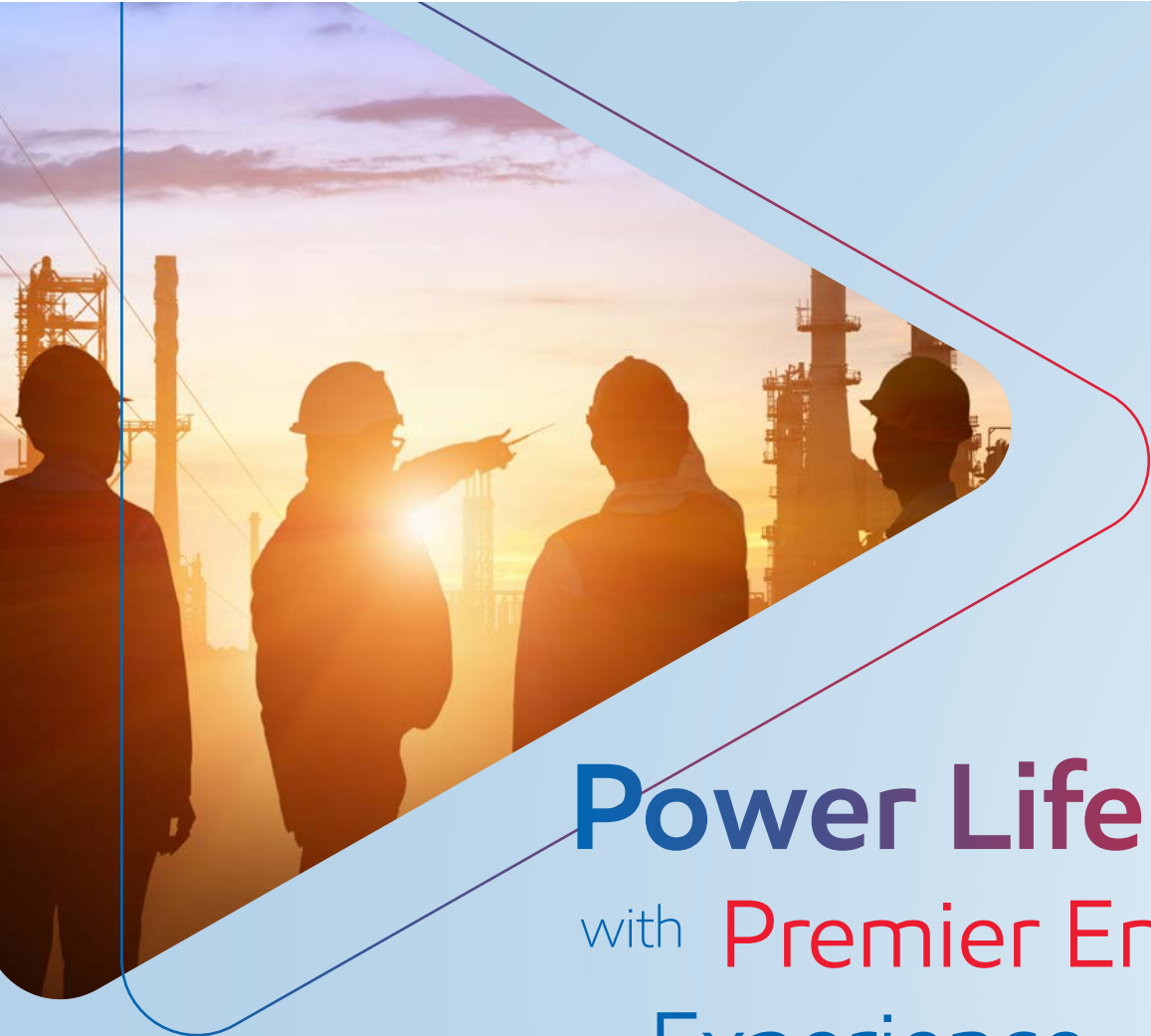
Looking ahead, while uncontrollable factors will continue to impact businesses globally, Esso (Thailand) is optimistic for the future, confident that our focus on developing and deploying high-value solutions will equip the company in leading sustainable growth. The people of Esso (Thailand) are our most important competitive advantage: world-class capabilities, shared values, strong culture. We challenge our people to contribute fully and adhere to the highest standards of excellence and integrity. Leveraging our competitive advantages, we are well positioned to create sustainable solutions that improve quality of life and meet society's evolving needs, address environmental challenges, and reward our shareholders.

On January 11, 2023, Esso (Thailand) was notified by ExxonMobil Asia Holdings Pte. Ltd. ("ExxonMobil"), our majority shareholder, that they are signing an agreement with Bangchak Corporation Public Company Limited ("Bangchak") in which ExxonMobil will sell all its shares in the Company to Bangchak. The ExxonMobil and OEM (Original Equipment Manufacturer) branded lubricants business (finished lubricants business) and ExxonMobil branded chemicals marketing business (chemicals marketing business) are outside of the scope of this transaction. The transaction is also subject to conditions being fulfilled, including the approvals of the relevant authorities (if required). It is anticipated that the completion of the transaction will occur sometime in the second half of 2023, however, the process could take up to 12 months to complete.

**Suda Ninvoraskul**

Chairperson of the Board of Directors  
Esso (Thailand) Public Company Limited





# Power Life

with Premier Energy Experience





# Power Life with Premier Energy Experience

In the midst of dynamic and challenging business environments, our capability to compete in the market is strengthened by Thailand Vision, **"Power Life with Premier Energy Experience,"** to lead the organization towards sustainable growth. The 3 missions to support our vision are;



## Our Growth

To develop globally competitive talents that drive future growth

## Our Win

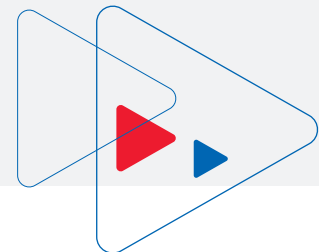
To leverage strong integration footprint in Thailand to differentiate our products and services

## Our Pride

To promote our brand value to become the Company of Choice

We are committed to collect valuable experiences as well as to learn and explore fresh, new ideas and perspectives. This includes sharpening our skills and enhancing the capability of our employees to deliver results, to offer the quality services that address the specific and multifaceted needs of our customers, as well as to move forward strategically with our business partners. With these complementing efforts, we are well positioned to compete in the market and drive the company to further success with the Thailand vision;

**"Power Life with Premier Energy Experience".**





### Grow Skills

Develop globally competitive talents that drive future growth



### Compete to Win

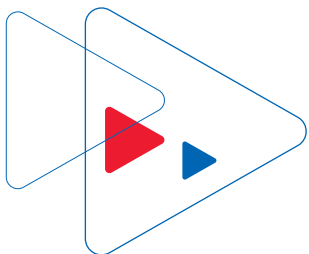
Leverage strong integration footprint in Thailand to differentiate our products and services



### Maximize Brand Value

Promote brand value to become the Company of Choice

# General Information and Other Important Information



## Company Information

<b>Company Name :</b> Esso (Thailand) Public Company Limited	<b>Registration Number :</b> 0107539000073	<b>Symbol :</b> ESSO
<b>Business :</b> Integrated petroleum refining, petrochemical, and marketing	<b>Head Office :</b> 3195/17-29 Rama IV Road, Klong Ton, Klong Toey District, Bangkok, 10110	
	<b>Telephone :</b> 02 407 4000	
	<b>Facsimile :</b> 02 407 4800	
	<b>Website :</b> <a href="http://www.esso.co.th">www.esso.co.th</a>	
<b>Registered Capital</b> Baht <b>17,110,007,246.71</b> Comprising: 3,467,916,666 common shares Baht 4.9338 per share	<b>Paid-up Capital</b> Baht <b>17,075,181,200.40</b> Comprising: 3,460,858,000 common shares Baht 4.9338 per share	

## Investor Relations

**Telephone :**

02 407 4788

**E-mail :**
[essolR@exxonmobil.com](mailto:essolR@exxonmobil.com)

## Reference

**Securities Registrar :**

Thailand Securities Depository Company Limited  
The Stock Exchange of Thailand Building  
93 Ratchadaphisek Road, Din Daeng,  
Bangkok 10400

**Telephone :** 02 009 9999 (SET Contact Center)

**Website :** <http://www.set.or.th/tsd>
**Auditor :**

PricewaterhouseCoopers ABAS Limited  
15<sup>th</sup> Floor, Bangkok City Tower  
179/74-80 South Sathorn Road, Thung Maha Mek,  
Sathorn District Bangkok 10120

**Telephone :** 02 844 1000





## Legal Dispute

As of December 31, 2022, the Company is subject to a variety of claims in the ordinary course of business. The Company, however, is not involved in any material litigation or legal proceedings which could impact more than 5% of the company's Equity as of December 31, 2022.

## Secondary Market

- None -

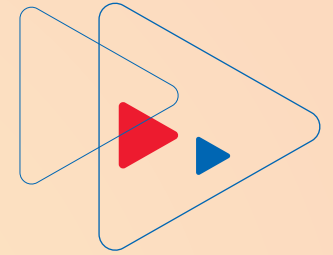
## Regularly Contacted Financial Institutions

(in case the Company has issued debt instrument)

## Bank contacts for short term Bill of Exchange

- ▶ **Bangkok Bank Public Company Limited**  
333 Silom Road, Silom, Bang Rak, Bangkok 10500
- ▶ **Krungthai Bank Public Company Limited**  
35 Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110
- ▶ **Kasikorn Bank Public Company Limited**  
1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana, Bangkok 10140
- ▶ **Kiatnakin Phatra Public Company Limited**  
209 KKP Tower, Sukhumvit 21 (Asoke), Klong Toey Nua, Wattana, Bangkok 10110
- ▶ **Siam Commercial Bank Public Company Limited**  
9 Ratchadapisek Rd., Jatujak Bangkok 10900
- ▶ **United Overseas Bank (Thai) Public Company Limited**  
690 Sukhumvit Road, Khlong Tan, Khlong Toei, Bangkok 10110





# 2022

Operational

# HIGHLIGHT

# 2022



## HIGHLIGHT

## Refining and Petrochemical



Esso Sriracha Refinery produced high-value fuels at a competitive cost. Our operations continuously seek opportunities to enhance margins and reduce costs with improvement projects; for example, high grading production enabled through logistic projects, operation flexibility for prompt sale opportunity, diversification of crudes and feedstock to lower raw material cost, and energy efficiency projects.

In 2022, The refinery maintained a strong safety and environmental performance with no safety lost-time incidents and no reportable spill<sup>(1)</sup> during the year. The refinery achieved 15 years without reportable spill and 11 years without lost time incident for employees and contractors. Furthermore, the terminal operations facilities outstandingly accomplished 29 years of no lost-time incident.

In response to chemical downturn of paraxylene, the refinery switched operation to produce more of economic gasoline product and suspended paraxylene production from aromatic plant in April 2021. The refinery commissioned new facilities for mogas logistic improvement projects to support higher gasoline production.



<sup>(1)</sup> The reportable level of oil spills is more than 1 barrel of leakage.



## Continued strong safety & environmental performance with

**11 years** consecutive years without a lost time injury

**15 years** without a reportable spill

**29 years** without a lost-time incident at terminal operations facilities



## Flexible operations and capable manpowers

to enable timely response to rapid change



## 6 new challenged crudes

processed as part of continued crudes diversification



## 2022 crude throughput

was **131** KBD

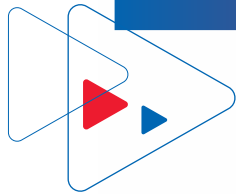


In response to demand recovery post COVID-19, the refinery kept its flexibility and timely adjusted its production in coping with changing economic conditions and local demands. The refinery continued to optimize production and increasing product margins by maximizing high value products. We kept lowering raw material cost by processing new crudes and opportunistic feedstock cargoes to maximize distillates production. In terms of expenses, refinery achieved capital efficiency to be in-line with expense efficiency effort. In addition, the refinery continued to utilize new and challenging crudes that were traded at significant discounts in order to improve refining margins. 6 new crudes from Asia and Africa were used in the production this year. In total, the refinery diversified its crude intake by employing more than 62 new crudes over the past eight years.





# 2022



## HIGHLIGHT

# Retail Sales



Retail sales demand in 2022 improved from the previous year from stronger post-covid domestic spending and recovery of tourism sector. Esso Retail Fuels Sales continued to focus on margins optimization to maintain sale volume that might be impacted by price gap, amidst oil price volatility, supply tightness from Russia-Ukraine war and demand recovery from improved COVID-19 situation.

The Company continued to grow business through strategic investments to strengthen Esso competitiveness in Thailand's dynamic and highly competitive retail market. Our strategy was backed by reliable supply, superior products and various service offerings at Esso service stations. We strategically invested to grow our retail network under "Esso" brand, and maintained capital and cost discipline. At end-2022, the number of Esso service stations reached 802, including 154 stations operated by Susco Public Company Limited and Pure Thai Company Limited. With the network growth and higher average sales at existing sites, retail sales accounted for about 40% of the total fuel sales volume in 2022.





### Continuously grew network

with **802** Esso service stations  
at the end of 2022 for consumers and community



### Improve efficiency of mobile

#### “Mobile Electronic Data Capture (EDC)”

at all Esso stations to accept Esso Smiles points  
transaction for the speedy services.



### Increased availability of

#### Synergy Supreme+

and Marketing programs  
(Esso Smiles & LINE Connect)



### 79 Coffee Journey store

at year end 2022



### Pilot “go fast”

convenience stores at 10 Esso stations in 2022

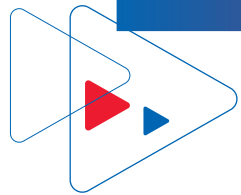


Providing insights on customers' behavior, Esso Smiles Driver Rewards Program helped the Company to give better services and experiences at Esso service stations. The program continued to grow with more than 3.98 million members in 2022. In addition, Esso Thailand LINE Official Account, which enhances communication with our customers, had more than 6.99 million members of which more than 0.6 million accounts linked their Esso Smiles cards to get extra benefits from Esso Smiles Driver Rewards Program. With the installation of the mobile Electronic Data Capture at all Esso service stations, Esso Smiles members can make payment and earn points promptly.

Supporting expand premium fuels or Esso Synergy Supreme+ and fuels marketing operations, at the end of 2022, the number of service stations offering Esso Synergy Supreme+ Diesel and Esso Synergy Supreme+ Gasohol 95 were 555 and 412 respectively. The Company also expanding existing alliance stores with 436 alliance stores across its retail network and opening “Coffee Journey” at 79 Esso stations. The Company is piloting 10 stores of “go fast”, the convenience store with grab and go concept, at selected locations.



# 2022



## HIGHLIGHT

## Commercial Sales



2022 was another challenging year for Commercial business in Thailand even though the easing of COVID-19 measurement triggered demand recovery. The impact of global geopolitical situation from Russia-Ukraine brought the spike in LNG (Liquefied Natural Gas), therefore domestic power plant started to switch from LNG to Fuel mode. However, with a strong portfolio-mix, a continual effort in exploring new business opportunities, a strong collaboration and supply-demand management across fuels value chain, as well as resiliency in responding to the market amidst the crisis, the Company was able to grow sales volume by 8%. Commercial sales represent 53% of total sales volume in 2022.

The last tier of petroleum products sales went through export within Asia Pacific region. Export volumes remained around 7% of total sales volume.







**Increased sales volume by 8%**  
in Commercial Sales



Power generation sales  
**increased by 217%**  
represents **16%** of Commercial Sales portfolio



**Highest sales record in LSFO**  
(Low Sulfur Fuel Oil) in July 2022



**Successfully expanded Aviation business**  
into domestic airlines and private jet sector



Expanded the distribution network  
to **10 terminals**  
across the country to support sales growth



Another key imperative for Commercial business in Thailand is to grow profitable sales through premium products and high margin segments such as ExxonMobil EMF.5, Esso Diesel Efficient (EDE), Emulsified Asphalt Prime (EAP) and jet fuel sales to neighboring countries via tank truck. In the Power generation segment, we captured significant sales growth from the contract with new Independent Power Producers (IPP), spot sales to national power plants, commenced the high fuel demand since a later part of 2021 due to the natural gas shortage situation in Thailand. In 2022, Power generation segment represented approximately 16% of total portfolio (increased more than double from the previous year)

Besides, the Company has recently expanded its Aviation business into domestic airlines and private jet sector. This will improve flexibility as well as profitability in the Aviation business going forward.

To support sustainable sales growth, the Company continued to look for opportunity to expand the distribution network as well as improve efficiency at our terminals. At the end of 2022, the Company has altogether 10 terminals across the country. Company focuses on safe and efficiency operations including product and equipment reliability improvement as our top priority. On top of that, Company started to pilot queuing system at Sriracha terminal to improve customer experience.





# 2022



## HIGHLIGHT

## Lubricants



In 2022, the Company expanded business in OEM (Original Equipment Manufacturer) channel both local and export business as well as continued to delivering better products and enhancing consumers' and customers' reward experiences through Mobil Reward Workshop and Mobil Exclusive Reward Programs. Our high quality lubricant products supported new power generation and other industrial sectors in reducing their maintenance costs through longer oil drain and sustaining environment through lower waste production.

The Company had expanded new OEM business with Strategic Car Manufacturer customers with about double volume of existing OEM portfolio. The Company had supplied both engine and gear oil to local car manufacturers both factory and their service centers across Thailand. In addition, this year the Company started supplied and exported lubricants to customers in Southeast Asia.

The Company relaunched Mobil Delvac range for commercial vehicles with Mobil Delvac Modern 15w40 providing long mileage protection; 40,000 kilometers oil-drain interval. Most of Mobil Delvac products was updated to a 7-liter pack size in conjunction with the latest diesel vehicles requirements in the market. This helps reduce packaging waste.





## Doubled OEM

volume portfolio through new business win with strategic automotive customers



## Grow sales volume through Mobil Reward Workshop

and strengthened brand loyalty at more than

**1,500** workshops and **700** retailers



Won new business opportunities to supply Mobil lubricants

to **6** new Small Power Plants

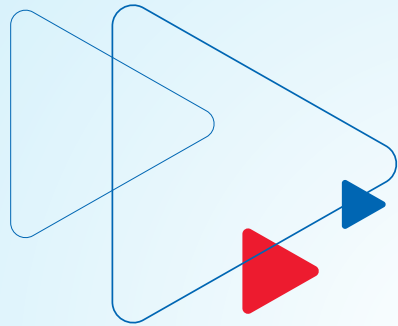


The Company continues to drive brand loyalty and penetration through Mobil Rewards Workshop (MRW) into about 200 Mobil branded network and more than 1,300 independent car maintenance workshops. With competitive offer and engaged loyalty program, Sales volume via MRW program increased 10% compared to last year. The company also enhanced Mobil Exclusive Reward to engage more than 700 retailers.

The Company successfully won the new business opportunities in energy sector and were awarded to supply initial-fill oil for 6 new Small Power Plants (SPP), approximately 560 MW, located in Eastern, Northeast and Central parts of Thailand. This was about two-third of new SPP lubricated by Mobil Lubricant.

The Company has committed to bringing breakthrough products and services to our customers and striving to advance our Thai customers' mobility, productivity, and sustainability ambitions through rewarding Mobil brand experiences.





# Part 1

## Business Operation and **Performance**





# Business Operation and Performance



## Structure and Business Operations

### Policy and Business Overview

Esso (Thailand) Public Company Limited is an integrated petroleum refining and distribution business, operating an oil refinery and aromatics business in Sriracha, a network of oil terminal, nationwide service stations and lubricants presence under the Esso and Mobil brands.

The Company and related affiliates have been operating business in Thailand for more than 128 years. The Company sells refined petroleum products to retail consumers through its extensive network of Esso branded retail service stations as well as directly to commercial customers in the industrial, wholesale, aviation and marine sectors.

The Company also sells chemical products that the Company manufactures and imported to domestic commercial customers and exports products for sale outside of Thailand. For lubricants, the Company distributes the product through the network of Esso service station and Mobil 1 Center Service, Mobil Express, Car repair service centers and experienced dealers throughout Thailand.

The Company is a part of ExxonMobil Corporation. Benefits from being a part of ExxonMobil Corporation include access to expertise in crude oil and raw material procurement, a global sales network for refined petroleum products and chemicals, advanced technological, operational and engineering services, research and development programs, and the use of “Esso” brand. The Company also receives support services provided by ExxonMobil Corporation and/or its affiliates. The Company adheres to disciplined business practices, which emphasize long-term fundamentals and adding value to shareholders.





The Company's refined petroleum products produced in Thailand include liquefied petroleum gas (LPG), gasoline, jet fuel/kerosene, diesel, fuel oil and asphalt. The Company also sells lubricants and solvents.

The Company owns and operates a complex refinery with a complex refinery with a maximum rated capacity of 174,000 barrels per day, an aromatics plant with a capacity of 500,000 tons per annum of Paraxylene and a solvent production unit with a capacity of 50,000 tons per annum. Each plant is linked to the Company's integrated refining unit and refining process. The crude oil refining unit and the Company's production unit is strategically located near Laem Chabang deep sea port in Sriracha, Chonburi and is only 120 kilometers southeast of Bangkok, which is the main market for the Company's petroleum products. The benefits of the site is to reduce costs and provide flexibility to deliver refined petroleum products via pipelines, trucks, and marine transportation.

## Vision and Mission

The Company has business objectives, vision, mission and business strategy as follows:

### Business Purpose:

To grow and strengthen the Company's fuel, lubricant and chemical business under a balanced integration of disciplined investments, operational excellence and technology with operations to create sustainable growth.

### Vision:

**"Power Life with Premier Energy Experience"**

### Mission:

- Our Growth** : to develop globally competitive employees that drive future growth.
- Our Win** : to leverage strong integration footprint to differentiate our products and services.
- Our Pride** : to promote our brand value to become the company of choice.



## Business Strategy

Our business model is disciplined and straightforward and based on taking a long-term perspective of generating growth in shareholder value while managing operational and business risks. The key strategies associated with our business model, in line with ExxonMobil global strategies, are to:



### 1) Continue to drive Thailand growth, both volume and value

The Company is committed to driving sustainable growth with marketing programs and developing a proposal that meets the needs of customers. In addition, digital platform data analytics will be a key driving process for creating business value.

The Company operates with the highest standards of safety and good corporate governance. At the same time, the company also focuses on helping society and communities along with the operation to achieve the goals.

### 2) Leverage integration footprint to maximize value

We are a fully integrated downstream petroleum and petrochemical business. We benefit from integration within and across our businesses, including both physical integration of facilities and integration of the oil refining, retail and commercial businesses. This enables the Company to focus on creating maximum value for operations by offering products to business groups that can maximize the value.

### 3) Expand and improve logistics capability

The Company is committed to developing the capability of petroleum product logistics by applying advanced technology for faster service, efficiency at the terminals and continuous development of workforce competence to maintain leadership in the terminal system management. This is evidenced by the results of excellency of competitiveness assessment when compared to other terminals across Thailand recognized by global institutions.

In addition, we focus on cost reduction in logistics management and continually increase competitiveness through business negotiations and strengthening alliances to support the network of pipelines and terminals for comprehensive delivery services in all areas throughout Thailand and continues to seek opportunities to strengthen the network of pipelines and terminals.

### 4) Sustain Operational Excellence and Continuous Development

Our management system and corporate culture reflect our determination to operate with safety and integrity. The Company is also committed to conducting business in accordance with the highest industry standards in every aspect.

In order to achieve this goal, the Company adopts a variety of management systems, among which these are a proactive approach and covers the Company's

operations in all important aspects starting from safety and occupational hygiene, business ethics, financial management, implementation and evaluation of the project to business and environmental governance and continuous improvement for performance.

The Company uses a secure operations management system called "Operations Integrity Management System" (OIMS), a system developed to assess and improve the risk management on security, hygiene and environment. This system allows the Company to measure progress in management and encourage responsibility in management to achieve these results.

The Company is continually striving to increase energy efficiency through Global Energy Management System (GEMS). The system is comprehensive and rigorous in line with good operational practices, maintenance, design and best practices for energy management.

We pursue self-help programs from ExxonMobil's global network to assist in identifying areas of improvement based on global best practices, especially in relation to raw material diversification, new emerging crude processing opportunities, product value upgrade, yield improvement and debottlenecking for profitable units.

We deploy "self-help" program to maximize profits which its approach includes processing more challenged crudes, optimizing the FCCU to increase production rates and improved energy efficiency.

The essential factors that support the above business strategy are Human Resources and the use of innovation and technology.

#### a) Human Resources

Human resources are the most important assets of the Company as it is the driving force to the Company's success and it encourages more values in the long run. Human resource is therefore one of the Company's Mission in operation (Our Growth).

The Company places importance on internal workforce development through technical and leadership training, challenging assignments in various fields domestically and internationally to develop the ability and enhance employee's potential to become a good leader with working standards and clear goal that is able to inspire and promote innovation to increase the corporate competitiveness.

Having a well-established system for assessing employees' abilities also allows them to develop specific skills and abilities to the field, reskill and upskill through online learning system from





world-class institutions and the opportunity for learning through training or workshops among employees to share knowledge and experience. This is to extend knowledge and promote learning atmosphere within the organization.

In addition, the Company supports the health, which is one of organization cultures in terms of diversity and inclusion to create a good working atmosphere that promotes work efficiency enabling employees to be dedicated and motivated to work. All these elements are to retain employees in the long-term and to achieve the goal of “a great place to work”.

#### b) Use of Innovation and Technology

The Company strongly believes that technology will enable the Company to respond effectively to business challenges and dynamic trends. The Company therefore invests in operating systems and applications to create a competitive advantage as well as applying Agile and Design Thinking principles to improve and develop working methods and increase problem solving ability. This allows a positive effect on the operation and response to the needs of customers.

We are leveraging technology to manage information to lead to faster, more accurate and precise analysis, strategy and business decisions, for example, the use of Digital Manufacturing in the production process to help create databases accurately and timely with remote access to information systems and use that data to analyze real-time operating conditions to increase efficiency and productivity of production processes and reduce costs. The use of advanced automatic fuel ordering system at the Company’s terminals



to increase the speed of work as well as the accuracy in delivering high quality oil to consumers and the development of customer order systems and marketing automation in order to respond to customers’ needs more efficiently and promptly.

Furthermore, the Company has shared knowledge, technologies and best practices within the global network of ExxonMobil Corporation. This includes state-of-the-art technology to create superior products such as high quality engine oils and lubricants that enhance engine performance. Our commitment to continuous technology development has enabled the company to operate effectively, increase the potential to respond to customers and create a business competitiveness.



## History and Major Development



### History

Esso Thailand is a public limited company registered and based in Thailand since 1965. However, our related companies and affiliates have been operating business in Thailand for more than 128 years. The Company registered the conversion from a private limited company to a public limited company on March 12, 1996 and the Company's ordinary shares has been listed on the Stock Exchange of Thailand of Thailand since May 6, 2008. ExxonMobil Asia Holding Private Limited currently holds 65.99% of the Company's shares\* and Vayupak Fund 1, which was established by the Ministry of Finance in 2003, holds 7.44% of the Company's shares through mutual fund management companies (as of September 22, 2022). The Company's refinery started operating in 1971 with a crude oil refining capacity of 35,000 barrels per day. Later in 1985, the government approved the Company to increase capacity to 63,000 barrels per day through debottlenecking. The Company has gradually increased the crude oil refining capacity of the Company's refinery with continuous improvement and development to the current capacity of 174,000 barrels per day.

\* On January 11, 2023, Esso (Thailand) was notified by ExxonMobil Asia Holdings Pte. Ltd. ("ExxonMobil"), our majority shareholder, that they are signing an agreement with Bangchak Corporation Public Company Limited ("Bangchak") in which ExxonMobil will sell all its shares in the Company to Bangchak. The ExxonMobil and OEM (Original Equipment Manufacturer) branded lubricants business (finished lubricants business) and ExxonMobil branded chemicals marketing business (chemicals marketing business) are outside of the scope of this transaction. The transaction is also subject to conditions being fulfilled, including the approvals of the relevant authorities (if required).

In 1998, we started building an aromatics plant at the Company's refinery area in Sriracha and it was completed in 1999 with a capacity of 350,000 tons of paraxylene per year from the start-up date. The operations of the aromatics plant was fully integrated with refinery. The Company has increased its production capacity to 500,000 tons per year with a low-cost capacity increase project which increases the company's own paraxylene product capacity as well as a change in the unused powerformer unit. Operate as xylene feedstocks. This production unit uses transalkylation to improve heavy aromatics streams and benzene into a raw material, xylene. The capacity of paraxylene equivalent is approximately 120,000 tons per year. The Company suspended the production of paraxylene from the aromatics plant at the Esso Sriracha Refinery since April 2021.

The Company's solvent production unit, which was transferred from ExxonMobil Chemical (Thailand) Co., Ltd. on September 1, 2007, started operations in 1990 with an annual production capacity of 30,000 tons and debottlenecking for multiple times, resulting in an annual production capacity of 50,000 tons. This production unit has been integrated to the Company's refinery as well.

In addition, by 2011, the Company successfully completed the construction of the oil quality improvement project, which is the second largest investment and started the production of diesel and low sulfur gasoline according to Euro 4 standards. The Company completed the project ahead of the statutory deadline and below the approved budget of 13,000 million baht.

The Company is determined to continuously develop its service station network and customer service. In 2016, the Company changed all service stations operated by Thai C-Center Company Limited to those operated by dealers. Changes of operating models improves cost efficiency and agility. In terms of service station management, such change reflects efforts to maximize returns with implementation of improvement projects that create business opportunities while maintaining investment and spending discipline.

## Major Developments

The Company's milestones can be summarized briefly as follows:



## The spending of fund acquired align with its purpose.

The spending of the fund from the offering of debt instrument.

Spending Objective	Amount of Spent Money	Spending Duration	Details
Fund for business cash flow	The total outstanding value is not more than 12,000 million baht at any given time.  Outstanding balance as of December 31, 2022, 1,139 million baht	Not more than 270 days each offering.  90 and 60 days	Bill of Exchange No. 9/2022 (60 million baht) Issued date: October 19, 2022 Matured date: January 17, 2023  Bill of Exchange No. 11/2022 (1,080 million baht) Issued date: November 17, 2022 Matured date: January 16, 2023 (enforced under Thai law)

## The obligation to which the Company has committed in the registration statement for debt instrument offering

The Company has no financial obligations for bills of exchange as specified in the registration statement for offering of debt securities.

## General information of the Company can be found in the "General information and other important information"

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## Nature of business

### Income structure

Sales revenue consists of downstream segment and petrochemical segment. The oil refining and distribution business consists of sales from the Company's petroleum products. This includes light products (including LPG and gasoline), middle distillates (including jet fuel, kerosene and diesel) and heavy products (including fuel oil and asphalt) and lubricants.

Petrochemical business comprises sales revenue of the Company's aromatics and other chemicals products, including paraxylene. (Before the temporary cessation of paraxylene production from the aromatics plant at the Esso Sriracha Refinery in April 2021), benzene concentrate and solvents.

The Company's selling price includes excise taxes and oil fuel fund contributions, which the Company is responsible for collecting and submitting to the relevant government agencies.



The following table shows the sales revenue and the percentage of total sales of petroleum products, aromatics products and other chemical products of the Company for the specified period.

Unit: Million Baht except for percentage

	Year Ended December 31,					
	2020		2021		2022	
	Revenue	% Total Revenue	Revenue	% Total Revenue	Revenue	% Total Revenue
<b>Downstream Segment:</b>						
<u>Light Products</u>						
LPG	3,131	2.5	5,380	3.1	7,486	2.8
Gasoline <sup>(1)</sup>	34,573	27.3	52,936	30.6	81,931	31.2
<b>Total light products</b>	<b>37,704</b>	<b>29.8</b>	<b>58,316</b>	<b>33.7</b>	<b>89,417</b>	<b>34.0</b>
<u>Middle distillates</u>						
Jet fuel/kerosene	3,823	3.0	4,602	2.6	10,808	4.1
Diesel	66,623	52.6	85,166	49.3	132,128	50.2
<b>Total middle distillates</b>	<b>70,446</b>	<b>55.6</b>	<b>89,768</b>	<b>51.9</b>	<b>142,936</b>	<b>54.3</b>
<u>Heavy Products</u>						
Fuel oil	5,119	4.0	9,027	5.2	15,201	5.8
Asphalt	2,665	2.1	4,694	2.7	5,718	2.2
<b>Total heavy products</b>	<b>7,784</b>	<b>6.1</b>	<b>13,721</b>	<b>7.9</b>	<b>20,919</b>	<b>8.0</b>
Lubricants	2,584	2.0	2,825	1.6	3,686	1.4
Others <sup>(2)</sup>	813	0.7	2,165	1.4	2,351	0.9
Net income from services <sup>(3)</sup>	429	0.3	464	0.2	538	0.2
<b>Total downstream segment</b>	<b>119,760</b>	<b>94.5</b>	<b>167,259</b>	<b>96.7</b>	<b>259,847</b>	<b>98.8</b>

<sup>(1)</sup> Sales revenue of gasoline includes sales revenue of naphtha and reformate.

<sup>(2)</sup> Other income includes sales revenue of crude oil that the Company purchased from its affiliates but it was resold before the refining process and it also included items sold in convenience stores.

<sup>(3)</sup> Net service income mainly consists of license fee from dealer and product handling fee and storage costs from aviation customers as part of jet fuel sales and rental fees.

<sup>(4)</sup> incomes primarily include sulfur, hydrogen and low sulfur waxy residue.

The following table shows the sales revenue and the percentage of total sales of petroleum products, aromatics products and other chemical products of the Company for the specified period (continued)

Unit: Million Baht except for percentage

	Year Ended December 31,					
	2020		2021		2022	
	Revenue	% Total Revenue	Revenue	% Total Revenue	Revenue	% Total Revenue
<b>Petrochemical Segment:</b>						
Paraxylene	3,709	2.9	1,461	0.8	0	0.0
Benzene concentrate	729	0.6	475	0.3	0	0.0
Solvents	1,774	1.4	2,367	1.4	3,153	1.2
Plasticizers	699	0.6	1,228	0.7	0	0.0
Others <sup>(4)</sup>	0	0.0	88	0.1	0	0.0
Net income from services	0	0.0	0	0.0	0	0.0
<b>Total Petrochemical Segment</b>	<b>6,911</b>	<b>5.5</b>	<b>5,619</b>	<b>3.3</b>	<b>3,153</b>	<b>1.2</b>
<b>Total</b>	<b>126,671</b>	<b>100.0</b>	<b>172,878</b>	<b>100.0</b>	<b>263,000</b>	<b>100.0</b>

<sup>(1)</sup> Sales revenue of gasoline includes sales revenue of naphtha and reformate.

<sup>(2)</sup> Other income includes sales revenue of crude oil that the Company purchased from its affiliates but it was resold before the refining process and it also included items sold in convenience stores.

<sup>(3)</sup> Net service income mainly consists of license fee from dealer and product handling fee and storage costs from aviation customers as part of jet fuel sales and rental fees.

<sup>(4)</sup> incomes primarily include sulfur, hydrogen and low sulfur waxy residue.

## Operations of each business unit

### Products

The Company's primary products are as follows:

- Petroleum products from the fractionation and refining process which include gasoline, jet fuel/kerosene, diesel, LPG, fuel oil and asphalt as well as lubricants.
- Aromatics and chemical products, which consist of paraxylene (before the temporary cessation of paraxylene production from the aromatics plant at Esso Sriracha Oil Refinery in April 2021), concentrated benzene and solvents.

### Petroleum products

Our refinery can operate a wide range of crude oils from various sources around the world such as the Middle East, Far East, Southeast Asia, United States and West Africa. Our choice of feedstock and product slate depends on relative prices and yields at any period of time. We decide on our product slate with input from sales and marketing personnel. Our decision on product slate is also based on our assessment of demand and projected prices for the various products, which is usually carried out approximately three months prior to the anticipated order.

Production volume of petroleum products for an indicated period of time has been displayed in this table.

Unit: Thousand barrels except for percentage

	Year Ended December 31,					
	2020		2021		2022	
	Production Volume	% Production Volume	Production Volume	% Production Volume	Production Volume	% Production Volume
<u>Light Products</u>						
LPG	2,171	4.6	2,547	5.3	2,819	5.6
Gasoline	9,904	20.9	11,929	24.9	14,488	29.0
Naphtha	1,438	3.0	1,303	2.7	605	1.2
Reformate	6,676	14.0	2,660	5.6	249	0.5
<b>Total light products</b>	<b>20,189</b>	<b>42.5</b>	<b>18,439</b>	<b>38.5</b>	<b>18,161</b>	<b>36.3</b>
<u>Middle distillates</u>						
Jet fuel/kerosene	1,991	4.2	1,815	3.8	1,219	2.5
Diesel	18,724	39.4	20,211	42.1	22,607	45.2
<b>Total middle distillates</b>	<b>20,715</b>	<b>43.6</b>	<b>22,026</b>	<b>45.9</b>	<b>23,826</b>	<b>47.7</b>
<u>Heavy Products</u>						
Fuel oil	3,746	7.9	3,980	8.3	4,393	8.8
Asphalt	1,229	2.6	1,669	3.5	1,299	2.6
<b>Total heavy products</b>	<b>4,975</b>	<b>10.5</b>	<b>5,649</b>	<b>11.8</b>	<b>5,693</b>	<b>11.4</b>
Others <sup>(1)</sup>	87	0.2	341	0.7	646	1.3
Refinery fuel <sup>(2)</sup>	1,517	3.2	1,493	3.1	1,670	3.3
<b>Total</b>	<b>47,483</b>	<b>100.0</b>	<b>47,948</b>	<b>100.0</b>	<b>49,995</b>	<b>100.0</b>

<sup>(1)</sup> mainly containing Sulfur, Hydrogen and Low Sulfur Waxy Residue.

<sup>(2)</sup> representing the products produced from our refinery and used as fuel in our refinery.

Our company sells lubricant products for use in vehicles, machinery and industrial applications under the 'Mobil' brand and supply products under private brands to alliance partners. Our lubricants are imported or blended domestically through a third-party blender. The products are sold to authorized distributors and directly to customers.

### Chemical Products

In April 2021, The Company suspended paraxylene production due to over-supply outlook and poor margins, while continue to produce benzene concentrate as well as various types of solvents.

The following table sets forth the production volume of our aromatics and other chemical products for the periods indicated.

Unit: Thousand tons except for percentage

	Fiscal year ended December 31					
	2020		2021		2022	
	Production volume	Percentage of total production volume	Production volume	Percentage of total production volume	Production volume	Percentage of total production volume
Paraxylene <sup>(1)</sup>	200	57.3	53	40.8	0	0
Benzene <sup>(2)</sup>	89	25.5	23	17.7	0	0
Solvents	36	10.3	38	29.2	35	100.0
Plasticizers <sup>(3)</sup>	24	6.9	16	12.3	0	0
<b>Total</b>	<b>349</b>	<b>100.0</b>	<b>130</b>	<b>100.0</b>	<b>35</b>	<b>100.0</b>

<sup>(1)</sup> Paraxylene production suspension effective April 2021.

<sup>(2)</sup> Benzene concentrate stream, which contains benzene concentrate and other products; excludes the benzene concentrate stream that we use for the manufacture of paraxylene.

<sup>(3)</sup> Purchased from a third party.

### Benzene Concentrate

The Company sells Benzene concentrate, target markets are both domestic and overseas customers.

### Solvents

Our solvent production unit has a production capacity of 50,000 tons per annum, and produces (i) hydrocarbon solvents, primarily hexane, which is used mainly in edible oil seed extractions and as a carrier in petrochemical production, (ii) rubber solvents used as adhesives and rubber cement used in the manufacture of tires, (iii) white spirit used primarily in the coating and paint industry, and (iv) Exxsol D80 used primarily in household and industrial and metal working applications. We also import and market for resale high aromatic solvents, which are used in the automotive paint coating industry and pesticides industry.







## Sales, Market and Competition

### Competition

The industry in Thailand is highly competitive. There are currently six major refineries in Thailand, with a combined oil refining capacity of approximately 1,239,000 barrels per day as of December 31, 2022. The other refiners in Thailand are Thai Oil Public Company Limited, Star Petroleum Refining Public Company Limited, Bangchak Petroleum Public Company Limited, PTT Global Chemical Public Company Limited, and IRPC Public Company Limited.

The Company suspended paraxylene production from Aromatics plant at Esso Sriracha refinery from April 2021. However, the Company continues to produce and supply essential fuels and chemicals solvents to the community and country. We continue to evaluate our Paraxylene operations and supply chain on a periodic basis.

The retail fuels market is also highly competitive. Our principal retail competitors are PTT, Bangchak, Shell, Chevron (Caltex), and PT. We believe our Esso branded network of retail service stations, and alliances with partners such as KFC, Burger King, McDonald's, Lotus Go Fresh, Starbucks, B-Quik, MMS Bosch, and Kerry Express help increase fuel sales and complete the service offering to customers in the retail market. Especially, Coffee Journey, which was launched in 2020, was a collaboration between Minor Food and Esso to penetrate coffee market in service station and provide good quality coffee and beverages at affordable prices. Additionally, we have launched 'Go Fast', "Grab & Go" store concept in 2021, which was a collaboration between Lotus's and Esso to fulfill customer offers in Esso station. 'Go Fast', exclusively expanded in Esso station, provides variety of drink and ready-to-eat options for customers in service station. Customers can also use the Esso Smiles card to collect and redeem points to buy products at Coffee Journey and Go Fast.

### Competitive Strengths

We believe that we have the following core competitive strengths:

#### Our Complex Refinery Enhances Processing Capability

Our complex refinery configuration provides us with significant flexibility to manage crude oil intake to produce a larger portion of higher-value products using more challenged crude oil and other lower cost crude oils, and match customer demands while maximizing margins. Our refinery is configured to achieve a high hydrotreating-to-refining ratio of 89%.

## We Benefit from Low Cash Operating Expenses

We operate our refinery with relatively low cash operating expenses compared to other refineries in the Asia Pacific region. Of the 71 Asia Pacific refineries participating in a 2018 survey conducted by Solomon Associates, we ranked in the second quartile for the lowest total cash operating expenses. It should be noted that Solomon Associates takes into account differences in refinery configuration so that the comparison between refineries provides a meaningful representation of performance.

The latest Solomon Associates survey was conducted in 2020. As year 2020 was impacted by COVID-19 situation, our refinery did not participate in 2020 Solomon Associates survey.

## We Have Fully Integrated Refining and Marketing Operations

We operate an integrated refinery as well as the largest network of retail service stations among international oil companies in Thailand. Our integrated operations allow us to optimize margins. We believe that our marketing operations, which include commercial (industrial and commercial end-users, wholesalers, the aviation and marine industries, and cross-border customers), retail and export channels, provide us with diversification in our distribution channels and enables us to selectively produce and sell higher margin products. We believe our integrated operations will continue to position us well to successfully compete in a dynamic and competitive market.

## Strategic Location

Our refinery is located near the Laem Chabang deep sea port in Sriracha, Chonburi province, approximately 120 kilometers southeast of Bangkok, the capital city of Thailand. The site benefits from its ready access to a deep sea port, road networks and a multi-product transmission pipeline, as well as its close proximity to key distribution terminals and major demand centers, which lowers transportation costs and provides several supply and distribution advantages.

Our strategic location allows us to receive crude oil shipments through our multiple point buoy mooring facilities with up to 120,000 deadweight ton (dwt) capacity and from very large crude carriers (“VLCC”) through single buoy mooring facilities owned by Thai Oil Public Company Limited to which we have access under an existing agreement.

We have desalination and reverse osmosis facilities with a combined capacity of 200 tons of water per hour as well as three cogeneration gas turbine generators and two major supplemental boilers, which run off of refinery-produced gas and produce 170 tons of steam per hour for our refinery. Our desalination and reverse osmosis facilities, cogeneration plants, and boilers are capable of generating sufficient fresh water, electricity, and steam for our refinery needs.



## Sales and Marketing

We market and sell refined petroleum products and lubricants through three separate channels, depending on the product: commercial, retail, and export. The majority of our exports are made to ExxonMobil affiliates. Our retail fuel products marketed through Esso branded service stations. Lubricants are sold directly to customers and through distributors.



## Refined Petroleum Products

The following table sets forth sales volume for refined petroleum products by channel for the periods indicated.

Unit: Thousand barrels except for percentage

	Fiscal year ended December 31					
	2020		2021		2022	
	Sales Volume	% of Total Sales Volume	Sales Volume	% of Total Sales Volume	Sales Volume	% of Total Sales Volume
Commercial	22,982	51	25,797	54	28,784	53
Retail	19,912	44	19,118	40	20,667	40
Export*	2,390	5	2,748	6	2,631	7
<b>Total Sales Volume</b>	<b>45,284</b>	<b>100</b>	<b>47,663</b>	<b>100</b>	<b>52,082</b>	<b>100</b>

\* Export sales to or through ExxonMobil Asia Pacific Pte. Ltd.

The following table sets forth the sales volume of various refined petroleum products for the periods indicated.

Unit: Thousand barrels except for percentage

	Fiscal year ended December 31					
	2020		2021		2022	
	Sales Volume	% of Total Sales Volume	Sales Volume	% of Total Sales Volume	Sales Volume	% of Total Sales Volume
<u>Light products</u>						
LPG	2,310	5.1	2,657	5.6	2,853	5.5
Gasoline	11,218	24.8	12,984	27.2	15,401	29.6
Naptha	1,500	3.3	1,234	2.6	454	0.9
Reformate	0	0.0	211	0.4	0	0
<b>Total of light products</b>	<b>15,028</b>	<b>33.2</b>	<b>17,086</b>	<b>35.8</b>	<b>18,708</b>	<b>35.9</b>
<u>Middle distillates</u>						
Jet fuel/Kerosene	2,272	5.0	1,878	3.9	2,389	4.6
Diesel	22,404	49.5	22,255	46.7	24,472	47.0
<b>Total of middle distillates</b>	<b>24,676</b>	<b>54.5</b>	<b>24,133</b>	<b>50.6</b>	<b>26,861</b>	<b>51.6</b>
<u>Heavy products</u>						
Fuel oil	3,921	8.7	4,047	8.5	4,370	8.4
Asphalt	1,425	3.1	1,878	3.9	1,403	2.7
<b>Total of heavy products</b>	<b>5,346</b>	<b>11.8</b>	<b>5,925</b>	<b>12.4</b>	<b>5,773</b>	<b>11.1</b>
Others <sup>(1)</sup>	179	0.4	194	0.4	229	0.4
Refinery fuel <sup>(2)</sup>	55	0.1	325	0.7	511	1.0
<b>Total</b>	<b>45,284</b>	<b>100</b>	<b>47,663</b>	<b>100</b>	<b>52,082</b>	<b>100</b>

\* Others include mainly sales of sulfur, hydrogen, and low sulfur waxy residue.



## Commercial

Sales of refined petroleum products through Commercial channels consist of sales to industrial and commercial end users, wholesalers, customers in the aviation and marine industries. The commercial sales also included cross-border sales, which we sold our products to neighboring countries such as China, Laos, Myanmar, and Cambodia.

Products sold to Commercial channels consist mainly of LPG, gasoline, diesel, fuel oil, asphalts and lubricant products. Products sold to customers in the marine industry consist mainly of fuel oil ExxonMobil EMF.5, the low sulfur fuel oil as few years launched according to the regulations of the International Maritime Organization (IMO2020) while products sold to customers in the aviation industry consist of jet fuel sales to airlines. In late 2021, we expanded jet fuel sales to tank truck loading rack. With that, we could capture additional sales from neighboring countries. Apart from the base products, we could continually increase sales of our recent launched from three additional premium products including Esso Diesel Efficient (EDE), Unleaded Regular Gasoline with 92 Research Octane Number (UGR 92 RON) for export market and Emulsified Asphalt Prime (EAP), a brand new asphalt prime for coating purposes with high permeability efficiency.



For petroleum products, sales agreement we enter into ranged from spot sales agreement to longer sales agreement with a term starting from 1 year and above. Meanwhile, lubricants sales agreements are contracts with a term of more than one year.

Sales through commercial channels, including cross border sales, accounted for 53% of total sales volume, reflecting product placement into higher-margin domestic and cross-border markets through integrated efforts across the downstream value chain. Growth in commercial sales helped minimize the sale of finished products through lower-margin regional export channels.

The remaining 7% of petroleum products sold to commercial customers went through export sales channels, mainly within the broader Asia Pacific region.

Lubricant products are sold primarily for use in Thailand in vehicles and industrial applications, under the 'Mobil' brand and supplied under private brands to key alliance partners.



## Retail

We are one of the six major retail fuel brands in Thailand, with a network of 802 Esso branded service stations throughout Thailand as of December 31, 2022.

The Company further expanded its retail network, making opportunistic enhancements to service stations while also maintaining capital and cost discipline. In 2017, the Company established a new collaboration with Pure Thai Energy Company Limited for the conversion of Pure Thai retail sites to Esso-branded service stations, at the end of 2022 Pure Thai Energy Company Limited owned and operated 74 Esso service stations. Apart from this, in 2020, the Company had a new collaboration with Susco Public Company Limited. We converted 21 Susco retail sites to Esso-branded service stations in 2020 and converted 14 and 48 more stations in 2021 and 2022 respectively. With collaboration like this, it demonstrated that Esso had continually tried to find the ways to grow its retail network and expand Esso brand footprint in a cost-effective way.



In addition to these two collaborations, the remaining of Esso branded service stations are operated by dealers. Dealers, are authorized to use the Esso trademark. We and/or our affiliates in Thailand own or lease the land on which some of these service stations are situated, and dealers are charged a monthly operating fee. Each dealer signs a service station operation agreement that sets out, among other matters, our operating standards. These agreements typically have a term of between one to five years and may be renewed. Dealer-operated service stations also include dealer-owned service stations for which the dealer owns or leases the land on which the Esso service station is situated. Dealers are charged a monthly operating fee and enter into service station operation agreements which typically have a term between ten to fifteen years.



The following table sets forth the breakdown of the different types of service stations as of the date indicated.

Esso service station	As of December 31					
	2020		2021		2022	
	Number of service stations	Percentage of total number of service stations	Number of service stations	Percentage of total number of service stations	Number of service stations	Percentage of total number of service stations
Owned by the Company or that the Company has the right to lease the land for business operations	284	40.5	281	38.4	279	34.8
Owned by dealers	418	59.5	450	61.6	523	65.2
<b>Total of Esso service stations</b>	<b>702</b>	<b>100.0</b>	<b>731</b>	<b>100.0</b>	<b>802</b>	<b>100.0</b>

Our retail broad product portfolio and trusted brands represent quality and reliability. In addition, commitment to technology allows us to continue to bring new, high-performance products to market, further grow our brands, and deliver value to our customers.



### [Synergy Fuel Technology](#)

In 2019, the Company launched the latest new fuels technology, "Synergy", developed by ExxonMobil Research and Engineering Company using the same technology as Formula 1 racing fuel. This fuel has refined at Esso Sriracha refinery, topping up with most advanced additive fuel at terminals and passed our quality control in every process to meet the world standard before delivered to customers nationwide. Our retail fuel products comprise diesel and gasoline which are:

#### Gasoline

- Synergy Supreme+ Gasohol 95
- Synergy Super Gasohol 95
- Synergy Extra Gasohol 91
- Synergy Extra Gasohol E20

#### Diesel

- Synergy Supreme+ Diesel (B7)
- Synergy Diesel B10
- Synergy Diesel B7

Additionally, in 2020, all of the service stations were upgraded to Synergy image, along with other facility upgrades, demonstrated the Company efforts to improve customer experience in supporting our high-quality product offering.

We strive to not only increase sales of retail fuel at Esso branded service stations, but also to increase non-fuel revenue, through various strategies, including the following:

### [Esso Smiles Loyalty Card Program](#)

The Esso Smiles Driver Rewards Program loyalty program was introduced in May 2016. At the end of 2022, there were more than 3.98 million members participating in the program. The loyalty card program is the proprietary fuels loyalty program for Esso customers to earn Esso Smiles Points and convert fuel expenses into points to redeem for numerous rewards. The program helps create loyalty among customers, and helps Esso offer the right benefit to them.



### Esso Thailand LINE Official Account

LINE Connect offers convenience to Esso Smiles Driver Rewards members such as Roadside assistance and care for our members and the redemption of Esso Smiles Points via mobile phone through LINE application. The Company had more than 6.99 million Esso Thailand LINE Official Account members in 2022 and had 607,471 members who connect the Smiles card with our Line official account.

### Alliances

The Company enhanced its fuel and non-fuel income through strong alliances. We partnered with these alliances to optimize retail site profitability and provide high-quality offerings and services for customers. The Company actively expands existing alliance offers and continues establishing new relations with alliance partners. In 2020, the company established a new partnership with The Minor Food Group Public Company Limited and introduced the first coffee shop named "Coffee Journey" exclusive only for Esso service station. By the end of 2022, there were 79 Coffee Journey shops.

### The Company's alliances are as follows.

- **Quick Serve Restaurant:** KFC, Burger King, McDonald's, Starbucks, The Pizza Company, Dunkin' Donuts, Subway, Black Canyon, Ya Kun Kaya Toast
- **Convenience store:** Go Fast, Lotus's Go Fresh, Family Mart, Mini Big C, Lawson
- **Coffee shop:** Coffee Journey, Rabika Coffee, D'Oro, Roastniyom Coffee, Coffee Boy
- **Services:** B-Quik, MMS Bosch, Betagro, Wizard, Quick Wash, Kerry Express, Flash Express, J&T Express, Moto Express, 51 Tyreshop

The Company finished 2022 with 436 alliance stores across its retail network.

Based on data published by the Department of Energy Business of the Ministry of Energy, the Company had approximately 11.6% market penetration of diesel and gasoline retail throughput in Thailand at the end of 2022.





## Exports

Substantially all of our products that are exported are sold to or through ExxonMobil Asia Pacific Pte Ltd (EMAPPL). Products which we export are mainly fuel oil.

### Chemical Products

Our chemical products are sold to commercial customers domestically or exported.

The following table sets forth the domestic and export sales volumes for our aromatics and other chemical products by sales channel for the periods indicated.

Unit: Thousand tons except for percentage

	As of December 31					
	2020		2021		2022	
	Sales Volume	Percentage of total sales volume	Sales Volume	Percentage of total sales volume	Sales Volume	Percentage of total sales volume
Domestic	260	66.9	162	83.9	71	100.0
Export	129	33.1	31	16.1	-	-
<b>Total of sales volume</b>	<b>389</b>	<b>100.0</b>	<b>194</b>	<b>100.0</b>	<b>71</b>	<b>100.0</b>

The following table sets forth the sales volume of our chemical products for the periods indicated.

Unit: Thousand tons except for percentage

	As of December 31					
	2020		2021		2022	
	Sales Volume	Percentage of total sales volume	Sales Volume	Percentage of total sales volume	Sales Volume	Percentage of total sales volume
Paraxylene <sup>(1)</sup>	198	50.8	59	30.4	-	-
Benzene concentrate <sup>(2)</sup>	88	22.7	30	15.8	-	-
Solvents	79	20.4	80	41.1	71	100.0
Plasticizers <sup>(3)</sup>	24	6.1	25	12.7	-	-
Others	0	0.0	0	0.0	-	-
<b>Total</b>	<b>389</b>	<b>100.0</b>	<b>194</b>	<b>100.0</b>	<b>71</b>	<b>100.0</b>

<sup>(1)</sup> Paraxylene production suspension effective April 2021

All of our solvent products are sold domestically.

### Product Pricing

The pricing for all of our products is market-based. Pricing for all the products in Thailand will reflect in country supply and demand balance as well as Asia Pacific region. Most of refined petroleum products is generally benchmarked with Singapore spot market price for the relevant product quoted on a mean of Platt's Singapore MOPS, crude oil prices and exchange rate Baht to U.S. dollars on a daily basis.

Domestic sale prices of refined petroleum products are market driven and are generally based on the import/export parity price driven from in country supply/demand balance. Where, the ex-refinery prices for refined petroleum products in the domestic market in Thailand derived from the Singapore spot market price for the relevant product quoted on MOPS, plus the logistics costs of transporting such product from Singapore to Thailand, such as insurance, freight, import duties, ocean losses and handling. A premium or discount may be added or deducted for certain products to account for the differences in the product quality specifications between the two locations and to account for specific domestic market conditions. For example, during a period of domestic oversupply or where there is a high level of supply in the Asian markets which reduces exports from Thailand, the domestic ex-refinery price in Thailand may be substantially lower. Our exports of refined petroleum products are also generally benchmarked to MOPS, plus or minus a premium or discount which depends on market conditions and negotiations with potential purchasers.

# Product Supply

## Production Facilities and Processes

### Production Unit

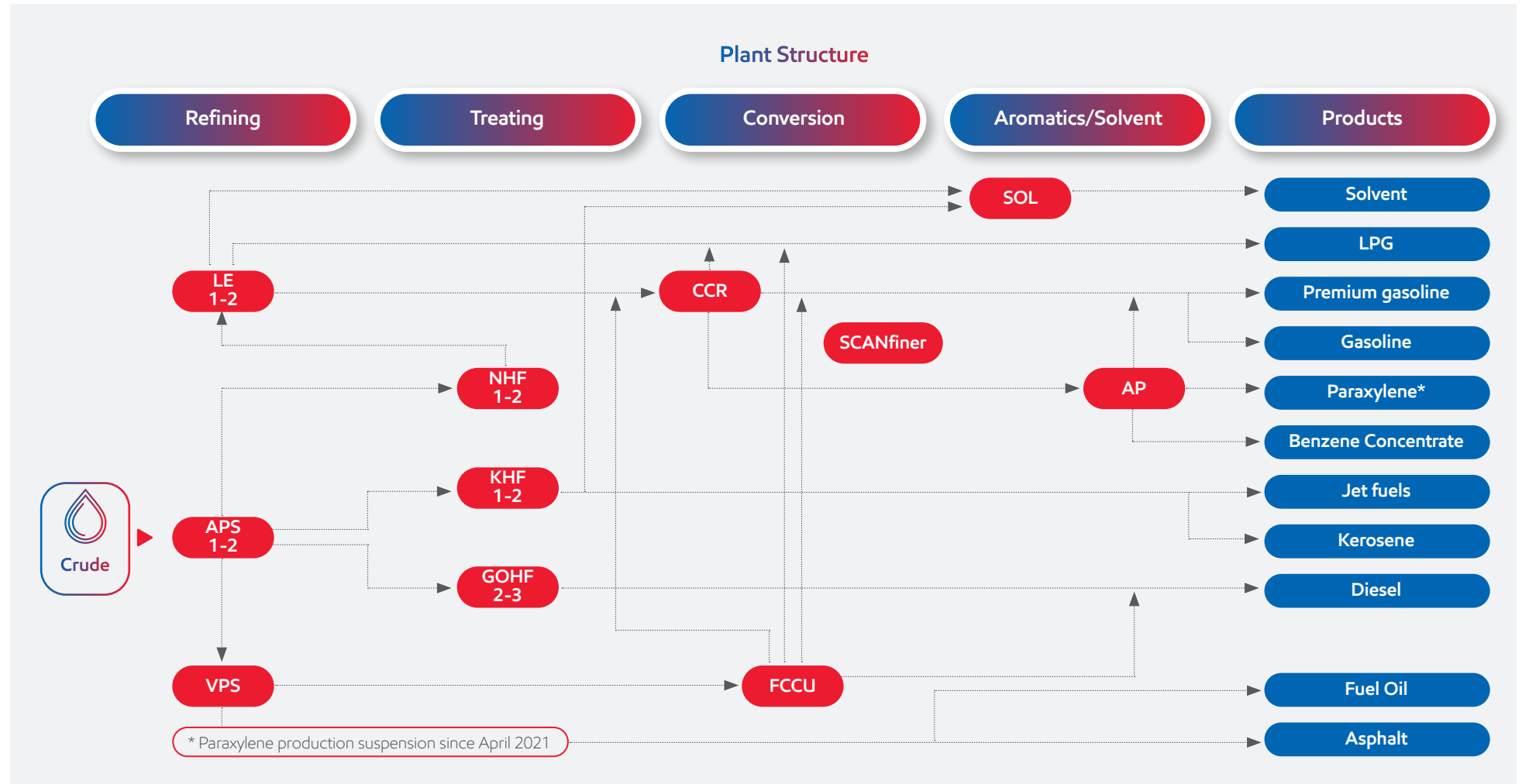
Our production facilities are located near the Laem Chabang deep sea port in Sriracha, Chonburi province, approximately 120 kilometers southeast of Bangkok. Our refinery's main units comprise the following:



- **two atmospheric pipestills (APS)** that distill crude oil into various kinds of products. APS 1 has a capacity of 79,000 barrels per day and APS 2 has a capacity of 95,000 barrels per day;
- **a continuous catalytic regeneration reformer (CCR)**, with a capacity of 27,300 barrels per day, which converts low-octane fuels into high-octane fuels for production of various grades of unleaded gasoline. A Benzene Heart-cut (FT20) is in this unit for processing Gasoline Euro 4 grade;
- **a vacuum pipestill (VPS)** with a capacity of 45,000 barrels per day, which produces asphalt from heavier oil off-takes from the atmospheric pipestills. The lighter oils are sent to the fluidized catalytic cracking unit;
- **two gas oil hydrofiner units (GOHF)**, which remove the sulfur content in diesel to enable us to meet the Government specification requirements of 50 ppm. These units have an aggregate capacity of 71,000 barrels per day;
- **a fluidized catalytic cracking unit (FCCU)**, which converts fuel oil into lighter diesel and gasoline. The unit has a capacity of 42,700 barrels per day; an aromatics plant, during the period that refinery produce paraxylene, the capacity was 500,000 tons per annum of paraxylene, which is fully integrated with our refinery. After paraxylene production suspension in April 2021, the company adjusted production to produce high-octane oil as gasoline blending component to produce higher value gasoline product. The company has modified pipeline connections and gasoline blending systems to support higher volumes of gasoline production and distribution from refinery;
- **our solvent production unit**, which is integrated with our refinery and consists primarily of a separate distillation tower and a reactor to hydrogenate feedstock after distillation.



The following diagram illustrates the petroleum refining process and the integration of our aromatics plant with our refinery.



APS Atmospheric Pipestill  
KHF Kerosene Hydrofiner  
VPS Vacuum Pipestill

CCR Continuous Catalytic Regeneration Reformer  
AP Aromatics Plant  
NHF Naphtha hydrofiner

LE Light End Units  
GOHF Gas Oil Hydrofiner  
SOL Solvent Production Unit

FCCU Fluidized Catalytic Cracking Unit  
SCANfiner Hydrotreating Naphtha produced from FCCU

## Overview of Refinery Production Process

By heating crude oil to a certain temperature and sending it to the atmospheric pipestill, it is possible to separate crude oil into different fractions, each with its own boiling range. Each pipestill consists of a tall vertical tower that contains layers of perforated trays. Heated crude oil from the furnace enters the pipestill towers near the bottom. The lighter boiling components rise up the tower while the heavier boiling components fall to the bottom. As the lighter components pass through the perforated trays, the oil's temperature gradually drops and vapor is condensed on the trays. The distillation of oil vapors at different temperatures produces various petroleum products such as LPG, naphtha, kerosene, diesel and fuel oil.

Light oil from the atmospheric pipestill overhead is sent to the naphtha hydrofiner, where sulfur is removed and then flows to a series of towers called the light end units. The separated components consist of a gas stream (which is used for refinery fuel), LPG and naphtha. The naphtha is further separated as light and heavy naphtha. Light naphtha is sent to the gasoline-blending unit. Heavy naphtha with low octane is sent to the continuous catalyst regeneration reformer to boost its octane by restructuring the oil molecules. A part of this oil is fed to the aromatics plant to remove benzene. The other part is sent to produce different grades of gasoline.

The oil from the first side stream of the atmospheric pipestill is directed to the kerosene hydrofiner to eliminate sulfur. Most of this oil is blended with additives to produce jet fuel, and the rest is used to make kerosene. The oil



from the atmospheric pipestill's second side stream is hydrofined and then blended with hydrofined oil from the third side stream to make diesel. Part of the oil from the bottom of the atmospheric pipestill is sent to a vacuum pipestill to make asphalt or fuel oil. The side stream from the vacuum pipestill is sent to the fluidized catalytic cracking unit.

The fluidized catalytic cracking unit converts the vacuum pipestill side stream of the vacuum pipestill into lighter oil by molecule cracking. After conversion, a dedicated distillation process is used to separate components into a gas stream that is used for refinery fuel, LPG, and naphtha streams that are partly reblended to produce gasoline and partly sent to the continuous catalytic regeneration reformer. The oil from the side stream of the pipestill is sent to the gasoil hydrofiner and used to make diesel. The oil from the bottom of the pipestill is then sent to produce fuel oil.



## Plant Maintenance

As with all refineries, our refinery is shut down periodically for scheduled turnaround maintenance and unscheduled corrective or urgent maintenance. Scheduled maintenance shutdowns reduce near-term capacity utilization but enhance product yields and quality, increase refinery safety and efficiency, reduce the possibility of future unscheduled refinery shutdowns or catastrophic failure, and extend refinery life.

Major scheduled turnaround maintenance for our refinery typically requires several weeks, with more or less time depending upon the scope of activities involved. In 2019, we completed major scheduled maintenance safely per plan and under budget. Both the refinery and aromatics plant commenced major maintenance in September and resumed operations in early November. Previously, we conducted major scheduled

turnaround maintenance in 2004, 2011, and 2019. In between major scheduled turnaround maintenance events, we also plan minor scheduled maintenance periodically, we typically shut down one of our two APS units every three to four years. Having two APSs provides us with the flexibility to continue operating the refinery with one APS while servicing the other, which helps to reduce the full impact of a shutdown.

In respond to Chemical downturn for paraxylene in 2021, the refinery switch operation to produce more economic mogas product and suspended paraxylene production in April 2021. The unit was maintained under proper mothball condition, ready to operate when high paraxylene margin resumes.



## Feedstocks and Supplies

### Crude Oil Supply

The main feedstock used in our refinery production process is crude oil. We are capable of processing a wide range of crude oil, including Middle East, Far East, South East, USA and West Africa. As our refinery has upgrading capabilities and conversion units, we are able to use a higher proportion of heavy sour crude from the Middle East, which has a higher sulfur content and is less costly than light sweet crude, to produce a product slate that matches customer demand. In addition, through the use of ExxonMobil's global crude procurement network and the application of advanced molecular fingerprinting and modeling technologies, we are able to more precisely source, select and blend crudes with properties that will further maximize margins. Our crude oil slate is determined after we decide our product slate with input from sales and marketing personnel, based on our assessment of customer demand and projected prices for the various products that we can produce, typically around three months in advance of the expected order. We then input the original and any updated information, including price information, into a sophisticated optimization modeling software system, which takes into account production constraints, to determine the optimal purchase of crude oil.

We sourced and purchased crude oil from or through ExxonMobil affiliates. Crude oil sourced from the Asia Pacific region and others are mainly purchased from or through EXTAP (a division of ExxonMobil Asia Pacific Pte Ltd) while some others imported crude are purchased from or through EMS&S (ExxonMobil Sales and Supply LLC).

The following table sets forth the volume of crude oil purchased by region of origin and the respective proportions from each region for the periods indicated.

Unit: Thousand barrels except for percentage

	Fiscal year ended December 31					
	2020		2021		2022	
	Volume	Percentage of total volume	Volume	Percentage of total volume	Volume	Percentage of total volume
Middle East <sup>(1)</sup>	14,818	35.2	11,533	25.8	12,103	25.3
Far East and Southeast <sup>(2)</sup>	14,732	35.0	15,814	35.3	13,918	29.1
West Africa and other countries <sup>(3)</sup>	12,557	29.8	17,380	38.9	21,811	45.6
<b>Total</b>	<b>42,107</b>	<b>100.0</b>	<b>44,727</b>	<b>100.0</b>	<b>47,832</b>	<b>100.0</b>

<sup>(1)</sup> For example, Saudi Arabia, Kuwait, UAE, Qatar, Iraq, Yemen and Oman.

<sup>(2)</sup> Indonesia, Vietnam, Thailand, Malaysia, Brunei, China, Philippines, Singapore, Australia, New Zealand, Papua New Guinea and Russia.

<sup>(3)</sup> Egypt, Gabon, Chad, Nigeria, Libya, Angola, Gabon, Ecuador, Columbia, and USA.

### Other Refinery Feedstocks and Raw Materials

We use hydrogen in our hydro desulfurizer unit to remove sulfur from our refined petroleum products as part of the treatment process and as feedstock in our aromatics plant. We produce all of the hydrogen that we require from our refinery. We also use oxygen and nitrogen in our refining process. Both oxygen and nitrogen are supplied by a third party.

### Catalysts

We use various types of catalysts in our production process. We evaluate and select catalysts based on their performance and price. We have entered into various agreements with ExxonMobil Catalyst Technologies LLC ("EMCT") for the lease of various catalysts used in our refinery and aromatics plant. In addition, we have entered into an agreement with ExxonMobil Catalyst Services, Inc. for the lease of a platinum based catalyst for our refinery.



## Reformat

After paraxylene production suspension in April 2021, reformat was blended as high octane component for blending mogas production to produce higher value gasoline product.

## Ethanol and palm oil

We purchase ethanol from various third parties in Thailand for blending to produce gasohol. We blend ethanol at distribution terminals to produce gasohol. We purchase palm oil from domestic suppliers to produce biodiesel.

## Other Feedstocks and Supplies

Light virgin naphtha and kerosene feedstocks used for our solvent production unit are supplied entirely by our refinery. We began to purchase lubricant products from a third party manufacturer in September 2007. To ensure product quality, the third party manufacturer mainly purchases base stock and additives from ExxonMobil affiliates.

## Utilities

### Water

We require water to generate steam to feed the turbines of critical rotating equipment. We also use water in various parts of our production process. The Company has two desalination plant units, each with a capacity of 60 tons per hour, and two reverse osmosis units with a capacity of 20 and 60 tons per hour. Total capacity from desalination and reverse osmosis facility is 200 tons per hour, which together are able to supply our production facilities with all the fresh water required for our operations. Certain areas of Thailand, including the Chonburi province can experience severe drought conditions, which can result in water shortages. Our desalination plants enable us to continue operations and minimize the impact of drought conditions.



### Electricity, Steam and Natural Gas

We generate our own electricity and steam using on-site cogeneration generators. We have three cogeneration gas turbine generators with an aggregate capacity of 50 MW, consisting of two 12.5 MW generators that can also each generate 40 tons of steam per hour and a 25 MW generator that can also generate 50 tons of steam per hour. We also maintain a feeder link with the Electricity Generating Authority of Thailand and the Provincial Electricity Authority as an additional backup supply of electricity. In addition to the steam from our cogeneration plants, we also have two major supplemental boilers that can each supply 20 tons of steam per hour to improve the reliability of supply. The gas turbine generators use natural gas and desulfurized gas from our refining process, which is an effective way to save energy and reduce the emission of sulfur dioxide into the air, while the two supplemental boilers use fuel oil and fuel gas from our refining process. We also purchase natural gas from PTT as supplemental fuel for our cogeneration generators under a long-term take or pay contract.



## Flows and Storage

### Flows and Distribution

We are able to take delivery of crude oil by sea via our 120,000 dwt multi-buoy mooring system. We are also able to receive crude oil via a VLCC at Thai Oil's single buoy mooring pursuant to arrangements with Thai Oil. Crude is then delivered to storage tanks at the refinery through pipelines which connect directly to our refinery.

The strategic location of our refinery at Sriracha provides us access to a convenient product delivery network that allows us to distribute products in a cost effective manner via a multi-product pipeline, truck, rail, and coastal vessel to Thailand's main demand clusters for refined petroleum products, which include Bangkok and other regional centers throughout Thailand. The pipeline, to which our refinery is connected, is owned and operated by Thapline (in which we own an approximately 21% equity interest), and is capable of transporting jet fuel, diesel, and gasoline. We have 10 terminals to facilitate distribution of refined petroleum products throughout Thailand. Two terminals are company wholly owned. Another 3 terminals are company owned under a joint venture with other oil companies. The other 5 terminals are distribution terminals that we use under throughput agreements with third parties.

We use the services of third parties for trucking products from distribution terminals. Our retail fuels are distributed from distribution terminals to Esso branded service stations by truck. LPG, Asphalt and Emulsion products are distributed, or collected by customers, only from our Sriracha terminal adjacent to our refinery by truck. In addition, the mooring facilities at our refinery provide convenient access which allows for the export of LPG directly from our refinery, if needed. Other chemical products are distributed, or collected by our customers, only from our Sriracha terminal by truck.

### Storage

Our refinery facilities and distribution terminals have storage tanks and facilities that enable us to store our products before delivery and to store feedstock before use.

We believe our storage facilities have sufficient capacity to accommodate normal operations, including foreseeable circumstances where we or one or more of our customers or feedstock suppliers may experience an unplanned plant shutdown for a limited period of time. We are required to hold as a legal reserve an equivalent of 5% of annual throughput of crude oil for producing refined petroleum products domestically. In addition, regulations also require a legal reserve for fuel products requirement depending on the type of fuel, for example, gasoline, diesel and fuel oil, is 1% of annual trade volume. Our inventory of products may increase from time to time, reflecting unscheduled shutdowns or other issues that prevent or delay customers from taking delivery, as well as inventory planning in advance of scheduled shutdowns and customers' inventory planning for planned production.





## Environment



Our operations are subject to various environmental laws and regulations, including the Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992), the Factory Act B.E. 2535 (1992), Fuel Oils Control Act B.E. 2542 (1999) and Navigation in The Thai Waters Act B.E. 2456 (1913). In 1992, Thailand strengthened environmental laws and regulations in order to promote sustainable development and to better protect the natural environment. Laws of Thailand also contain specific provisions regarding the Government's responsibilities and citizens' rights in managing and developing natural resources and the environment.

Environmental laws and regulations, among other matters, restrict the type, quantities and concentration of various substances that can be released into the environment. Our operations are also subject to laws and regulations relating to the generation, handling, storage, transportation, disposal and treatment of petroleum products and waste materials. These environmental laws and regulations, particularly those relating to air emissions and water discharged from our facilities and operations affect most

aspects of our business, including oil refining, chemical production, terminals, and the operation of retail service stations. The primary governmental bodies which supervise the environmental aspect of our operations are the Office of Natural Resources and Environmental Policy and Planning under the Ministry of Natural Resources and Environment, the Pollution Control Department of the Ministry of Natural Resources and Environment, the Industrial Works Department of the Ministry of Industry, the Energy Business Department of the Ministry of Energy, and Marine department of Ministry of Transportation.

We benefit from ExxonMobil's Global Energy Management System (GEMS), a comprehensive and rigorous system of operational, maintenance, and design best practices for energy management. This process begins with a facility assessment conducted by a team of ExxonMobil technical specialists, after which representatives from the individual facilities work with the ExxonMobil team to develop a plan to improve the energy efficiency of our operations and facilities.

We have implemented various pollution control and other environmental impact mitigation measures to control waste emissions as required by applicable law, including applying advanced technologies to reduce emissions and conserve resources. Our three cogeneration gas turbine generators have low carbon dioxide emissions compared to conventional electricity generation. We have also implemented measures to preserve fresh water sources and treat waste water. Our refinery operations use and recycle fresh water produced by our three desalination plants, thus saving natural fresh water resources and energy. Our wastewater treatment system features various units to separate oil from the wastewater, including oil skimming tanks, an oily water separator and an induced air floatation unit. Wastewater is further treated through

Activated Sludge System, and an oxidation pond to remove organic contaminant.

We conduct regular reviews aimed at ensuring compliance with our environmental policies. We believe we are in compliance in all material respects with environmental laws and regulations applicable to us.

Our fuel products complied with EURO-4 standard with sulfur (50 ppm) and benzene levels in gasoline, sulfur levels (50 ppm) in diesel fuel as well as 0.5% sulfur fuels or EMF.5 to Marine bunkers which are the requirement of Thailand Fuel specification and the International Maritime Organization (IMO) 2020. In December 2019, the Government mandated lower sulfur (10 ppm)

in gasoline as well as diesel per EURO-5 standard and Polycyclic Aromatics Hydrocarbon (PAH) 8 wt% in diesel by January 1, 2024. The company has progressed with the project to comply with the January 1, 2024 mandate.

Environmental management is critical for our business and for society. Our environmental management approach is based on our understanding of the potential environmental impacts of the Company's operations and a commitment to develop, maintain and operate projects sustainably using appropriate standards that help the Company can meet expectations: "Protect Tomorrow, Today".





# The Petroleum Refining Industry

## Fundamental Aspects of Refining

### Overview of Refining Process

Oil refining is the process of separating hydrocarbon molecules present in crude oil and converting them into more valuable finished petroleum products. Refineries are designed to process various types of crude oil and other feedstocks into selected products with the aim of maximizing refining margins and meeting customer demand. In general, the different process units of a refinery perform at least one of the following functions:

- Separating the many types of hydrocarbons present in crude oil into fractions;
- Converting the hydrocarbons into more desirable products;
- treating the products by removing impurities; and/or
- blending intermediate streams into finished products.

Crude oil is the primary feedstock used in oil refining. The quality of crude oil intake and refinery configuration typically influences the level of processing and conversion necessary to achieve the optimal mix of finished products. For simplicity, crude oil is classified by its density (light to heavy) and sulfur content (sweet to sour). Light sweet crude oil is more expensive than heavy sour crude oil because it requires less treatment and produces a slate



of products with a greater percentage of high-priced, light refined products such as gasoline, kerosene and diesel. Heavy sour crude oil is typically sold at a discount in comparison with the lighter, sweeter crude oil because it produces a greater percentage of lower value products and requires additional processing to produce the higher value light products. Consequently, refiners strive to process the optimal mix, or slate, of crude oil through their refineries, depending on each refinery's conversion and treating units, current and anticipated product prices, the desired product mix, and the relative price of available crude oil and other feedstocks.

The complexity of a refinery refers to its ability to process less expensive feedstocks, such as heavier and higher sulfur content crude oil, into higher value products and is dependent on the number and types of conversion units. Generally, the higher the complexity of the refinery, the more flexible the refinery will be with respect to its possible feedstock slate. In addition, a refinery's capability to process lower-cost challenged crude is enhanced by the application of crude analysis technologies. Through both complexity and advanced technology employed, the refinery can be better positioned to take advantage of less expensive crude oil, resulting in higher gross margin opportunities.

## Main Refining End Products

The following are the main finished products of refineries:

- Liquefied petroleum gas (LPG);
- Gasoline;
- Jet fuel/Kerosene;
- Diesel;
- Fuel oil and
- Bitumen (Asphalt)

## Economics of Refining

Oil refining is primarily a margin-based business in which a refiner's goal is to optimize the refining process and yields of all products in relation to feedstocks that are used. In a simple refinery, a greater percentage of the end products are less valuable heavy products such as fuel oil, long residue and bitumen, with the remainder being light products such as LPG, gasoline, diesel and jet fuel. Product yields depend on the type of crude oil and other feedstocks used. Crude composition is important because it determines the output structure of the refinery and ultimately its profitability. The total value of the finished products less the cost of crude oil and other feedstocks and imported utilities is known as the simple refining margin. The complex refining margin differs from the simple refining margin in that a lower proportion of heavy products are produced in a complex refinery due to equipment and technology available to convert the lower value heavy products into the higher value light products. More complex refineries are usually able to generate a higher yield due to their ability to produce higher value products using the same, or lower, cost crude oil or other feedstocks. As a result, complex margins are generally higher than simple margins.





## Thailand Refining Industry Dynamics

### Production

In 2022, according to the Ministry of Energy, Thailand's production of refined petroleum products totaled 385.21 million barrels on an annualized basis, representing a 4% increase from 2021.

The table below sets forth the production, imports, exports and consumption of the major refined petroleum products in Thailand for each of the last three years.

Unit: Barrel per day

	2020	2021	2022
<b>LPG</b>			
Production	174,899	180,967	163,487
Import	17,011	17,546	49,422
Export	7,403	5,672	5,790
Domestic demand *	182,681	194,814	205,767
<b>Gasoline</b>			
Production	223,738	213,450	222,534
Import	24,212	11,824	8,929
Export	22,537	27,753	28,921
Domestic demand	199,490	182,585	189,671
<b>Jet fuel</b>			
Production	51,750	36,142	64,371
Import	2,494	249	984
Export	11,783	5,758	14,554
Domestic demand	47,171	30,586	57,508



Unit: Barrel per day

	2020	2021	2022
<b>Kerosene</b>			
Production	28,478	28,972	33,154
Import	0	0	0
Export	140	603	377
Domestic demand	111	104	88
<b>Diesel</b>			
Production	474,393	464,301	472,525
Import	952	4,107	18,170
Export	98,910	111,412	59,043
Domestic demand	411,726	397,254	459,625
<b>Fuel oil</b>			
Production	81,403	92,082	99,305
Import	399	1,095	465
Export	45,182	51,811	50,723
Domestic demand	30,398	35,130	40,531
<b>Total of production volume</b>	<b>1,034,661</b>	<b>1,015,914</b>	<b>1,055,375</b>
<b>Total domestic demand</b>	<b>871,577</b>	<b>840,473</b>	<b>953,188</b>

\* Including Propane and Butane

Source: 2022-Year Statistics, Ministry of Energy

## Demand

In 2022, domestic demand for refined petroleum products totaled 347.91 million barrels on an annualized basis, approximately 13% increase from the prior year. Domestic demand increased for all major products except Kerosene.

The table below sets forth the product mix as a percentage of total domestic demand for each of the last three years.

Unit: Percentage

	2020	2021	2022
Product mix for domestic demand			
Light <sup>(1)</sup>	43.8	44.9	41.5
Middle <sup>(2)</sup>	52.7	50.9	54.3
Heavy <sup>(3)</sup>	3.5	4.2	4.2
<b>Total of domestic demand</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>(1)</sup> Light products include LPG and gasoline (excluding Reformate).

<sup>(2)</sup> Middle distillates include jet fuel/kerosene and diesel.

<sup>(3)</sup> Heavy product includes fuel oil

Source: Statistics for the year 2022, Ministry of Energy, Thailand

## Supply

There are currently six major refineries in Thailand with a combined oil refining capacity of 1,239 KBD. These include Bangchak Petroleum Public Company Limited ("Bangchak"), Esso (Thailand) Public Company Limited ("ESSO"), PTT Global Chemical Public Company Limited ("PTTGC"), Star Petroleum Refining Company Limited ("SPRC"), Thai Oil Public Company Limited ("Thai Oil"), and IRPC Public Company Limited ("IRPC). Bangchak and Esso operate retail service stations under their own brand, and through which they distribute their refined petroleum products. The table below provides certain capacity of the six major refining companies in Thailand.

Refinery	Current crude oil refining capacity (kbpd)	Structure
Esso	174,000	Complex
Thai Oil	275,000	Complex
Bang Chak	120,000	Complex
IRPC	215,000	Complex
PTTCG <sup>(1)</sup>	280,000	Complex
SPRC	175,000	Complex
<b>Total</b>	<b>1,239,000</b>	

<sup>(1)</sup> Capacity of PTTGC includes crude refining capacity of 145 KBD and condensate splitter of 135 KBD.

Source: Department of Energy Business, except for capacity figures for Esso, which is based on maximum rated capacity (Stream Day basis)

## Retail Marketing Industry

The distribution of retail fuel products in Thailand, namely, diesel and gasoline, is carried out through a network of retail service stations. The industry is highly competitive and is fragmented, with small and independent retailers representing approximately 71% of the number of service stations as of December 31, 2022. However, major retailers, namely, PTT, Esso, Shell, Bangchak, PT, Susco and Chevron (Caltex) had a combined market penetration of more than 90% in terms of throughput volumes in 2022.

Number of service stations as of December 31, 2022 by each retailer are as follows:

	PTT <sup>(1)</sup>	Esso	Shell	Bang Chak	PT	Susco <sup>(2)</sup>	Chevron	Other retailers
Number of service stations	2,391	802	697	1,343	2,231	181	443	19,905

<sup>(1)</sup> Including PTT Retail and PTT Management

<sup>(2)</sup> Including Susco's dealers

Source: Department of Energy Business, Ministry of Energy, Thailand

Other than refined petroleum products, service stations provide a range of additional services in the form of convenience stores, the sale of car accessories and lubricants, vehicle repair services, and car washes. Non-fuel income and fuel sales are especially important in competitive markets where marketing margins are low.



## Laws and regulations related to the petroleum refining industry in Thailand

### Key Regulations Relating to Our Refinery

#### Pricing of Refined Petroleum Products and Price Stabilization

Domestic sales prices of refined petroleum products are market driven, generally based on Import Parity Price. This price refers to the ex-refinery price of the refined petroleum product in the domestic market as reflected by the Singapore spot market price for the relevant product quoted on MOPS, plus the logistics costs of transporting such product from Singapore to Thailand, such as insurance, freight, import duties, ocean losses and handling. A premium or discount may be added or deducted for certain products to account for the differences in the product quality specifications between the two locations and to account for specific domestic market conditions. For example, during a period of domestic oversupply or when there is a high level of supply in the Asian markets which reduces exports from Thailand, the domestic ex-refinery price in Thailand may be substantially lower.

The ex-refinery wholesale price also includes relevant excise and municipal taxes, oil fuel fund contributions, the energy conservation promotion fund contributions imposed by the Government, and value added taxes. Taxes and fund contributions are collected as pass-through items by Thai refineries and are then forwarded to the applicable Government authorities.

In general, Export sales of refined petroleum products are generally priced on an Export Parity basis. This means that the ex-refinery price of the refined product for export generally reflects the Singapore spot market price for the relevant product quoted on MOPS, plus or minus a premium or discount that is subject to the market conditions at the time and negotiations with potential purchasers to account for differences in petroleum product quality.

Previously, the government had controlled over domestic sales of liquefied petroleum gas (LPG), which is mainly used as a household gas and in the transport sector. The government has required all liquefied petroleum



gas producers including the Company to sell liquefied petroleum gas at the ex-refinery wholesale price to the buyer at a controlled price inclusive of excise taxes, municipal taxes and VAT. The Energy Policy and Planning Office (EPPO) announces the wholesale price of liquefied petroleum gas that the government controls on a bi-weekly basis. The price of liquefied petroleum gas has been gradually adjusted according to the free market, which is based on global market prices. This is in accordance with the energy policy dated July 5, 2017, which will allow the price of liquefied petroleum gas ex-refinery to float starting from August 2017 onwards.

### LPG Exports

In addition to the de-regulations of the LPG ex-refinery price, the Government moves another step closer to a free market by allowing the export of LPG by domestic producers, however such exports are still required an approval from the Department of Energy Business as well as are subjected to pay some amount to the oil fuel fund. The export LPG may impact revenues, depending on export prices relative to domestic prices.

### Legal Reserve Requirement

Pursuant to the regulations of the Energy Business Department of the Ministry of Energy, by virtue of Oil Trading Act B.E. 2543, each Thai refinery is required to hold as a legal reserve an equivalent of 5% of its annual throughput of crude oil for producing refined petroleum products domestically. In addition, the regulations also require a legal reserve for fuels produced at rates

prescribed depending on the type of fuel, for example, the requirement for gasoline, diesel, aviation jet A1, fuel oil, and liquefied petroleum gas (LPG) is 1% of annual trade volume and liquefied petroleum gas (LPG) is 2%.

### Oil Fuel Fund and Energy Conservation Promotion Fund

The State Oil Fund Act of 2019 was promulgated on May 27, 2019 to remedy and further prevent the shortage of oil supply and to stabilize the domestic retail price in light of the rapid increase of the global price of oil fuels and to minimize any adverse effect on the economy. The operators of oil fuel production and distribution are obligated to make contributions to the fund in accordance with the volume produced or distributed at the rate levied by the Energy Policy and Planning Office (EPPO). The remittance to the fund is made under the supervision of the Excise Department, the Customs Department, and the Energy Fund Administration Institute.

The energy conservation promotion fund was established pursuant to the Energy Conservation Promotion Act B.E. 2535. The fund was created to meet the requirements for working capital and expenditures, to support or promote the activities relating to energy conservation and to protect against and mitigate any adverse impact resulting from the development and utilization of energy. The operators of oil fuel production and distribution are obligated to make contributions to the fund at the rate prescribed by NEPC. The Excise Department, the Customs Department, and the Mineral Fuels Department are in charge of collecting the contributions to the fund.





## Product Specification

The Government has imposed stringent environmental compliance regulations on petroleum products. The regulations are issued by the Department of Energy Business, Ministry of Energy from time to time pursuant to the Fuel Oil Trading Act, B.E. 2543. The government has established policies to improve the quality of petroleum products, such as reducing the lead content in unleaded gasoline and diesel.

The government has set a policy to change the quality of petroleum products, such as reducing the lead content in gasoline and reducing the sulfur content in diesel, etc. According to the current announcement of the Department of Energy Business related to the characterization and quality of gasoline, it states that the lead content in gasoline, including various types of Gasohol including gasohol E10 (91 octane), Gasohol E10 (octane 95) and Gasohol E20 shall not exceed 0.013 grams per liter and since January 1, 2012, according to the Department of Energy's Notification, the quantity of lead in various gasoline shall not exceed 0.005 grams per liter and the proportion of sulfur shall not exceed 0.005% by weight

and the proportion of benzene shall not be higher than 1.0% by volume and the olefin ratio shall not be higher than 18% by volume.

Pursuant to the regulations of the Energy Business Department pertaining to the specifications and qualifications of diesel, the proportion of sulfur contained in high-speed diesel must not exceed 0.035% of its weight. From January 1, 2012, the proportion of sulfur contained in high-speed diesel must not exceed 0.005% of its weight. In addition, the regulations of the Energy Business Department also require that from January 1, 2012 onwards, the proportion of polycyclic aromatic hydrocarbons (Polycyclic Aromatics Hydrocarbon: PAH) must not exceed 11% of its weight.

The Energy Business Department issued new specifications and qualifications of sulfur contained in all gasoline grades must not exceed 0.001% of its weight on 17 December 2019, as well as of all diesel grades must not exceed 0.001% of its weight and PAH not exceed 8% of its weight on 28 May 2020 with an effective date of January 1, 2024.

Product specifications may vary from product to product and may depend on the purposes for which the product is to be used. For example, refined petroleum products for export purposes may be exempt from compliance with the stringent specification and quality control in Thailand.

The Thai Cabinet Resolution approved a new strategy to solve Thailand's energy shortages by promoting the use of compatible energy sources in place of oil. Compatible energy sources include gasohol, bio-diesel.

## Key Regulations Related to Service Stations

### Fuel Oil Trading Act B.E. 2543

The Fuel Oil Trading Act B.E. 2543 provides that an oil trader that operates an oil trading business by setting up a service station must file an application for registration with the Director-General of the Department of Energy Business of the Ministry of Energy. The Director-General is empowered to issue notifications prescribing the properties and qualities of fuel oil that the oil traders can sell or possess for sale. Such notifications are applicable nationwide.

### Fuel Oil Control Act B.E. 2542

In addition to the registration requirements under the Fuel Oil Trading Act of the Fuel Oil Control Act B.E. 2542 and relevant ministerial regulations further require that the operators of service station businesses, a controlled business, must notify or seek permission from the Department of Energy Business of the Ministry of Energy before engaging in such business, and must comply with the rules stipulated thereunder, such as the rules regarding control of vapor of fuel oil kept in service stations to prevent and resolve air pollution.



## Operating Assets

### Fixed Assets

As of December 31, 2022, the net asset value of the Company and subsidiaries as shown in the financial statements is as follows:

Unit: Million Baht

Main fixed assets	Net asset value after deducting depreciation and amortization as of December 31, 2022
Land	4,946
Building, Plant and Equipment	16,907
Construction in progress	1,129
<b>Total net tangible asset value</b>	<b>22,982</b>

As at 31 December 2022, the cost of fully-depreciated property, plant and equipment of the Company, that were still in use amounted to Baht 20,209 million and Baht 19,882 million, respectively (2021: Baht 20,060 million and Baht 19,733 million).

Net asset breakdown by business segment as of December 31, 2022 is as follows:

Unit: Million Baht

Main fixed assets	Net book value after deducting accumulated depreciation and allowance for impairment as of December 31, 2022
Downstream business	22,938
Petrochemical business	44
<b>Total of net tangible asset value</b>	<b>22,982</b>

There are no Esso assets pledged as collateral.

### Insurance

Our significant insurance policies include property all risks, third party liability and marine cargo insurance. Substantially all of our insurance policies are insured by Bangkok Insurance Public Company Limited. We do not carry business interruption insurance. We review our insurance coverage periodically to determine whether our perceived risks are adequately covered.

Under our property all risks insurance policy, we are insured against loss or damage to certain significant properties including production facilities, certain distribution terminals, inventory, certain office buildings, equipment, and major systems in the amount of US\$588 million per occurrence.

Our third party liability policy covers our legal and contractual liabilities to other parties arising out of personal injury or death, property damage, and advertising in the amount of US\$150 million for general annual aggregate third party liability and US\$1,000 million for aviation related annual aggregate liability. Our marine open cargo insurance covers loss or damage during loading and transportation of products by air, sea and land, in the amount not to exceed US\$110 million for one vessel or one cargo trip.

Except for the legal liability insurance policy for the operation of Category 3 Controlled Activities under Fuel Oils Control laws, all of the above insurance policies are subject to deductibles. Some of our insurance coverages do not extend to war or acts of terrorism, among other exclusions.

## Intangible Assets

As of December 31, 2022, the net intangible asset value of the Company and subsidiaries as shown in the financial statements is as follows:

Unit: Million Baht

Intangible Assets	Net book value after amortization as at December 31, 2022
Royalties and licenses	-
Computer software	126
<b>Total of net intangible assets</b>	<b>126</b>

In addition to the above Royalties and Licenses and Computer software, the Company also has other intangible assets and other rights as of December 31, 2022 as listed below:



## Long term lease agreement

The Company leases land under long term lease agreements with subsidiaries including Industry Promotion Enterprises Limited (IPEL), United Industry Development Company Limited (UIDC) and Pacesetter Enterprises Limited (PSE). The Company is eligible to make use of land with an approximate area 526,673.6 sqm for our service stations and approximately 205,000 sqm for our distribution terminals.

Under the lease agreements, United Industry Development Company Limited (UIDC) and Pacesetter Enterprises Limited (PSE) agree to lease land to the company for an approximate 30 year period. Rental fees are set as cost plus basis were set in each lease agreement.

For the lease agreement with Industry Promotion Enterprises Limited (IPEL), rental periods are different in each agreement. The Company has the right to extend the lease period when the agreement expires. Rental fees are paid on an annual basis.

As of December 31, 2022, the net land value of the Company and subsidiaries as shown in the financial statements is as follows:

Unit: Million Baht

Land (classified by company)	Net land value as of December 31, 2022
The Company	690
Industrial Promotion Enterprises Co., Ltd.	8
United Industry Development Co., Ltd.	3,041
Pacesetter Enterprises Limited	1,207
<b>Total land value</b>	<b>4,946</b>

## Right-of-use assets

As of December 31, 2022, the net right-of-use asset of the Company and Subsidiaries as shown in the financial statements is as follows:

Unit: Million Baht

Right-of-Use Assets	Net value after deducting depreciation and amortization as of December 31, 2022
Properties	3,773
Vehicles	-
Equipment	50
<b>Total right-of-Use Assets value</b>	<b>3,823</b>



## BOI privilege

The Company received two investment incentive certificates for business operations from the Board of Investment (BOI) in accordance with Board of Investment criteria by virtue of the Investment Incentive Act B.E. 2520 as follows:

### (1) Petroleum product production on July 16, 1992,

with a refining unit of approximately 82 KBD. Rights and benefits received by the Company from the Board of Investment (BOI) for the promoted business are in accordance with conditions stipulated in the investment incentive certificate.

In 2020, Company received additional privileges under the above incentive certificate for import of machinery used to improve fuel quality for Euro 5 specification from December 27, 2019 to October 31, 2023, with the condition that the fuel quality improvement project must be completed by December 31, 2023.

### (2) Paraxylene production in the category of petroleum chemical products

production in Thailand on January 16, 1998 with respect to the construction of an aromatics plant adjacent to the Company's Sriracha refinery. The plant had paraxylene production capacity of approximately 350,000 tons per annum. The Company was allowed to expand the plant capacity to 420,000 and 540,000 tons per annum on June 15, 2001 and July 23, 2003, respectively. Later, the Board of Investment cancelled the incentive certificate on July 25, 2022 upon company's letter to cancel an incentive certificate subjected to discontinuing production.

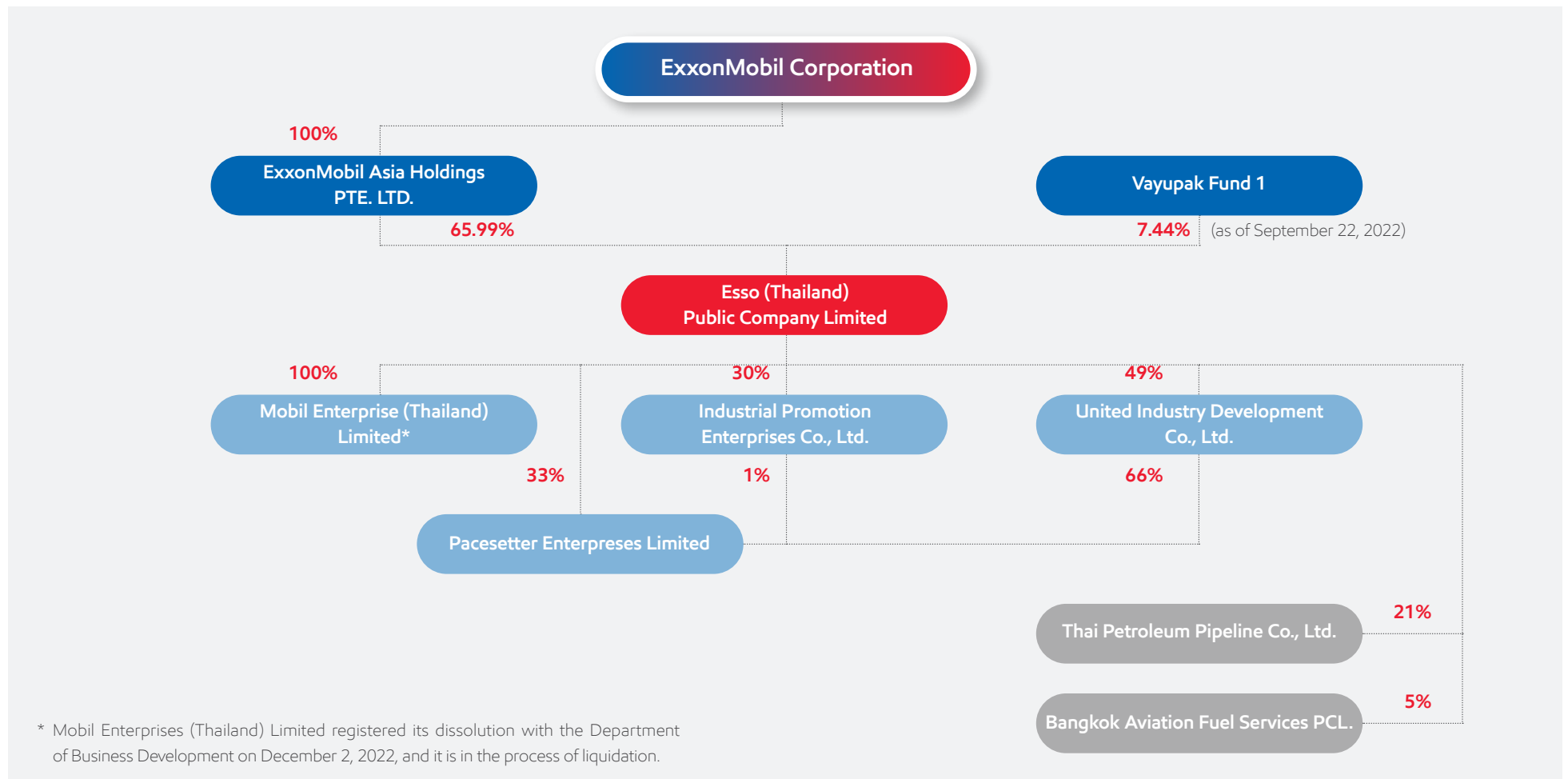




## Shareholding Structure

### Shareholding Structure

The following chart shows the shareholding structure of the companies we own either directly or indirectly as of December 31, 2022.





The Company is an ExxonMobil Corporation affiliate. ExxonMobil Asia Holdings Pte Ltd owns 65.99% and the Vayupak Fund 1, which was established by the Ministry of Finance, owns 7.44% (3.72% held by Vayupak Fund 1 by MFC Asset Management Public Co., Ltd and 3.72% held by Vayupak Fund 1 by Krung Thai Asset Management Public Co., Ltd). The remaining 26.57% ownership is publicly held. On January 11, 2023, Esso (Thailand) was notified by ExxonMobil Asia Holdings Pte. Ltd. ("ExxonMobil"), our majority shareholder, that they are signing an agreement with Bangchak Corporation Public Company Limited ("Bangchak") in which ExxonMobil will sell all its shares in the Company to Bangchak. The ExxonMobil and OEM (Original Equipment Manufacturer) branded lubricants business (finished lubricants business) and ExxonMobil branded chemicals marketing business (chemicals marketing business) are outside of the scope of this transaction. The transaction is also subject to conditions being fulfilled, including the approvals of the relevant authorities (if required). It is anticipated that the completion of the transaction will

occur sometime in the second half of 2023, however, the process could take up to 12 months to complete.

As of December 31, 2022, the Company has subsidiaries, associated companies and related companies as follows:

- **Industry Promotion Enterprises Limited (IPEL)'s** business operation is to rent out plots of land to the Company under long term lease agreements. As of December 31, 2022, the registered capital of IPEL is THB 3,333,400. IPEL's shares consist of common shares and preferred shares. All of IPEL's common shares, equaling 30% of all issued shares, are held by the Company. All of IPEL's remaining preferred shares are held by employees of the Company and/or employees of ExxonMobil Corporation affiliates. In terms of accounting, IPEL's performance is included in the Company's consolidated financial statements.
- **United Industry Development Company Limited (UIDC)'s** business operation is to rent out plots of land and office building to the Company under long term lease agreements. As of December 31, 2022, the registered capital of UIDC is THB 10,000,000. UIDC's shares consist of common shares and preferred shares. All of UIDC's common shares, equaling 49% of all issued shares, are held by the Company. All of IPEL's remaining preferred shares are held by employees of the Company and/or employees of ExxonMobil Corporation affiliates. In terms of accounting, UIDC's performance is included in the Company's consolidated financial statements.
- **Pacesetter Enterprises Limited (PSE)'s** business operation is to rent out plots of land to the Company under long term lease agreements. As of December 31, 2022, the registered capital of PSE is THB 10,000,000. PSE's shares consist of common shares group A and common shares group B. About 33 % of all issued shares are held by the Company. In terms of accounting, PSE's performance is included in the Company's consolidated financial statements.
- **Mobil Enterprises (Thailand) Limited (METL)'s** business is to sell petroleum products and provide fuels transportation services; however, METL is currently dormant. As of December 31, 2022, the registered capital of METL is THB 3,333,000. Approximately 100% of all issued shares are held by the Company. METL registered its dissolution with the Department of Business Development on December 2, 2022, and it is in the process of liquidation.
- **Thai Petroleum Pipeline Company Limited (THAPPLINE)** operates a petroleum pipeline to transport clean products from the Company's refinery and Thai Oil Public Company Limited's refinery in the Sriracha area to Bangkok's International airports (Don Muang and Suvarnabhumi) and to terminals in Lumlukka and Saraburi. As of December 31, 2022, the registered capital of THAPPLINE is THB 8,479,000,000. THAPPLINE's shares consist of common shares and preferred shares. About 21% of all issued shares are held by the Company.

- Bangkok Aviation Fuels Services Public Company Limited (BAFS), a listed company in the Stock Exchange of Thailand, provides aircraft fuel services including aviation fuel depot and aircraft refueling services. As of December 31, 2022, the paid up capital of BAFS is THB 637,496,153. About 5.41% of issued and paid up shares are held by the Company.

#### Subsidiaries, Associated and Related Companies

Company Name and Address	Type of Business	Registered Capital (Baht)	Shareholding (%)
<b>Mobil Enterprise (Thailand) Co., Ltd. (METL)</b> <sup>(1)</sup> 3195/17-29 Rama IV Road, Khlong Ton, Khlong Toey District, Bangkok 10110 Phone: 02 407 4000	Currently dormant	3,333,000	100
<b>Industrial Promotion Enterprise Co., Ltd. (IPEL)</b> 3195/26 Rama IV Road, Khlong Ton, Khlong Toey District, Bangkok 10110 Phone: 02 407 4000	Real estate for lease	3,333,400	30 <sup>(2)</sup>
<b>United Industry Development Co., Ltd. (UIDC)</b> 3195/27 Rama IV Road, Khlong Ton, Khlong Toey District, Bangkok 10110 Phone: 02 407 4000	Real estate for lease	10,000,000	49 <sup>(2)</sup>
<b>Pacesetter Enterprises Limited (PSE)</b> 3195/27 Rama IV Road, Khlong Ton, Khlong Toey District, Bangkok 10110 Phone: 02 407 4000	Real estate for lease	10,000,000	33 <sup>(3)</sup>
<b>Thai Petroleum Pipeline Co., Ltd. (THAPPLINE)</b> 2/8 Moo 11, Lam Luk Ka Road, Ladsawai Lamlukka, Pathumthani 12150 Phone: 02 991 9130	Petroleum pipelines	8,479,000,000	21
<b>Bangkok Aviation Fuel Services PCL. (BAFS)</b> 171/2 Moo 10, Vibhavadi Rangsit Road, Sikan, Don Mueang District, Bangkok 10210 Phone: 02 834 8900	Aviation fuel supplier	637,496,657	5 <sup>(4)</sup>

<sup>(1)</sup> Mobil Enterprises (Thailand) Limited registered its dissolution with the Department of Business Development on December 2, 2022, and it is in the process of liquidation.

<sup>(2)</sup> The remaining preferred shares are held by employees of the Company and/or ExxonMobil's affiliates.

<sup>(3)</sup> The remaining shares are held by UIDC and IPEL.

<sup>(4)</sup> Based on Company's information as of December 31, 2022

#### Parties with Conflict of Interest

- None -

## Relationship with Major Shareholder and subsidiaries

As one of ExxonMobil Corporation's affiliates, the Company utilizes ExxonMobil's highly disciplined approach to its business and operations. The Company benefits from extensive operational, technological and administrative support from ExxonMobil Corporation. The Company benefits from ExxonMobil Corporation's global crude purchasing capabilities and scale to achieve a cost-effective and reliable crude supply. Moreover, access to ExxonMobil Corporation's global refined petroleum products and chemicals sales information network allows the Company to achieve optimal net realizations for its products.

As the party to Standard Research Agreement with ExxonMobil, the Company has access to extensive research and development conducted by ExxonMobil and the resulting intellectual property. As ExxonMobil continually develops and deploys new technology, the Company is able to use proprietary ExxonMobil technology. The Company benefits greatly from the use of "Esso" and other ExxonMobil trademarks licensed from ExxonMobil. On January 11, 2023, Exxon Mobil Corporation provided the Company with the notice of termination of the Trademark License Agreement with effective on the completion date under the Share Purchase Agreement signed by and between ExxonMobil and Bangchak. It is anticipated that the completion of the transaction will occur sometime in the second half of 2023, however, the process could take up to 12 months from January 11, 2023 to complete.

ExxonMobil affiliates also provided the Company with cost-efficient technical and business-support services including technical personnel and corporate support services e.g. accounting, customer services, human resource services, and information services.

The Company is able to source highly qualified personnel, and to continually develop the competency of our employees. Some of employees are offered opportunities to work with different ExxonMobil affiliates to broaden their experience and further develop their expertise.

## Shareholders

The top 10 shareholders registered in the share register book as of September 22, 2022 were as follows:

Major Shareholders	Number of Shares	% Shares
1. ExxonMobil Asia Holdings Pte. Ltd.	2,283,750,000	65.99
2. Vayupak Fund 1 by MFC Asset Management Public Co., Ltd	128,610,450	3.72
3. Vayupak Fund 1 by Krung Thai Asset Management Public Co., Ltd	128,610,450	3.72
4. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	58,926,277	1.70
5. Bualuang Long Term Equity Mutual Fund	29,505,500	0.85
6. TISCO MASTER POOLED REGISTERED PROVIDENT FUND	27,704,900	0.80
7. TISCO Strategic Fund	26,500,000	0.77
8. Mr. Charn Sophonpanich	14,680,000	0.42
9. THE BANK OF NEW YORK MELLON	13,634,197	0.39
10. SE ASIA (TYPE B) NOMINEES LLC	12,797,540	0.37
<b>Total</b>	<b>2,724,719,314</b>	<b>78.73</b>

\* Excluding 322,627,820 shares (9.32%) under Thai NVDR Co., Ltd.





## Registered and paid-up capital

### Common Shares

As of December 31, 2022, the Company has registered capital of Baht 17,110,007,246.71. The Company's paid-up capital is Baht 17,075,181,200.40 which comprises of 3,460,858,000 common shares with a par value of 4.9338 Baht per share

### Other Shares with Different Terms and Rights from Common Shares

- None -

### Shares or Convertible Securities as Underlying Securities for Issuing Mutual Funds for Foreign Investors

- None -



## Issuance of Other Securities

### Convertible Securities

- None -

### Debt Securities

As of December 31, 2022, the Company receives approval from the Securities and Exchange Commission to offer for sale the short term debt instruments as described below:

<b>Type of Instrument</b>	Short Term Bills of Exchange (B/E), where names of holders are specified and without any collateral
<b>Term</b>	Not exceeding 270 days
<b>Total Offering Size</b>	Total outstanding at any given time not to exceed THB 12,000,000,000- (Twelve billion baht)
<b>Unit Price</b>	Not less than THB 10,000,000 (Ten million baht)
<b>Offering Price</b>	Face value less a discount
<b>Issue Date</b>	As specified on the face of the short term bills of exchange
<b>Maturity Date</b>	As specified on the face of the short term bills of exchange (upon 270 days after Issue date). If the Maturity Date falls on a bank holiday, then the Maturity Date shall be the next business day.
<b>Interest Rate</b>	Fixed rate
<b>Repayment</b>	The Company shall redeem the short term bills of exchange on the Maturity Date through the paying agents.
<b>Collateral</b>	None
<b>Credit Rating</b>	F2 (tha) Short-Term Rating by Fitch Ratings and A+ Stable Company Rating by TRIS Rating Co., Ltd.
<b>Outstanding of the Bills of Exchange: (as of December 31, 2022)</b>	Baht 1,139 million (One thousand one hundred and thirty nine million baht)

## Dividend Policy

The Board of Directors may recommend annual dividends, subject to approval by the Company's shareholders. The Board of Directors may, by resolution, decide to pay interim dividends as appear to the directors to be justified by Company profits. Distribution of an interim dividend must be reported to the shareholders at the next general meeting of shareholders following approval by the Board of Directors.

The Board of Directors has a policy to propose an annual dividend payment to shareholders at the rate of not less than 40 percent of the net profit after the allocation of all types of reserves and subject to investment plans, necessity, relevant laws and regulations. However, the actual dividend payout rate may differ by higher or lower than the rate set forth in the above policy, depending on various risk factors.



Past dividend payment information of the Company are as follows.

Year	2020	2021	2022
Earnings per share* (Baht)	(2.27)	1.29	2.72
Dividend payment per share* (Baht)	0	0	0.80**
Dividend payout ratio after deduction of legal reserve (%)	0	0	30
Dividend payout ratio after deduction of legal reserve and beginning period retained loss (%)	0	0	58

\* Based on Separate Financial Statements

\*\* Annual General Meeting of Shareholders to approve final dividend will be on April 25, 2023

Board of directors of each subsidiary may recommend annual dividends, subject to approval at its shareholders' meeting. The dividend payment is subject to cash flow after deduction of all specified reserves, subject to investment plans, applicable laws, contingencies, and other relevant considerations.



## Risk Management

### Comprehensive Risk Management

The Company's risk management framework is designed to drive consistency across risk types, and monitor key risks, including risk related to climate change. The Company has a framework designed to identify, manage and oversee risks and opportunities associated with its business and enable management to manage risks while the Board of Directors to exercise oversight responsibilities. It aligns with the international standard's approach of COSO (Committee of Sponsoring Organizations of the Treadway Commission).

The Company's approach to risk management is multilayered such as operational risk, control risk, strategic risk, reputation/brand risk and legal risk and includes clearly defined roles and responsibilities for managing each type of risk. It includes a definition of the responsibilities of risk owners, functional experts and independent verifiers. Each risk type is managed and supported by functional units that are responsible for specifying

company requirements and processes. Each of these processes includes the critical elements of leadership, people, risk identification and management, and continuous improvement. Risk management responsibilities of the Management Committee and oversight responsibilities of the Board of Directors and its committees are a key part of risk management framework.

On a quarterly basis, the Board of Directors reviews operational and financial performance including Safety, Security, Health & Environment (SSH&E) performance, to ensure operations of the businesses are based on appropriate risk control and management systems. On an annual basis, the Audit Committee reviews mitigation of key risk areas impacted by external and internal factors and attests the adequacy of risk management processes.

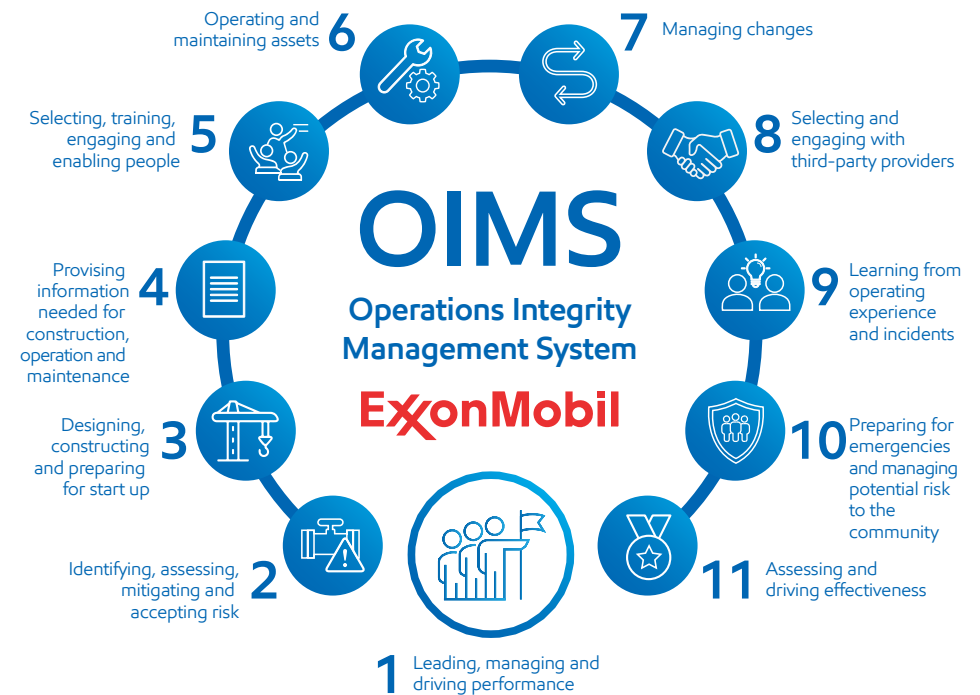
## Operations Integrity Management System (OIMS)

The Company is committed to conducting business in a manner that is compatible with the environmental and economic needs of the communities in which we operate, and strives to protect the safety, security, and health of its employees, those involved with its operations, its customers, and the public. These commitments are documented in the Company's Safety, Security, Health, Environmental, and Product Safety policies. These policies are put into practice through a disciplined management framework called the Operations Integrity Management System (OIMS).

OIMS provides a systematic, structured, and disciplined approach to measure progress and track accountability across business lines, facilities, and projects.



In 2022, Lloyd's Register Quality Assurance, Inc. attested that OIMS is consistent with the standard on environmental management systems of the International Organization for Standardization (ISO 14001:2015) and the Occupational Health and Safety Assessment Series for health and safety management systems (OHSAS 45001:2018). OIMS consists of the 11 elements illustrated in the following diagram.



In 2021, we implemented 'Enhancing Process Safety' (EPS) to look at potential high consequence scenarios and ensure mitigation is managed effectively for both facility and human-related risk mitigation.



## Control Integrity Management Systems (CIMS)

The System of Management Control Basic Standards (SMC) defines essential principles and concepts that form the foundation of the Company's business controls. The Controls Integrity Management System (CIMS) is designed to assess and measure financial and business risks. CIMS includes embedded procedures for mitigating risks, steps to monitor compliance with standards, and practices for reporting results to the appropriate operational and management groups. These company-wide controls meet or exceed the requirements of the Sarbanes-Oxley Act and NYSE listing standards and the controls integrity management system aligns with COSO Enterprise Risk Management.

PricewaterhouseCoopers ABAS Ltd conducted an independent assessment of the Company's internal control systems and determined they are effective. Regular self-assessments and internal audits help ensure that every operating unit consistently implements these control standards.



## Risk Factors

The Company's financial and operating results are subject to a variety of risks inherent in the global and regional petroleum and petrochemical businesses. Although the Company monitors and manages these risks through the comprehensive management systems mentioned previously, many of these risk factors are not within the Company's control and could adversely affect our business, our financial and operating results, our financial condition as well as the value of our shares.

## Supply and Demand

The petroleum and petrochemical businesses are fundamentally commodity businesses. This means the Company's operational and financial results, including stock gains and losses, may be significantly impacted by changes in refined petroleum and petrochemical product prices and margins. Refined petroleum and petrochemical product prices and margins are determined by local, regional, and global events or conditions that affect supply and demand for the relevant commodity. Oil prices can fluctuate with abundant or disruptive supply.

In 2022, the relaxation of COVID-19 control measures had resulted in improved demand for fuel products both domestically and internationally. In many countries including Thailand, resumed mobility as well as gas-to-liquid switching in power generation industry had significant impact in demand for fuel products. However, Russia-Ukraine conflict and economic recession had caused demand and supply uncertainties globally. Therefore, the Company needed to adjust its production plans in response to the change in demand and supply conditions.

## Economic Conditions

The demand for refined petroleum and petrochemical products correlates closely with general economic growth rates. The occurrence of recessions or other periods of low or negative economic growth will typically have a direct adverse impact. Other factors that affect general economic conditions in the world or in a major region, such as changes in population growth rates, periods of civil unrest, or broader breakdowns in global trade, can also impact the demand for energy and petrochemicals. Economic conditions that impair the functioning of financial markets and institutions also pose risks to the Company, including risks to the safety of financial assets and the ability of partners and customers to fulfill their commitments to the Company.

According to the Office of the National Economic and Social Development Council, the Thai economy grew by 2.6 percent in 2022, improved from 1.5 percent in 2021, driven mainly by the tourism recovery and continual improvement of domestic demand in both private consumption and investment.

## Other Demand-Related

Other factors that may affect the demand for oil and petrochemicals include technological improvements in energy efficiency; seasonal weather patterns, which affect the demand for energy associated with heating and cooling; increased competitiveness of alternative energy sources and changes in technology or consumer preferences that alter fuel choices such as alternative

energy fueled vehicles. Government environmental policies and regulations, including those addressing greenhouse emissions and vehicle electrification, will also likely be key factors influencing demand of carbon-based fuels.

## Other Supply-Related

Changes in industry refining margins, marketing margins, or increasing competitive pressures in fuels marketing and lubricants businesses also have direct impact to profitability of the Company. In particular, the intense competition within the fuels retailing business is another risk factor. Many fuel retailers have rapidly expanded their number of service stations, and have launched marketing campaigns to increase market penetration.

Commodity prices and margins vary depending on a number of factors affecting supply. For example, increases in industry refining or petrochemical manufacturing capacity above demand levels tend to reduce margins. The global petroleum and petrochemical industry can also be affected by other factors that reduce available supplies, such as adherence by OPEC member countries to production quotas, the occurrence of wars, hostile actions, natural disasters, or the unexpected unavailability of distribution channels. Technological change can also alter the relative costs to produce and refine oil and manufacture petrochemicals.





## Market and Financial Risks

The Company's business results are also exposed to fluctuation of currency exchange rates, interest rates, inflation, and other local or regional market conditions. We generally do not use financial instruments to manage such market exposures.

### Market prices for petroleum commodities risk

Prices for crude oil and other raw materials, as well as petroleum products and petrochemical products are determined by market prices which fluctuate and are uncontrollable.

Our financial and operating performance is partly influenced by the cyclical nature of the refining and aromatic businesses. Refining and aromatic businesses experience periods of tight supply resulting in the increase of product prices and margins and periods in which production capacities increase resulting in oversupply and a decrease in product prices and margins. Significant fluctuations in crude oil prices as well as the prices of other raw materials influenced by government's direction on fuel specification and market prices may adversely impact our financial and operating performance significantly.

2022 Dubai prices averaged \$96.3/Bbl, an increase of \$27.1/Bbl compared to last year mainly due to demand recovery from overall improved COVID-19 situation, the Russia-Ukraine conflict, and rising oil demand from gas-to-liquid switching as a result of higher natural gas price. However, concerns over bearish sentiment of global economy had pressured crude prices to be volatile throughout the year.

In tandem with crude prices, all product prices continued to move in upward trend as a result of higher demand from resumed economic activities supported by recovery in global tourism industry as well as gas-to-liquid switching in power generation industry.

Volatility and cyclical movement in prices for crude oil and petroleum and petrochemical products are not predictable and can significantly affect financial results. Given the large size and the long-term nature of the business, we expect that this risk will moderate over time. We do not employ the use of derivative instruments to manage the risk.

### Intense Competition

The intense amount of competition in the oil retailing business is another key risk factor. Many oil retailers have rapidly expanded their number of service stations with marketing campaigns to capture market penetration. The Company's ability to develop and deliver a competitive offer to customers as well as growing retail networks will influence sales volumes and growth.

## Foreign Exchange Risks

Our activities are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Purchases of goods and export sales are primarily transacted in US Dollars. Domestic sales are transacted predominantly in Baht, and are thus not subject to foreign exchange risk.

Commercial sales of our refined petroleum products and aromatics and other chemical products sold domestically as well as retail sales of our refined petroleum products although transacted in Thai Baht, mostly are linked to U.S. dollar-based regional refined product prices. There could be negative or positive effect due to lagged effect although we expect the impact will be moderate overtime.

As at 31 December 2022 and 2021, the Company had no short-term or long-term debt denominated in foreign currencies. In 2022, the Group did not enter into any forward foreign currency contracts. The Group's foreign exchange guidelines prohibit speculative foreign exchange transactions.

## Interest rate risk

Company's borrowings are all currently floating rates which are subject to interest rate risk. The Company continuously monitors financing portfolios to ensure appropriate actions are taken if refinancing actions are warrant.



## Credit risk

Credit risk primarily arises from cash and cash equivalents, and credit exposure to wholesale and retail trade customers, including outstanding receivables and committed transactions. Credit risk in respect to balances outstanding with related parties has been assessed to be low due to the overall strength of the ExxonMobil Group.

In the case of cash and cash equivalents, only independently rated banks with a minimum rating of at least BBB-, or equivalent, are accepted.

For trade customers, risk evaluations are performed internally which include reviews of financial positions, business success indicators, past experience, and other factors. Individual risk limits are set based on the resultant internal ratings in accordance with limits set by management. Risk categories are established for individual customers based on internal credit guidelines ranging from very low to very high risk. The risk categories are intended to reflect the risk of payment default by a customer and are similar to the rating scales established by external rating agencies.

## Liquidity risk

The Company manages liquidity risk by maintaining an adequate operating level of cash and cash equivalent balances. In addition, the Company maintains committed credit facilities as well as a number of uncommitted credit facilities from banks and related parties. The Company reviews requirements for future cash flows through the completion of an annual finance plan process. The finance plan is completed for the forthcoming year to ensure that estimates of future requirements are analyzed such that appropriate facilities can be made available.

The Company currently has adequate financing sources. As at 31 December 2022, the Group had undrawn and uncommitted facilities of Baht 71,751 million of which majority was from ExxonMobil affiliates. The Company has also received an approval from the Securities and Exchange Commission to offer for sale Baht 12,000 million of bills of exchange in a revolving program, of which Baht 1,139 million has been utilized as of 31 December 2022.



Liquidity risk may also arise if customers are not able to settle obligations to the Company within the normal credit term. To manage this risk, the Company periodically assesses financial viability of customers and may require certain customers to provide bank guarantees or other similar instruments.

### Capital risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders.

In the future, the Company may adjust the amount of dividend paid to shareholders in order to maintain an appropriate capital structure. Annually, the Company completes a finance plan which seeks to establish positions for the current and future years' dividend projections.



## Government Policies, Laws and Regulations

The Company's results can be adversely affected by changes in government policy, the laws that govern the Company's businesses, or other regulatory factors such as increases in taxes, restrictive permitting, price controls, changes in environmental regulations, and carbon neutral policy. In addition, the impacts can be due to the laws that increase cost of compliance, reduce or delay available business opportunities. Those include an adoption of regulations mandating the use of alternative fuels or other uncompetitive fuel components. The Company also may be adversely affected by the outcome of litigation or other legal proceedings including large and unpredictable punitive damage awards.

In 2022, the Company continued considering several potential regulatory and energy policies when evaluating future operating plans. Some examples include adoption of biofuels component adjustment, Gasohol 91 phase-out plan, ex-refinery prices formulae calculation adjustment, and LPG price mechanisms review. Furthermore, the Company is closely monitoring the direction of climate policy stated at the COP26 and its implication to the Company.

## Management Effectiveness

In addition to external factors, future business results depend on the ability to successfully manage those factors that are at least in part within the Company's control. The extent to which the Company can manage these factors will impact its performance.

### Operational Efficiency

An important component of the Company's performance, especially given the commodity-based nature of many of its businesses, is the ability to operate efficiently, including managing expenses and improving production yields. This requires ongoing management focus, technology improvements, cost control, productivity enhancements, and regular reappraisal of the asset portfolio.

### Safety, Business Controls and Environmental

The Company faces a variety of risks associated with safety, business controls, and the environment that are



inherent to the petroleum and petrochemical businesses. The Company's results depend on management's ability to mitigate these risks and effectively control business activities. We apply rigorous management systems and maintain a constant focus to minimize or eliminate risks such as workplace safety, spills or other adverse environmental events, air emissions, and cybersecurity breaches. Substantial liabilities and other adverse impacts could result if we do not timely identify and mitigate applicable risks, or if our management systems and controls do not function to mitigate these risks.

## Preparedness

The Company's ability to mitigate adverse impacts from natural disasters, human error, political or civil unrest, and similar events depends in part upon the effectiveness of rigorous disaster preparedness and response planning, as well as business continuity planning (BCP).

The Company reviews, updates and tests the plan annually. The Company categorizes critical activities, identifies positions required to sustain critical activities, and documents the workarounds and mitigation measures in the event of disruption. These are events that we included in our BCP; loss of people, loss of facilities, loss of IT, and loss of other key external suppliers of critical activities.

## Others

### Dependence on Exxon Mobil Corporation and/or its affiliates for numerous operations and services

The Company is highly dependent on ExxonMobil Corporation and/or its affiliates with respect to several aspects of its operations, including access to expertise in crude oil and raw material procurement services, a global sales network for refined petroleum products and chemicals, advanced technological, operational and engineering services, research and development programs, trademarks and other services. We cannot assure that ExxonMobil Corporation and/or its affiliates will continue to provide this support to us. If we were to lose the support of ExxonMobil Corporation and/or its affiliates, or if any significant agreements with ExxonMobil Corporation and its affiliates were terminated, and we are unable to secure alternative sources for such products and/or services or recruit additional key personnel, this could adversely affect the Company's business including legal prosecution from impacted parties. Many of the

agreements we have with ExxonMobil for services, technology, trademarks and other support services contain automatic termination clauses in the event ExxonMobil Corporation directly or indirectly ceases to own or control more than 50 percent of the ownership interest in the Company.

Certain pre-emption rights apply if ExxonMobil shareholders wish to reduce their aggregate shareholdings in the Company to below 50 percent. ExxonMobil shareholders are not bound to retain any minimum interest in the Company and may reduce their shareholdings in the Company at any time. In addition, ExxonMobil Corporation and its affiliates are not obligated to grant loans or provide any other type of financial assistance and there can be no assurance that they will do so in the future.



## Conflicts of interest between our principal shareholders and us or between our majority and minority shareholders

ExxonMobil affiliates currently own a majority of our share capital. Circumstances may arise in which ExxonMobil's interests may be at variance with our interests, and our management may face potential conflicts of interest in fulfilling their responsibilities as directors and executive officers. Potential conflict areas include matters relating to the following: transactions between ourselves and ExxonMobil affiliates such as feedstock supply or sale agreements; potential competition or new ventures in the refining business; approval of potential mergers or acquisitions, asset sales and other significant corporate transactions; assurances or dispositions of securities; investment decisions and other capital expenditures; enforcement of contract rights; payment of dividends and other distributions; transaction relating to the transition of businesses; and regulatory and legal issues.

Although we intend to take all reasonable measures to resolve any such conflicts of interest while protecting our own interests, we cannot assure that ExxonMobil's interests and ours will always be aligned.

ExxonMobil's interests also may not coincide with the interests of our other shareholders. ExxonMobil, through its affiliates, may exercise its voting rights and effect shareholder actions that could conflict with and may be prejudicial to the interests of our other shareholders, such as payment of dividends or other distributions.



## Current and future litigation

As of the date of this 56-1 One Report preparation, there are pending litigation cases in the ordinary course of business with no materially adverse effect on the Company's business. However, any significant new litigation in the future with an unfavorable outcome (if any) could have a materially adverse effect on the Company's business.

## Technology evolution and energy demand

Comparing the IEA scenario that describes energy demand under stated policies (STEPS) with its scenario that describes energy demand under the announced pledges (APS) highlights that further policy to support emission reductions in all sectors will be required. In addition, innovation to provide new solutions for harder-to-abate sectors, such as heavy industry and commercial transportation, will be needed to further reduce global emissions to limit temperature rise to 2°C. All energy sources remain important through 2050 across these scenarios, as the mix of energy and technology shifts over time.

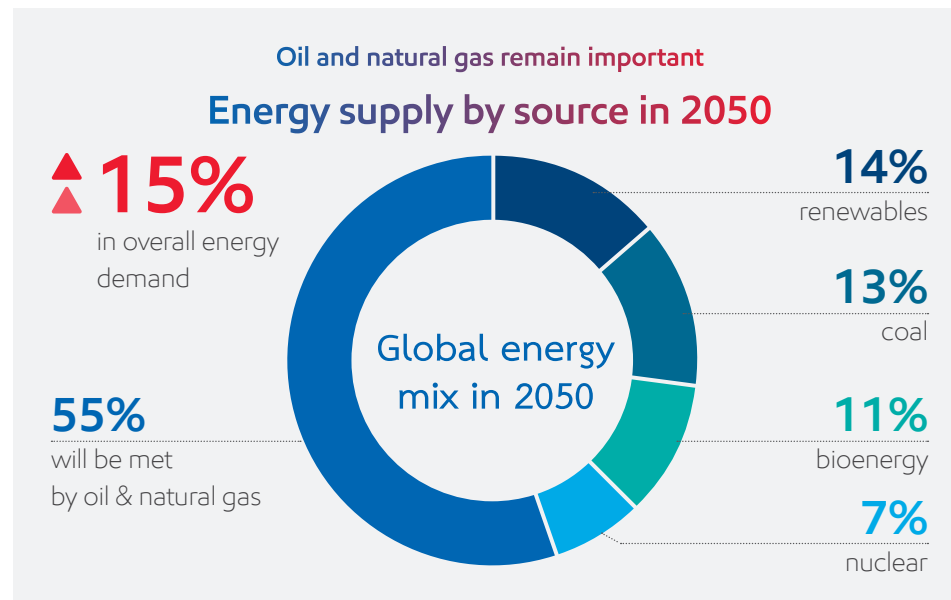




## Climate Change and the Energy Transition

### Net-zero scenarios.

Driven by concern over the risks of climate change, a number of countries have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions including emissions from the production and use of oil and gas and their products. These actions are being taken both independently by national and regional governments and within the framework of United Nations Conference of the Parties summits under which many countries of the world have endorsed objectives to reduce the atmospheric concentration of CO<sub>2</sub> over the coming decades, with an ambition ultimately to achieve "net-zero." Net-zero means that emissions of greenhouse gases from human activities would be balanced by actions that remove such gases from the atmosphere. Expectations for transition of the world's energy system to lower emission sources and ultimately net-zero derive from hypothetical scenarios that reflect many assumptions about the future and reflect substantial uncertainties.



### Greenhouse gas restrictions.

Government actions intended to reduce greenhouse gas emissions. Depending on how policies are formulated and applied, such policies could negatively affect our investment returns, make our hydrocarbon-based products more expensive or less competitive, lengthen project implementation times, and reduce demand for hydrocarbons, as well as shift hydrocarbon demand toward relatively lower-carbon alternatives. Current and pending greenhouse gas regulations or policies may also increase our compliance costs, such as for monitoring or sequestrating emissions.



## Policy and market development.

Clear and consistent policies, along with advancements in technology, can act as an accelerator for lower-emission alternatives. Our focus is on practical policy solutions that take into account increasing global demand for affordable and reliable energy while enabling scalable development and deployment of lower and zero greenhouse gas emission technologies. For example, a coordinated and transparent economy-wide price on carbon such as a carbon tax would enable all technologies to compete and cost-effectively lower carbon emissions intensity by focusing on reducing emissions per unit of energy while delivering meaningful emission reductions. Broad adoption of an economy-wide price on carbon could also help spur the development of global carbon markets as envisioned in Article 6 of the Paris Agreement. In the absence of economy-wide carbon pricing, well-designed sector-based policy options, along with technology advancements, could also be an effective way to reduce emissions.





# คุ้มค่า เหนือราคา ไปกับ Mobil Super™

คิดค้นและพัฒนาโดยผู้ผลิต Mobil 1™



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## Cybersecurity

Cybersecurity is the body of technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage or unauthorized access. Cybersecurity threats aimed at stealing Company information or damaging operational facilities are increasing, making the proper training and vigilance of all IT users an important part of our cybersecurity defenses. It is essential that all of the Company's computer users are able to recognize cybersecurity threats, and understand their role in protecting against these attacks. Therefore,

cybersecurity awareness training is a mandatory annual requirement for all employees, contractors, JV workers, and third parties. Email phishing attacks are one of the largest cybersecurity risks the Company faces. As part of the Company's training and awareness efforts on cybersecurity risks, mock phishing emails are regularly sent to test a user's ability to identify suspicious emails that could be used in a cyber-attack.



## Business Sustainability Development

### Our Sustainability Vision

“Power Life with Premier Energy Experience” is the Company’s Vision. Our high-quality products are essential to the health and wellness of the people of Thailand and the region. That is what “Power Life” means. The way in which we achieve our vision is what a “Premiere Energy Experience” is all about. That is why we are committed to operating our businesses in a responsible and sustainable manner, supporting the communities where we operate, and supplying our products while working to minimize environmental impacts. As we continue our efforts at sustainability, we will continue our long-standing history of operational excellence, innovation and technological advancements, disciplined investment, workforce development, community engagement, and valued integration.

### The Company and Sustainability

We are committed to improving quality of life by meeting the critical needs of society. That is what we have done throughout our history—as the world evolves, so do we. We are constantly working to meet the changing needs of our customers and stakeholders. This ability to adapt has been the key to creating long-term shareholder value and will be critical to continued success in the years to come.

We intend to do this in ways that help protect people, the environment and the communities where we operate. Our advantaged portfolio of assets and products, coupled with our competitive advantages, provides flexibility for continued success across a broad range of potential scenarios. We support government’s effort in the energy transition, and we strive to accomplish this by applying the company’s top strengths, which include scale, integration, technology, functional excellence and people. Building on a strong history of leadership, we are focused on achieving our visions. This approach helps build resiliency into our business and operations.





## Leadership

The Company is committed to being a leading energy and chemical company, achieving strong financial and operating results and adhering to the highest ethical standards. We are dedicated to running safe and environmentally responsible operations. The “Environmental Social and Governance (ESG) committee” has been appointed by Esso (Thailand) Management Committee to review and provide advice, as the Committee deems appropriate, regarding the company’s policies, programs and practices on sustainability including safety, security, health and the environment. There are 3 working teams focusing on planning, external engagement and advocacy, and explore businesses opportunity as shown here. For more information, see “Corporate Governance” section (Page 117).



## Application

ExxonMobil has defined Focus Areas to accelerate sustainability progress. The Company share common Focus Areas as shown below. For more information, see “Sustainable management in Environmental Dimension” section (Page 84) and “Social sustainability management” section (Page 90).



## Performance

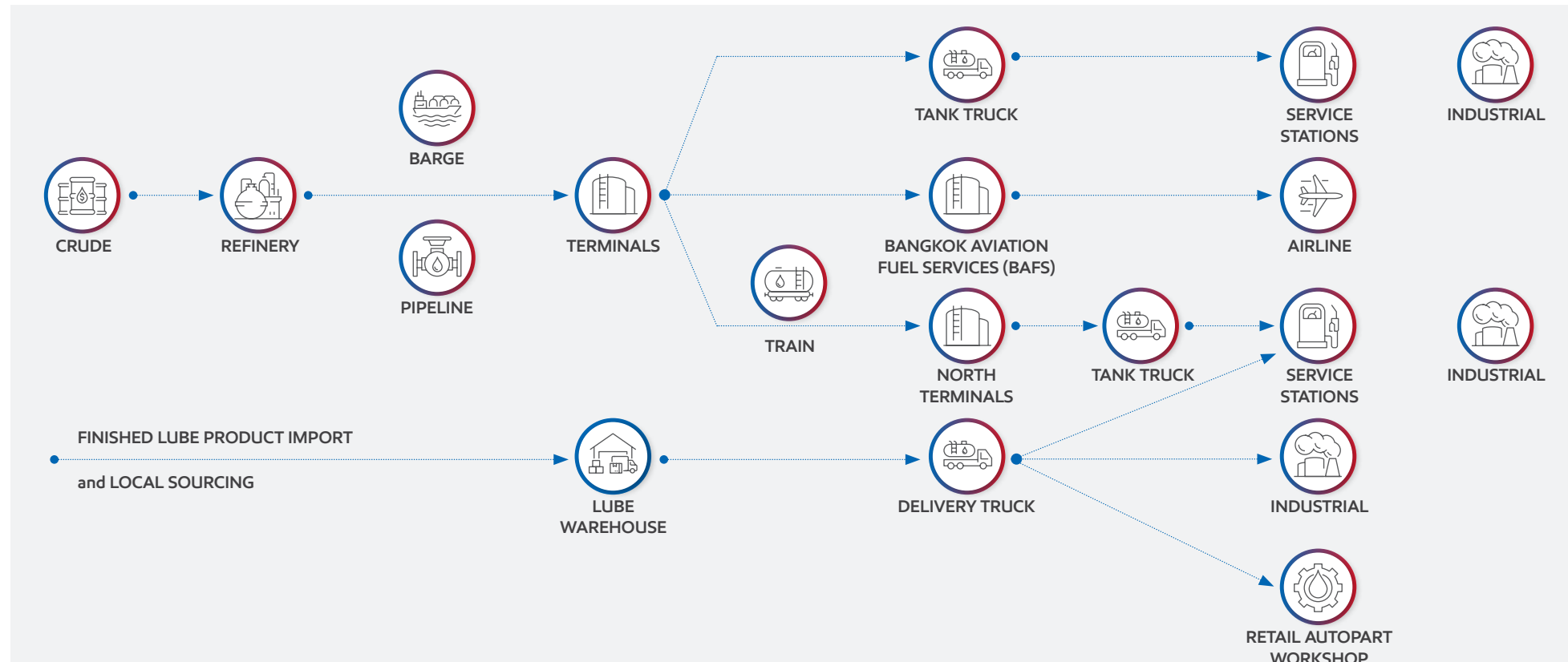
The Company will improve in these areas by implementing plans, executing processes and tracking progress. We report on our sustainability performance within each Focus Area throughout this document. Our objectives and strategies ensure a consistent approach across the company while empowering our business lines to take action and advance our sustainability priorities. For more information, see “Sustainable management in Environmental Dimension” section (Page 84) and “Social sustainability management” section (Page 90).



## Business Value Chain and Stakeholders Engagement

### Business Value Chain

The Company continues to meet country's growing energy demand as well as customer expectation. As an integrated petroleum refining and marketing company, our value chain starts from receiving crude into refinery primarily from marine transportation. Refinery transforms and refines crude into products such as liquefied petroleum gas, petroleum naphtha, gasoline, diesel, jet/kerosene, asphalt and fuel oil. Midstream operation is accountable for all aspects of terminals and pipeline operations with objective to distribute finished products to demand location in the most cost-effective manner. Sales team manages relationship with customers in different sales channel-Retail, Commercial, Supply and Finished Lubes. Each team has thorough understanding of customer needs and ensure those needs are met. Customer feedback is solicited by sales team as well as customer service agents.







## Stakeholder engagement

The Company works to foster mutual understanding, trust and cooperation with stakeholder groups on sustainability topics. We interact with a variety of stakeholders via community meetings, digital and social media, and one-on-one discussions. Maintaining an open dialogue provides opportunities to listen to concerns, discuss approaches and share plans. Across stakeholder groups, from communities and nongovernmental organizations to employees and shareholders, we continue to see broad interest in our environmental, social and governance performance. The table below highlights our key stakeholder groups, their typical areas of interest and our engagement approach.



Stakeholder groups	Common areas of interest		Engagement approach
<b>Communities</b> 	<ul style="list-style-type: none"> <li>Air emissions</li> <li>Community investments</li> <li>Economic development</li> <li>Education</li> <li>Employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Environmental performance</li> <li>Grievance management</li> <li>Operational impacts</li> </ul>	<ul style="list-style-type: none"> <li>Communicate with local residents in areas where we operate through direct correspondence and group meetings</li> <li>Dedicate personnel responsible for community engagement, as well as receiving, tracking, analyzing and responding to potential community concerns</li> <li>Establish channels for communities to provide input or seek information</li> <li>Establish activities to cover common areas of interest such as refinery open house to show environmental performance and operational impact</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Developing innovative products and technology</li> <li>Safety</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Sustainability and environmental performance</li> </ul>	<ul style="list-style-type: none"> <li>Cultivate an open dialogue with our customers and educate them about the market-based approach to sustainable solutions</li> <li>Provide response to customer questions and provide contact numbers for queries</li> <li>Use social media platform to share information</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Benefits</li> <li>Diversity and inclusion</li> <li>Health and wellness</li> </ul>	<ul style="list-style-type: none"> <li>Professional development</li> <li>Workplace safety</li> </ul>	<ul style="list-style-type: none"> <li>Support the professional development of our employees</li> <li>Invest in worker health by providing voluntary health programs</li> <li>Share feedback and raise topics of interest through managers, internal surveys, company forums and a confidential hotline</li> <li>Support employee-led resource groups that foster a culture of diversity and inclusion</li> <li>Use social media platforms to share information</li> </ul>

Stakeholder groups	Common areas of interest		Engagement approach
<b>Governments</b> 	<ul style="list-style-type: none"> <li>• Energy supply and security</li> <li>• Environmental performance</li> <li>• Climate change</li> <li>• Employment opportunities</li> <li>• Ethics and integrity Impact assessments</li> <li>• Local supplier development</li> </ul>	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Taxes and other revenue sources</li> <li>• Health and wellness</li> <li>• Diversity and inclusion</li> <li>• Education</li> <li>• Fuel fair prices</li> </ul>	<ul style="list-style-type: none"> <li>• Engage host governments to maintain the safety and security of operations</li> <li>• Meet with key stakeholders to provide information and insights on policies that may affect our business as well as to advocate on free market principles and a level playing field</li> <li>• Work to support responsible economic, energy and environmental policies and help identify solutions</li> </ul>
<b>Nongovernmental organizations</b> 	<ul style="list-style-type: none"> <li>• Environmental performance</li> <li>• Social issues</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Economic development</li> <li>• Health</li> <li>• Education</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborate on technical projects of mutual interest</li> <li>• Participate in conference events to exchange views, information and expertise</li> <li>• Partner with grantees to improve health, education and job opportunities in local communities</li> <li>• Engage Non-Governmental Organizations (NGOs) as appropriate to proactively understand potential concerns</li> </ul>
<b>Shareholders</b> 	<ul style="list-style-type: none"> <li>• Board composition</li> <li>• Business performance</li> <li>• Climate change</li> <li>• Environmental performance</li> </ul>	<ul style="list-style-type: none"> <li>• Governance practices</li> </ul>	<ul style="list-style-type: none"> <li>• Engage directly with shareholders to understand input and feedback, including shareholder proposals</li> <li>• Disseminate information to our shareholders through Stock Exchange of Thailand (SET) filings, and presentations and other publications through Company's website</li> <li>• Host annual shareholder meetings to share information on company highlights and answer questions from shareholders</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>• Local business opportunities</li> <li>• Local supplier development</li> <li>• Operational integrity</li> <li>• Safety</li> <li>• Environmental performance</li> </ul>	<ul style="list-style-type: none"> <li>• Expectations for suppliers</li> <li>• Diversity and inclusion</li> <li>• Supplier training</li> <li>• Human rights</li> </ul>	<ul style="list-style-type: none"> <li>• Hold sessions with suppliers to provide information on our safety and environmental</li> <li>• Share our supplier, vendor and contractor expectations</li> <li>• Conduct regular supplier audits and anti-corruption due diligence</li> </ul>

## Sustainable management in Environmental Dimension

### Environmental policy

The Company has a long history of responsibly meeting society's evolving need for reliable and affordable energy and products. With a longstanding commitment to investments in technology and the ingenuity of its people, the Company leverages its core capabilities to meet society's needs for products essential for modern life and lower emissions. Our strategy uses our advantages in scale, integration, technology and people to build competitive businesses. Our focus areas include driving industry-leading safety and reliability; reducing greenhouse gas emission intensity, developing and sustaining lower cost of supply through management of cost and capital efficiency, and investing in lower-emission opportunities.

Our environmental management approach is guided by an understanding of the potential environmental and socioeconomic impacts of our operations and a commitment to develop, maintain and operate projects responsibly, using appropriate standards that enable us to 'Protect Tomorrow Today.' In 2022, the Company have invested about 620 million Baht of environmental conservation expenditure which included fuel quality upgrade to Euro 5 specification and other environmental improvement programs.

The Company supports ExxonMobil's aim to achieve net-zero operated Scope 1 and 2 greenhouse gas emissions by 2050 and ExxonMobil's plan of 20% - 30% reduction\* in corporate-wide GHG intensity by 2030. Actions needed to advance ExxonMobil's 2030 greenhouse gas emission-reduction plans are incorporated into its medium-term business plans, which are updated annually. The reference case for planning beyond 2030 including impairment assessments and future planned development activities is based on ExxonMobil's Outlook for Energy.

\* Remark: Versus 2016 levels. Applies to Scope 1 and 2 GHG emissions from operated assets.



### Our risk management approach

Access to reliable and affordable energy is essential to economic growth and improved standards of living. The Company strives to demonstrate leadership in environmental management. We recognize the environmental risks associated with our industry and evaluate potential and actual risks at each stage of a project to mitigate environmental impacts. We comply with the Company's efforts to manage long-term risks associated with climate change, as reflected in the four pillars of the Company's climate strategy with applicable environmental laws and regulations, and apply appropriate standards where they do not exist.

### Our Operations Integrity Management System (OIMS)

establishes a set of expectations that applies across all our operations to address risks inherent to our business, including environmental risks. Additional details can be found under "Risk Management" Section (Page 67).





The Company's efforts to manage long-term risks associated with climate change, as reflected in the four pillars of the Company's climate strategy:

- **Mitigating emissions in Company operations**

Additional details can be found under "Mitigating Emissions in Company Operations" Section (Page 86).

- **Providing products to help customers reduce their emissions**

The Company is responding to product demand growth by delivering solutions that enable customers to meet product performance requirements while improving efficiency and avoiding greenhouse gas emissions associated with alternative products. These products and solutions include: Synergy™ fuel technology for all gasoline and diesel products, and Mobil 1™ lubricants. All Synergy™ fuel products have the advanced additive technology to help delivering better fuel economy with lower emission, especially premium products ("Supreme+"). Mobil 1™ advanced full synthetic lubricants are specially formulated with a tailored additive system to deliver ultimate engine performance and protection for longer oil change intervals compared to conventional engine oils. This means improved vehicle efficiency and improved gas mileage to help customers reduce their emissions.

- **Developing and deploying scalable technology solutions**

Commercially viable technology advances are required to achieve the country climate policy objectives. The Company's philosophy is to focus on society's highest-emitted sectors of industrial, power generation and commercial transportation, which together account for majority of CO<sub>2</sub> emissions.

The Company can leverage ExxonMobil's technology solutions in areas such as carbon capture and energy-efficient process technology.

- **Proactively engaging on climate-related policy**

The Company supports the Royal Thai Government (RTG) in combatting the climate change crisis as well as stepping up its level of ambition to achieve carbon neutrality by 2050 and later to achieve net zero emissions by 2065.

Throughout the development of Climate Change Bill the Company has been providing comments and suggestions during public hearing session along with connecting with the Office of Natural Resources and Environmental Policy and Planning and Thailand Greenhouse Gas Organization for an evaluation on existing operations and future investment.

Sound government policies are needed to accelerate the deployment of key technologies at the pace and scale required to support a net-zero future. Supportive policies can provide direct investment and incentives. In the absence of economy-wide carbon-pricing

systems, well-designed, sector-based policy options to drive innovation and investment could also be an effective way to reduce emissions.

## Performance and initiatives

The Company operates according to a guiding principle of "Protect Tomorrow. Today" that promotes a company culture mindful of the planet and the need to protect it for future generations. Implemented through OIMS "Protect Tomorrow. Today." provides a set of environmental expectations and globally accepted best practices that are part of our day-to-day operations around the world. It also creates a platform for environmental leadership and continuous improvement in environmental performance.

We use an annual Environmental Business Planning (EBP) process to update and integrate long-range environmental strategies and improvement plans into our business strategies and action plans. The environmental plan identifies key environmental drivers, set objectives in focus areas important to their business, establishes actions and projects to achieve those objectives, set metrics and quantitative targets to measure progress, forecast expected outcomes, and stewards progress versus the plans.

The Company conducts regular reviews of all aspects of its business to ensure compliance with environmental laws, regulations, and internal policies, and implements various pollution control and other environmental impact mitigation measures.



## Mitigating Emissions in Company Operations

The Company proactively manages our operations with consideration of greenhouse gas and other emissions. To mitigate greenhouse gas emissions from our operations, we focus on increasing energy efficiency and reducing flaring, venting, and methane emissions. The Company continuously works to improve efficiency across all its operations. The company has implemented cogeneration as an effective technology to reduce emission.

The Company also implements various pollution controls and other environmental impact mitigation measures to manage emissions as required by applicable law, including applying advanced technologies to reduce emissions and conserve resources.

The strategic location of our refinery at Sriracha provides us access to a convenient product delivery network that allows distribution of products in a cost effective manner, including a multi-product pipeline, and with lesser emissions. The pipeline, to which our refinery is connected, is capable of transporting jet fuel, diesel, and gasoline. Pipeline transportation is a safe and efficient means to move products from the refinery to terminals strategically located near demand centers for our products.

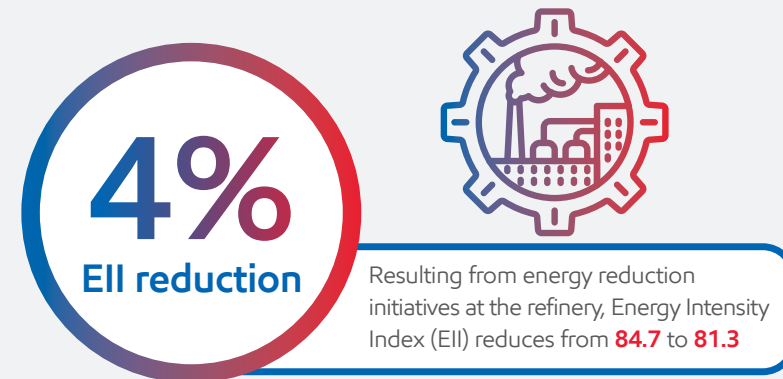
## Performance and initiatives

### Energy Efficiency

Energy optimization is a key focus of Esso Sriracha refinery operation. The Company has set up an energy committee to closely monitor energy consumption, identify improvement opportunity, and introduce necessary measures to achieve improved energy efficiency.

Adoption of the ExxonMobil's Global Energy Management System (GEMS) equips the Company with a comprehensive and rigorous system of operational, maintenance, and design best practices for energy management. We leverage digital technology to improve energy conservation along with other initiatives. In 2022, the refinery achieved estimated 230 G-BTU energy reduction by proactive Heat exchanger cleaning and VPS decoke.

In addition to above initiative, several energy conservation programs have been implemented at the refinery, resulting in the refinery's EII (Energy Intensity Index) of 81.3 or about 4% less than EII in 2021. Capital investments are continuously made to improve the reliability and efficiency of the refinery, as well as pollution control and other equipment to effectively manage environmental performance.



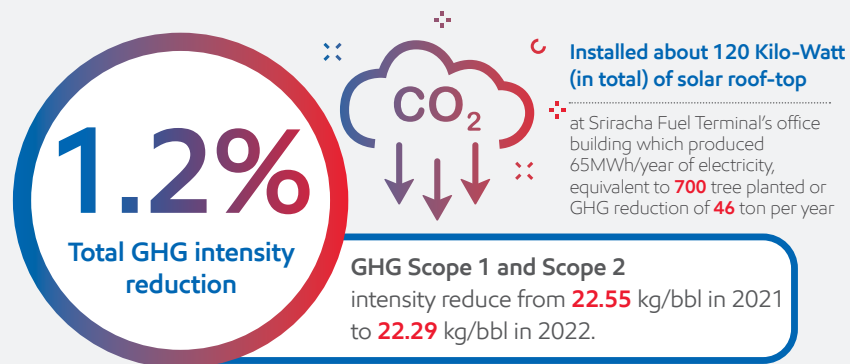
### Greenhouse Gases

The Sriracha Refinery conducted a study to identify GHG reduction opportunities and develop a carbon reduction plan. Several GHG reduction initiatives, which include energy efficiency projects, fuel oil minimization at the furnaces, have been implemented.

The Sriracha refinery has three gas turbine cogenerators of 50 Megawatts total production capacity, which enable lower greenhouse gas emissions compared to conventional electricity generation. In 2022, Sriracha Refinery produced 172MWh from these gas turbine cogenerators, 8% of fuel used was from refinery fuel gas system while 92% came from Natural Gas.

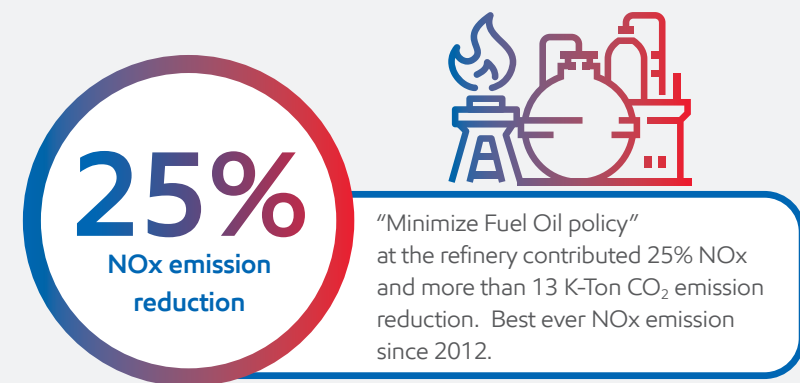
From those above efforts, in 2022, the direct and indirect GHG emission from our operations is 1.07 million Tons of Carbon dioxide equivalent (Scope 1 and Scope 2). The Company has reduced greenhouse gas emissions intensity approximately 1.2% compared to 2021.

Moreover, the Company also installed about 120 Kilo-Watt (in total) of solar roof-top at Sriracha Fuel Terminal's office building which produced 65MWh/year of electricity, equivalent to 700 tree planted or GHG reduction of 46 ton per year. In addition, the Company installed solar roof-top at 4 Esso retail service stations.



### Improving Air Quality

The Company seeks opportunities to reduce air emissions associated with our operations and the products we deliver to increase shareholder value and meet regulatory requirements. We have an ongoing Leak Detection and Repair (LDAR) program to detect leaks from equipment and repair as needed to meet government limits for Volatile Organic Compound (VOC) leakage. Most of the furnaces at the refinery are equipped with low NOx burners, which have lower emissions compared to normal burner type. The Esso Sriracha refinery has rigorous processes to control air emissions from all stacks to be within Government limits and Environmental Impact Assessment (EIA) control limits.





## Conserving water resources

### Freshwater Management

The Company manages water resources with care. To manage these risks, we pursue site-specific management strategies that include water conservation technologies, use of alternative water sources. Our refinery operations mainly use demineralized water produced by our desalination units, followed by recycled water from operations, then fresh water thus saving natural fresh water resources and energy as well as minimizing impact of drought conditions to the communities nearby.

### Wastewater Management

Refining operations generate wastewater that requires treatment before discharge or disposal. Treatment methodologies range from removal of suspended hydrocarbons and solids from produced water to biological treatment systems for refinery wastewater.

We work to design facilities in a manner that controls the quality of discharged water to meet local standard or ExxonMobil's effluent standard when a country has less-stringent standards than ExxonMobil's specifications.

## Performance and initiatives

The Company implemented measures to preserve fresh water sources and treat waste water. Our refinery operations mainly use demineralized water produced by our desalination plants, followed by recycled water from operations. The desalination units and reverse osmosis at Sriracha Refinery produce around 1 million cubic meter per year of boiler feed water, which able to substitute more than 75 percent of surface water requirement per year. The desalination units can save natural fresh water resources and energy as well as minimizing impact of drought conditions to the communities nearby.

Our water treatment system features various units to separate oil from the water, including oil skimming tanks, an oily water separator, and an induced air floatation unit, before further treated by our biological oxidation (BIOX) wastewater treatment system or Activated Sludge (AS), and then through final treatment at a polishing pond.



### Desalination and reverse osmosis units

can reduce Fresh water requirement around

**1** Million  
Cubic Meter  
per year

Equivalent water required  
for **50,000** heads  
or **10,000** households



## Minimizing operational waste

All wastes, from both industrial operations and domestic sources like offices, are managed by using global ExxonMobil standards. Each step of the waste management process receives focus. For example, know what wastes are generated, know how each waste should be managed, segregate wastes according to risk and disposal method, send waste only to approved disposal sites, track wastes from source to disposal, and minimize waste generated.

### Performance and initiatives

We maintain efforts to reduce and reuse operational waste. In 2022, 93 percent of disposed wastes from the refinery have been sent to either recycle as energy or alternative raw material.



## Spill Management

The Company limits spills from our operations by maintaining a strong focus on risk management, operations integrity and containment capabilities. We take a rigorous approach to managing the potential impacts of a spill on water or land.

Our spill prevention program establishes procedures for inspecting and maintaining equipment, training operators and conducting practice drills. If a spill does occur, we conduct a rapid, comprehensive response to minimize impact on communities and the environment.



## Performance and initiatives

In 2022, the Sriracha refinery achieved 15 consecutive years without reportable oil spill, which resulting from our rigorous oil spill prevention programs.

The ability to promptly and efficiently respond to emergencies is critical, and the Company conducts extensive training and drills to prepare for such situations. We take a disciplined and structured approach to emergency preparedness that is based on clear communication. As the Company believes effective emergency preparedness requires competent response teams, strategic Emergency Response Team (ERT) and Emergency Support Groups (ESG) have been established at the terminals, at the refinery, and at the country level to develop and practice emergency response strategies and assist field responders to ensure readiness and preparedness for emergency response in country. The Company routinely trains both ERT and ESG members, a wide variety of our employees, on a range of possible scenarios, including simulated spills, fires, explosions, natural disasters, and security incidents. Moreover, at the Sriracha Refinery, more than ten exercises are conducted per year in various possible scenarios as mentioned earlier.



## Social sustainability management

### Social

Esso (Thailand) Public Company Limited is committed to being a good corporate citizen of Thailand. The Company aims to be a preferred business alliance, neighbor, supplier and employer. We maintain a commitment to safeguarding the health and security of our employees and the public, responsibly managing our social impacts, and upholding respect for human rights in our operations.

### Safety

Safety is a core value at the Company. We operate in a manner that helps protect our employees, contractors, customers and the communities where we operate. Our approach to safety includes identifying possible risks, implementing measures to prevent potential incidents, and educating employees and contractors about unsafe behaviors. The Operations Integrity Management System (OIMS) has provides a robust framework for managing both the safety of the Company's operations and its personnel. Our work procedures embed OIMS into our everyday work processes at all levels of the organization.

The Loss Prevention System (LPS) encourages employees to focus on underlying personal behaviors to identify enhancements to facilities, systems, and competencies. The Company's approach for effective management of employee safety and health produces positive results and facilitates progress toward the objective of achieving a work environment in which Nobody Gets Hurt.

One critical success factor in achieving the goal of a work environment in which Nobody Gets Hurt is the empowerment of everyone in the Company to intervene and challenge when unsafe acts are observed. Each and every employee in the organization has authority to caution their colleagues if they observe an unsafe situation or behavior. Employees are also encouraged and are cultivated to welcome suggestions on how to work more safely.

As a result of these robust programs, the Company achieved several impressive safety milestones in 2022 as outlined under Operational Highlights. We focus on achieving a work environment where Nobody Gets Hurt.

### Leading in personnel safety

The Company maintains a strong safety culture with a clear objective: Nobody Gets Hurt. We promote a safety-first mentality for employees and contractors to reach our goal of zero workplace injuries and illnesses. Our workforce is empowered to intervene or stop work when they observe an at-risk situation or unsafe behavior. Hundreds of contract workers support our operations every day. It is essential that third-party contractors follow our policies and meet our business objectives.

With our focus on eliminating the most serious incidents, we work with our employees and contractors to understand Life Saving Actions for these higher-consequence activities and how to verify critical, effective safeguards are in place before the work begins and during execution.

With the focus on personal safety, the company has improved personal safety statistic in term of Lost Time Injury Rate (LTIR) while maintaining better than industry Total Recordable Injury Rate (TRIR) as shown in the following table.

	2020	2021	2022
Lost Time Injury Rate (LTIR) <sup>1</sup>	0.04	0.00	0.00
Total Recordable Injury Rate (TRIR) <sup>2</sup>	0.00	0.05	0.05

<sup>1</sup> LTIR = Lost Time Injury Rate, # of Lost Time injury per 200,000 working hour including both employee and contractor.

<sup>2</sup> Total Recordable Injury Rate (TRIR) = Numbers of Recordable Injury per 200,000 working hour including both employee and contractor.



### Enhancing Process safety

The Company has an unwavering commitment to helping protect the employees, the workforce, the community and the environment by seeking to manage the risks inherent to our operations. Our Operations Integrity Management System (OIMS) serves as the foundation for managing process safety risks and establishes clear process safety expectations, which are distributed throughout our management systems. The safeguards needed to protect against process safety risks are built into OIMS and integral to the way our facilities are designed, operated and maintained. We verify and rigorously maintain these safeguards to prevent or mitigate the consequences of a process safety event.



## Emergency preparedness

The Company is prepared to respond to a wide array of emergency events, including natural disasters, pandemics and operational incidents. Regardless of the size, severity or cause of an event, each facility and business unit has access to trained responders and resources. Cross-functional teams develop and practice emergency response tactics through incident management teams and emergency support groups. This preparation enables the Company to provide a robust response in emergency situations to help protect the safety of people, the community and the environment.

In Thailand, the Company, as a subsidiary of Exxon Mobil Corporation, has about 30 Thai employees who are members of ExxonMobil's Regional Response Team (RRT). All of them participated in RRT annual training and/or emergency simulation.

## Healthy and engaged workforce

### Worksite health and wellness

The success of the Company operations depends on a healthy and competent workforce. Our health policy communicates corporate expectations for identifying and managing health risks related to our operations. The Company develops workplace health programs that consider local health care systems and health needs.

Improvements in worker health increase quality of life and employee productivity. The Company supports voluntary



health programs that promote employee well-being while reducing health-plan costs.

When the COVID-19 pandemic emerged in early 2020, our emergency preparedness and response procedures were triggered at the country and facility levels, building on lessons learned from SARS, Pandemic Flu, and MERS. Our preventive and mitigation safeguards, combined with coordinated internal communications, helped protect the health and safety of our workers and their dependents. Where appropriate, we implemented remote-work policies while our facilities were deep cleaned and reconfigured to enable proper social distancing. Our measures were continually refined as more information about the virus was identified, in consultation with internal and external health experts. The company also carefully worked through the new wave of Omicron variant at the

beginning of 2022. When situation was getting better and aligned with country policy on downgrading COVID-19 from "Dangerous communicable disease" to "communicable disease under surveillance", the company office return to normal business as of COVID-19 in second half of 2022.

The Company leverages human performance principles to deliver world-class business results by implementing Ergonomics Program, which enhances the resilience of our facilities, systems, and people and focusing on learning and improvement. All employees and contractors performing office related activities receive annual ergonomic training and perform self-assessment checklist to ensure proper work station setting and ergonomic work behavior.



## Investing in people

### Employee recruitment and retention

The Company prioritizes the development of employees. We begin with recruiting exceptional talent and continue with individually planned assignments and experiences that lead to broad skill development and a deep understanding of our businesses. It also facilitates development of the next generation of leaders from within the Company. The Company invests in people for a long-term career. Through a combination of work assignments, on-the-job experiences, and focused training and education, employees acquire the necessary skills and competencies to take on increasing levels of responsibility and job complexity.

We have a diverse and engaged workforce and provide individual unrivalled opportunities for personal and professional growth with impactful work meeting society's essential needs.



Additionally, we intend to create a win-win situation for our organization, universities and general public.

- We partner with universities by working on securing MOUs with Thailand's top universities to build strong collaboration with the faculties which are targeted pools. This is one example and we aim to further expand.
- Another activity is helping faculties review their course syllabus by providing business perspective and connecting with alumni as another point-of-view. This enables universities to improve their course design to better fit with the latest labor market.
- Conducting knowledge sharing such as:
  - Virtual refinery plant tours with professional institutions and universities to better understand the Oil & Gas business.

Sharing new trends of IT in the corporate world with major universities or sharing students IT project management, agile experience, data science and analytics on how theory is used in real business.

The Company strives to offer a work environment where all employees have the opportunity to fully express their creative talents, learn and adapt to enable excellent business results, and create shareholder value.

Care for employees, partners, and community is one of our core values. The Company upholds disciplined employment practices, and offers employee mentoring



programs, robust training, competitive compensation, and benefits programs that support employee retention.

The Company's capable and dedicated employees are one of its greatest strengths. Employee development systems utilize integrated processes to support the development of a highly-productive, dedicated, and motivated workforce.

The Company recruits talented individuals and invests in employee development through work assignments, on-the-job experience, and career-long training and education. Career development is undertaken as a shared responsibility between the Company and the employee. The Company promotes an environment of inclusion and diversity with high expectations that this will enhance employees' contributions to both individual and team goals.

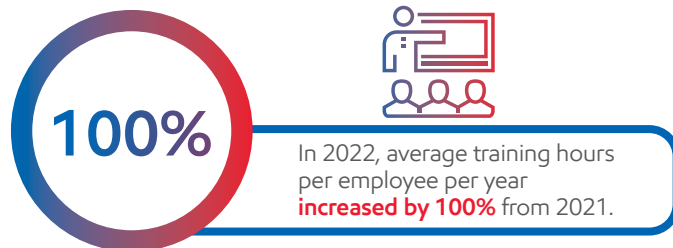
The Company values talented people from diverse backgrounds, and inspires and empowers them to think independently, take initiative, and be innovative. With our focus on hiring local talents, the Company have created a positive impact on the economies in which the Company operates.

## Developing a workforce

Our people development philosophy is to develop leaders and workforce from within, through a wide range of assignments and experiences. The Company encourages all employees to contribute fully to the achievement of superior business results.

Developing a premier workforce is the goal of the Company's career development process. The Company places a high priority on leadership and employee development, with an approach based on long-term business orientation. Early identification and accelerated development of talent are critical. Employees' behavioral and functional skills and competencies are built through training and various work experiences in a wide range of assignments in multiple functions around Thailand and the world. The Company sets clear expectations of our leaders in setting standards, creating clarity, inspiring and motivating, and promoting innovations to allow the Company to compete and win.

The Company provides education and skills development through a proven global training curriculum, customized to our business environment, and through on-the-job training provided by multiple assignments over a career. This helps us develop competent and committed employees who are fully prepared to meet future business needs, both locally and globally.



## Diversity and inclusion

Our Diversity Framework and Standards of Business Conduct govern the Company employment practices, including policies for recruitment, hiring, promotions and salary administration. The standards support our commitment to provide equal employment opportunities, prohibit discrimination in the workplace and align with applicable laws. We use a series of training programs and tools to help our employees understand cultural sensitivities across a diverse workforce. We do not tolerate harassment in any form, and violators of this policy are subject to disciplinary action, up to and including termination.

Diversity of thought, ideas, perspectives, skill, knowledge, and culture makes the Company more innovative, resilient, and able to navigate better in the complex and changing global energy business. Creating an inclusive workplace enables our employees to bring their unique perspectives to help achieve the business objectives.

Our objectives are to seek and hire talented, dedicated employees and give them opportunities to learn, grow, and succeed. The result is a diverse and multi-faceted employee base representing different perspectives and ideas. The Company encourages participation in employee-led resource groups, for LGBTQ called PRIDE that assist in fostering a culture of diversity and inclusion through development programs, community service opportunities, and mentoring. We consider and monitor diversity through all stages of employment, including recruitment, training, and development of our employees.

The Company has active oversight of diversity mix throughout all career stages. Women Interest Network (WIN) and Mentoring through Women's Leadership Team are networks sponsored by the Company to promote Inclusion and Diversity.

Women Interest Network (WIN) is open to everyone and commits to foster individual and collective growth of women by facilitating impactful mentoring; sponsoring initiatives to improve personal effectiveness, business acumen and professional development; engaging male advocates and serving as a catalyst to build stronger connections. Most importantly, WIN promotes an environment that values diversity and inclusion by raising awareness of unconscious bias and by identifying barriers, empowers and enables women in their quest for professional development, while leading satisfying lives (work-life integration) - build resilient families and a supportive community for working parents.

With the strong network and establishment in Thailand, WIN's impact goes beyond national level and recognized at the Asia Pacific level. More than 1,500 employees participated in Thailand WIN activities, while HR continues to work closely with Business Lines to ensure that the pipeline of women in key leadership position is healthy and that we have women represented at all levels in the organization.



## Respecting Human rights

The Company actively promotes respect for human rights and is committed to complying with all applicable laws and regulations. The Company expects our employees, officers, and directors to comply with all applicable laws and regulations, and seeks to work with suppliers and business partners who share our commitment to human rights. Within our own workforce, our commitment to human rights is supported by our Standards of Business Conduct and our Statement on Labor and the Workplace. Our Statement reinforces support for the principles of the International Labor Organization 1998 Declaration on Fundamental Principles and Rights at Work, notably the elimination of child labor, forced labor and workplace discrimination. Our approach to human rights is consistent with the goals of the United Nations (UN) Guiding Principles on Business and Human Rights.

### Human rights in the supply chain

The Company is committed to respecting human rights, and we expect the same of our suppliers. Our Supplier Expectations include our expectations of suppliers, vendors and contractors with regards to human rights. These expectations include references to key international human rights frameworks, such as the United Nations' Guiding Principles on Business and Human Rights and the International Labour Organization's 1998 Declaration on Fundamental Principles and Rights at Work. We reiterate our expectations on human rights to our suppliers through an annual letter to suppliers.

The Company audits a select number of suppliers each year for contract compliance. We regularly audit pricing, safety, drug and alcohol policy compliance, invoicing and travel expenses. Contractors not meeting our expectations may be subject to supplemental training and contractual remedies, including termination.

## Corporate Social Responsibility Program

The Company works closely with the communities where we operate to identify and invest in initiatives that help support their needs. We collaborate with governments and local stakeholders to invest in programs that promote education, local economic growth and help improve social conditions. Our employees are encouraged to participate in many programs.

### Education

- **Keeping students in schools with Equitable Education Fund**

Anticipating that underserved students would be forced to leave schools due to economic recession caused by COVID-19, the Company, together with employees, Esso Club, and business alliances donated about 1.3 million baht to the Equitable Education Funds, which selected the students who are really in need of the support.

In 2022, the Company presented 929 scholarships worth 3,129,000 baht to students in Khon Kaen and nearby provinces, and 455 scholarships worth 1,215,300 baht to primary and secondary students in Sriracha area.

- **Promoting STEM education**

The Company believed that education-especially in science, technology, engineering, mathematics or STEM-is not only key to national development and

economic growth, but also a vital part of the solution to social and environmental problems.

Developing the next generation of scientists and engineers is critical to achieve success in today's highly competitive and technology-driven world. Our two signature programs are: **Esso-Rattanakosin Bicentennial Scholarship and Esso-Vocational Science Contest.**

The Company and the Office of the Higher Education Commission established the Esso-Rattanakosin Bicentennial Fund in 1982. The Company has continued to support the fund, as well as the scholarship program every year since then. To date, about 2,175 scholarships have been granted with a total contribution amount of more than 17.45 million Baht.

In 2022, the Company presented 15 scholarships worth 300,000 baht to undergraduate students who have good academic performance but need financial support. The students are in engineering, computer science, technology, science (STEM), accounting, business administration, finance field from state universities nationwide.

On the vocational level, the Company have supported the Science Society of Thailand under the Patronage of His Majesty the King and Office of Vocational Education Commission to organize the Esso-Vocational Science Contest for over 31 years.

In 2022 the Company presented a 300,000-Baht fund to support of the STEM education among vocational students nationwide and the application of their knowledge to create projects that can provide effective solutions to their communities, as well as the opportunities to turn into "start-ups."

- **Women Skill Enhancement**

The Company believes that when women have control over their incomes, they invest in health, education and well-being of their families, creating a multiplier effect that benefits the society. The Company, therefore, established a Skill Enhancement Center for women in Laem Chabang in 2010. Serving as a local training, marketing and selling hub, the center provides support for professional skills training. The center is managed by a governance, which consist of Laem Chabang Municipality, the Company's executives, and community leaders from 10 participating communities which are located close to Esso Sriracha Refinery. Courses offered by the center range from resource and product assessment, professional skill training, e.g., photography for online marketing, making fancy face masks, to counseling on marketing strategies and online marketing, packaging design and distribution channels.



**Established a Skill Enhancement Center for women in Laem Chabang in 2010.**

More than 22 years that we support this skill enhancement center for women in Laem Chabang.



### COVID-19 relieve activities

- **Support COVID-19 relieve organizations**

The Company supported many organizations to help the society go through COVID-19 ranging from national health and humanitarian organizations to city and provincial agencies and hospitals.

In Chonburi province, the Company donated six vaccine storage carriers to Sriracha District Public Health Office in facilitating the vaccination to bedridden patients who cannot travel to vaccination center as well as to communities in Sriracha District. In addition, the Company donated 200 bags.

- **Helping the vulnerable during times of crisis**

COVID-19 pandemic caused economic recession, impacting many vulnerable groups, ranging from senior citizens, disabled persons and bedridden patients.

In Bangkok, the Company donated funds for the purchase of survival bags to help children in need and their families under the Slum Child Care Foundation.

In Chonburi, Esso Sriracha Refinery donated 200 bags of rice to Laem Chabang Municipality to further distribute to COVID-19 impacted people in Laem Chabang community. In addition, the Company presented 30,000 baht to Father Ray Foundation for the purchased of school uniforms and antigen test kits (ATK) for unprivileged students under the foundation's care.

- **The Volunteer Teaching English Program**

For over 19 years, Esso Sriracha Refinery employees have volunteered to teach English to Matayom 1 students of Wat Laem Chabang School to enhance their speaking, reading, writing and listening skills while inspiring them to enjoy using English whenever they can.



**40 years**

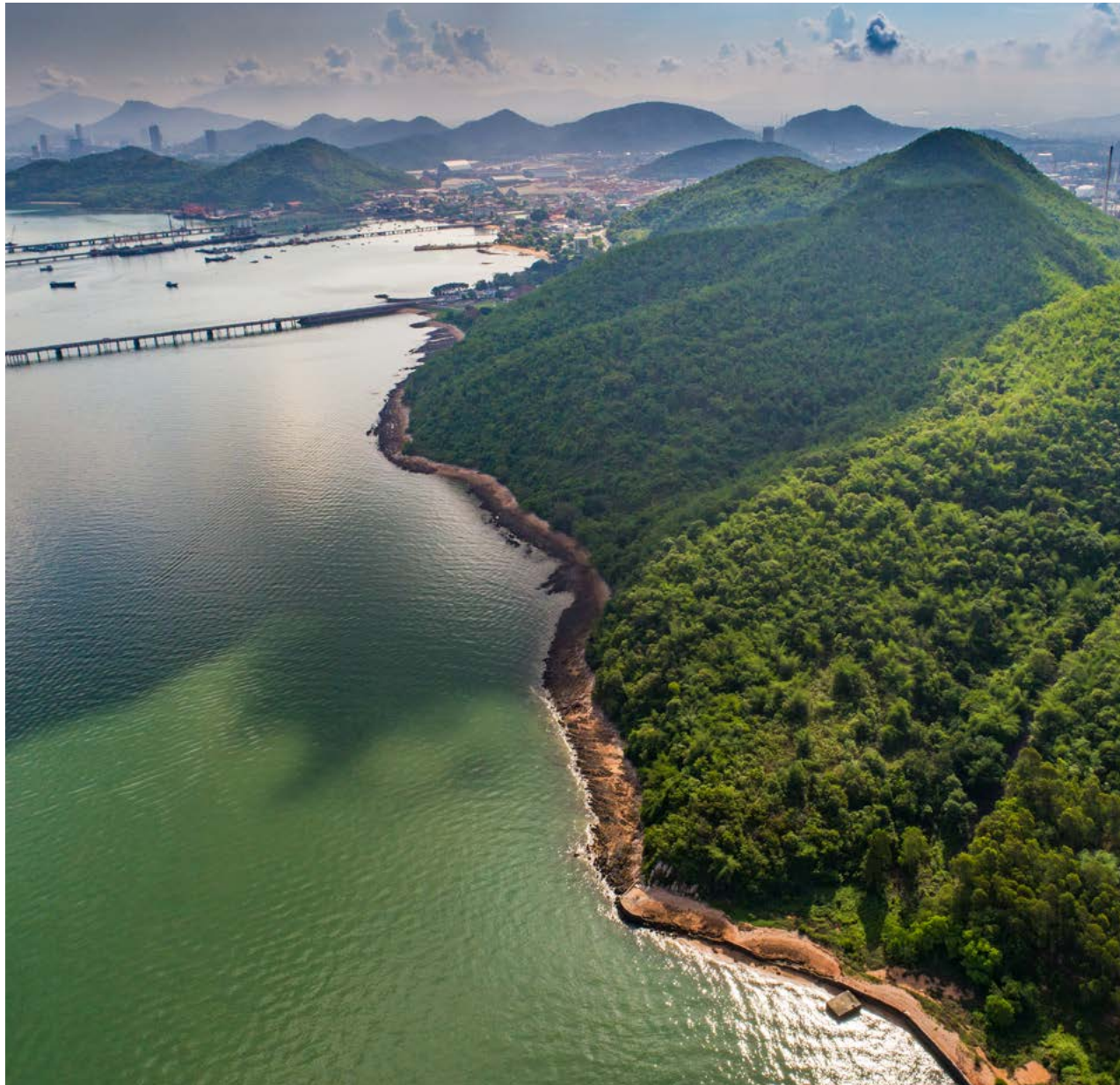
providing grants through  
Esso-Rattanakosin  
Bicentennial Fund

As of 2022,  
about **2,190** scholarships  
have been granted with  
a total contribution amount  
of more than

**17.75**  
million Baht

Support  
the Esso-Vocational  
Science Contest

for over  
**31 years.**



## Reducing impacts to land and habitats

In addition to our commitment to operate in an environmentally responsible manner everywhere we do business, the Company contributes and supports several programs to educate, protect and conserve the environment in the communities close to our refinery, as well as in other parts of Thailand.

The programs included releasing one million black tiger shrimps into the sea to promote marine resources conservation and rehabilitation on 2022 World Oceans Day: "Revitalization: Collective Action for the Ocean."

In 2022, Esso Sriracha Refinery organized tree planting on World Environment Day. The activity was held in the compound of Esso Sriracha Refinery to promote natural conservation awareness and improve the site environment.

### Recognitions in 2022

In 2022, the Company received the following awards

- Platinum CSR Excellence Recognition from The American Chamber of Commerce in Thailand (AMCHAM)
- HR Excellence Award 2022 Thailand (Bronze for Excellence in CSR Strategy from Human Resources online Magazine)
- Outstanding Company and Organization award from the Provincial Press Association of Thailand.



## Management Discussion and Analysis



### Company's performance in 2022

Company is committed to working to provide solutions that support a lower-emission future and lead sustainable growth for all stakeholders. Our capability to compete in the market is strengthened by our Thailand Vision, "Power Life with Premier Energy Experience" that leads the organization towards success. In the past year, even though global geopolitical tensions and economic recession had major implications on overall industry, the company endeavored to deliver superior results. Operational performance for Refining and Petrochemical Business, Retails Fuels Sales, Commercial Sales and Lubricants business can be found in Operational Highlight section (Page 10).

Apart from operational and financial excellence, Company operates our businesses in a responsible and sustainable manner by focusing on Environment, Social, and Governance (ESG) dimensions ranging from environmental conservation, education, health, safety and human rights. Key sustainability concepts are woven into our corporate policies, culture, and procedures in efforts to maintain and strengthen our approach to sustainability. Information related to environment, society and governance (ESG) can be found in Sustainability Business Development section (Page 79).

## Management's Discussion and Analysis (MD&A)

### for the Fourth Quarter of 2022 and Full Year 2022



#### 1. Financial and Operating Highlights

	4Q 2022	4Q 2021	2022	2021
Crude intake (Kbd)	130	124	131	123
Paraxylene production (Ktons)	0	0	0	53
Average forex rate (Baht/US\$)	36.4	33.4	35.1	32.0
Accounting gross refining margin (US\$/Bbl)	(1.5)	7.4	9.4	7.5
Operating gross refining margin (US\$/Bbl) <sup>(1)</sup>	6.9	5.4	9.0	3.1
Total revenue (million Baht)	63,637	52,311	263,000	172,878
Gross profit (million Baht)	(304)	2,262	17,293	10,618
EBITDA (million Baht)	(1,203)	2,066	14,659	8,783
Profit (loss) for the period (million Baht)	(1,563)	750	9,509	4,444
Earnings (loss) per share (Baht) <sup>(2)</sup>	(0.45)	0.22	2.75	1.28

<sup>(1)</sup> Reflects production volume at market reference price and crude consumption at current replacement cost basis

<sup>(2)</sup> Based on current number of shares: 3,461 million shares



## 2. Benchmark Prices for Crude Oil and Refined Petroleum Products

Average Platts Singapore quoted prices for crude oil and refined products

Unit: US\$/Bbl

	4Q 2022	4Q 2021	2022	2021
Dubai	84.9	78.3	96.3	69.2
Gasoline (95 Ron)	94.2	93.8	115.2	80.3
Jet Fuel/Kerosene	118.3	88.6	126.6	75.1
Diesel (50 ppmS)	125.6	90.6	134.5	77.3
Fuel oil (180 cs)	61.0	69.8	80.4	62.9
LPG	53.7	70.5	64.8	56.0

Source: Mean of Platts Singapore and PCI

### 4Q 2022 versus 4Q 2021

Dubai prices in the fourth quarter of 2022 increased by \$6.6/Bbl compared to the same period of last year at \$78.3/Bbl mainly due to rising demand from overall relaxation of global COVID-19 restrictions including China's Zero-COVID policy and impacts from the Russia-Ukraine conflict.

Following the same trend as crude prices, all product prices except fuel oil and LPG improved especially in middle distillate products when compared with the same period last year as a result of rising demand from resumed mobility and gas-to-liquid switching.

### 2022 versus 2021

Full year 2022 Dubai prices averaged \$96.3/Bbl, an increase of \$27.1/Bbl compared to last year mainly due to demand recovery from overall improved COVID-19 situation, the Russia-Ukraine conflict, and rising oil demand from gas-to-liquid switching as a result of higher natural gas price. However, concerns over bearish sentiment of global economy had pressured crude prices to be volatile throughout the year.

In tandem with crude prices, all product prices continued to move in upward trend as a result of higher demand from resumed economic activities supported by recovery in global tourism industry as well as gas-to-liquid switching in power generation industry.

### 3. Production and Gross Margin

	4Q 2022	4Q 2021	+ / -	2022	2021	+ / -
Refining capacity (Kbd)	174	174	0	174	174	0
Crude intake (Kbd)	130	124	+6	131	123	+8
Paraxylene production (Ktons)	0	0	0	0	53	-53
Accounting gross refining margin (US\$/Bbl)	(1.5)	7.4	-8.9	9.4	7.5	+1.9
Operating gross refining margin (US\$/Bbl) <sup>(1)</sup>	6.9	5.4	+1.5	9.0	3.1	+5.9
Total Fuel Product Sales (KBbl)	13,354	12,170	+1,184	51,342	46,933	+4,409
• LPG	777	637	+140	2,853	2,657	+196
• Gasoline	4,206	3,610	+596	15,401	12,984	+2,417
• Naphtha	143	147	-4	454	1,234	-780
• Jet Fuel/Kerosene	675	561	+114	2,389	1,878	+511
• Diesel	6,061	5,740	+321	24,472	22,255	+2,217
• Fuel Oil	1,174	1,055	+119	4,370	4,047	+323
• Asphalt	318	420	-102	1,403	1,878	-475

<sup>(1)</sup> Reflects production volume at market reference price and crude consumption at current replacement cost basis

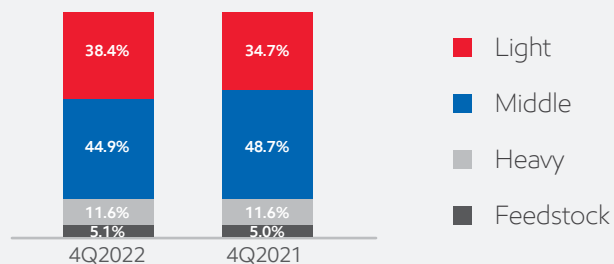


### Production 4Q 2022 versus 4Q 2021

Refinery crude intake in the fourth quarter of 2022 was 130 Kbd or 75% utilization, 6 Kbd higher than the same period last year mainly due to improved industry demand from resumed mobility and fully-reopen-to-tourism policy despite refinery planned maintenance.

Accounting Gross Refining Margin (GRM) in the fourth quarter of 2022 was negative \$1.5/Bbl, \$8.9/Bbl lower than the same period of 2021, largely contributed by unfavorable inventory effects. While Operating Gross Refining Margin (GRM) in the fourth quarter of 2022 was \$6.9/Bbl, \$1.5/Bbl higher than the same period last year, primarily driven by higher industry margins partially offset by higher crude premium.

#### Refinery Production (%)



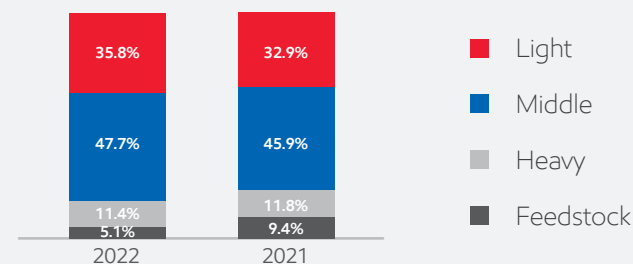
Refinery production yields in the fourth quarter of 2022 reflected production to support rising demand from resumed mobility. Compared with the same period of last year, middle distillates decreased mainly due to the refinery planned maintenance in December. While an increase in light production of 17% was also contributed by dedicated effort to alleviate logistic constraints and demand recovery.

### Production 2022 versus 2021

2022 crude intake was reported at 131 Kbd or 75% utilization, 8 Kbd higher than the last year mainly due to demand recovery following domestic COVID-19 reclassification to a communicable disease under surveillance and gas-to-liquid switching in the power generation industry. Paraxylene production has been suspended since April 2021.

Accounting Gross Refining Margin (GRM) in 2022 was \$9.4/Bbl, \$1.9/Bbl higher than last year. The improvement was primarily driven by higher industry margins partially offset by higher crude premium and energy cost. While Operating Gross Refining Margin (GRM) in 2022 was \$9.0/Bbl, \$5.9/Bbl higher than last year, essentially driven by strong industry margins partially offset by higher crude premium.

#### Refinery Production (%)

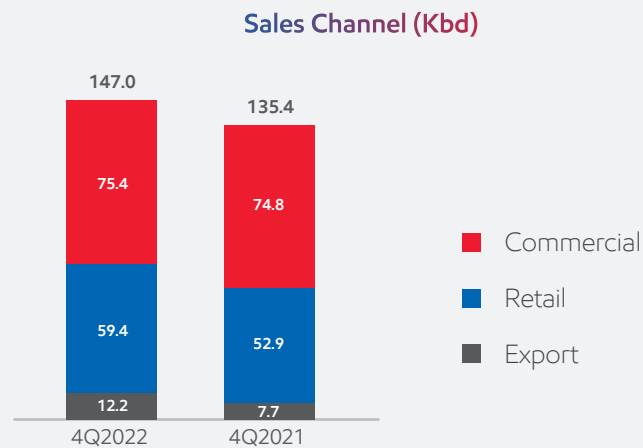


Refinery yields in 2022 reflected production in response to improved COVID-19 situation. Compared with last year, higher light product yields were mainly contributed by higher gasoline production as a result of the effort to alleviate logistic constraints and paraxylene production suspension. Middle distillate yields also increased from last year primarily contributed by higher diesel production from product high-grading and gas-to-liquid switching in the power generation industry. The company continued to maximize gasoline and diesel production to capture strong margin opportunity.

### Marketing Performance 4Q 2022 versus 4Q 2021

Total fuel product sales volume in the fourth quarter of 2022 was 147 Kbd, 9% higher than the same period of last year mainly from gasoline, diesel and jet fuel following improved demand from full country reopening.

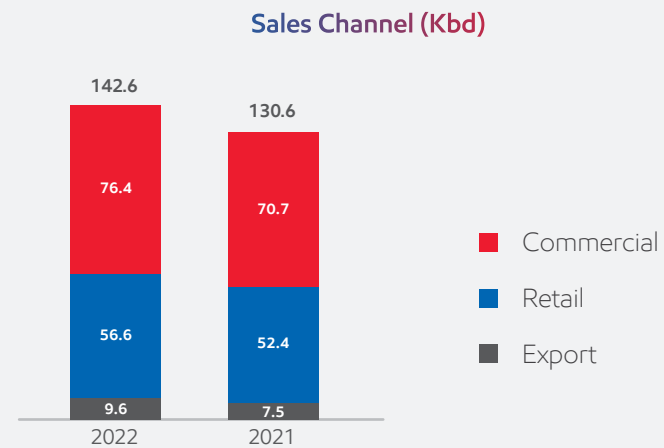
The overall sales growth was a result of the effort to optimize sales volume through higher margin channels and retail network growth. Commercial channel continued to capture growth opportunity in product high-grading and power generation industry. While retail business achieved record-high sales volume in December of 61.8 kbd since 2012 resulting from effective marketing programs and network expansion.



### Marketing Performance 2022 versus 2021

Overall product sales volume in 2022 was 142.6 kbd, 9% higher than last year mainly due to industry demand recovery from the relaxation of travel restrictions as seen in gasoline, diesel and jet fuel sales volume. Commercial channel made an outstanding business result to capture growth opportunity in domestic sales from product high-grading, gas-to-liquid switching in power generation industry and entering private jet and domestic airlines segment. Retail business also delivered a remarkable performance to grow volume, expand network, improve brand awareness and enhance customer experiences through mobile EDC payment integration with Esso Smiles. In 2022, the company remained at the 4<sup>th</sup> position among oil companies as well as 1<sup>st</sup> position among international oil companies and maintained market penetration of 11.6%.

At year-end 2022, there were 802 service stations nationwide which had exceeded the target or net increase of 73 service stations from year-end 2021.





## 4. Financial Performance

Unit: million Baht

	4Q 2022	4Q 2021	+ / -	2022	2021	+ / -
Total revenue	63,637	52,311	+11,326	263,000	172,878	+90,122
Cost of sales	(63,941)	(50,049)	-13,892	(245,707)	(162,260)	-83,447
<b>Gross profit</b>	<b>(304)</b>	<b>2,262</b>	<b>-2,566</b>	<b>17,293</b>	<b>10,618</b>	<b>+6,675</b>
Selling expenses	(1,535)	(1,261)	-274	(5,205)	(4,834)	-371
Administrative expenses	(60)	(60)	0	(235)	(234)	-1
<b>Profit (loss) from sales</b>	<b>(1,899)</b>	<b>941</b>	<b>-2,840</b>	<b>11,853</b>	<b>5,550</b>	<b>+6,303</b>
Other income	9	5	+4	23	26	-3
Finance costs, net	(149)	(75)	-74	(359)	(308)	-51
Share of profit from an associate	78	59	+19	312	227	+85
<b>Profit (loss) before income tax</b>	<b>(1,961)</b>	<b>930</b>	<b>-2,891</b>	<b>11,829</b>	<b>5,495</b>	<b>+6,334</b>
Income tax (expense) credit	398	(180)	+578	(2,320)	(1,051)	-1,269
<b>Profit (loss) for the period</b>	<b>(1,563)</b>	<b>750</b>	<b>-2,313</b>	<b>9,509</b>	<b>4,444</b>	<b>+5,065</b>
Other comprehensive income	(14)	217	-231	218	406	-188
<b>Total comprehensive income (loss) for the period</b>	<b>(1,577)</b>	<b>967</b>	<b>-2,544</b>	<b>9,727</b>	<b>4,850</b>	<b>+4,877</b>

### 4Q 2022 versus 4Q 2021

Total revenue for the fourth quarter of 2022 was higher than the same period last year, largely due to higher market selling prices and sales volume. Loss from sales was Baht 1,899 million, which was Baht 2,840 million lower than the same period of last year mainly due to unfavorable inventory effects. Compared to the same period last year, net finance costs increased by Baht 74 million, primarily driven by higher interest rates and higher loan balance.

### 2022 versus 2021

Total revenue of 2022 was higher than last year, largely due to higher market selling prices and sales volume. In 2022, profit from sales was Baht 11,853 million which was Baht 6,303 million higher than last year as a result of the effort to increase sales volume and stronger industry margins. Compared to last year, net finance costs increased by Baht 51 million primarily driven by higher interest rates and higher loan balance.

## 5. Statement of Financial Position

Unit: million Baht except for percentages

	31 Dec 2022	31 Dec 2021	+/-	+/- %
<b>Assets</b>				
• Current assets	51,922	33,784	+18,138	+54%
• Non-current assets	33,619	36,271	-2,652	-7%
<b>Total assets</b>	<b>85,541</b>	<b>70,055</b>	<b>+15,486</b>	<b>+22%</b>
<b>Liabilities</b>				
• Current liabilities	49,624	42,008	+7,616	+18%
• Non-current liabilities	8,713	8,839	-126	-1%
<b>Total liabilities</b>	<b>58,337</b>	<b>50,847</b>	<b>+7,490</b>	<b>+15%</b>
<b>Equity</b>				
• Issued & paid-up share capital	17,075	17,075	0	0%
• Premium on share capital	4,032	4,032	0	0%
• Legal reserve	1,254	1,001	+253	+25%
• Unappropriated retained earnings (deficits)	4,145	(3,638)	+7,783	+214%
• Other components of equity	691	731	-40	-5%
Non-controlling interests	7	7	0	0%
<b>Total equity</b>	<b>27,204</b>	<b>19,208</b>	<b>+7,996</b>	<b>+42%</b>
<b>Total liabilities and equity</b>	<b>85,541</b>	<b>70,055</b>	<b>+15,486</b>	<b>+22%</b>

Current assets as of December 31, 2022 increased by Baht 18,138 million from year-end 2021, mainly from higher oil fuel fund subsidy claims as well as higher inventory balance from higher crude and product prices. Non-current assets decreased by Baht 2,652 million mainly from decrease in deferred income tax assets related to tax loss carried forward which was fully utilized in 2022.

Total liabilities of Baht 58,337 million, an increase of Baht 7,490 million, were primarily contributed by higher short-term loans.

Total debt was Baht 35,935 million (long term loans of Baht 4,166 million and short term loans of Baht 31,769 million) as of December 31, 2022 compared to Baht 28,990 million at year-end 2021. The company continued to maintain adequate financing sources to support payment obligations.

Total equity increased by Baht 7,996 million reflecting profits for full year 2022 and unrealized gain from the re-measurement of Bangkok Aviation Fuel Services Public Company Limited (BAFS) investment partially offset by dividend payment.

## 6. Statement of Cash Flows

Unit: million Baht

	2022	2021
Cash flow from (used in) operating activities	(3,858)	1,541
Cash flow from (used in) investing activities	(1,085)	(1,341)
Cash flow from (used in) financing activities	4,728	340

Cash flow used in operating activities was Baht 3,858 million for 2022, which reflected positive earnings for the period offset by unfavorable working capital effects and income tax paid. Cash flow used in investing activities was Baht 1,085 million mainly for retail and refinery projects including investment for Euro 5 compliance, partly offset by dividends received and proceeds from disposal of a portion of equity investments. Cash flows from financing activities was Baht 4,728 million, mainly reflected net proceeds from borrowings partially offset by dividend payment.



## 7. Financial Ratios

### Profitability ratios

	4Q 2022	4Q 2021	2022	2021
Gross profit margin (%)	(0.5%)	4.3%	6.6%	6.1%
Net profit margin (%)	(2.5%)	1.4%	3.6%	2.6%
Interest coverage ratio (times)	(7.4)	27.2	39.0	28.3

### Liquidity and debt to equity ratios

	31 Dec 2022	31 Dec 2021
Current ratio (times)	1.0	0.8
Quick ratio (times)	0.2	0.2
Interest-bearing debt to equity ratio (times)	1.3	1.5
Long term debt to equity ratio (times)	0.2	0.2
Net debt to equity ratio (times)	1.3	1.5

### Financial ratios calculation:

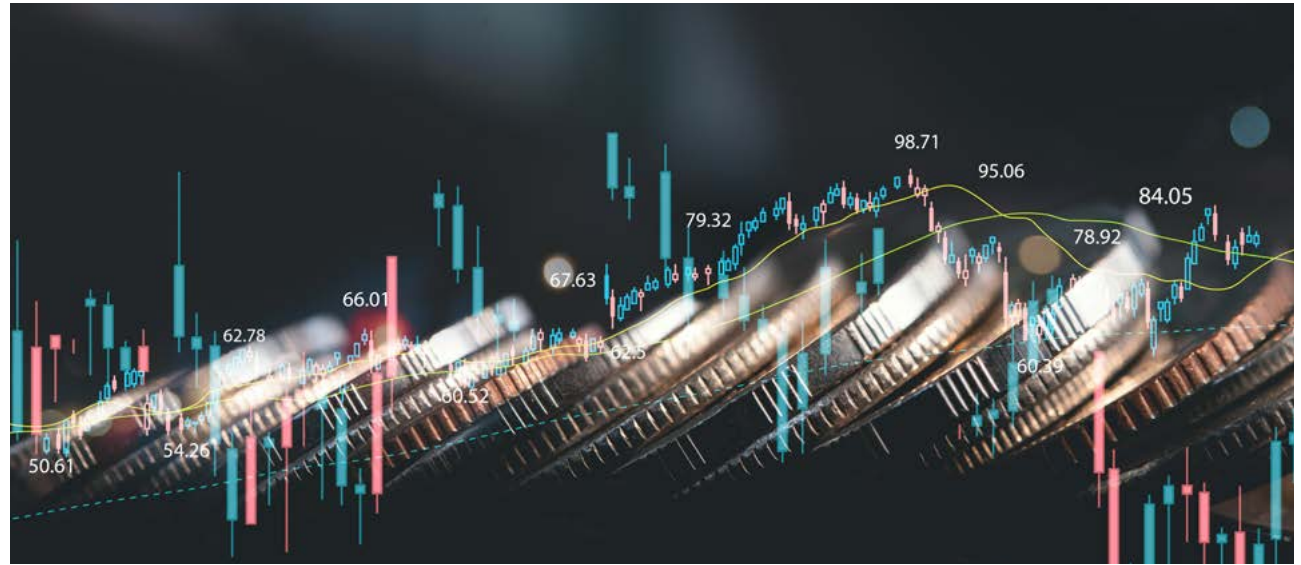
Gross profit margin	=	Gross profit/Total revenue
Net profit margin	=	Net profit/Total revenue
Interest coverage ratio	=	EBITDA/Interest expense
Current ratio	=	Current assets/Current liabilities
Quick ratio	=	(Cash and cash equivalents + Short term investments + Trade receivables)/Current liabilities
Interest-bearing debt to equity ratio	=	Total Interest-bearing debt/Total shareholders' equity
Long term debt to equity ratio	=	Non-current borrowings/Total shareholders' equity
Net debt to equity ratio	=	(Total debt-Cash and cash equivalents)/Total shareholder's equity

## Key Financial Information

### Consolidated Financial Statements

#### Auditor's note

PricewaterhouseCoopers ABAS Limited (By Ms. Amornrat Pearnpoonvatanasuk, Auditor's license No.4599) audited the consolidated and separate financial statements for the year ended December 31, 2022 in accordance with Thai Standards on Auditing. The auditor opined that the consolidated and separate financial statements are presented fairly, in all material respects, in accordance with Thai Financial Reporting Standards.



### Consolidated financial information for the last 3 years

#### a) Statement of Financial Position

Unit: Million Baht

Assets	As at 31 December		
	2020	2021	2022
<b>Current assets</b>			
Cash and cash equivalents	262	802	586
Trade receivables, net	5,083	8,171	8,430
Amounts due from related parties	37	0	0
Inventories, net	13,144	18,786	23,893
Other receivables, net	2,888	4,152	15,873
Other current assets	1,507	1,873	3,140
<b>Total current assets</b>	<b>22,921</b>	<b>33,784</b>	<b>51,922</b>



## a) Statement of Financial Position (continued)

Unit: Million Baht

Assets	As at 31 December		
	2020	2021	2022
<b>Non-current assets</b>			
Financial assets at fair value through other comprehensive income	1,071	1,147	1,094
Available-for-sale investments	0	0	0
Investments in an associate	2,137	2,095	2,198
Property, plant and equipment, net	24,750	23,706	22,982
Right-of-use asset, net	4,287	4,305	3,823
Intangible assets, net	181	153	126
Deferred income tax assets, net	3,512	2,361	673
Prepaid rental and deferred charges	266	149	90
Other non-current assets	2,253	2,355	2,633
<b>Total non-current assets</b>	<b>38,457</b>	<b>36,271</b>	<b>33,619</b>
<b>Total assets</b>	<b>61,378</b>	<b>70,055</b>	<b>85,541</b>

Unit: Million Baht

Liabilities and equity	As at 31 December		
	2020	2021	2022
<b>Current liabilities</b>			
Short-term borrowings from financial institutions	8,015	9,617	11,406
Trade and other payables	4,452	5,117	5,872
Amounts due to related parties	7,894	10,589	10,692
Short-term loans from related parties	13,854	15,374	20,363
Current income tax payable	1	0	0
Current portion of lease liabilities	358	438	319
Short-term provisions for employee benefits	872	873	972
<b>Total current liabilities</b>	<b>35,446</b>	<b>42,008</b>	<b>49,624</b>

## a) Statement of Financial Position (continued)

Unit: Million Baht

Liabilities and equity	As at 31 December		
	2020	2021	2022
<b>Non-current liabilities</b>			
Long-term borrowings from financial institutions	1,717	1,249	1,416
Long-term loans from related parties	4,617	2,750	2,750
Lease liabilities	2,440	2,400	2,118
Long-term provisions for employee benefits	2,799	2,440	2,429
Other non-current liabilities	0	0	0
<b>Total non-current liabilities</b>	<b>11,573</b>	<b>8,839</b>	<b>8,713</b>
<b>Total liabilities</b>	<b>47,019</b>	<b>50,847</b>	<b>58,337</b>
<b>Equity</b>			
Share capital			
Authorized share capital	17,110	17,110	17,110
• 3,467,916,666 ordinary shares with par value of Baht 4.9338 each			
Issued and paid-up share capital	17,075	17,075	17,075
• 3,460,858,000 ordinary shares with paid-up value of Baht 4.9338 each			
Share premium	4,032	4,032	4,032
Retained earnings (deficits)			
Legal reserve	1,001	1,001	1,253
Unappropriated	(8,081)	(3,638)	4,146
Other components of equity	325	731	691
Equity attributable to owners of the parent	14,352	19,201	27,197
Non-controlling interests	7	7	7
<b>Total Equity</b>	<b>14,359</b>	<b>19,208</b>	<b>27,204</b>
<b>Total liabilities and equity</b>	<b>61,378</b>	<b>70,055</b>	<b>85,541</b>

## b) Statement of Comprehensive Income

Unit: Million Baht

	For the year ended 31 December		
	2020	2021	2022
<b>Income</b>			
Revenue from sales and subsidy from oil fuel fund	126,672	172,878	263,000
Cost of sales	(131,408)	(162,260)	(245,707)
<b>Gross profit</b>	<b>(4,736)</b>	<b>10,618</b>	<b>17,293</b>
Selling and administrative expenses	(5,217)	(5,068)	(5,440)
<b>Profit (loss) from sales</b>	<b>(9,953)</b>	<b>5,550</b>	<b>11,853</b>
Other income	67	26	23
<b>Profit (loss) from operations</b>	<b>(9,886)</b>	<b>5,576</b>	<b>11,876</b>
Share of profit from an associate	285	227	312
<b>Profit (loss) before interest and tax</b>	<b>(9,601)</b>	<b>5,803</b>	<b>12,188</b>
Finance costs, net	(357)	(308)	(359)
<b>Profit (loss) before income tax</b>	<b>(9,958)</b>	<b>5,495</b>	<b>11,829</b>
Income tax credit (expense)	2,048	(1,051)	(2,320)
<b>Profit (loss) for the year</b>	<b>(7,910)</b>	<b>4,444</b>	<b>9,509</b>
Non-controlling interests	1	1	1
Owners of the parent	(7,911)	4,443	9,508

## c) Statement of Cash Flows

Unit: Million Baht

	For the year ended 31 December		
	2020	2021	2022
<b>Cash flows from operating activities</b>			
Net Profit (loss) for the year	(7,910)	4,444	9,509
<b>Adjustments for:</b>			
Depreciation	2,568	2,808	2,772
Amortisation	18	18	35
Loss allowance	(12)	(17)	9
Write-down of inventory to net realisable value	12	60	88
Impairment charge on non-financial assets	122	408	-
Loss on disposal of property, plant and equipment and intangible assets	34	7	3
Share of profit from an associate	(285)	(227)	(312)
Finance costs, net	357	308	358
Dividend income	(46)	0	0
Income tax expense (credit)	(2,048)	1,051	2,320
Net unrealised foreign exchange (gain) loss	21	(61)	26
<b>Cash flows before changes in working capital</b>	<b>(7,169)</b>	<b>8,799</b>	<b>14,808</b>



## c) Statement of Cash Flows (continued)

Unit: Million Baht

	For the year ended 31 December		
	2020	2021	2022
<b>Operating assets (increase) decrease</b>			
Trade receivables	1,392	(3,066)	(299)
Amount due from related parties	(36)	36	-
Inventories	5,929	(5,702)	(5,196)
Other receivables	(1,511)	(1,264)	(11,721)
Other current assets	2,631	(328)	(108)
Prepaid rental and deferred charges	93	116	60
Other non-current assets	(553)	(102)	(279)
<b>Operating liabilities increase (decrease)</b>			
Trade and other payables	(484)	521	781
Amount due to related parties	(228)	2,772	91
Income tax payables	0	2	-
Provisions for employee benefits	74	71	77
Other non-current liabilities	(2)	0	0
<b>Cash generated from (used in) operations</b>	<b>136</b>	<b>1,855</b>	<b>(1,786)</b>
Interest paid	(221)	(271)	(245)
Income tax received (paid)	494	(43)	(1,828)
<b>Net cash generated from (used in) operating activities</b>	<b>409</b>	<b>1,541</b>	<b>(3,858)</b>

## c) Statement of Cash Flows (continued)

Unit: Million Baht

	For the year ended 31 December		
	2020	2021	2022
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangible assets	(1,486)	(1,461)	(1,540)
Payments for right-of-use assets	(182)	(192)	(112)
Proceeds from disposal of property, plant and equipment	13	40	20
Proceeds from disposal of equity investments	0	0	314
Interest received	3	3	17
Dividend received	401	269	214
<b>Net cash used in investing activities</b>	<b>(1,251)</b>	<b>(1,341)</b>	<b>(1,085)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from (payments on) short-term borrowings	(407)	1,818	1,839
Payments on long-term borrowings	(1,633)	(2,183)	(1,884)
Proceeds from long-term borrowings	2,000	1,500	2,000
Net (payments on) proceeds from loans from related parties	1,224	(352)	4,935
Dividends paid to group shareholders	0	0	(1,730)
Dividends paid to non-controlling interests	(1)	(1)	(1)
Payments on lease liabilities	(356)	(442)	(431)
<b>Net cash used in financing activities</b>	<b>827</b>	<b>340</b>	<b>4,728</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(15)</b>	<b>540</b>	<b>(216)</b>
Cash and cash equivalents at the beginning of the year	277	262	802
<b>Cash and cash equivalents at the end of the year</b>	<b>262</b>	<b>802</b>	<b>586</b>

## Key financial ratios

	Unit	For the year ended 31 December		
		2020	2021	2022
<b>Liquidity Ratio</b>				
Current ratio	times	0.6	0.8	1.0
Quick ratio	times	0.2	0.2	0.2
Operating cash flow margin <sup>(1)</sup>	times	0.0	0.0	0.0
Trade receivables turnover	times	21.8	26.0	31.7
Average collection period	days	16.5	13.8	11.4
Inventory turnover	times	8.2	10.2	11.5
Days sales in Inventory	days	44.1	35.4	31.3
Trade payables turnover	times	10.3	11.6	15.2
Average payment period	days	34.9	31.1	23.6
Cash Cycle	days	25.8	18.1	19.0
<b>Profitability Ratio</b>				
Gross profit ratio	percent	(3.7)	6.1	6.6
Operating profit margin <sup>(2)</sup>	percent	(7.9)	3.2	4.5
Other profit ratio <sup>(3)(4)</sup>	percent	0.1	0.0	0.0
Operating cash flow to operating profit ratio <sup>(1)</sup>	percent	(1.4)	33.4	(15.1)
Net profit margin	percent	(6.2)	2.6	3.6
Return on equity	percent	(43.4)	26.5	41.0
<b>Efficiency Ratio</b>				
Return on assets	percent	(12.4)	6.8	12.2
Return on fixed assets <sup>(5)</sup>	percent	(21.2)	29.9	52.6
Total asset turnover	times	2.0	2.6	3.4

<sup>(1)</sup> Net cash flow from operations before interest and tax paid

<sup>(2)</sup> Operating profit calculated from gross profit reduced by selling & administrative expense, and executive remuneration

<sup>(3)</sup> Total revenue excludes other non-operating revenue

<sup>(4)</sup> Other revenue excludes other non-operating revenue

<sup>(5)</sup> Fixed assets include property, plant, and equipment-net

<sup>(6)</sup> Net cash generated from operating activities divided by interest paid

<sup>(7)</sup> Debt service commitment includes interest payment

## Key financial ratios (continued)

	Unit	For the year ended 31 December		
		2020	2021	2022
<b>Financial Policy Ratio</b>				
Debt to equity ratio	times	3.3	2.6	2.1
Interest-bearing debt to equity ratio	times	2.0	1.5	1.3
Interest coverage ratio <sup>(6)</sup>	times	(20.1)	28.3	39.0
Debt service coverage ratio - cash basis <sup>(1)(7)</sup>	times	0.0	0.4	(0.3)

<sup>(1)</sup> Net cash flow from operations before interest and tax paid

<sup>(2)</sup> Operating profit calculated from gross profit reduced by selling & administrative expense, and executive remuneration

<sup>(3)</sup> Total revenue excludes other non-operating revenue

<sup>(4)</sup> Other revenue excludes other non-operating revenue

<sup>(5)</sup> Fixed assets include property, plant, and equipment-net

<sup>(6)</sup> Net cash generated from operating activities divided by interest paid

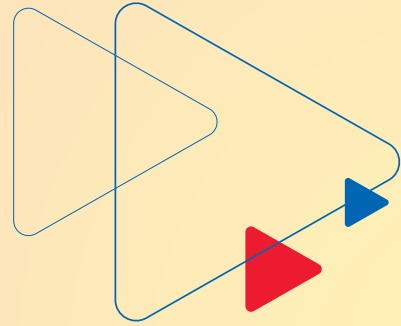
<sup>(7)</sup> Debt service commitment includes interest payment

## Credit Term and Policy

A counterparty's ability to pay is assessed through a credit review process that considers payment terms, the counterparty's established credit rating or the Corporation's assessment of the counterparty's credit worthiness, contract terms, country of operation, and other risks. There are cash and open credit customers with range of 1-105 days depending on products and type of businesses.







# Part 2

# Corporate Governance



# Corporate Governance

## Corporate Governance Policy and Practice Overview

The Company generally observes the principles of good corporate governance encouraged by the Stock Exchange of Thailand that is consistent with the Corporate Governance Code for listed companies 2017 developed by the Securities and Exchange Commission.



### Board Governance Guideline and Board's Responsibilities

The Board of Directors consists of people who have qualification and related work experiences to create vision, policy and business strategies for the Company. The Company focuses on internal control, internal audit, risk management and business review process to ensure that its business operation is align with applicable laws and regulations and under a sound judgement.

In addition to a report of interest of directors (i.e. information on shareholdings, directorships, or executive positions in other legal entity (ies), the Company shall disclose a report of interest of each executive which relates to his/her directorship/executive position in other ExxonMobil affiliates.

### Board Governance Guideline

The Board adopted the Board Governance Guidelines, setting out the governance, nomination of directors, determination of directors' remuneration, an independence of the Board from the management, director development and assessment of the Board's performance and succession planning reflecting the Company's current practices suitable for the Company's business and posted on the Company's website ([www.esso.co.th](http://www.esso.co.th)) as follows:



## Board Structure

### Board Size and Composition.

The size of the Esso (Thailand) Board will provide for sufficient diversity among Directors and Independent Directors, while also facilitating substantive discussions in which each Director can participate meaningfully. Normally, the Board intends to have approximately ten to thirteen members, with no less than one-third of the Board being comprised of Independent Directors.

### Independent Directors.

The Board will include Directors whom the Board has determined to be independent per the definitions set forth by the Securities and Exchange Committee and the Stock Exchange of Thailand ("SET"). In general, an Independent Director must have no material relationship with Esso (Thailand), directly or indirectly.

### Employee Directors.

The Board will include Company Management who can effectively represent material aspects of Esso (Thailand)'s operations and areas of functional expertise. Employee Directors will be held to the same standards as Independent Directors in terms of election, standards of conduct and commitment to Board activities.

### Election of Directors.

Directors will stand for election at the annual general meeting of shareholders, with no less than one-third of the Directors standing for election in each calendar year to serve for their terms. Directors will be approved by a majority vote of shareholders participating in the annual general meeting of shareholders, either directly or via proxy. If a Director's resignation is submitted to the Company prior to the end of their current term, the Board may fill any resulting vacancy, reduce the size of the Board, or take other appropriate action in accordance with applicable law and the provisions of Esso (Thailand)'s Articles of Association.

### Chairperson and Managing Director.

At present, the Managing Director (MD) and Chairperson consistent are separated consistent with SET Regulation.

### Term Limits.

The Board believes that experience as an Esso (Thailand) Director is a valuable asset, especially in light of the size

and scope of the Company's operations. Therefore, Directors are not subject to term limits or a mandatory retirement age. Eligibility to continue to serve as a Director will be based on experience, commitment, performance within the Board and ability to effectively contribute to the Board and Company shareholders. The Nomination, Remuneration and Performance Evaluation Committee, specifically, and the Board, generally, will assess performance and the ability of a Director to stand for election on a case by case basis including the independence of an independent director candidate, as part of the nomination process prior to the annual general meeting of shareholders.

### Other Directorships.

Recognizing the time commitment required of Directors, it is expected that Directors will serve on the boards of other companies only to the extent that, in the judgment of the Board, such services do not detract from the Directors' ability to devote the necessary time and attention to Esso (Thailand). However, Director should serve on the boards of listed companies only up to 5 listed companies unless approved otherwise by the Board based on necessity of Director. The Chairperson will, at least annually, review all Directors' service on the boards of other companies.

### Change in Status.

To avoid any potential conflict of interest, Directors will not accept a seat on any additional company board without first reviewing the matter with the Chairperson.

## Director Selection and Qualifications

### Selection.

The Board, acting on the recommendation of the Nomination, Remuneration and Performance Evaluation Committee, will nominate a slate of Director candidates for election at each annual general meeting of shareholders and will elect Directors to fill vacancies, including vacancies created as a result of resignation, between annual general meetings.

### Qualifications.

Candidates for Director of Esso (Thailand) should be individuals who have achieved prominence in their fields, with experience and demonstrated expertise in managing large, relatively complex organizations or in a professional or scientific capacity, and be accustomed to dealing with complex situations preferably those with international breadth. All candidates must be free from any relationship with management or Esso (Thailand) which would interfere with the exercise of independent judgment. Candidates should be committed to representing the interests of all shareholders and not any particular constituency.

The Board believes a Director should be able to serve for at least several years. Candidates should bring integrity, insight, energy, and analytical skills to Board deliberations, and must have a commitment to devote the necessary time and attention to oversee the affairs of a company of the size and complexity as Esso (Thailand). Esso (Thailand)

recognizes the strength and effectiveness of the Board reflects the experience and diversity of Directors; their commitment to the success of Esso (Thailand) and its shareholders; and the ability of Directors to work effectively as a group to carry out their responsibilities. Esso (Thailand) seeks candidates with diverse personal experiences and backgrounds who possess complementary knowledge and skills in areas of importance to Esso (Thailand). These may include knowledge of the oil & gas industry, refining, petrochemicals, finance, and international operations.

### Orientation.

New non-Employee Directors will receive a comprehensive orientation from appropriate management regarding Esso (Thailand)'s business and affairs.



## Board Meetings; Director Responsibilities

### Number of Regular Meetings.

The Board normally holds five to seven regular meetings per year. Additional meetings may be scheduled as required.

### Agenda and Briefing Material.

An agenda for each Board meeting will be distributed to each director at least 7 clear days in advance while briefing materials will, to the extent practicable, be distributed to each Director approximately 5 working days prior to each meeting. The Chairperson, in consultation with the Company Secretary and other Directors as required, will normally set the agenda for Board meetings consistent with draft whole year agenda items reviewed by the Board at the end of preceding year. Any Director may request the inclusion of specific items.

### Meeting Attendance.

It is expected that each Director will make every effort to attend each Board meeting and each meeting of any committee on which he or she sits. Attendance in person is preferred but attendance by teleconference is permitted if necessary, under the rules set forth by relevant laws and regulations for procedure, quorum and voting.



### Director Preparedness.

Each Director should be familiar with the agenda for each meeting, have carefully reviewed all other materials distributed in advance of the meeting, and be prepared to participate meaningfully in the meeting, and to discuss all scheduled items of business.

### Confidentiality

The proceedings and deliberations of the Board and its committees are confidential. Each Director will maintain confidentiality of information received in connection with his or her service as a Director, including discussions and information on processes of the Board and its Committees.

### **Board Self-Evaluation**

At least annually, the Board will evaluate its performance and effectiveness.



### **Committees**

The Board will appoint from among its members any committees it determines are necessary or appropriate to conduct its business. Currently, the standing committees of the Board are the Audit Committee, the Nomination, Remuneration and Performance Evaluation Committee and the Environment, Social and Governance Committee.

### Committee Composition.

The Board Audit Committee will consist solely of Independent Directors. The Nomination, Remuneration and Performance Evaluation Committee shall be comprised of both Directors and Independent Directors provided that the majority of the members be Independent Directors. The Environment, Social and Governance Committee shall be comprised of one director and employees of the Company and ExxonMobil affiliates.

### **Managing Director Performance Review**

At least annually, the Nomination, Remuneration and Performance Evaluation Committee shall, with support of the Board excluding the Chairperson, review the performance of the Managing Director in light of the Company's goals and objectives.

### **Succession Planning**

At least once every two years, the Board will review succession plans for senior management positions within Esso (Thailand). Succession planning will address

both succession in the ordinary course of business and contingency planning in case of unexpected events.

### **Standards of Business Conduct**

The Company has adopted comprehensive standards of business conduct. Each Director is expected to be familiar with and to follow these standards, as well as these Board Governance Guidelines. The Company Secretary and Controller will review any issues arising under the applicable standards of business conduct with respect to an executive officer or Director and will report its findings to the full Board. The Board does not envision that any waivers will be authorized.

### **Non-Employee Director Compensation**

Compensation for non-Employee Directors will be proposed by the Board on the recommendation of the Nomination, Remuneration and Performance Evaluation Committee, and will be reviewed and approved by 2/3 of shareholders present at the annual general meeting. Non-Employee Director compensation will be set at a level that is consistent with market practice, taking into account the size and scope of Esso (Thailand)'s business and the responsibilities of its Directors.

Directors who receive separate compensation from the Company or its affiliates for any type of full-time service rendered are not eligible for remuneration as directors. Total remuneration paid to directors and executive shall be disclosed in the form as required by laws.



## Director and Executive Development Guideline

It is expected that directors remain well-informed regarding current aspects of the Company's operations, projects, and best practices in corporate governance. In that regard, the Board encourages directors to participate in continuing education opportunities inside and outside of the Company, such as the programs offered by the Thai Institute of Directors Association (IOD) and Thai Listed Companies Association (TLCA).

## Subsidiaries' Operation Monitoring

The Company as the shareholder shall appoint its representative to attend the meeting of its subsidiaries. The representative of the Company shall vote at the general meeting of shareholders in accordance with the principle or guidance provided by the Company. The Company shall have the same rights as other shareholders except for certain rights e.g. right to receive a dividend payment or right to nominate director in those subsidiaries pursuant to Articles of Association of those subsidiaries. In the past, the Company, as the shareholder, passed the resolution to appoint the Company's employees as the directors and managing director of those subsidiaries. Those directors shall have power to operate the business in accordance with policy, objectives and articles of association, resolutions of board of directors and shareholders as well as applicable laws.

## Shareholders and Stakeholders Policy and Guideline

### Rights of Shareholders

The Company recognizes the rights of shareholders, including but not limited to the right to freely buy, sell, or transfer shares; to participate in, express opinions at, raise questions during, or propose agenda items for the annual general meeting of shareholders; nominate directors; and vote at general meetings of shareholders regarding the Company's performance, election or removal of directors, directors' remuneration, appointment of external auditors, auditor's fee, declaration of final dividends, amendments to the Memorandum and Articles of Association, capital increases or decreases, and the approval of extraordinary transactions requiring shareholder approval.

Shareholders are provided with adequate information regarding issues presented for voting at general meetings of shareholders in a timely manner to enable shareholders to exercise their voting rights effectively including but not limited to the following:

- Election of directors: information of candidates including educations, experience and position in other company(ies), business(es) or organization(s);
- Directors Remuneration: composition and amount of remuneration proposed for approval at the shareholders' meeting;
- Appointment of external auditors and auditor's fee: names and firm auditors proposed for appointment, proposed auditor's fee and number of years serving as the external auditor of the Company (in case of an appointment of same external auditor;)
- Declaration of final dividend: summary of clarification for shareholders' use for casting their vote on proposed final dividend;
- Other significant matter(s) e.g. capital increases or decreases, amendments to Articles of Association, sale, cease or transfer of its principle business operation, amalgamation etc: adequate information to meeting an objectives of a proposed matter including impact to the Company and shareholders.

In addition to the above information, shareholders are provided with relevant opinions of the directors, regarding each agenda items presented for voting at general meetings of shareholders to enable Shareholders are appropriately invited to share their opinion and ask questions at the shareholders' meeting. Annual general meetings of shareholders are attended by relevant knowledgeable executives to answer questions. The minutes of meeting are duly prepared in which relevant information is available including but not limited to names of directors and executives attending the meeting, summary of significant questions asked and relevant explanation and clarification provided at the meeting, proposed significant opinion, voting and calculation procedure, resolutions of each agenda items divided into approval, disapproval and abstain etc. shareholders to exercise their vote. The Company complies with requirement stipulated in the Articles of Association and applicable laws and regulations regarding shareholders' meeting including posting the completed set of the notice of general meeting of shareholders in both Thai and English on the Company's website at least 30 days before the meeting which includes requirement for attendance the shareholders' meeting and agenda items in advance as required by relevant laws and regulations.

Shareholders are appropriately invited to share their opinion and ask questions at the shareholders' meeting. Annual general meetings of shareholders are attended by relevant knowledgeable executives to answer questions. The minutes of meeting are duly prepared in which relevant information is available including but not limited to names of directors and executives attending the meeting, summary of significant questions asked and relevant explanation and clarification provided at the meeting, proposed significant opinion, voting and calculation procedure, resolutions of each agenda items divided into approval, disapproval and abstain etc.

The Company facilitates and encourages its shareholders, including institutional shareholders, to attend the general meetings of shareholders. In case of physical meeting, the Company attempts to select a meeting venue accessible by mass transportation for the convenience of its shareholders. In case of electronic meeting, the Company shall purchase the E-AGM Service from the service provider being the SET's affiliate using E-AGM system that is consistent with the Electronic Transactions Development Agency (ETDA)'s standard. In case of an appointment of a proxy, shareholders, including



institutional shareholders, are encouraged to submit registration documents duly prepared in accordance with rules stipulated in the notice of the general meeting of shareholders along with all supporting documents to the Company prior to the meeting date. For physical meeting, a barcode system is used for registration and vote counting to expedite the registration and vote computation process. The Company also provides stamp duty for the appointment of proxies.

### Equitable Treatment of Shareholders

The Conflict of Interest is part of the Standards of Business Conduct. In general, it is the Company's policy that directors, officers, and employees should avoid any actual or apparent conflict between their own personal interests and the interests of the Company. A conflict of interest can arise when a director, officer, or employee takes actions or has personal interests that may interfere with his or her objective and effective performance of work for the Company. For example, directors, officers, and employees are expected to avoid actual or apparent conflict in dealings with suppliers, customers, competitors, and other third parties. Directors, officers, and employees are expected to refrain from taking for themselves opportunities discovered through their use of corporate assets or through their positions with the Company. Furthermore, directors, officers, and employees are expected to avoid securities transactions that are based on material, non-public information obtained through their positions with the Company. In relation to the potential misuse of insider information, the Company has undertaken the following steps:



- Educate the Company's executives regarding their responsibilities to report holdings of the Company's shares, and the penalties for non-disclosure under the Securities and Exchange Act B.E. 2535 (as amended) and the Stock Exchange of Thailand regulations;
- Advise the Company's executives to report changes in such holdings of the Company's shares to the SEC in accordance with the Securities and Exchange Act B.E. 2535 (as amended);
- Counsel the Company's executives on the sensitivities associated with the use of Company's information which may have a bearing on the Company's share price. The Company advises relevant employees one month prior to the release of the Company's financial statements not to disclose any material information prior to disclosure of such information to the SET and the board of directors; and
- Remind the Company's directors, executives, employees, and officers, that they and their respective spouses and dependents, are prohibited from using the Company's information to sell, buy, transfer, or receive any transfer of the Company's shares before such information is disclosed to the public. Any such use may violate applicable laws and subject the individual to disciplinary action by the Company.
- Within January of each year, all employees shall be reminded and communicated that employees with access to the defined Insider Information and their respective spouses and dependents, are prohibited from purchasing, selling or engaging in any transaction involving the Company's securities or forward contracts or from passing on such information to other persons.

## Role of Stakeholders

The Company recognizes the importance of the legal rights of various groups of stakeholders including shareholders, customers, employees, and communities. It is the Company's policy to comply with all governmental laws, rules, and regulations applicable to its business including but not limited to intellectual property and copyrights. We strive to provide channels for stakeholders to communicate their concerns (Whistle Blowing) to the Board of Directors and/or the Company with regard to potential irregularities, incorrect financial reporting, deficiencies in internal controls, or unethical practices as detailed in "Whistle Blowing" (Page 130).

The Company recognizes the importance and value of the communities and the environment in which we operate. The Company has a policy that sets the expectation of compliance with all applicable laws, rules, and regulations, and reiterates the importance of respect for local and national cultures. Above all other objectives, the Company is dedicated to running safe and environmentally responsible operations.

## Disclosure and Transparency

The Company expects compliance with its standards of integrity throughout the organization and will not tolerate employees who achieve results by violating laws or the Company's policies. The Company's directors and officers support, and expect the Company's employees to support, any employee who passes up an opportunity or advantage that would sacrifice ethical standards.

It is the Company's policy that all transactions will be accurately reflected in its books and records. This, of course, means that falsification of books and records and the creation or maintenance of any off-the-record bank accounts are strictly prohibited. Employees are expected to record all transactions accurately in the Company's books and records, and to be honest.

It is the Company's policy to make full, fair, accurate, timely, and understandable disclosures in reports and documents that the Company's files with the authorities or





in other public communications. Relevant information is disclosed to shareholders in accordance with applicable laws. In the past year, the Company disclosed essential matters as required by relevant rules and regulations through the Stock Exchange of Thailand in a timely manner. Financial reports and relevant information are also posted on the Company's website ([www.esso.co.th](http://www.esso.co.th)). All employees are responsible for reporting material information known to them to higher management so that the information will be available to executives responsible for making disclosure decisions.

Moreover, the Company's Investor Relations function serves as a focal point to conduct investor relations activities and ensure effective communication with investors and securities analysts. Various communication channels and methods are utilized including the Company's website, quarterly analyst meetings, company visits, e-mails, and telephone calls.

#### Investor Relations Contact



: 02-407-4788



: [essolr@exxonmobil.com](mailto:essolr@exxonmobil.com)

## Standards of Business Conduct

### Standards of Business Conduct

The Company has well-established "Standards of Business Conduct" consisting of policies and guidelines regarding ethical behavior in all aspects of its operations and business, and these Standards of Business Conduct apply to all officers and employees, without exception.

#### The Company's Standards of Business Conduct contain 17 foundational policies as follows:

1. Ethics
2. Conflicts of Interest
3. Corporate Assets
4. Directorship
5. Gifts and Entertainment
6. Anti-corruption
7. Political Activities
8. International Operations
9. Antitrust
10. Health
11. Environment
12. Safety
13. Product Safety
14. Customer Relations and Product Quality
15. Alcohol and Drug Use
16. Equal Employment Opportunity
17. Harassment in the Workplace

While the Company's policies cover a wide range of subjects, the uncompromising requirement for honesty, integrity, and ethical dealing is fundamental to all of them. In particular, the Company's stringent standards against corruption are clearly reflected in the Ethics, Conflicts of Interest, Directorship, Gifts and Entertainment, and Anti-Corruption policies.

It is not only the policy of the Company to comply with all governmental laws, rules, and regulations applicable to its business, but the Company's Ethics policy also goes further and requires that even where the law is permissive, the Company chooses the course of highest integrity. The Company expects compliance with its Standards of Business Conduct throughout the organization and will not tolerate employees who achieve results at the cost of violation of law or who deal unscrupulously.

The Company's directors and officers support, and expect the Company's employees to support, any employee who passes up an opportunity or advantage that would sacrifice ethical standards. Executives and employees are required to review these policies annually and provide electronic written confirmation of compliance.

It is the Company's policy that all transactions be accurately reflected in its books and records. This, of course, means that falsification of books and records and the creation or maintenance of any off-the-record bank accounts are strictly prohibited. Employees are expected to record all transactions accurately in the Company's books and records, and to be honest and forthcoming with the Company's internal and independent auditors.

The Company expects candor from employees at all levels and adherence to its policies and internal controls. One harm which results when employees conceal information from higher management or the auditors is that other employees think they are given a signal that the Company's policies and internal controls can be ignored when they are inconvenient. That mindset can result in corruption and demoralization of an organization. The Company's system of management will not work without honesty,



involving bookkeeping, budget proposals, and economic evaluation of projects. Local customs and practices may differ from place to place, but honesty is not subject to criticism in any culture.

The Company believes that a well-founded reputation for honest dealing is itself a priceless corporate asset. In support of these policies, the Company has adopted detailed guidelines and programs, such as:





## Anti-Corruption Practice

The Company's anti-corruption policy and compliance program are based on global ExxonMobil standards, which meet stringent US, UK and EU standards. While these have always been part of the Company's way of doing business, the Company formalized the policy and programs in 2011 and 2012. The Company's board of directors adopted the Anti-Corruption policy in November 2011, and added it to its Standards of Business Conduct so it is explicit to all employees and stakeholders. The Company's Chairperson formally endorsed a consolidated Anti-Corruption Compliance Program in November 2012, setting out the practical framework, which contains six (6) elements as follows:



These elements require management to:

- Provide visible leadership and be accountable for the Company's anti-corruption efforts
- Continually assess anti-corruption risks in the Company's operations and businesses, review these with legal counsel, as needed, and take appropriate mitigation or corrective action
- Have in place appropriate controls and procedures to detect and prevent corruption
- Regularly communicate the Company's anti-corruption policy, guidelines and programs to employees
- Provide regular training in all applicable anti-corruption laws, including US Foreign Corrupt Practices Act, UK Bribery Act and Thai anti-corruption laws, to ensure consistent understanding among all employees
- Conduct regular internal audits and internal self-assessments to help ensure rigorous enforcement of the Company's ethical standards

The Company guidelines provide detailed explanations and practical rules for complying with the relevant policies, and avoiding conflicts between the Company's interests and those of officers and employees, whether real or apparent. In particular, these policies and guidelines seek to prevent corruption, and uphold the integrity of the Company in all its operations and businesses without exception. For example, The Gifts and Entertainment Guidelines defines the scope of "gifts" and "entertainment", the review and approval requirements for providing and receiving gifts and entertainment, and acceptable

business contexts for providing and receiving gifts and entertainment. Another example is the Guidelines for Interaction with Government Officials, which defines "Government Officials", as well as "gifts", "entertainment" and "hosting" offered or provided to Government Officials, and the review and approval requirements for the same. It should be noted that the gift of cash or cash equivalents of any nature are strictly prohibited, as are facilitating payments of any kind. Further, high-value entertainment and hosting is subject to additional rules and stricter review processes.

Failure to behave honestly, to comply with law, the Company's policies, and the Company's internal controls may result in disciplinary action, up to and

including separation. No one in the Company has the authority to make exceptions or grant waivers to the Company's foundation policies.

The Company also enforces these ethical standards with contractors and third parties acting on our behalf. Contractors and third parties acting on behalf of the Company are prohibited from making payments to or engaging in transactions with government officials that improperly influence the proper performance of their official duties. The Company makes efforts to include in all procurement contract requirements to keep accurate books and records and, where appropriate, contains anti-bribery commitments from our vendors and suppliers.

## Whistle Blowing

The Company has an Open Door Communications Procedure set out in the Standards of Business Conduct which encourages employees to ask questions, voice concerns, and make appropriate suggestions regarding the business practices of the Company. Employees are expected to report promptly to management suspected violations of law, the Company's policies, and the Company's internal controls, so that management can take appropriate corrective action. Depending on the subject matter of the question, concern, or suggestion, each employee has access to alternative channels of communication, for example, the Controller's Department; Internal Audit; the Human Resources Department; the Law Department; the Safety, Health and Environment Department; the Security Department; and the Treasurer's Department.

Suspected violations of law or the Company's policies involving a director or executive officer, as well as any concern regarding questionable accounting or auditing matters, should be referred directly to the Company's General Auditor. Employees may also address communications to individual non-employee director or to the non-employee directors as a group or make complaints without identify themselves via communication channel as detailed in the Open Door Communication Procedure. As a protection measure, no action may be taken or threatened against any employee for asking questions, voicing concerns, or making complaints or suggestions in conformity with the procedures described above, unless the employee acts with willful disregard of the truth.







Moreover, stakeholders can directly report to the Board of Director/Audit Committee any concerns, violations of law, inaccuracy of financial reporting, defective of internal controls, violations of ethics via Investor Relations as per contact details prescribed in “Other significant information-Investor Relations” (Page 146). Investor Relations will contact responsible director/executive for further investigation as necessary. Suspected matters involving particular director or executive shall be referred to internal audit or other director(s)/executive(s) for further investigation or via communication channel as details in the Open Door Communication Procedure as aforementioned.

The full text of these foundational policies and the Open Door Communications Procedure can be found on the Company’s website at [www.esso.co.th](http://www.esso.co.th).

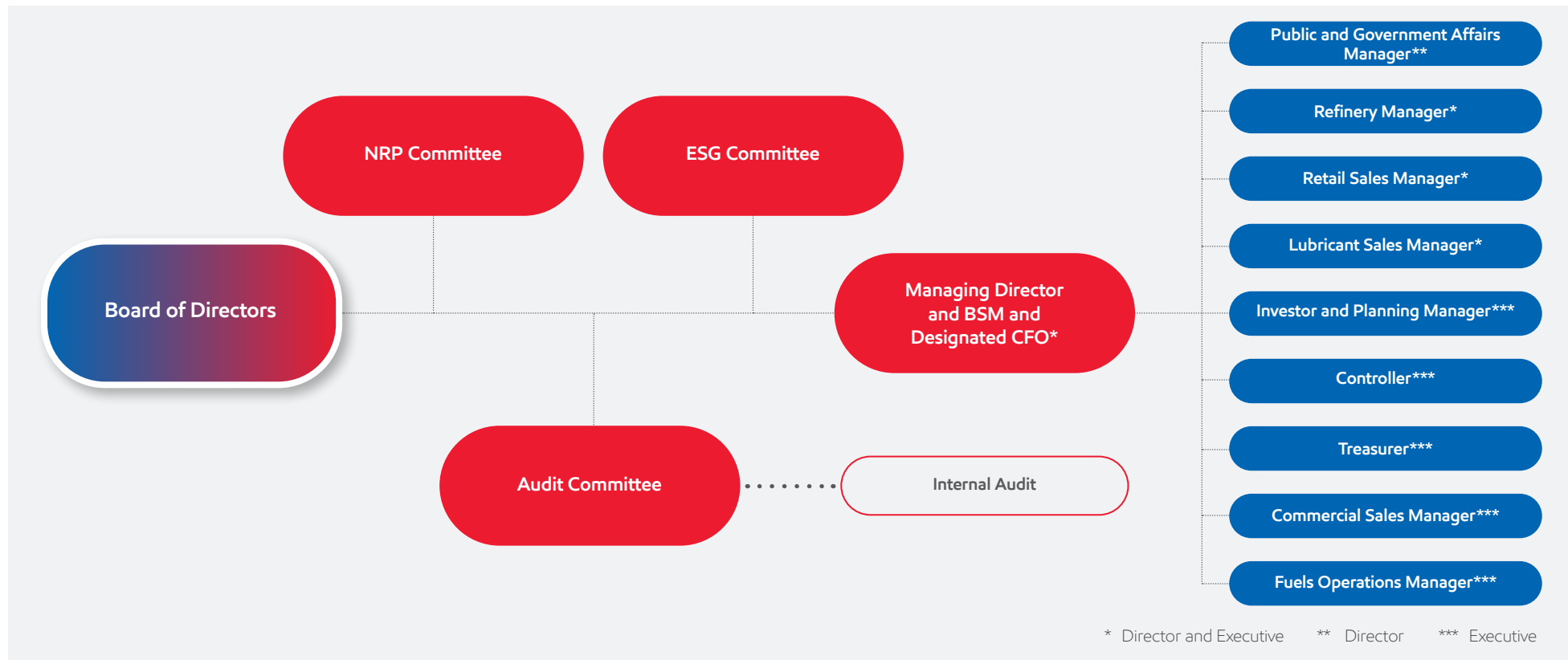
## Material changes and developments regarding policy, guidelines and corporate governance system in the preceding year

In 2022, the Board acknowledged the result of annual review of the application of the 2017 Corporate Governance Code conducted by working team as assigned by the Board. In general, the Company’s existing policies, tools, processes, and practices substantially fulfill the intended outcome of the 2017 CG Code. Moreover, in 2022, the Company achieved 100% credit rating of 2022 Annual General Meeting performed by Thai Investors Association and Corporate Governance Report Score performed by Thai Institute of Directors Association at 87% increased from 85% in 2021.

# Structure of Corporate Governance and significant information regarding the Board of Committee, Subcommittee, Management, Employees and others

## Corporate Governance Structure

Corporate structure as of this 56-1 One Report Preparation



The Company's management, which fulfills assuming the roles and responsibilities of a risk management committee, regularly conducts a rigorous and disciplined review process to ensure risk management plans are embedded as an integral part of every business process, are consistent and aligned with the Company's strategies.

## Information on the Board of Directors

### Structure of the Board of Directors

The Board of Directors consists of 12 directors with no less than one-third of the Board being comprised of Independent Directors as per definition set forth by the Office of the Securities and Exchange Committee and the Stock Exchange of Thailand. However as of this 56-1 One Report preparation, the Board of Directors consist of 9 directors due to the resignation of 2 independent directors and 1 director and the Company is currently looking for the replacement. The Company is in the process of considering qualified persons to be nominated as independent directors and director replacement (as the case may be). Nine directors as of the date of 56-1 One Report preparation are as follows:

- 4 directors (44.44% of total number of directors) also holds executive officer positions
- 2 director (22.22% of total number of directors) have no executive officer positions but being employee of the Company and/or the Company's affiliates
- 3 independent directors (33.33% of total number of directors); 3 of them are members of the Audit Committee and 2 of them are members of the Nomination, Remuneration and Performance Evaluation Committee. The Company is in the process of nomination of replacement independent directors to be at least one-third of the Board within 3 months after March 15, 2023.

### Details of the Board of Directors

The Board of Directors as of this 56-1 One Report preparation comprises the below. Director qualifications are provided in Attachment 1.

Name	Position
1. Ms. Suda Ninvoraskul <sup>(1)</sup>	Director / Chair of the Board
2. Mr. Wattana Chantarasorn	Independent Director and Chairperson of Audit Committee
3. Ms. Prachit Hawat	Independent Director, Member of Audit Committee, and Member of Nomination, Remuneration, and Performance Evaluation Committee
4. Mr. Buranawong Sowapux	Independent Director, Chairperson of Nomination, Remuneration, and Performance Evaluation Committee, and Member of Audit Committee
5. Mr. Veerasak Kositpaisal <sup>(2)</sup>	Independent Director
6. Mr. Taweesak Bunluesin	Director and Member of Nomination, Remuneration, and Performance Evaluation Committee
7. Ms. Ratrimani Pasiphol	Director / Managing Director
8. Mr. Manoch Munjitjuntra	Director
9. Ms. Jirapun Paowarut <sup>(3)</sup>	Director
10. Mr. Anuwat Rungruangrattanagul <sup>(4)</sup>	Director

<sup>(1)</sup> Ms. Suda Ninvoraskul was appointed as Director and Chair of the Board to replace Mr. Adisak Jangkamolkulchai effective January 28, 2023.

<sup>(2)</sup> Mr. Veerasak Kositpaisal was appointed as Independent Director to replace Mr. Boontuck Wungcharoen effective March 13, 2023.

<sup>(3)</sup> Ms. Jirapun Paowarut was appointed as Director to replace Mr. Jesada Chanchernkij effective April 19, 2022.

<sup>(4)</sup> Mr. Anuwat Rungruangrattanagul was appointed as Director to replace Mr. Suchart Phowatthanasathian effective January 27, 2023.

Mr. Boontuck Wungcharoen resigned from his independent director position effective March 1, 2023.

Mr. Pornchai Thiraveha was appointed as Independent Director effective February 24, 2022 and resigned from his independent director position effective March 15, 2023.

Ms. Angsna Pirentorn is the Company secretary.

Although the Chair of the Board and the Managing Director are separated, to ensure the balance of power between the Board of Directors and management, the Chair of the Board will continue to review the meeting agenda items throughout the year with the Board of Directors including all independent directors. The Chair of the Board will call the Board of Directors' meeting consistent with draft whole year agenda items reviewed by the Board of Directors at the end of preceding year. However, any additional agenda items may be determined and discussed at the Board as necessary and appropriate.

## Scope of Duties and Responsibilities of the Board, Chairperson and Managing Director



- Operation of the business in a transparent way with adequate disclosure to relevant parties;
- Operation of the business based on appropriate risk control and management systems; Implementation of appropriate Standards of Business Conduct applicable to the Company's directors, officers, and employees;
- Regularly monitoring financial liquidity and debt servicing ability together with the management committee, including discussion to establish a mechanism to support operations under tight financial constraints;
- Review succession plans for senior management positions within the Company at least once every two years. Such succession plan was recently reviewed in 2022;
- Conduct an annual internal review of the implementation of recommended corporate governance practices as described by the 2017 Thai Corporate Governance (CG) Code by means that are suitable to the Company's business; and
- The Board will issue a directors' report on the activities of the Company and its financial performance for review prior to the shareholders' meeting. In the past year, the Board of Directors duly conducted the Company's business in accordance with principles stipulated above including but not limited to considering and reviewing the Company's visions, missions and strategy as well as monitoring the implementation of Company's strategies;

### Roles and responsibilities of the Board of Directors

The Board of Directors has full power and authority to conduct the Company's business in accordance with the Company's policies, objectives, Articles of Association, Board and shareholder resolutions and applicable laws. The Board also has duties and responsibilities prescribed in applicable laws. The Board appreciates the importance of good corporate governance, and believes in the following principles:

- Commitment to the creation of sustainable value to the business in the long run, management of the business with prudence, and the avoidance of conflicts of interest;
- Consider and review the Company's visions, mission, and strategy, promote governance outcomes as a framework for the operation of the Company and ensure that the Company's annual and medium-term objectives, goals, strategies, and plans are consistent with the long-term objectives, while utilizing innovation and technology effectively;



### Roles and responsibilities of the Chairperson are as follow:

- Determination of agenda items to be discussed at the Board of Directors' meetings and calling Board of Directors' meetings consistent with agenda items reviewed and approved in advance by the Board of Directors (including independent directors) in the previous year. However, the Chairperson may consider adding any specific agenda items when appropriate.
- Presiding as the Chairperson of the Board of Directors' meeting and shareholders' meeting and conducting Board meeting and shareholders' meeting in compliance with the sequence of the agenda specified in the notice of meeting, Company's Articles of Association, and relevant laws and regulations.



### Roles and Responsibilities of the Managing Director are as follows:

The Managing Director has full authority to manage the affairs of the Company in accordance with its policies, objectives, Articles of Association, Board of Directors' and Shareholders' resolutions, and applicable laws provided that the Managing Director may not exercise such authority if he/she has a conflict of interest in any manner with the Company, in exercising such authority.

If the Managing Director delegates authority to a person, such person shall have the right to exercise such authority on the Managing Director's behalf, provided that such person may not exercise such authority if he/she has a conflict of interest in any manner with the Company, in exercising such authority.

Nevertheless, the Board of Directors', pursuant to its resolutions, has set some limitation on the Managing Director's power such as the Managing Director is authorized to singly sign a check up to Baht 1 million only.

### Authorized Directors to sign to bind the Company

As of this 56-1 One Report Preparation, authorized directors to sign to bind the Company are: Mrs. Ratrimani Pasiphol's signature and the impression of the Company seal, or the signatures of any two of the following directors and the impression of the Company's seal, will bind the Company: Mrs. Suda Ninvoraskul, Mr. Taweesak Bunluesin, Mr. Manoch Munjitjuntra, Ms. Jirapun Paowarut, Mr. Anuwat Rungruangrattanagul. The powers to be exercised in any actions involving court proceedings, public prosecution, interactions with the police and other governmental entities will require the impression of the Company seal and the signature of any one of the following directors of the Company: Mrs. Ratrimani Pasiphol, Mrs. Suda Ninvoraskul, Mr. Taweesak Bunluesin, Mr. Manoch Munjitjuntra, Ms. Jirapun Paowarut, Mr. Anuwat Rungruangrattanagul.

### Board of Directors' Meeting

In accordance with the Articles of Association, the Board normally meets once every three months. However,



additional meetings may occur as required. The dates of the Board meetings throughout the year are scheduled with notification provided to each director in advance. Normally, the notice of the meeting is sent to the directors at least seven days prior to the date of the meeting. The Chairperson will review the agenda items throughout the year with the Board including independent directors. However, any additional agenda items may be determined and discussed at the Board of Directors' meeting as necessary and appropriate. Where it is necessary or urgent to preserve the rights or benefits of the Company, the Chairperson of the Board or any person assigned by him may call a meeting by other methods and may set an earlier meeting date. At the Board of Director's Meeting, the meeting agenda items will be clearly set and adequate meeting materials will be distributed to each director in advance. This allows director to have sufficient time to be familiar and carefully review materials prior to attending the meeting. Directors are invited to render their reasonable opinion. The minutes of key items are documented and presented for approval at subsequent Board meetings and retained for inspection by relevant persons. Normally, when passing resolutions at the Board meeting, directors of not less than two-third of all directors present at the Board meeting.

In addition, independent directors may meet as necessary among themselves without the management team to discuss their concerns about management issues. The outcome is relayed to the Board. In the past year, independent directors being members of Audit Committee met among themselves without the management team.

## Nomination of directors

In the event a director vacancy arises or in the event that an additional director is to be appointed, the Nomination, Remuneration and Performance Evaluation Committee, together with the Chairperson and the working group, will nominate a slate of qualified director candidate for election to the Board. The Board will elect director with relevant knowledge, experience, and skill consistent with the Board Governance Guidelines to fill the vacancy. An appointed director must have all the qualifications set out in Section 68 of the Public Limited Companies Act B.E. 2535 (and as amended) and the Securities and Exchange Commission Notification, "The Characteristics including a Lack of Suitability and Trustworthiness of the Director and Executive" (and as amended). For directors retiring by normal rotation or for election of new directors, after the Board has approved the list of director nominees, the Board will propose the list of nominees at a general meeting of shareholders in accordance with the voting procedure described under "Board Composition, Appointment, Removal or Resignation/Retirement".

## Board of Directors Composition, Appointment, Removal or Resignation/Retirement

The appointment, removal, or resignation of directors is prescribed in our Articles of Association and applicable laws and/or regulations which is summarized as follows:

1. The Board shall consist of at least five directors and not less than half of the directors are required to reside in Thailand with no less than one-third of the Board being comprised of Independent Directors as per definition set forth by the Office of the Securities and Exchange Committee and the Stock Exchange of Thailand.
2. The shareholders shall appoint directors in accordance with the following principles and procedures:
  - (a) In the election of each director, each shareholder will have vote(s) equal to the number of shares held by him/her.



- (b) Each shareholder may vote all of his/her shares in the exercise of the right he/she has under (a) to elect each of the candidates of his/her choice as a director but he cannot split his/her shares and cast his/her split votes in favor of two or more candidates to one directorship; and
- (c) Candidates who receive the largest number of votes in descending order from the highest to the lowest number of votes received will be elected until all director positions required at such time are filled. In the event of candidates receiving equal votes and exceeding the number of vacancies to be filled, the chairperson of the meeting shall have a casting vote, or, in case the chairperson is not the Company's shareholder, the decision shall be made by drawing a lot;
3. At each annual general meeting of shareholders, one-third or the number of directors closest to one-third, of the Board is required to retire. Retiring directors are eligible for re-election;
4. Any director who decides to resign must submit a letter of resignation to the Company. The resignation

shall be effective on the date the Company receives the letter; and

Removal of a director before the end of the term shall require a resolution of shareholders passed by not less than three-fourths of the total votes of shareholders and proxies (if any) attending the meeting and eligible to vote and not less than one-half of the total number of shares held by shareholders and proxies (if any) attending the meeting and eligible to vote.

### Independent director

In addition to the qualification described in item "Scope of Duties and Responsibilities of the Board, Chairperson and Managing Director (f) (Nomination of Directors)" (Page 136), independent directors meet the following qualifications pursuant to the regulation of the Securities and Exchange Commission and Stock Exchange of Thailand:

- (a) Not hold shares exceeding 1% of the total number of voting rights of the Company, its parent company, its subsidiaries, affiliates, major shareholder, or controlling person, including the shares held by related persons of the independent director;
- (b) Not be nor have been an executive officer, employee, staff, salaried consultant, or a controlling person of the Company, its parent company, its subsidiaries, affiliates, same-level subsidiaries, major shareholder, or controlling person unless foregoing status has ended not less than two years prior to the date of appointment except where the independent director(s) was the

government officer or consultant of the government agency which is the major shareholders or a controlling person of the Company;

- (c) Not be a person related by blood or registration under laws, such as father, mother, spouse, sibling or child, including spouse of the children, executives or majority shareholders or controlling persons or persons to be nominated as executive or controlling persons of the Company or its subsidiaries;
- (d) Not have business relationship with the Company, its parent company, its subsidiaries, affiliates, major shareholder or controlling person which may interfere with his independent judgment and neither being nor having been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, its subsidiaries, affiliates, major shareholder or controlling person unless the foregoing relationship has ended not less than two years prior to the date of appointment.

The term "business relationship" includes the normal business transaction, rent or lease of immovable property, transactions related to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions which result in the Company or its counterparty being subject to indebtedness payable to the other party amounting to three (3) percent or more of the net tangible assets of the Company or Baht twenty (20) million, whichever is lower. The value of the business relationship shall be

calculated according to the method stipulated by the Capital Market Supervisory Board governing rules on connected transactions. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

- (e) Neither be nor have been an auditor of the Company, its parent company, its subsidiaries, affiliates, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, its subsidiaries, affiliates, major shareholder or controlling person unless the foregoing relationship has ended not less than two years prior to the date of appointment;
- (f) Neither be nor have been any professional advisor, including legal advisor or financial advisor, who receives an annual service fee exceeding two million Baht from the Company, its parent company, its subsidiaries, affiliates, major shareholder or controlling person, and neither being nor having been a significant shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended not less than two years prior to the date of appointment;
- (g) Not be a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder;
- (h) Not operate a business of the same nature as and in competition with the Company or subsidiaries nor be the partner or executive, director, employee, staff, salaried consultant or hold shares exceeding 1% of the total number of voting rights of the other companies operating the business of the same nature as and in competition with the Company or subsidiaries; and
- (i) Not have any characteristics which make him incapable of expressing independent opinions with regard to the Company's business affairs.

## Sub-Committee

Sub-Committees consist of:

### Audit Committee

The Audit Committee, which was appointed by the Board of Directors, is comprised solely of independent directors who meet the qualifications set out in the Securities and Exchange Commission and Stock Exchange of Thailand regulations. The Chairperson and members of the Audit Committee hold office for a term of three years subject to them meeting the requisite qualifications and remaining as directors of the Company. The Chairperson of the Audit Committee may be rotated as deemed appropriate by the Board. The Audit Committee members listed below were re-elected (as the case may be) for another 3-year term effective October 19, 2020:

Name	Position
1. Mr. Wattana Chantarason	Independent Director / Chairperson
2. Mr. Buranawong Sowapru	Independent Director / Member
3. Ms. Prachit Hawat	Independent Director / Member (with accounting and finance background)

Mr. Suwat Srikanapongse is the Audit Committee Secretary.

Ms. Jiraphan S. Ssukravee is the Audit Committee Coordinator.

The scope of duties and responsibilities of the Audit Committee are as follows:

- To review the Company's financial reporting process to ensure accuracy and adequacy;
- To ensure that the Company has a suitable and efficient internal control system and an internal audit system, to determine the internal audit unit's independence, as well as to approve the appointment, transfer, and dismissal of the chief of an internal audit unit or any other unit in charge of internal audit;





3. To review the performance of the Company to ensure compliance with the securities and exchange law, regulations of the Stock Exchange of Thailand and laws relating to the business of the Company;
4. To consider, select, nominate, and recommend remuneration of the Company's external auditors (in practice, if the Audit Committee thinks fit, to recommend dismissal the Company's external auditor) as well as to attend a non-management meeting with the external auditor at least once a year;
5. To review connected transactions or transactions that may lead to a conflict of interest so as to ensure that they are in compliance with laws and the Exchange's regulations, and are reasonable and for the benefit of the Company;
6. To review the Company's risk management process to ensure their effectiveness and compliance with the international standards;
7. To prepare a report on monitoring activities of the Audit Committee and disclose it in the annual report of the Company, and have such report signed by the Chairperson of the Audit Committee provided that it shall consist of at least the following information:
  - (a) an opinion on the reliability, completeness, and credibility of the Company's financial reports,
  - (b) an opinion on the adequacy of the Company's internal control system,
  - (c) an opinion on the adequacy on the risk management process implemented by the Company's management,
  - (d) an opinion on the Company's compliance with the securities and exchange laws and regulations, and other laws applicable to the Company's business,
  - (e) an opinion on the suitability of the nominated external auditors,
  - (f) an opinion on transactions that may lead to conflicts of interest, if any,
  - (g) the number of audit committee meetings, and the attendance at such meetings by each committee member,
  - (h) an opinion or general comment observed by the audit committee from its performance of duties in accordance with the charter, and
  - (i) other transactions, within the scope of duties and responsibilities assigned by the Board, which, according to the audit committee's opinion, should be disclosed to the shareholders and general investors;
8. To perform any other task assigned by the Board and agreed to by the Audit Committee;
9. To report to the Board for rectification within the period that the Audit Committee thinks fit if the Audit Committee found or suspected that there is a transaction or any of the following acts which may materially or significantly affect the Company's financial condition and operating results;
  - (a) a transaction which causes a conflict of interest;
  - (b) any fraud, irregularity, or material defect in an internal control system; or
  - (c) an infringement of the securities and exchange laws and regulations, or any law applicable to the Company's business; and
10. To review without delay after receiving written notice from the external auditor of the discovery of any suspicious circumstance that the director, manager, or any person responsible for the Company commits an offence as prescribed by the relevant Securities and Exchange regulations, report any finding confirming the suspicion of the external auditor to the Board and request the Board to disclose such finding to the Office of the Securities and Exchange Commission and/or the external auditor or to the Office of the Securities and Exchange Commission and/or the external auditor as required by the Securities and Exchange Act within thirty days.

## Nomination, Remuneration and Performance Evaluation Committee

The Nomination, Remuneration and Performance Evaluation Committee (NRP Committee), which was appointed by the Board of Directors, is, in consultation with the Chairperson and the Company's working team, to nominate and propose to the Board a slate of director candidates for election and propose the Board and to consider setting the structure of directors' remuneration. The scope of duties and responsibilities are also to assess the performance of the Managing Director, to review the Managing Director's performance with the Board, and to provide feedback to the Managing Director's home affiliate regarding such performance during the regular performance appraisal cycle. The NRP Committee is comprised of 3 directors, two of which are independent directors. The Chairperson and members of the NRP Committee will hold office for a term of two years subject to them retaining their position as directors of the Company. The NRP Committee members listed below were re-appointed for another 2-year term effective November 29, 2021:

Name	Position
Mr. Buranawong Sowapruux	Independent Director, Chairperson of Nomination, Remuneration and Performance Evaluation Committee
Ms. Prachit Hawat	Independent Director and Member of Nomination, Remuneration and Performance Evaluation Committee
Mr. Taweesak Bunluesin	Director and Member of Nomination, Remuneration and Performance Evaluation Committee acting as Secretary of the committee

The scope of duties and responsibilities of the NRP Committee are as follows:

1. In consultation with the Chairperson of the Board and the Company's working team, to set up a guideline and candidate selection methods and subsequently review the guideline with the Board
2. Review onboarding professional development program for directors
3. Recommend appointment and reappointment of directors/independent directors

In consultation with the Chairperson of the Board and the Company's working team, to make recommendation to the Board:

- (i) a slate of director candidates for election to replace the retiring director/ independent director at the end of their terms or whatever the case may be for Board's recommendation to the shareholders for their consideration and approval at the Annual General Meeting of Shareholders; and
  - (ii) a name of director candidate for election to replace the resigning director/ independent director for Board's approval
4. Recommend remuneration of director  
In consultation with the Chairperson of the Board and the Company's working team, to make recommendation and propose the Board and to consider setting the structure of directors' remuneration taking into account all appropriate factors including market compensation level for directors for Board's recommendation to the shareholders for their consideration and approval at the Annual General Meeting of Shareholders. In any case, the directors who receive separate compensation from the Company or its affiliates for any type of full-time service rendered are not eligible for remuneration as directors.
  5. Evaluate Managing Director's performance
    - (i) To develop Key Performance Indicators (KPI's) and metrics for evaluating the performance of the Managing Director
    - (ii) To evaluate the performance of the Managing Director based on such KPI's and metrics, and review the performance with the Board of Directors, and provide appropriate feedback to the Managing Director's employing affiliate regarding such performance during the regular performance appraisal cycle of all employees

## Environment, Social and Governance Committee

The Environment, Social and Governance Committee (ESG Committee), which was appointed by the Board of Directors, is comprised of 4 members, one of which is the Company's director, one of which is the Company's executive, and the remaining two members are assigned employees of the Company's affiliate. The Chairperson and members of the ESG Committee will hold office subject to them retaining their roles and responsibilities in the Company or the Company's affiliate. The ESG Committee members listed below were appointed by the Board effective February 24, 2023:

Name	Position
Mr. Taweesak Bunluesin	Director, Chairperson of Environment/Social and Governance Committee
Mrs. Matana Sutatham	Investor Relations and Planning Manager/Member of Environment, Social and Governance Committee
Mr. Bowornsak Wanichkul	Regional Operations SSH&E Advisor/ Member Environment, Social and Governance Committee
Mr. Phiphawat Sitthichaikasem	Regional SSH&E Field Advisor/Member Environment, Social and Governance Committee

The scope of duties and responsibilities of the ESG Committee are as follows:

1. Review the performances of the Company on safety, security, health, environment, and social issues via regular ETL Management Council meeting
2. Review the Company's GHG emission number, GHG abatement and GHG emission reduction plan and actions (under GHG reporting and planning team)
3. Review plan and actions on advocacy and external engagement of GHG and climate change related (under Climate Change Advocacy team)
4. Review business opportunity on energy transition and low carbon solutions (under Energy transition opportunity team)



## Information of Executives

The following executive officers constituted the management committee as of the preparation of 56-1 One Report. Executives' qualifications are provided in Attachment 1. (Refer to the Company's organization chart in "Corporate Governance Structure")

Name	Position
1. Ms. Ratrimani Pasiphol <sup>(1)</sup>	Managing Director, Designated CFO, Business Services Manager and Tax Manager
2. Mr. Manoch Munjitjuntra	Director and Thailand Lubricants Sales Manager
3. Mr. Jirapun Paowarut <sup>(2)</sup>	Director and Retail Sales Manager
4. Mr. Anuwat Rungruangrattanagul <sup>(3)</sup>	Director and Refinery Manager
5. Ms. Matana Sutatham	Investor Relations and Planning Manager
6. Mr. Vanchai Vichakchon	Thailand Commercial Sales Manager
7. Ms. Vorraya Kosalathip	Treasurer
8. Mr. Chatchawarn Hongcharoenthai	Thailand Fuels Operations Manager
9. Mr. Suwat Srikanapongse	Controller

<sup>(1)</sup> Mrs. Ratrimani Pasiphol was appointed as Managing Director to replace Mr. Adisak Jangkamolkulchai effective January 28, 2023.

<sup>(2)</sup> Ms. Jirapun Paowarut was appointed as Retail Sales Manager to replace Mr. Jesada Chancherngkij effective May 1, 2022.

<sup>(3)</sup> Mr. Anuwat Rungruangrattanagul was appointed as Refinery Manager to replace Mr. Suchart Phowatthanasathian effective September 1, 2022.

## Executives Remuneration Policy

The detail is elaborated in "Total Remuneration of Employees".



## Total Executives Remuneration

For the fiscal year ended December 31, 2022, the total executive remuneration for 13 persons (including 9 executives whose names are listed in "Information of Executives", 3 executives whose executive positions were ceased in 2022 and January 2023, and 2 managers of the Company's affiliate based on their actual management provided to the Company), which includes salaries, wages, benefits, and post-employment benefits, to the extent borne by the Company, was Baht 83.6 Million. Other remuneration of executives is included in "(b) Other Remuneration". No other remuneration from any subsidiaries was paid to any Executives.

Compensation	2021		2022	
	Number of Executives	Amount (thousands Baht)	Number of Executives	Amount (thousands Baht)
Salaries and other short-term employment benefit	14	70,187	14	69,788
Post-employment benefit	14	15,904	14	13,801
Bonus	14	0	14	0
<b>Total</b>		<b>86,091</b>		<b>83,589</b>



## Employees Information

### No. of Employees

As of December 31, 2022, the Company has 526 employees as follows:

Corporate	18
Refining & Distribution <sup>(1)</sup>	417
Retail & Lubricants <sup>(2)</sup>	91
Chemical	0
<b>Total Company personnel</b>	<b>526</b>

<sup>(1)</sup> Includes engineers, technical staff and operators at the refinery, also commercial and export sales personnel

<sup>(2)</sup> Includes retail and lubricant sales personnel

The Company contracted ExxonMobil affiliates to provide services such as human resources, accounting, information technology, purchasing, selling and administrative services.

### Labor Dispute during the past 3 years

The Company has no significant Labor Dispute during the past 3 years. As of December 31, 2022, 182 of our employees were unionized. Most of these employees are workers at our Sriracha Refinery. There is no conflict between management and the Union.



### Employees' remuneration

#### (a) Salary remuneration

Total employee remuneration for 2022 was Baht 736 million. Employees' annual salary increase is determined based on their contribution and annual performance evaluation.

#### (b) Other remuneration

Other benefits include annual vacation, maternity leave, insurance, and health insurance. In addition, some of our employees and executives have participated in the Equity Incentive Plan, which is an Exxon Mobil Corporation incentive program. The Company believes the remuneration package meets Thailand industry standards including petroleum and aromatic industry. The Company set up an Employee Savings Plan effective January 1, 2009. The Company contributes 5% of employee monthly salary and also provides interest on such savings. The savings can be withdrawn only after 3 years. In 2022, the expense recognized under the Employee Saving Plan totaled Baht 42 million.

### (c) Registered Provident Fund and Defined Benefit Plan

The Company set up the Registered Provident Fund/Defined Contribution Plan for employees that started working since 1997. The Company contributes 5-15% of employee salary to Registered Provident Fund, while employees contribute a minimum of 3%. In 2022, the expense recognized under the Registered Provident Fund totaled Baht 39 million. Numbers of employees participates in Registered Provident Fund are 285 equaling 54.18% of total employees. The Registered Provident Fund Committee (RPF Committee) is comprised of 3 Company's representatives and 2 employees' representatives to jointly monitor investment policy and investment performance of Registered Provident Fund. The RPF Committee provides financial plan training to employees. The Company encourages the RPF Committee to select a fund manager that observes an Investment Governance Code and invests responsibly taking into account of environment, social and governance consistent with an investment governance. The guideline on fund manager selection is disclosed to all members.

For employees who joined the company prior to 1997, they could opt to participate in Registered Provident Fund/Defined Contribution Plan or remain in the Defined Benefit Plan (Pension Plan) which was calculated based on employees' service year and salary and presented in the Company financial statements. In 2022, the expense recognized under the defined benefit plan totaled Baht 187 million.

### Employee's Development Policy

The Company's capable and dedicated employees are one of its greatest strengths. Employee development systems utilize integrated processes to support the development of a highly-productive, dedicated, and motivated workforce.

The Company recruits talented individuals and invests in employee development through work assignments, on-the-job experience, and career-long training and education. Career development is undertaken as a shared responsibility between the Company and the employee. The Company promotes an environment of inclusion and diversity with high expectations that this will enhance employees' contributions to both individual and team goals.

The Company values talented people from diverse backgrounds, and inspires and empowers them to think independently, take initiative, and be innovative. With our focus on hiring local talents, the Company has created a positive impact on the economies in which the Company operates.

Our people development philosophy is to develop leaders and workforce from within, through a wide range of assignments and experiences. The Company encourages all employees to contribute fully to the achievement of superior business results.





Developing a premier workforce is the goal of the Company's career development process. The Company places a high priority on leadership and employee development, with an approach based on long-term business orientation. Early identification and accelerated development of talent are critical. Employees' behavioral and functional skills and competencies are built through training and various work experiences in a wide range of assignments in multiple functions around Thailand and the world. The Company set clear expectations of our leaders in setting standards, creating clarity, inspiring and motivating, and promoting innovations to allow the Company to compete and win.

The Company provides education and skills development through a proven global training curriculum, customized to our business environment, and through on-the-job training provided by multiple assignments over a career. This helps us develop competent and committed employees who are prepared to meet future business needs, both locally and globally.

## Other significant information

### Company Secretary, Person assigned to take direct responsibilities for accounting oversight and Head of Internal Audit

#### Company Secretary

Company Secretary was appointed to provide support the Board of Directors to manage meetings, distribute the notice of the meeting and materials, prepare the minutes of the meeting and perform other duties of company secretary including retaining a report of interest of directors, executives and their related person. Ms. Angsna Pirentorn was appointed as the Company Secretary effective March 28, 2008. Her qualification is provided in "Attachment 1".

#### The person assigned to take direct responsibilities for accounting oversight

Mr. Amorn Manchanda, who is qualified as the accountant pursuant to the relevant notification of Department of Business Development, was assigned to take direct responsibilities for accounting oversight. His qualification is provided in "Attachment 1".

#### Head of Internal Audit

Ms. Jiraphan S. Ssukravee was assigned, which was concurred by the Audit Committee, to assume Internal Audit Manager. His qualification is provided in "Attachment 3".

#### Investor Relations

Ms. Matana Sutatham was appointed as the Investor Relations and Planning Manager with effective August 1, 2021. Investors and other persons can contact Investor Relations at 02-407-4788 and/or [essolR@exxonmobil.com](mailto:essolR@exxonmobil.com)

#### Auditor Fee

The audit fees paid to the external auditor, PricewaterhouseCoopers ABAS Limited, for the 2022 accounting period were Baht 4,600,000. There were no non-audit fees paid to the Company's auditor.



## Report on key operating results on corporate governance

### Summary of duty performance of the Board of Directors in the past year

#### Selection, development and evaluation of duty performance of the Board of Directors

##### Independent Directors

Independent director shall meet in "Board Governance Guideline-Director Selection and Qualifications", "(f) Nomination of Directors" and "(h) Independent Director". In 2022, Mr. Pornchai Thiraveja was appointed as Independent Director effective February 24, 2022.

At the 2022 Annual General Meeting of Shareholders ("2022 AGM"), Mr. Buranawong Sowapru, Ms. Prachit Hawat and Mr. Boontuck Wungcharoen were re-elected. As for the nomination process prior to proposing to the Board or shareholders for approval, the Nomination Remuneration and Performance Evaluation Committee comprising of 2 independent directors out of 3 members, and the Board considered and assessed qualification, performance and the independence of Mr. Pornchai Thiraveja, Mr. Buranawong Sowapru, Ms. Prachit Hawat and Mr. Boontuck Wungcharoen and was of the opinion that they should be elected as the Independent Director to replace resigning Independent Director or re-elected at the 2022 AGM at the, as the case may be.

##### Nomination, composition and appointment of director

###### Nomination of director

In addition to the nomination and appoint of independent directors as prescribed in "(1) Independent Directors", in 2022, the Nomination Remuneration and Performance Evaluation Committee, comprising of 2 independent directors out of 3 members, and the Board scrutinizingly considered and assessed qualification, performance and ability of individuals and proposed the following:

- (a) Mr. Suchart Phowattanasathian, whose terms expired at the 2022 AGM be re-elected as the directors for another term; and
- (b) Ms. Jirapun Paowarut and Mr. Vichan Nikornmalakul be elected as directors to replace resigning directors

Qualifications of directors and nomination process are as prescribed in the Board Governance Guidelines and "(f) Nomination of Directors"

###### Appointment of director

At each annual general meeting of shareholders, one-third or the number of directors closest to one-third, of the Board is required to retire. Retiring directors are eligible for re-election. At the 2022 AGM, there were four independent directors/directors whose term expired and those four independent director/directors were re-elected as independent director/director, as the case may be.



The details are as prescribed in “(1) Independent Director” and “Nomination, composition and appointment of director - (2) Nomination of Director”.

At the annual general meeting of shareholders, shareholders elected directors in accordance with the following principles and procedures:

- (a) In the election of each director, each shareholder will have vote(s) equal to the number of shares held by him/her.
- (b) Each shareholder may vote all of his/her shares in the exercise of the right he/she has under (a) to elect each of the candidates of his/her choice as a director but he cannot split his/her shares and cast his/her split votes in favor of two or more candidates to one directorship; and
- (c) Candidates who receive the largest number of votes in descending order from the highest to the lowest number of votes received will be elected until all director positions required at such time are filled. In the event of candidates receiving equal votes and exceeding the number of vacancies to be filled, the chairperson of the meeting shall have a casting vote, or, in case the chairperson is not the Company's shareholder, the decision shall be made by drawing a lot;

### Development and performance assessment of the Board of Directors

In the past year, the Board evaluated its performance and effectiveness in January - February. The Company Secretary distributed the self-evaluation form consistent with template recommended by the Stock Exchange of Thailand to each director for evaluating the performance of the Board of Directors. Afterwards, the Company Secretary summarized and presented the results of performance evaluation to the Board of Directors at the Board of Directors' meeting held in March. Directors remained well-informed regarding current aspects of the Company's operations, projects, and best practices in corporate governance.

The Company encourages directors to participate in continuing education opportunities inside and outside of the Company, such as the programs offered by the Thai Institute of Directors Association (Thai IOD) and Thai Listed Companies Association (TLCA).



Director participation in training courses sponsored by the Thai IOD/TLCA as of the 56-1 One Report preparation is summarized as follows:

Name	Course/Year
Mrs. Suda Nirvoraskul	<ul style="list-style-type: none"> <li>To enroll in 2023</li> </ul>
Ms. Ratrimani Pasiphol	<ul style="list-style-type: none"> <li>TLCA CFO Professional Development Program/ 2019, 2020, 2021 and 2022</li> <li>Director Accreditation Program/2012</li> </ul>
Mr. Taweesak Bunluesin	<ul style="list-style-type: none"> <li>Director Accreditation Program/2018</li> </ul>
Mr. Manoch Munjitjuntra	<ul style="list-style-type: none"> <li>Director Accreditation Program/2018</li> </ul>
Ms. Jirapun Paovarut	<ul style="list-style-type: none"> <li>Director Accreditation Program/2022</li> </ul>
Mr. Anuwat Rungruangrattanagul	<ul style="list-style-type: none"> <li>To enroll in 2023</li> </ul>
Mr. Veerasak Kositpaisal	<ul style="list-style-type: none"> <li>Director Certification Program CDCP 82/2549</li> <li>Finance for Non-Finance Directors Program CFND 30/2549</li> </ul>
Mr. Wattana Chantarasorn	<ul style="list-style-type: none"> <li>Advanced Audit Committee Program/2018</li> <li>Director Accreditation Program/2009</li> </ul>
Ms. Prachit Hawat	<ul style="list-style-type: none"> <li>Advanced Audit Committee Program 44/2022/2022</li> <li>Director Certification Program 2018</li> <li>Director Accreditation Program/2011</li> </ul>
Mr. Buranawong Sowapruj	<ul style="list-style-type: none"> <li>Director Certification Program/2019</li> <li>Advanced Audit Committee Program/2019</li> <li>Director Leadership Certification Program (DLCP)/ 2021.</li> </ul>

Mr. Vichan Nikornmalakul resigned from his director position effective January 30, 2023.

Mr. Boontuck Wungcharoen resigned from his independent director position effective March 1, 2023.

Mr. Pornchai Thiraveja was appointed as Independent Director effective February 24, 2022 and resigned from his independent director position effective March 15, 2023.



## Directors' meeting attendance and remuneration

### Directors' meeting attendance

In accordance with the Articles of Association, the Board normally meets once every three months. However, additional meetings may occur as required. The dates of the Board meetings throughout the year are scheduled with notification provided to each director in advance. The Chairperson will review the agenda items throughout the year with the Board including independent directors. However, any additional agenda items may be determined and discussed at the Board as necessary and appropriate. Normally, the notice of the meeting is sent to the directors at least seven days prior to the date of the meeting.

Normally, when passing resolutions at the Board meeting, directors of not less than two-third of all directors present at the Board meeting. The minutes of key items are documented and presented for approval at subsequent Board meetings, and retained for review by relevant persons.

Independent directors may meet to discuss Company items or issues without the presence of management. The outcome of such discussions are subsequently communicated to the Board. In the past year, independent directors who serves as the Audit Committee met without the presence of management.

The Board met 8 times in 2022. Each director attended not less than or equal 75 percent of all Board meetings and the average of all directors' attendance was approximately 96.8 percent with details of attendance as follows:



Name	Meetings			
	Board of Directors (Attendance/Total No. of Meeting)	AGM* (Attendance/Total No. of Meeting)	AC** (Attendance/Total No. of Meeting)	NRP*** (Attendance/Total No. of Meeting)
<b>Mr. Adisak Jangkamolkulchai</b> <sup>(1)</sup> (Chairperson of the Board of Directors)	7/8	1/1	-	-
<b>Mr. Jesada Chancherngkij</b> <sup>(2)</sup> (Director)	2/2	1/1	-	-
<b>Ms. Jirapun Paowarut</b> <sup>(2)</sup> (Director)	6/6	-	-	-
<b>Mr. Taweesak Bunluesin</b> (Director and Member of NRP Committee)	8/8	1/1	-	3/3
<b>Mr. Manoch Munjitjuntra</b> (Director)	8/8	1/1	-	-
<b>Mr. Suchart Phowatthanasathian</b> <sup>(3)</sup> (Director)	7/7	1/1	-	-
<b>Mr. Vichan Nikornmalakul</b> <sup>(4)</sup> (Director)	6/6	-	-	-
<b>Ms. Ratrimani Pasiphol</b> (Director and Designated CFO)	8/8	1/1	-	-
<b>Mr. Boontuck Wungcharoen</b> <sup>(5)</sup> (Independent Director)	7/8	1/1	-	-
<b>Mr. Wattana Chantarasorn</b> (Independent Director and Chairperson of the Audit Committee)	8/8	1/1	7/7	-

Name	Meetings			
	Board of Directors (Attendance/Total No. of Meeting)	AGM* (Attendance/Total No. of Meeting)	AC** (Attendance/Total No. of Meeting)	NRP*** (Attendance/Total No. of Meeting)
<b>Ms. Prachit Hawat</b> (Independent Director, Member of the Audit Committee and Member of NRP Committee)	8/8	1/1	7/7	3/3
<b>Mr. Buranawong Sowapru</b> (Independent Director, Member of the Audit Committee and Chairperson of NRP Committee)	8/8	1/1	7/7	3/3
<b>Mr. Pornchai Thiraveja</b> <sup>(6)</sup> (Independent Director since February 24, 2022)	7/8	1/1	-	-

- (1) Mr. Adisak Jangkamolkulchai resigned from his director and Chairperson of the Board position and Mrs. Suda Ninvoraskul was appointed as director and Chairperson to replace Mr. Adisak Jangkamolkulchai effective January 28, 2023.
- (2) Mr. Jesada Chanchernkij resigned from his director position and Ms. Jirapun Paowarut was appointed as director and Chairperson to replace Mr. Jesada Chanchernkij effective April 19, 2022.
- (3) Mr. Suchart Phowatthanasathian resigned from his director position effective September 9, 2022. Mr. Anuwat Rungruangrattanagul was appointed to replace Mr. Suchart Phowatthanasathian effective January 27, 2023.
- (4) Mr. Vichan Nikornmalakul resigned from his director position effective January 30, 2023.
- (5) Mr. Boontuck Wungcharoen resigned from his independent director position effective March 1, 2023.
- (6) Mr. Pornchai Thiraveja was appointed as Independent Director effective February 24, 2022 and resigned from his independent director position effective March 15, 2023.

## Directors Remuneration

In the past year, the directors will determine the remuneration of directors taking into account all appropriate factors including market compensation levels for directors. The remuneration of directors who are not receiving separate compensation from the Company, or its affiliates for any type of full-time service is comparable to those paid by other companies, and is as follows:

- 1) Directors who also are members of the Audit Committee receive a monthly remuneration of Baht 191,667.
- 2) Directors who are not members of the Audit Committee receive a monthly remuneration of Baht 153,333.
- 3) Notwithstanding item (1) and (2), directors who receive separate compensation from the Company or its affiliates for any type of full-time service rendered are not eligible for remuneration as directors.



The following remuneration was paid to directors in 2022.

Name	Directors Remuneration (Baht)			
	Monthly Remuneration	Meeting Allowance	Bonus	Total
Mr. Adisak Jangkamolkulchai <sup>(1)*</sup>	-	-	-	-
Mr. Taweesak Bunluesin <sup>(1)</sup>	-	-	-	-
Mr. Manoch Munjitjuntra <sup>(1)</sup>	-	-	-	-
Mr. Vichan Nikornmalakul <sup>(1)**</sup>	-	-	-	-
Ms. Ratrimani Pasiphol <sup>(1)</sup>	-	-	-	-
Ms. Jirapun Paowarut <sup>(1)***</sup>	-	-	-	-
Mr. Boontuck Wungcharoen <sup>****</sup>	1,839,996.00	-	-	1,839,996.00
Mr. Wattana Chantarasorn	2,300,004.00	-	-	2,300,004.00
Ms. Prachit Hawat	2,300,004.00	-	-	2,300,004.00
Mr. Buranawong Sowaprux	2,300,004.00	-	-	2,300,004.00
Mr. Pornchai Thiraveja <sup>*****</sup>	1,558,885.50	-	-	1,558,885.50
Director resigning during 2022				
Mr. Jesada Chanchernkij <sup>(1)***</sup>	-	-	-	-
Mr. Suchart Phowatthanasathian <sup>(1)*****</sup>	-	-	-	-

(1) Not eligible for director remuneration as they receive separate compensation from the Company or its affiliates for full-time services rendered.

\* Mr. Adisak Jangkamolkulchai resigned from his director and Chairperson of the Board position and Mrs. Suda Ninvoraskul was appointed as director and Chairperson to replace Mr. Adisak Jangkamolkulchai effective January 28, 2023.

\*\* Mr. Vichan Nikornmalakul was director between April 19, 2022 and January 30, 2023.

\*\*\* Mr. Jesada Chanchernkij resigned from his director position and Ms. Jirapun Paowarut was appointed as director to replace Mr. Jesada Chanchernkij effective April 19, 2022.

\*\*\*\* Mr. Boontuck Wungcharoen resigned from his independent director position effective March 1, 2023.

\*\*\*\*\* Mr. Pornchai Thiraveja was appointed as Independent Director effective February 24, 2022 and resigned from his independent director position effective March 15, 2023.

\*\*\*\*\* Mr. Suchart Phowatthanasathian resigned from his director position effective September 9, 2022. Mr. Anuwat Rungruangrattanakul was appointed as director to replace Mr. Suchart Phowatthanasathian effective January 27, 2023.



## Supervision of subsidiaries and associated company

The Company as the shareholder shall appoint its representative to attend the meeting of its subsidiaries. The representative of the Company shall vote at the general meeting of shareholders in accordance with the principle or guidance provided by the Company. The Company shall have the same rights as other shareholders except for certain rights e.g. right to receive a dividend payment or right to nominate director in those subsidiaries pursuant to Articles of Association of those subsidiaries. In the past, the Company, as the shareholder, passed the resolution to appoint the Company's employees as the directors and managing director of those subsidiaries. Those directors shall have power to operate the business in accordance with policy, objectives and articles of association, resolutions of board of directors and shareholders as well as applicable laws.

In the past, directors and/or executives responsible in area relevant to business operation of Subsidiaries or associated company would be nominated and assigned to serve as director and/or managing director, or treasurer, controller, as the case may be, in those Subsidiaries or associated company. Such nomination and assignment is exercised by the Company's management. Persons appointed as directors in those Subsidiaries/associated company shall perform their duties with due care for the best interest of those Subsidiaries/associated company. The Articles of Association of those Subsidiaries contain provisions governing an acquisition and disposition of assets and connected transaction consistent with relevant rules and regulations. In Country Controller's of the Company's affiliate is responsible for an oversight of the financial reporting to ensure that the financial statements of those Subsidiaries were timely and duly prepared.

The management structure of the Company, its subsidiaries, and associated companies as of 56-1 One Report preparation is as follows:

Name	the Company and associated companies				
	Company	1	2	3	4
Ms. Suda Ninvoraskul* <sup>(1)</sup>	X, /				
Ms. Ratrimani Pasiphol*	/, //				
Ms. Jirapun Paowarut* <sup>(3)</sup>	/, //	X, /, //	X, /, //	X, /, //	
Mr. Taweesak Bunluesin*	/				
Mr. Manoch Munjitjuntra*	/, //				
Mr. Anuwat Rungruangrattanagul* <sup>(4)</sup>	/, //				
Mr. Veerasak Kositpaisal <sup>(5)</sup>	/				
Mr. Wattana Chantarasorn	/				
Ms. Prachit Hawat	/				
Mr. Buranawong Sowapru	/				
Mr. Vanchai Vichakchon	//				
Mr. Chatchawarn Hongcharoenthai	//				/
Ms. Matana Sutatham	//				
Ms. Vorraya Kosalathip	//	//	//	//	
Mr. Suwat Srikanapongse	//	//	//	//	

x = Chairperson

/ = Director

// = Executive Officer

\* = Authorized Director of the Company

1. Industry Promotion Enterprises Limited
2. United Industry Development Company Limited
3. Pacesetter Enterprise Limited
4. Thai Petroleum Pipeline Company Limited

- (1) Mrs. Suda Ninvoraskul was appointed as director and Chairperson to replace Mr. Adisak Jangkamolkulchai effective January 28, 2023.
- (2) Mrs. Ratrimani Pasiphol was appointed as Managing Director to replace Mr. Adisak Jangkamolkulchai effective January 28, 2023.
- (3) Ms. Jirapun Paowarut was appointed as director to replace Mr. Jesada Chanchernkij effective April 19, 2022.
- (4) Mr. Anuwat Rungruangrattanagul was appointed as director to replace Mr. Suchart Phowatthanasathian effective January 27, 2023.
- (5) Mr. Veerasak Kositpaisal was appointed as independent director to replace Mr. Boontuck Wungcharoen position effective March 13, 2023.

## Monitoring of compliance with the corporate governance policy and guidelines

In the past year, the working team assigned by the Board of Directors conducted the annual review and assessment of the implementation of the 2017 Corporate Governance Code of by means that are suitable to the Company's business. It was concluded that in general, the Company's existing policies, tools, processes, and practices substantially fulfill the intended outcome of the 2017 CG Code. Moreover, in 2022, the Company reviewed the Corporate Governance Report Score performed by Thai Institute of Directors Association with the Board of Directors at the Board of Directors' Meeting.

### Conflict of Interest

The Conflict of Interest is part of the Standards of Business Conduct. In general, it is the Company's policy that directors, officers, and employees should avoid any actual or apparent conflict between their own personal interests and the interests of the Company. A conflict of interest can arise when a director, officer, or employee takes actions or has personal interests that may interfere with his or her objective and effective performance of work for the Company. For example, directors, officers, and employees are expected to avoid actual or apparent conflict in dealings with suppliers, customers, competitors, and other third parties. Directors, officers, and employees are expected to refrain from taking for themselves opportunities discovered through their use of corporate assets or through their positions with the Company. Furthermore, directors, officers, and employees are expected to avoid securities transactions that are based on material, non-public information obtained through their positions with the Company.

Each year, employees are requested to review and confirm the compliance of all policies prescribed in the Standard of Business Conduct including the Conflict of Interest Policy.

Directors and executives are required to file a report with the Company regarding their interest or related person's interest (i.e. information on shareholdings, directorships, or executive positions in other legal entity (ies)) which relates to management of the Company or its subsidiaries at the beginning of the year or upon a change.



### Insider Information

The Conflict of Interest Policy also covers the misuse of insider information. Directors, officers, and employees are expected to avoid securities transactions that are based on material, non-public information obtained through their positions with the Company. In relation to the potential misuse of insider information, the Company educates the Company's executives regarding their responsibilities to report holdings of the Company's shares, and the penalties for non-disclosure under the Securities and Exchange Act B.E. 2535 and the Stock Exchange of Thailand regulations and advises the Company's executives to report changes in such holdings of the Company's shares to the SEC in accordance with the Securities and Exchange Act B.E. 2535.

Within January of each year, all employees shall be reminded and communicated that employees with access to the defined Insider Information and their respective spouses and dependents, are prohibited from purchasing, selling or engaging in any transaction involving the Company's securities or forward contracts or from passing on such information to other persons.

Furthermore within 10 days after the end of each quarter, designated persons involving to or having an access to information relating a preparation of financial statement are reminded that they and their respective spouses and dependents are prohibited from disclosing information relating to the Company's Annual/Quarterly Results to any person, during the period from the end of each calendar quarter or calendar year to which the Annual/Quarterly Results relate until expiry of two full SET market days from the date such Annual/Quarterly Results are filed with the SET/SEC) (the "Blackout Period"). Additionally, employees are prohibited from trading directly or indirectly in the Company's shares and engaging in any forward contract during each Blackout Period.

In the past year, no trading of the Company's securities by directors, executives or related employees during Blackout Period were reported.



## Anti-corruption

The Company's anti-corruption policy and compliance program are based on global ExxonMobil standards, which meet stringent US, UK and EU standards. While these have always been part of the Company's way of doing business, the Company formalized the policy and programs in 2011 and 2012. The Company's Board of Directors adopted the Anti-Corruption policy in November 2011, and added it to its Standards of Business Conduct. Details of Anti-Corruption Policy are prescribed in "Standards of Business Conduct" and "Anti-Corruption Practice".

In 2022, employees who were not designated High Risk Position attended completed the Anti-corruption Computer Based Training and designated High Risk Position attended Anti-corruption webinar organized by Law Department.

## Whistle Blowing

Details of whistle blowing are disclosed in "Whistle Blowing" (Page 128). Moreover, each year, employees must review and confirm that they acknowledge that they are expected to report promptly to management suspected violations of law, the Company's policies, and the Company's internal controls via available channel listed in an Open Door Communications Procedure. Employees also confirmed that as a protection measure, no action may be taken or threatened against them for asking questions, voicing concerns, or making complaints or suggestions in conformity with the procedures described above, unless the employee acts with willful disregard of the truth.

In the past years, the company has not received any clues.



## Shareholding of Directors and Executives Report

Shareholding of directors and executives as of December 31, 2022 is as follows:

Name	Company				Subsidiaries
	No. of shares as of December 31, 2021	No. of shares as of December 31, 2022	Change Increase/ (Decrease) in 2022	Shareholdings (%)	Company/No. of shares (%)
1. <b>Mr. Adisak Jangkamolkulchai</b> <sup>(1)</sup> Spouse and minor child (children)	-	-	-	-	-
2. <b>Ms. Jirapun Paowarut</b> <sup>(2)</sup> Spouse and minor child (children)	-	-	-	-	-
3. <b>Mr. Taweesak Bunluesin</b> Spouse and minor child (children)	-	-	-	-	-
4. <b>Mr. Manoch Munjitjuntra</b> Spouse and minor child (children)	-	-	-	-	-
5. <b>Mr. Anuwat Rungruangrattanagul</b> <sup>(3)</sup> Spouse and minor child (children)	-	-	-	-	-
6. <b>Mr. Vichan Nikornmalakul</b> <sup>(4)</sup> Spouse and minor child (children)	-	-	-	-	-
7. <b>Ms. Ratrimani Pasiphol</b> Spouse and minor child (children)	10,000	10,000	0	0.0003%	-
8. <b>Mr. Boontuck Wungcharoen</b> <sup>(5)</sup> Spouse and minor child (children)	-	-	-	-	-
9. <b>Mr. Wattana Chantarasorn</b> Spouse and minor child (children)	-	-	-	-	-
10. <b>Ms. Prachit Hawat</b> Spouse and minor child (children)	-	-	-	-	-
11. <b>Mr. Buranawong Sowapruj</b> Spouse and minor child (children)	-	-	-	-	-
12. <b>Mr. Pornchai Thiraveja</b> <sup>(6)</sup> Spous and minor child (children)	-	-	-	-	-
13. <b>Mr. Vanchai Vichakchon</b> Spouse and minor child (children)	-	-	-	-	-

Name	Company				Subsidiaries
	No. of shares as of December 31, 2021	No. of shares as of December 31, 2022	Change Increase/ (Decrease) in 2022	Shareholdings (%)	Company/No. of shares (%)
<b>14. Mr. Chatchawarn Hongcharoenthai</b> Spouse and minor child (children)	-	-	-	-	-
<b>15. Ms. Matana Sutatham</b> Spouse and minor child (children)	-	-	-	-	-
<b>16. Ms. Vorraya Kosalathip</b> Spouse and minor child (children)	-	-	-	-	-
<b>17. Mr. Suwat Srikanapongse</b> Spouse and minor child (children)	-	-	-	-	-

- (1) Mr. Adisak Jangkamolkulchai resigned from his director and Chairperson of the Board position and Mrs. Suda Ninvoraskul was appointed as director and Chairperson to replace Mr. Adisak Jangkamolkulchai effective January 28, 2023.
- (2) Ms. Jirapun Paowarut was appoint as director to replace Mr. Jesada Chanchernkij effective April 19, 2022.
- (3) Mr. Anuwat Rungruangrattanagul was appointed as director to replace Mr. Suchart Phowatthanasathian effective January 27, 2023.
- (4) Mr. Vichan Nikornmalakul resigned from his director position effective January 30, 2023.
- (5) Mr. Boontuck Wungcharoen resigned from his independent director position effective March 1, 2023.
- (6) Mr. Pornchai Thiraveja was appointed as Independent Director effective February 24, 2022 and resigned from his independent director position effective March 15, 2023.

Remark: Some of the employee directors and executives may own shares of Exxon Mobil Corporation through employee savings or other plans sponsored by Exxon Mobil Corporation and / or its affiliates.



## Audit Committee Report

### Audit Committee's Meeting

The Audit Committee met 7 times in 2022 which included meetings involving individual discussions with the external auditors. The activities performed by the Audit Committee in 2022 is set forth in the Audit Committee Report. The details of attendance are as follows:

Name	Audit Committee Attendance (times)
Mr. Wattana Chantarasorn	7/7
Ms. Prachit Hawat	7/7
Mr. Buranawong Sowapru	7/7

### Audit Committee's Activities

The activities performed by the Audit Committee in 2022 is set forth in the Report of Audit Committee as follows:

# Audit Committee Report



## Report of the Audit Committee

The current Audit Committee of Esso (Thailand) Public Company Limited consists of three independent directors, with experiences and competencies in international business management, petroleum business management, auditing, and accounting.

Members of the Audit Committee in the fiscal year 2022 were as follows:

1. Mr. Wattana Chantarasorn as the chairperson,
2. Mr. Buranawong Sowapruks
3. Ms. Prachit Hawat

Mr. Suwat Srikanapongse was the Secretary of the Audit Committee. The Committee held seven meetings in 2022 to fulfill its duties in accordance with the Audit Committee charter, consistent with the regulations of the Stock Exchange of Thailand (SET), by reviewing matters with the external auditor, the internal audit coordinators, and the Company's management. The Committee reported results of these activities to the Board of Directors quarterly, which are summarized as follows.

### Review of Financial Statements

The Committee reviewed significant data and information in the quarterly and annual financial statements of the Company for the year 2022 by meeting with the Company's management and the external auditor. Applicable accounting policies and management judgment made in connection with financial reporting, including Key Audit Matters and findings were considered. The Committee had a meeting with the external auditor without the presence of the Company's management, according to SET best practices, with regards to the appropriateness of accounting policies, the application of new and revised financial reporting standards in effect, and the effectiveness of controls in mitigating risk related to the Company's financial reporting. The Committee also focused on oil price volatility, which could potentially result in a significant financial impact through the stock gain or loss on the Company's earnings.

Based on the aforementioned reviews, the Committee had a conclusion consistent with the opinion of the external auditor that the financial statements of the Company for the year ended December 31, 2022 were fairly stated, in all material respects, in conformity with Thai Financial Reporting Standards (TFRS), and the financial information was disclosed adequately and appropriately. In addition, the external auditors made no remarks from the audit.

### Risk Management

Management reviewed risk management process with the Audit Committee. Key management systems and tools to manage enterprise risks were discussed. The Committee were also updated on key risk areas in 2022 and the actions taken to mitigate these risks.

The Committee viewed that the risk management process in place is comprehensive, appropriate and consistent with the Company's current and long-term business strategy as well as significant risk factors in its operating environment.

### Internal Controls and Internal Audit

In 2022, the Committee reviewed internal controls covering scope, activities, responsibilities, and resources of the internal control process. The Committee also reviewed the adequacy and effectiveness of internal controls, internal audit work plan, key issues identified in the internal audit reports, corrective actions and follow-up on the issues.

The Committee viewed that the internal control process is adequate and effective and the actions by management for correcting the identified control issues were effective.



## Related Party Transactions

The Committee reviewed the appropriateness and reasonableness of related-party transactions and those might result in potential conflicts of interest, based on the principles of reasonableness, transparency, disclosure adequacy, relevancy to normal course of business and best interests of the Company. Based on the review, no issues were identified and information related to transactions with related parties was adequately disclosed.

## Legal and Regulatory Compliance

The Committee reviewed compliance with laws and regulations relevant to the Company's business including those issued by the Stock Exchange of Thailand (SET). Key legal developments relevant to the Company were also reviewed. The Committee noted that no litigation or penalties/fines significantly impacting the Company's financial statements.

The Committee assessed that the processes and systems used to ensure compliance with roles and accountability of directors and management are well defined. The Company has an effective oversight process in assuring compliance with the policies, laws and regulations applicable to the business by all operating units across the Company.

## Appointment of External Auditor and Review of the Audit Fee for 2023

The Committee participated in evaluating the external auditor of the Company based on expertise, experience and reputation including assessing its independence and their performance appraisal. For remuneration, the considerations included scope of responsibilities of the external auditor and the fees paid in the past.

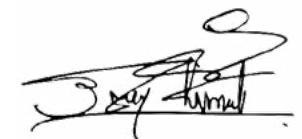
The Committee concurred with the appointment of the external auditor from PricewaterhouseCoopers ABAS Ltd. and the annual audit and quarterly review fee for the Company's consolidated financial statements in the amount of Baht 5.1 million, and to recommend the Board of Directors to seek approval at the Annual General Meeting of Shareholders.

### In summary,

The Audit Committee concluded that the Company's financial statements were fairly stated, in all material respects, in accordance with Thai Financial Reporting Standards. The system of internal controls and risk management process were effective and appropriate. Applicable laws and regulations were complied with, and the review did not identify either issues related to related party transactions or conflicts of interest.

February 24, 2023

On behalf of the Audit Committee



**Mr. Wattana Chantarasorn**

Chairperson of the Audit Committee

## Nomination, Remuneration and Performance Evaluation Committee Report

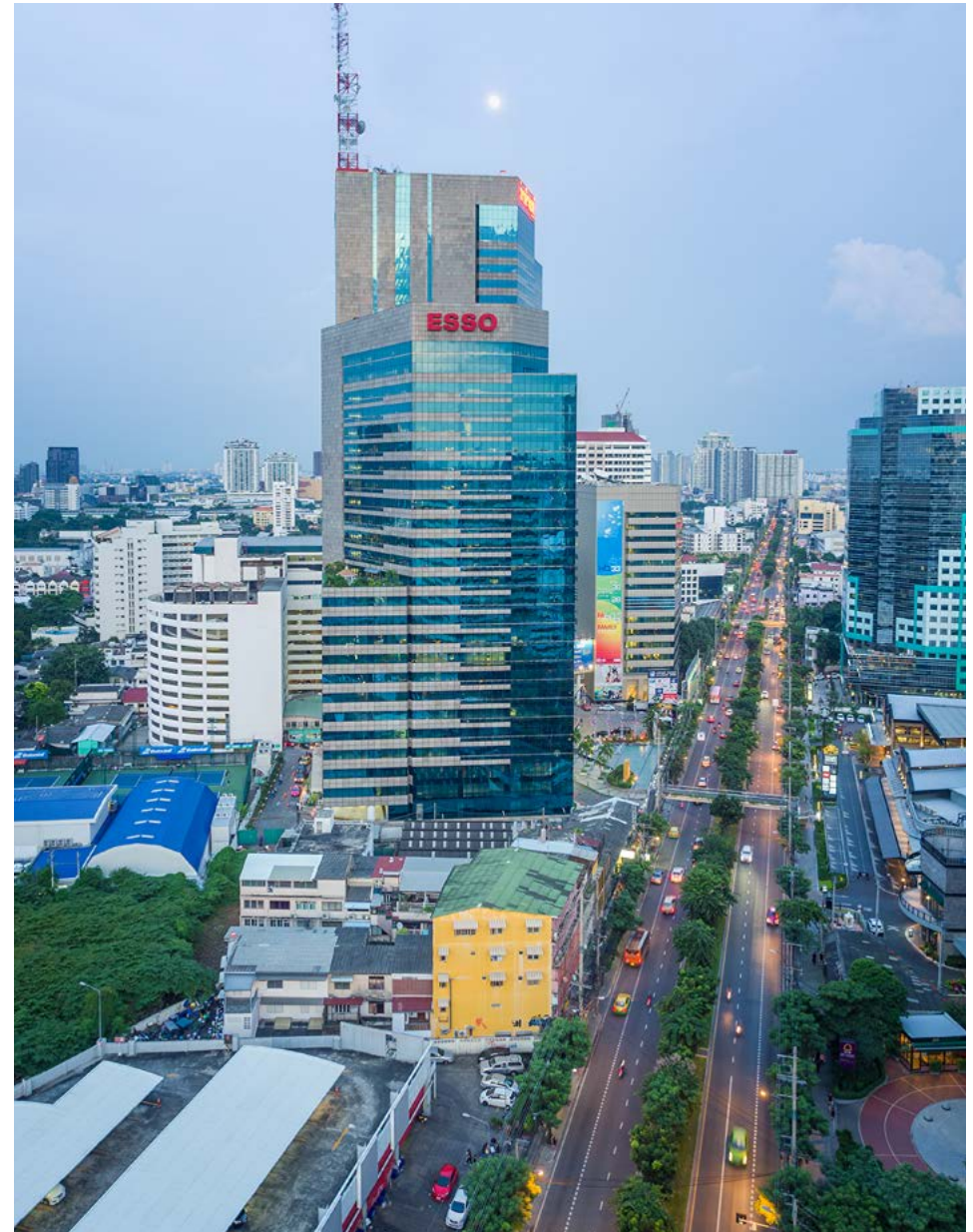
### The Nomination, Remuneration and Performance Evaluation Committee's Meeting

The Nomination, Remuneration and Performance Evaluation Committee met 3 times in 2022. The details of attendance are as follows:

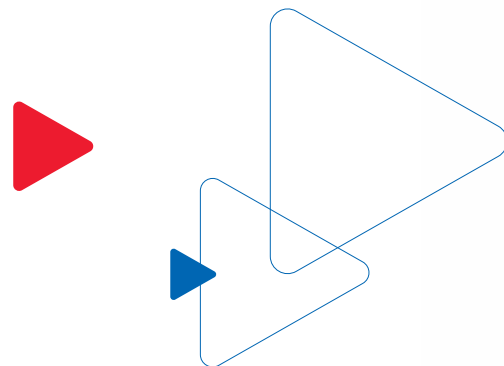
Name	NRP Committee Attendance (times)
Mr. Buranawong Sowapruх	3/3
Ms. Prachit Hawat	3/3
Mr. Taweesak Bunluesin	3/3

### Nomination, Remuneration and Performance Evaluation Committee activities

The activities performed by the Nomination, Remuneration and Performance Evaluation Committee in 2022 is set forth in the Report of Nomination, Remuneration and Performance Evaluation Committee as follows:



# Nomination, Remuneration and Performance Evaluation Committee Report



## Report of Nomination, Remuneration and Performance Evaluation Committee

The current Nomination, Remuneration and Performance Evaluation Committee (“NRP Committee”) of Esso (Thailand) Public Company Limited consists of three directors, two of them are independent directors with experiences and competencies in international business management, petroleum business management, auditing, and accounting.

Members of the NRP Committee in the fiscal year 2022 were as follows:

1. Mr. Buranawong Sowapruks as the Chairperson,
2. Ms. Prachit Hawat as a member, and
3. Mr. Taweesak Bunluesin as a member and the Secretary of the NRP Committee.

The Committee held three meetings during 2022 to fulfill its duties in accordance with the NRP Committee Charter. The NRP reported results of these activities to the Board of Directors annually and they are summarized below.

### Guidelines for director candidate selection

The NRP Committee developed guidelines for director candidate selection including requirements of candidate qualifications, and has subsequently reviewed the guidelines with the Board.

### Recommendation of independent directors/directors

- From October 5, 2021 to February 1, 2022, shareholders were invited to nominate candidates for election as directors at the 2022 Annual General Shareholders’ Meeting (AGM) but no nominations were received.

The NRP Committee considered various appropriate qualifications including knowledge, experience, capabilities, and expertise as well as the past performance of independent director/directors who retired by rotation at the 2022 AGM with

due care. As they are knowledgeable and experienced in the matters relating to the Company’s business, possess qualifications suitable for the Company’s operations as well as capable of expressing independent opinion pursuant to relevant criteria, the NRP Committee recommended to the Board to propose to the Shareholders that they be re-elected as the independent director/directors (as the case may be). Shareholders approved the nominations at the 2022 AGM as proposed.

- With regards to the vacant independent director position due to the resignation of an independent director prior to the end of her term, the NRP Committee considered various appropriate qualifications including knowledge, experience, capabilities and expertise of a proposed candidate, Mr. Pornchai Thiraveja, with due care. As Mr. Pornchai Thiraveja is duly qualified under the Public Limited Company Act B.E. 2535 (as amended) and the Securities and Exchange Act, and capable of expressing independent opinion pursuant to relevant criteria, the NRP Committee recommended to the Board to propose to the Shareholders that Mr. Pornchai Thiraveja be elected as an independent director to fill the vacant position. The Board elected him as an independent director as proposed.
- With regards to the vacant director positions due to the resignations of directors prior to the end of their terms, the NRP Committee considered various appropriate qualifications including knowledge, experience, capabilities and expertise of Mr. Vichan Nikornmalakul and Ms. Jirapun Paowarut with due care. As Mr. Vichan Nikornmalakul and Ms. Jirapun Paowarut are duly qualified under the Public Limited Company Act B.E. 2535 (as amended) and the Securities and Exchange Act, and capable of expressing independent opinion pursuant to relevant criteria, the NRP Committee recommended to the Board that Mr. Vichan Nikornmalakul and Ms. Jirapun Paowarut be elected as directors to fill the vacant positions. The Board elected them as directors as proposed.



## Recommendation of remuneration of directors

- The NRP Committee considered all appropriate factors including market compensation levels for directors and made a recommendation to the Board of Directors to propose to Shareholders that the directors' remuneration for the year 2022 should remain at the same amount as for the year 2021. At the 2022 AGM, Shareholders approved the directors' remuneration for the year 2022 as proposed.

## Performance Evaluation of Managing Director

The NRP Committee assessed the performance of Mr. Adisak Jangkamolkulchai, the Managing Director, during the period between April 2021 and March 2022. The NRP Committee reviewed the results of assessment with the Board of Directors and provided the assessment feedback to Mr. Adisak Jangkamolkulchai and his supervisor as part of the company's performance appraisal process.

February 24, 2023

On behalf of the Nomination, Remuneration  
and Performance Evaluation Committee



**Mr. Buranawong Sowapru**

Chairperson of the Nomination,  
Remuneration and Performance Evaluation Committee

# Internal Controls and Related Party Transactions

## Internal Controls

The Audit Committee independently evaluates and reviews the effectiveness of the Company's internal control systems to ensure that they are in compliance with good corporate governance principles and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) internal control framework, which is a generally accepted control framework. COSO consists of five integrated components: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. The Audit Committee reviewed internal audit reports including audit findings and recommendations. Based on the Audit Committee's assessment, the Board concluded that the Company's internal control systems are adequate and effective, and are functioning consistently with corporate governance principles and the COSO internal control framework as summarized in the following sections.



### Control Environment

The existing organizational structure is appropriate and effective for the Company's businesses operations. It is the Company's policy that directors, officers, and employees are expected to observe the highest code of ethics and avoid any actual or apparent conflict between their own personal interests and the interests of the Company. They are also expected to deal fairly with each other or with the Company's suppliers, customers, competitors, and other third parties.

### Risk Management

The Company applies rigorous risk assessment and management practices in all aspects of its business. The Company has processes in place to analyze and assess the significance of risks and determine mitigation measures to reduce those risks to the extent feasible. Risk management plans are embedded as an integral part of business processes, developed with consideration for both internal and external risk factors, and designed to include follow-up processes to ensure effective implementation and continuous improvement.

## Control Activities

The Company adopted a Delegation of Authority Guide which summarizes the responsibilities and authorities that form the overall framework for ensuring business arrangements and transactions are reviewed and approved at an appropriate level. By delegating authority, management ensures decisions will be made by individuals with the required skills and knowledge. A basic premise is that the delegated authority bears with it the obligation to exercise good business judgment and due diligence as well as effective segregation of duties. In addition, the Company's computer systems include effective application and general controls.

## Information and Communication

Meeting agendas and supporting information are provided to Board members in a timely fashion to ensure that material information is available to those responsible for making relevant decisions. Minutes of the Board meetings, including relevant comments by Board members, are properly documented for subsequent review. All financial and supporting documents are retained in accordance with the Company's Information Management System (IMS). The Company provides ongoing internal control training for employees.

## Monitoring Activities

Internal audit staff independently assesses compliance with policies and procedures and evaluate the effectiveness of all control systems relating to the business. Material control weaknesses, irregularities, and business practice issues are promptly addressed and reported to management and subsequently reviewed by the Audit Committee. Corrective actions, in accordance with internal audit findings and recommendations, are monitored by the management of each business until the issues are appropriately resolved. The Audit Committee periodically reviews and assesses the effectiveness of the management follow up process.



## Internal Control System

The Company recognizes the importance of an effective internal control system. In this regard, extensive internal controls and procedures, including those set out in the Company's System of Management Control (SMC) – Basic Standards and Controls Integrity Management System (CIMS), are fully established at all levels in the organization.

The internal control system, including compliance with policies and procedures, is formally assessed by independent internal audit staff and external auditors during each audit cycle. This includes a review of the effectiveness of all financial, and operational controls.



## System of Management Control (SMC)

The System of Management Control (SMC) sets forth basic control principles, concepts, and standards. The Company implemented this system of management control to ensure the effective, efficient, and proper utilization of the Company's resources. The basic purpose of the controls framework is to make sure business activities are conducted properly and in accordance with management's general and specific directives.

The SMC is based on 7 basic principles: Decentralization of Management, Segregation of Duties and Responsibilities, Documentation, Supervision and Review, Timeliness, Relevance to Risk, and Minimum Interdependence of Controls. Management at all levels and in all businesses is required to establish systems and procedures that meet or exceed these control principles.



## Controls Integrity Management System (CIMS)

The Controls Integrity Management System (CIMS) is a formal system of internal methods and analytical tools to assess and mitigate operational, financial, and administrative control risks. It also facilitates the timely reporting to management of control weaknesses and business practice issues. CIMS is based on the principles and standards of SMC and provides key attributes of an effective control system that helps to ensure the Company's policies and in-line controls are implemented and effectively sustained over time.

CIMS is comprised of seven elements: "Management, Leadership, Commitment & Accountability", "Risk Assessment", "Business Process Management & Improvement", "Personnel & Training", "Management of Change", "Reporting & Resolution of Control Weakness", and "Controls Integrity Assessment". Each element has five components: Objectives, Standards, Procedures, Expected Results, and Verification & Feedback Mechanism.



## Auditing and Compliance

### Business Practices Review (BPR)

The Company has long recognized the importance and value of sound corporate governance, a straight-forward business model, and high ethical business standards. We believe the methods we use to obtain business results are as important as the results themselves. All employees are expected to be familiar with the Company's policies and standards of business conduct and apply them to their daily work. They are required to confirm their knowledge and compliance with the policies and standards on an annual basis. In addition, formal business practice reviews (BPR) are attended by all employees every four years. The BPR objectives are:

- Promote the Company's reputation for honesty and straightforward approach to business integrity;
- Promote clear understanding of and compliance with the Standards of Business Conduct;
- Demonstrate applicability of the Standards to all aspects of day-to-day business activities and practices at every level in the organization;
- Convey consequences for non-compliance with the Standards;
- Identify, evaluate, report, and where necessary, correct practices that may not be consistent with policies; and
- Report compliance concerns and ensure employee awareness of channels available for reporting concerns.



### Internal Audit

The internal audit staff independently assesses compliance with policies and procedures, and evaluates the effectiveness of all control systems related to the business. Generally, each segment of the business is subject to an internal audit every three years. In addition, business segments appoint controls advisors to provide guidance on controls and facilitate self-assessments for their units at the mid-point of the audit cycle based on CIMS and audit standards. Management of each business segment is obligated to consider all internal audit and self-assessment findings and recommendations, and take appropriate corrective actions. In addition, the results of internal audits are reviewed by the Audit Committee.

### Independent External Audit

Independent external auditors audit the Company's financial statements in accordance with generally accepted auditing standards in Thailand to ensure that the financial statements are free of material misstatement and in conformity with generally accepted accounting principles.

### Auditor's Remuneration

The audit fees paid to the office of the external auditor, PricewaterhouseCoopers ABAS Limited, for the 2022 accounting period were Baht 4,600,000. There were no other fees paid to the Company's auditor.

## Related Party Transactions

The Company executed numerous agreements with ExxonMobil and its affiliates in order to leverage their expertise in the global oil and gas industry. These agreements are beneficial to the Company and its operations. The terms and conditions of the agreements are on the same basis as those applied generally to all ExxonMobil affiliates worldwide and are appropriate and reasonable. All of the related party agreements were either reviewed by the Audit Committee or are consistent with prescribed criteria.

### Necessity and reasonableness of related party transactions

Related party transactions undertaken in the past year pursuant to these agreements are for the benefit of the Company and were subject to review by the Audit Committee and the Company's external auditors as part of their audit of the Company's annual financial statements. The Audit Committee considered and provided an opinion that such transactions were entered into in the normal course of business, consistent with prescribed criteria, and were properly disclosed.



## Approval of related party transactions

Related party agreements are established in the normal course of business. The approval processes for related party agreements are consistent with those prescribed by the relevant rules and regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand. If there is a likelihood of a conflict of interest arising from the Company's entry into a related party agreement with a person who is a shareholder, director or executive of the Company, the said shareholder, director or executive will not participate in the approval process for the agreement.

On August 28, 2008, the Board of Directors provided an approval for the Company and its subsidiaries to enter into certain transactions with its directors, executives, and/or related persons (as defined in the Securities and Exchange Act) where, in principle, such transactions are on the same terms as those which may ordinarily be entered into by persons with unrelated counterparties under similar circumstances, based on commercial negotiations, and without preference resulting from the status of being a director, executive or related person, as the case may be, or where the transactions reflect fair prices or are on a cost or cost plus basis pursuant to agreements between the Company and its affiliates, or where the charges under the transactions are consistent with those charged by other affiliates around the world for similar services or goods, or where the interest expense in connection with financing transactions with the Company's affiliates is generally based on market rates.

### New related party transactions

Any new related party agreements will comply with the Board resolution of August 28, 2008 described above, as well as the applicable laws and regulations of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand.

Subject to the above, if the Company proposes executing a related party agreement not consistent with the August 28, 2008 Board resolution, the Audit Committee will review and render an opinion on such an agreement. The Audit committee's opinion will be communicated to the Board of directors or shareholders, as the case may be, to ensure the proposed agreement is in the best interest of the Company.

## Listed below are the main agreements with related parties

as of December 31, 2022.

Detail of related party transactions of the previous years are available in the Company website (<http://esso-th.listedcompany.com/home.html>)

Agreements	Parties/Relationship with the Company	Main Purposes	2022 Transaction Value (Million Baht)		
			Sales	Purchase	Service Expenses
<b>Goods and Services</b>					
Crude Oil, LPG, Products and Feedstock, and Lube Basestock Supply Agreement	ExxonMobil Asia Pacific Pte. Ltd. ("EMAPPL")  EMAPPL is an affiliate of Exxon Mobil Corporation (EMC), EMC indirectly holds 100% of shares in EMAPPL.	EMAPPL sells or procures for sale to Esso Asia Pacific crude oil. In addition to such crude oil, EMAPPL agrees to sell or procure for sale LPG, products and feedstock, and lube basestock. EMAPPL purchases crude oil, LPG, products, feedstock and lube basestock which Esso desires to sell and export.			
Assignment and Assumption Agreement for the Manufacture and/or sale of Toyota Oil and Chemical Product	EMAPPL	EMAPPL assigns its rights and obligations under relevant agreements with Toyota Motor Corporation as a local blender and/or seller of Toyota branded oil and chemical products in Thailand to Esso.			
Inter-Affiliate Product Sale and Purchase Agreement	EMAPPL	Esso purchases finished lubricants, base oils, base stocks, and/or lubricant additives from EMAPPL.			
Inter-Affiliate Product Sale and Purchase Agreement	EMAPPL	Esso sells finished lubricants, and/or lubricant additives as ordered by EMAPPL from time to time.	13,878	173,570	901
Downstream Regional Headquarters/Affiliate Master Service Agreement*	EMAPPL	EMAPPL provides services to Esso covering a wide range of management consulting, functional advice, administrative, technical, professional, and other supporting services relating to Esso's downstream business of refining, sales and marketing of fuels, lubricants and petroleum specialties, and other services necessary for sale and efficient operations of Esso.			
Chemical Regional Headquarters/Affiliate Service Agreement	EMAPPL	EMAPPL provides services to Esso covering certain management consulting, functional advice, administrative, technical, professional, and other supporting services in connection with Esso's chemical business such as accounting, legal, tax, human resources, office space, and clerical activities, computer network services, and procurement services.			

Agreements	Parties/Relationship with the Company	Main Purposes	2022 Transaction Value (Million Baht)		
			Sales	Purchase	Service Expenses
Sale Agreement	ExxonMobil Chemical Asia Pacific ("EMCAP"), a division of EMAPPL. EMCAP is an affiliate of EMC, which EMC indirectly holds 100% of shares in EMCAP.	EMCAP sells or causes to be sold to Esso chemical products in such a volume as Esso nominates from time to time.	1,119	1,359	68
Inter-Affiliate Supply Agreement	EMCAP	EMCAP sells to or procures for Esso paraxylene, benzene concentrate, and feedstock in such a volume as Esso nominates. Esso sells EMAPPL paraxylene, benzene concentrate, and feedstock.			
Crude Oil, Products and Feedstocks Supply Agreement	ExxonMobil Sales and Supply ("EMS&S"). EMS&S is an affiliate of EMC, EMC indirectly holds 100% of shares in EMS&S.	EMS&S sells or procures to sell non Asia Pacific crude oil. In addition to such crude oil, EMS&S agrees to sell or procure for sale products and feedstock to Esso. EMS&S purchases crude oil, LPG, products, feedstock and lube basestock which Esso desires to sell and export.	6	12,675	
Bangkok Business Support Center Master Service Agreement	ExxonMobil Limited ("EML"). EML is an affiliate of EMC and a subsidiary of ExxonMobil International Holdings Inc. EMC indirectly holds 100% of shares in EML.	EML provides various services including certain management consulting, functional advice, administrative, technical, professional, and other supporting services relating to Esso's business and operations.			777
Master Service Agreement	ExxonMobil Global Services Company ("EMGSC"). EMGSC is an affiliate of EMC, EMC directly holds 100% of shares in EMGSC.	EMGSC provides Esso with advice and assistance relating to (i) information technology services (ii) procurement services (iii) real estate services and facilities services.			514



Agreements	Parties/Relationship with the Company	Main Purposes	2022 Transaction Value (Million Baht)		
			Sales	Purchase	Service Expenses
ExxonMobil Petroleum & Chemical Master Business Support Agreement	ExxonMobil Petroleum & Chemical ("EMPC") EMPC is an affiliate of EMC, which EMC indirectly holds 100% of shares in EMPC.	EMPC provides services to Esso a variety of services relating to accounting and administrative services through personnel based out of business centers established outside of Thailand.			
Downstream Regional Headquarters/ Affiliate Master Service Agreement*	EMPC	EMPC provides services to Esso covering a wide range of management consulting, functional advice, administrative, technical, professional, and other supporting services relating to Esso's downstream business of refining, sales and marketing of fuels, lubricants and petroleum specialties and other services necessary for sale and efficient operations of Esso such as fuels marketing, refining and supply, etc.			132
Downstream Regional Headquarters/ Affiliate Master Service Agreement*	ExxonMobil (China) Investment Co., Ltd ("EMCI") EMCI is an affiliate of EMC, which EMC indirectly holds 100% of shares in EMCI.	EMCI provides services to Esso covering a wide range of management consulting, functional advice, administrative, technical, professional, and other supporting services relating to Esso's downstream business of refining, sales and marketing of fuels, lubricants and petroleum specialties and other services necessary for sale and efficient operations of Esso such as fuels marketing, refining and supply, etc.			
EssoAir Service Agreement	ExxonMobil Aviation International Ltd. ("EMA") EMA is an affiliate of EMC, which EMC indirectly holds 100% of shares in EMA.	EMA provides Esso a wide range of marketing and technical assistance appropriate to Esso's aviation fuel business including solicitation of aviation sales and general advisory services and consultancy.			6
Inter Affiliate Marine Transportation Services Agreement	SeaRiver Maritime LLC ("SRM") (Formerly, Standard Tankers Bahamas Ltd) SRM is an affiliate of EMC, which EMC indirectly holds 100% of shares in STB.	SRM provides services related to (i) vessel pool activities and transportation for purchasers' cargoes of crude oil, petroleum products, and chemicals (ii) chartering and transportation support services (iii) marine vetting services (iv) other supporting services related to the pool vessels as well as other marine transportation activities.		3,366	1

Agreements	Parties/Relationship with the Company	Main Purposes	2022 Transaction Value (Million Baht)		
			Sales	Purchase	Service Expenses
Standard Research Agreement	ExxonMobil Research and Engineering Company ("EMRE") EMRE is an affiliate of EMC, which EMC directly holds 100% of shares in EMRE.	Agreement is made for the purpose of (i) creation, acquisition and management of a body of technical information, technical services, and patent and copyright protection for the benefit of petroleum and chemical operations (ii) access to technical information and the use of patent and copyright protection (iii) engineering assistance and special research (iv) administer intellectual property and technical information acquired or made for the benefit of Esso.			340
Catalyst Lease Agreement	ExxonMobil Catalyst Technologies LLC ("EMCT") EMCT is an affiliate of EMC, which EMC indirectly holds 100% of shares in EMCT.	EMCT, as a lessor, commits to supply and lease catalysts to Esso.			
Catalyst Supply Agreement	EMCT	Esso purchases catalysts from EMCT.			
Trademark License Agreement	Exxon Mobil Corporation ("EMC") EMC is the ultimate parent company of various affiliates and subsidiaries.	EMC authorizes Esso to use Esso, Exxon, Esso Oval and Exxon Emblem trademarks in Thailand in association with the products and services sold or provided.			
Clearing House Service Agreement	EMC	EMC provides the service of operating the Trade Central Clearing House Sub-Account and other Central Clearing House Sub-Accounts for the purpose of facilitating efficient settlement and processing of transactions.			
Downstream Regional Headquarters/ Affiliate Master Service Agreement*	EMC	EMC provides services to Esso covering a wide range of management consulting, functional advice, administrative, technical, professional, and other supporting services relating to Esso's downstream business of refining, sales and marketing of fuels, lubricants and petroleum specialties and other services necessary for sale and efficient operations of Esso such as fuels marketing, refining and supply, etc.			4
Service Agreement	ExxonMobil Hong Kong Limited ("EMHKL") EMHKL is an affiliate of EMC, which EMC indirectly holds 100% of shares in EMHKL.	EMHKL provides services to Esso covering managerial, professional and administrative, and other operational advice relating to their overall corporate operations to Esso.			

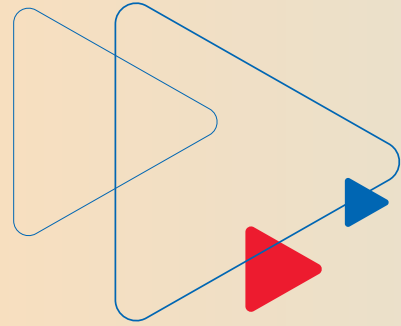
Agreements	Parties/Relationship with the Company	Main Purposes	2022 Transaction Value (Million Baht)		
			Sales	Purchase	Service Expenses
Service Agreement	ExxonMobil Catalyst Services Inc. ("EMCSI") EMCSI is an affiliate of EMC, EMC directly holds 100% of shares in EMCSI.	EMCSI provides services including arranging for supply of precious metals; arranging for the fabrication of catalysts, the reclamation of precious metals from spent catalysts, and catalyst operations such as regeneration as well as consulting services relating to catalysts.			1
Service Agreement	ExxonMobil Chemical Company ("EMCC") EMCC is a division of EMC.	Esso provides certain services relating to marketing efforts in Thailand to EMCC.			
ExxonMobil Marine Fuels Supply and Services Agreement	ExxonMobil Marine Limited ("EMML") and EMAPPL EMML is an affiliate of EMC, which EMC indirectly holds 100% of shares in EMML.	Esso sells and delivers marine fuels as well as provides related services to EMML and EMAPPL.			
Inter-Affiliate Product Sale and Purchase Agreement	EMML	Esso sells finished lubricants, lubricating oils, greases and/or other marine lubricant products as ordered by EMML from time to time.	33		
Others				-15	88
<b>TOTAL (see notes to financial statements no. 32)</b>			<b>15,036</b>	<b>190,955 <sup>(1)</sup></b>	<b>2,832</b>

\* EMAPPL, EMPC, EMCI and EMC are collectively the Service Providers under the Downstream Regional Headquarters/Affiliate Master Service Agreement amended and restated as of January 1, 2019.

<sup>(1)</sup> Baht 632 million service expenses paid to Thai Petroleum Pipeline Company Limited is not included

Agreements	Parties	Main Purposes	2022 Transaction Value (Million Baht)			
			Loan Balance	Deposit Balance	Interest Expense	Interest Income
<b>Financial Assistance</b>						
Loan and Current Account Agreement	EML	Esso provides a loan facility to EML with the maximum principal amount of Baht 3,000 million. There is no facility limit in the event that money from EML is deposited in current account. Esso can make use of such funds and is required to pay interest for the deposited amount.	3,712		32	
Short-Term Loan Agreement	ExxonMobil Development Finance Company ("EMDFC")	EMDFC provides a revolving loan facility to Esso with the maximum aggregate amount of Baht 17,000 million. Drawdowns and repayment can be made once per calendar month.	12,984		76	
Long-Term Loan Agreement	EMDFC	EMDFC provides a Thai Baht-denominated long-term loan to Esso of Baht 3,000 million with principal repayment every 3 months. The loan will mature in November 2022.	0		4	
Long-Term Loan Agreement	EMDFC	EMDFC provides a Thai Baht-denominated long-term loan to Esso of Baht 2,500 million with principal repayment every 3 months. The loan will mature in June 2024.	1,250		18	
Long-Term Loan Agreement	EMDFC	EMDFC provides a Thai Baht-denominated long-term loan to Esso of Baht 6,000 million with principal repayment every 3 months. The loan will mature in June 2023.	1,500		47	
Long-Term Loan Agreement	EMDFC	EMDFC provides a Thai Baht-denominated long-term loan to Esso of Baht 4,000 million with principal repayment every 3 months. The loan will mature in July 2025.	3,667		21	
Long-Term Loan Agreement	EML	EML provides a Thai Baht-denominated long-term loan to Esso of Baht 700 million with principal repayment every 3 months. The loan will mature in June 2022.	0		1	
<b>TOTAL (see notes to financial statements no. 32)</b>			<b>23,113</b>		<b>199</b>	





# Part 3

## Financial Report



## Statement of Board of Directors' Responsibilities for Financial Reporting

The accompanying consolidated financial statements of Esso (Thailand) Public Company Limited and its subsidiaries and the financial statements of Esso (Thailand) Public Company Limited have been prepared in conformity with the requirements of the Public Limited Company Act B.E. 2535, the Securities and Exchange Commission Act B.E. 2535, the Announcement of the Department of Business Development dated September 28, 2011 issued in accordance with Section 11, Paragraph 3 of the Accounting Act B.E. 2543, and the Financial Reporting Standards prescribed by the Federation of Accounting Professions.


The Board of Directors is responsible for the financial statements which have been prepared in a prudent manner and contain accurate and complete material information to provide reasonable assurance that the financial position, results of operations and cash flows of the Company and its subsidiaries are presented accurately, an effective internal control system has been established, accounting records have been properly and adequately maintained to safeguard assets and prevent fraud and other irregularities with material implications, appropriate accounting policies have been consistently applied in accordance with Financial Reporting Standards and material information has been adequately disclosed in the notes to the financial statements. The independent auditor has expressed opinion on the financial statements of Esso (Thailand) Public Company Limited and its subsidiaries in the Auditor's Report.



**Ms. Suda Ninvoraskul**

Chairperson

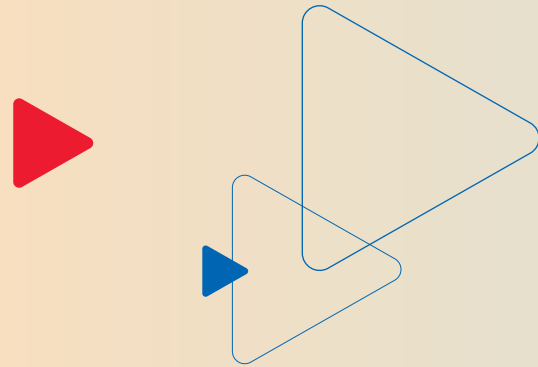
Esso (Thailand) Public Company Limited



**Ms. Ratrimani Pasiphol**

Managing Director

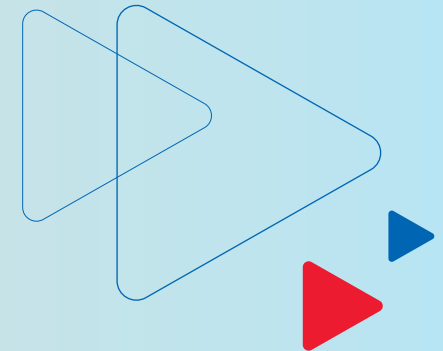
Esso (Thailand) Public Company Limited



ESSO (THAILAND) PUBLIC COMPANY LIMITED

# CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2022



# Independent Auditor's Report

To the shareholders and the Board of Directors of Esso (Thailand) Public Company Limited

## My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Esso (Thailand) Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

## What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

## Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

## Key audit matter

## How my audit addressed the key audit matter

### Revenue Recognition

In 2022, the Group recognised revenues of Baht 246,486 million which derived from two main business segments, Downstream and Petrochemical segments, as disclosed in the Note 6 to the financial statements.

The revenues are determined and recognised, based on the contractual price and volume of products delivered. The price is based on the market price and a number of other factors, depending on the distribution channels and contract terms with customers. The volumes sold are measured using applicable meters when the products are delivered to customers via pipeline, truck, or vessel.

I focused on the revenue recognition of the petroleum products and petrochemical products because the revenue amounts and number of revenue transactions are material. In addition, selling prices are based on market prices and a number of other factors as stated in the contracts with customers.

My work performed over revenue recognition included:

- Obtaining an understanding and making inquiries to management about revenue recognition principle in accordance with TFRS15, accounting guidelines, disclosures and systems to support revenue recognition to assess correctness and appropriateness of the accounting standard and accounting policies the Group applied;
- Obtaining an understanding and testing the design and operating effectiveness of key controls in relation to the recognition of the revenues, particularly focus on controls around the timely and accurate recording of sales transactions;
- Testing gross sales transactions and credit/debit notes on sampling basis by tracing to relevant supporting documents, including invoices to customers, delivery documents and subsequent cash receipts from those customers. Additionally, I inspected sales contracts and/or other related documents between the Group and customers to determine whether the revenue transactions were recognised correctly and appropriately;
- Selecting revenue samples prior to and after year end to test whether they are recorded in appropriate timing, based on terms and conditions set out in sales invoices and delivery documents or system generated reports; and
- Sending debtor confirmations for balances as at 30 November 2022, completing appropriate roll-forward procedures and performing subsequent receipt testing on customer balances for which confirmations were not received.

From the procedures performed, I found that the revenue recognition of the petroleum products and petrochemical products was appropriately applied in accordance with the Group's accounting policies.



Key audit matter	How my audit addressed the key audit matter
<p><b>Cost of Inventory</b></p> <p>As of 31 December 2022, the Group held inventories, of petroleum and petrochemical products, at Baht 9,508 million which represent 11 percent of the Group's total assets.</p> <p>Cost of inventories primarily comprises purchase prices of crude oil and the manufacturing costs which are allocated to each type of products. Cost calculation requires the Group to perform the following procedures:</p> <ul style="list-style-type: none"> <li>• Generating an automated report that computes the unit cost of each product. From this report, the production costs of inventories are pooled together and are allocated to each product using percentage of each product reference value to total production costs;</li> <li>• Performing a comparison between product unit costs and market prices to ensure there is no significant unusual item; and</li> <li>• Using final unit costs for calculation of inventory balance using FIFO application.</li> </ul> <p>I focused on this area because the sizes of inventory balances from petroleum and petrochemical products are material to the Group's financial statements. In addition, the calculation of inventory cost is complex. The accuracy and the completeness of information used for unit cost calculation are important which influences pricing decision and the Group's profit and loss.</p>	<p>My work performed over cost of inventories included:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding and testing the design and operating effectiveness of key controls in relation to the inventory management and procurement cycle to the purchase requisitions, purchase orders, goods receiving, payments and recording to reflect the accuracy of the cost of inventory;</li> <li>• Testing purchase transactions in relation to amounts, timing and volumes on sampling basis by tracing to relevant supporting documents, including invoices from suppliers and receiving documents;</li> <li>• Selecting inventory purchase samples prior to and after year end to test whether they are recorded in appropriate timing, based on terms and conditions set out in delivery documents and recording to reflect the accuracy of the cost of inventory;</li> <li>• Obtaining an understanding of basis of inventory cost to identify appropriateness of accounting policies the Group applied;</li> <li>• Comparing unit cost of each product with its market price as at the reporting date to ensure there is no significant unusual item; and</li> <li>• Engaging specialists in Information Systems and Technology to verify accuracy and reliability of the reports used in cost allocation.</li> </ul> <p>From the procedures performed, I found that cost of inventories is calculated and allocated based on appropriate methodologies which are consistent with the Group's accounting policies.</p>

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

#### Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

#### Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



**Amornrat Pearmpoonvatanasuk**  
Certified Public Accountant (Thailand) No. 4599  
Bangkok  
24 February 2023

## Esso (Thailand) Public Company Limited

## Statement of Financial Position

As at 31 December 2022

(All amounts in Baht thousand unless otherwise stated)

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	586,070	801,746	586,070	801,746
Trade receivables	8	8,429,771	8,171,239	8,429,771	8,171,239
Amounts due from related parties	32 f	15	15	52,520	47,014
Inventories	9	23,893,410	18,785,977	23,893,410	18,785,977
Other receivables	10	15,873,001	4,151,729	15,873,001	4,151,729
Other current assets	11	3,140,197	1,873,547	3,224,263	2,003,929
<b>Total current assets</b>		<b>51,922,464</b>	<b>33,784,253</b>	<b>52,059,035</b>	<b>33,961,634</b>
<b>Non-current assets</b>					
Financial assets measured at fair value through other comprehensive income	12	1,093,981	1,147,500	1,093,981	1,147,500
Investments in an associate	14	2,197,477	2,094,717	1,729,360	1,729,360
Investments in subsidiaries	14	-	-	114,593	114,589
Long-term loans to related parties	32 g	-	-	3,687,725	3,553,483
Property, plant and equipment	15	22,982,043	23,705,650	18,797,260	19,520,867
Right-of-use assets	16	3,823,186	4,304,886	3,827,492	4,334,832
Intangible assets		125,961	152,686	125,961	152,686
Deferred income tax assets	17	673,093	2,360,748	564,601	2,250,931
Prepaid rental and deferred charges		89,957	149,534	89,957	249,347
Other non-current assets	18	2,633,279	2,354,629	2,633,239	2,354,629
<b>Total non-current assets</b>		<b>33,618,977</b>	<b>36,270,350</b>	<b>32,664,169</b>	<b>35,408,224</b>
<b>Total assets</b>		<b>85,541,441</b>	<b>70,054,603</b>	<b>84,723,204</b>	<b>69,369,858</b>

Director .....

Director ..... *Ratrimani P* .....

The accompanying notes are an integral part of these consolidated and separate financial statements.

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term borrowings from financial institutions	19	9,739,338	7,899,982	9,739,338	7,899,982
Trade and other payables	20	5,872,021	5,117,306	5,871,504	5,116,809
Amounts due to related parties	32 f	10,691,998	10,588,460	10,694,002	10,588,275
Current portion of long-term borrowings from financial institutions	19	1,667,067	1,717,067	1,667,067	1,717,067
Current portion of long-term loans from related parties	32 h	3,666,667	3,950,000	3,666,667	3,950,000
Short-term loans from related parties	32 h	16,696,199	11,423,386	16,697,027	11,424,236
Current income tax payables		269	289	-	-
Current portion of lease liabilities		319,210	438,314	323,744	464,366
Short-term provisions for employee benefits	21	971,593	872,943	971,593	872,943
<b>Total current liabilities</b>		<b>49,624,362</b>	<b>42,007,747</b>	<b>49,630,942</b>	<b>42,033,678</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	19	1,415,667	1,249,400	1,415,667	1,249,400
Long-term loans from related parties	32 h	2,750,000	2,750,000	2,751,034	2,751,259
Lease liabilities		2,117,860	2,399,499	2,117,860	2,403,965
Long-term provisions for employee benefits	21	2,429,416	2,439,614	2,429,416	2,439,614
Other non-current liabilities		68	5	26	5
<b>Total non-current liabilities</b>		<b>8,713,011</b>	<b>8,838,518</b>	<b>8,714,003</b>	<b>8,844,243</b>
<b>Total liabilities</b>		<b>58,337,373</b>	<b>50,846,265</b>	<b>58,344,945</b>	<b>50,877,921</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.





## Esso (Thailand) Public Company Limited

## Statement of Changes in Equity

For the year ended 31 December 2022

(All amounts in Baht thousand unless otherwise stated)

Consolidated financial statements											
Attributable to owners of the parent											
Notes	Retained earnings (deficits)				Other components of equity			Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Issued and paid-up share capital	Share premium	Appropriated - legal reserve	Unappropriated - retained earnings (deficits)	Provisions for employee benefits	Measurement of equity investments at fair value through other comprehensive income	Share of other comprehensive gain (loss) of an associate				
<b>Opening balance at 1 January 2021</b>	17,075,181	4,031,711	1,000,901	(8,080,990)	(495,466)	828,000	(7,245)	325,289	14,352,092	7,434	14,359,526
<b>Changes in equity for the year 2021</b>											
Total comprehensive income	-	-	-	4,443,214	344,398	61,200	-	405,598	4,848,812	716	4,849,528
Dividend paid	-	-	-	-	-	-	-	-	-	(716)	(716)
<b>Closing balance at 31 December 2021</b>	<b>17,075,181</b>	<b>4,031,711</b>	<b>1,000,901</b>	<b>(3,637,776)</b>	<b>(151,068)</b>	<b>889,200</b>	<b>(7,245)</b>	<b>730,887</b>	<b>19,200,904</b>	<b>7,434</b>	<b>19,208,338</b>
<b>Opening balance at 1 January 2022</b>	17,075,181	4,031,711	1,000,901	(3,637,776)	(151,068)	889,200	(7,245)	730,887	19,200,904	7,434	19,208,338
<b>Changes in equity for the year 2022</b>											
Total comprehensive income (loss)	-	-	-	9,508,292	(9,224)	221,810	5,281	217,867	9,726,159	704	9,726,863
Dividend paid	33	-	-	(1,730,429)	-	-	-	-	(1,730,429)	(704)	(1,731,133)
Reclassified gain from disposal of equity investments measured at fair value	13	-	-	257,877	-	(257,877)	-	(257,877)	-	-	-
Appropriation during the year	23	-	252,509	(252,509)	-	-	-	-	-	-	-
<b>Closing balance at 31 December 2022</b>	<b>17,075,181</b>	<b>4,031,711</b>	<b>1,253,410</b>	<b>4,145,455</b>	<b>(160,292)</b>	<b>853,133</b>	<b>(1,964)</b>	<b>690,877</b>	<b>27,196,634</b>	<b>7,434</b>	<b>27,204,068</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

## Esso (Thailand) Public Company Limited

## Statement of Changes in Equity

For the year ended 31 December 2022

(All amounts in Baht thousand unless otherwise stated)

Separate financial statements								
Notes	Retained earnings (deficits)				Other components of equity			
	Issued and paid-up share capital	Share premium	Appropriated - legal reserve	Unappropriated - retained earnings (deficits)	Other comprehensive income (loss)			Total other components of equity
					Provisions for employee benefits	Measurement of equity investments		
						at fair value through other comprehensive income	Total	
share capital	premium	- legal reserve	(deficits)	benefits	income	of equity	equity	
<b>Opening balance at 1 January 2021</b>	17,075,181	4,031,711	1,000,901	(8,832,838)	(495,466)	828,000	332,534	13,607,489
<b>Changes in equity for the year 2021</b>								
Total comprehensive income	-	-	-	4,478,850	344,398	61,200	405,598	4,884,448
<b>Closing balance at 31 December 2021</b>	<u>17,075,181</u>	<u>4,031,711</u>	<u>1,000,901</u>	<u>(4,353,988)</u>	<u>(151,068)</u>	<u>889,200</u>	<u>738,132</u>	<u>18,491,937</u>
<b>Opening balance at 1 January 2022</b>	17,075,181	4,031,711	1,000,901	(4,353,988)	(151,068)	889,200	738,132	18,491,937
<b>Changes in equity for the year 2022</b>								
Total comprehensive income	-	-	-	9,404,165	(9,224)	221,810	212,586	9,616,751
Dividend paid	33	-	-	(1,730,429)	-	-	-	(1,730,429)
Reclassified gain from disposal of equity investments measured at fair value	13	-	-	257,877	-	(257,877)	(257,877)	-
Appropriation during the year	23	-	252,509	(252,509)	-	-	-	-
<b>Closing balance at 31 December 2022</b>	<u>17,075,181</u>	<u>4,031,711</u>	<u>1,253,410</u>	<u>3,325,116</u>	<u>(160,292)</u>	<u>853,133</u>	<u>692,841</u>	<u>26,378,259</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

## Esso (Thailand) Public Company Limited

### Statement of Cash Flows

For the year ended 31 December 2022

(All amounts in Baht thousand unless otherwise stated)

Notes	Consolidated financial statements		Separate financial statements		
	2022	2021	2022	2021	
<b>Cash flows from operating activities</b>					
Cash (used in) generated from operations	28	(1,786,122)	1,855,348	(1,820,677)	1,824,407
Interest paid		(244,703)	(271,176)	(244,726)	(271,200)
Income tax paid		(1,827,521)	(42,850)	(1,823,818)	(38,829)
Net cash (used in) generated from operating activities		(3,858,346)	1,541,322	(3,889,221)	1,514,378
<b>Cash flows from investing activities</b>					
Loan payments received from related parties	32 g	-	-	59,083	78,438
Loans made to related parties	32 g	-	-	(193,325)	(187,978)
Purchase of property, plant and equipment		(1,532,125)	(1,456,871)	(1,532,125)	(1,456,871)
Purchase of intangible assets		(7,885)	(4,044)	(7,885)	(4,044)
Payments for right-of-use assets		(111,500)	(192,609)	(111,500)	(192,609)
Purchase of investment in a subsidiary		-	-	(4)	-
Proceeds from disposal of property, plant and equipment	28	19,866	39,637	19,866	16,909
Proceeds from disposal of equity investments measured at fair value		314,324	-	314,324	-
Interest received		17,787	3,152	205,304	184,669
Dividends received from a subsidiary		-	-	3,200	3,100
Dividends received from an associate		214,391	269,293	214,391	269,293
Net cash used in investing activities		(1,085,142)	(1,341,442)	(1,028,671)	(1,289,093)
<b>Cash flows from financing activities</b>					
Net proceeds from short-term borrowings from financial institutions	19	1,839,356	1,818,476	1,839,356	1,818,476
Net proceeds from (payments on) long-term borrowings from financial institutions	19	116,267	(683,533)	116,267	(683,533)
Net proceeds from short-term loans from related parties	32 h	5,217,941	798,094	5,217,919	798,068
Net payments on long-term loans from related parties	32 h	(283,333)	(1,150,000)	(283,558)	(1,150,042)
Dividends paid to shareholders		(1,730,429)	-	(1,730,429)	-
Dividends paid to non-controlling interests		(704)	(716)	-	-
Payments on lease liabilities		(431,286)	(442,142)	(457,339)	(468,195)
Net cash generated from financing activities		4,727,812	340,179	4,702,216	314,774
<b>Net (decrease) increase in cash and cash equivalents</b>		(215,676)	540,059	(215,676)	540,059
Cash and cash equivalents at the beginning of the year		801,746	261,687	801,746	261,687
<b>Cash and cash equivalents at the end of the year</b>	7	586,070	801,746	586,070	801,746

The accompanying notes are an integral part of these consolidated and separate financial statements.

## Esso (Thailand) Public Company Limited

### Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

(All amounts in Baht thousand unless otherwise stated)

#### 1 General information

Esso (Thailand) Public Company Limited (the Company) is a public limited company incorporated and domiciled in Thailand. The address of its registered office is 3195/17-29 Rama IV Road, Klongton, Klongtoey, Bangkok, 10110.

The Company listed on the Stock Exchange of Thailand (SET) on 6 May 2008.

The Company and its subsidiaries (together "the Group") are involved in the refining and marketing of petroleum products, which includes a network of retail service stations. The Group operates a refinery and chemical manufacturing plant in Sriracha, Thailand. The Group also operates distribution facilities and oil terminals throughout Thailand. The Group's products are sold through a network of retail service stations, directly to industrial customers, and through export. Additionally, the Group is involved in the sale of chemical products to both domestic and overseas customers.

The Company is a subsidiary of ExxonMobil Group which holds 65.99% of the Company's shares.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 24 February 2023.

#### 2 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy for certain financial assets.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 5.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

#### 3 Amended financial reporting standards

##### 3.1 Amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2022

**Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business** provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

## Esso (Thailand) Public Company Limited

### Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

(All amounts in Baht thousand unless otherwise stated)

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

The amendment to financial reporting standards do not generally represent a significant change from the Group's current practice.

#### 3.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023 that are relevant to the Group

- Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

The amendment to financial reporting standards has not been early adopted by the Group and does not generally represent a significant change from the Group's current practice.

## 4 Accounting policies

### 4.1 Group Accounting - Investments in subsidiaries and associates

#### (a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investments. Details of the subsidiaries are included in Note 14.

#### (b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

#### (c) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

The investment is initially recognised at cost which is consideration paid and directly attributable costs.



## Esso (Thailand) Public Company Limited

### Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

(All amounts in Baht thousand unless otherwise stated)

The Group subsequently recognises shares of its associates' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates equals or exceeds its interest in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

In the Company's separate financial statements, the investment in an associate is accounted for at cost less impairment. Cost also includes direct attributable costs of investments. Details of the associate are included in Note 14.

#### 4.2 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents include cash on hand, deposits held at call, and other short-term highly liquid investments with original maturities of three months or less from acquisition date. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

#### 4.3 Trade receivables

Trade receivables are amounts due from customers for goods sold and/or services performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 4.5(e).

#### 4.4 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined under the following methods:

Crude oil and petroleum products	First-in, first-out method
Petrochemical products	First-in, first-out method
Materials and supplies	Average unit cost method
Other merchandise	Average unit cost method

Purchase cost includes the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods is primarily comprised of raw materials, transportation costs, direct labour, and direct manufacturing expenditures. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving, and defective inventories.

#### 4.5 Financial asset

##### (a) Classification

The Group classifies its financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPi).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI).

##### (b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

##### (c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset.

##### (d) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

Impairment (and reversal of impairment) losses on equity investments are reported together with changes in fair value.

##### (e) Impairment

The Group assesses on a forward looking basis the expected credit loss associated with its financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment (and reversal of impairment) losses are recognised in profit or loss.

## Esso (Thailand) Public Company Limited

### Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

(All amounts in Baht thousand unless otherwise stated)

#### 4.6 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity.

The current income tax is calculated on the basis of the tax laws enacted or substantially enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for temporary differences if it arises from:

- initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### 4.7 Intangible assets

##### (a) Royalties and licenses

Acquired royalties and licenses are shown at historical cost. Royalties and licenses have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of royalties and licenses over their estimated useful lives (5 to 20 years).

##### (b) Computer software

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred.

Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and which will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include the software development employee costs and an appropriate portion of relevant overhead.

Computer software development costs recognised as assets are amortised over their estimated useful lives (5 to 20 years).

#### 4.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to its residual value over its estimated useful life, as follows:

Buildings, plant and equipment	3 to 25 years
--------------------------------	---------------

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 4.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'selling expenses', 'administrative expenses' and 'other income' in the statement of comprehensive income.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted-average interest rate applicable to the outstanding borrowings during the year. Where funds are borrowed specifically for the construction of property, plant and equipment, the amount of borrowing costs for capitalisation is determined from the actual borrowing costs during the period less any income on the temporary investment of those borrowings.

## Esso (Thailand) Public Company Limited

### Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

(All amounts in Baht thousand unless otherwise stated)

#### 4.9 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### 4.10 Leases

##### Leases - where the Group is the lessee

The Group leases office building, equipment, motor vehicle and various plots of land on which retail service stations are operated under lease agreement. The lease terms generally range between 3 to 30 years, and may have the renewal option at the end of the lease period.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability, and
- any lease payments made at or before the commencement date

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### 4.11 Financial liabilities

##### (a) Classification

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

##### (b) Measurement

Financial liabilities are initially recognised at contractual amounts, net of transaction costs incurred and are subsequently measured at amortised cost.

#### 4.12 Employee benefits

##### (a) Provident Fund Plan

The Group operates a Provident Fund that is a defined contribution plan, the assets of which are held in a separate trust fund, in accordance with the Provident Fund Act B.E. 2530. The Provident Fund is funded by payments from employees and the Group. Contributions to the Provident Fund are charged to the statement of comprehensive income in the year to which they relate. All employees hired on or after 1 September 1997 are required to be members of the Provident Fund.

The Group provides for post-employment benefits, payable to Provident Fund members reaching normal retirement age, in accordance with Thai Labour Law. The benefit liability is recorded as the present value of estimated future cash outflows using interest rates which have terms to maturity approximating the terms of the related liabilities.

##### (b) Employee Separation Benefit and Long Service Allowance Plan

The Group maintains a defined benefit plan for employees hired prior to 1 September 1997 and who do not elect to participate in the Provident Fund, with this plan being unfunded. The plan contains Employee Separation Benefit and Long Service Allowance Plans, which is in accordance with the retirement laws and regulations of Thailand. Entitlement to these benefits is based on a minimum service period, final month's salary, and the plan provisions.

Actuarial valuations of the benefit plan requirements are performed every 3 years using the projected unit credit method. Based on the valuation, appropriate provisions are accrued and all payments are made against the accumulated provisions. The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of investment grade corporate bonds that are mainly denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

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#### (c) Employee Savings Plan

Beginning 2009, the Group operates an Employee Savings Plan for all regular Thai employees. The entitlement to this plan is based on a minimum service period of three years and the plan's provisions on withdrawal rights after vesting. This plan will vest 50 percent after three years and 100 percent after six years.

#### 4.13 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events such that it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset at the time when reimbursement is virtually certain.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### 4.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction, net of tax, from the proceeds.

#### 4.15 Foreign currency translation

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the Group's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

#### 4.16 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the sales of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

##### (a) Sales of goods

Sales are recognised when control of the products has transferred, being when the risks and rewards of ownership have passed to the buyer, which is generally at the point of delivery, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Contract assets are mainly from marketing assistance programs. Contract liabilities are mainly customer prepayments and accruals of expected volume discounts.

##### (b) Sales of services and other operating revenues

The Group receives rental income and franchise fees from dealers who operate branded retail stations. Rental income and franchise fees are recognised over the contract's term. Service revenues are recognised in the period in which the services are provided.

##### (c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

##### (d) Dividend income

Dividend income is recognised when the right to receive payment is established.

When inventories are exchanged or swapped for inventories which are of a similar nature and value, the exchange is not considered a transaction which generates revenue.

#### 4.17 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the compensation of costs are recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate.

Government grant, which is subsidy from oil fuel fund, is separately presented from revenue from sales.

#### 4.18 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or Board of Directors (as the case maybe).



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#### 4.19 Financial instruments

Financial assets carried on the statement of financial position include cash and cash equivalents, trade receivables, amounts due from related parties, loans to related parties, and other assets. Financial liabilities carried on the statement of financial position include borrowings from financial institutions, trade and other payables, amounts due to related parties, loans from related parties, and other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item where applicable.

#### 4.20 Segment reporting

Segment results that are reported to the Group's Management Committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### 5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, not necessarily equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Asset retirement obligations

It is recognised that the Group may incur asset retirement obligations for the dismantling and site restoration costs of its manufacturing facilities. The timing and amount of cash flows is difficult to estimate as the Group has no intention to decommission the sites in the near future. Accordingly and consistent with industry practice, no provision is recorded for asset retirement obligations as the amount cannot be measured with sufficient reliability due to the significant uncertainties involved.

#### 6 Segment information

As at 31 December 2022, the Group is organised into two main business segments, namely:

- Downstream, which includes the refining and marketing of petroleum products; and
- Petrochemicals, which includes the manufacturing and marketing of chemical products.

Inter-segment transactions are priced under normal commercial terms and conditions that would also be available to unrelated third parties.

The segment information for the year ended 31 December 2022 are as follows:

	Downstream	Petrochemicals	Total
Total segment revenue	260,862,811	3,188,631	264,051,442
Inter-segment revenue	(1,015,111)	(35,996)	(1,051,107)
Revenue	259,847,700	3,152,635	263,000,335
Segment profit from sales	11,487,193	365,974	11,853,167
Segment fixed assets <sup>(1)</sup>	22,937,857	44,186	22,982,043
Revenue from contracts with customers			
Timing of revenue recognition			
- At a point in time	243,085,616	3,152,483	246,238,099
- Over time	133,742	152	133,894
Total	243,219,358	3,152,635	246,371,993
Other revenue not from contracts with customers	16,628,342	-	16,628,342
Total revenue	259,847,700	3,152,635	263,000,335

The segment information for the year ended 31 December 2021 are as follows:

	Downstream	Petrochemicals	Total
Total segment revenue	173,613,185	9,587,427	183,200,612
Inter-segment revenue	(6,372,936)	(3,949,322)	(10,322,258)
Revenue	167,240,249	5,638,105	172,878,354
Segment profit (loss) from sales	6,352,351	(802,390)	5,549,961
Segment fixed assets <sup>(1)</sup>	23,456,963	248,687	23,705,650

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	Downstream	Petrochemicals	Total
Revenue from contracts with customers			
Timing of revenue recognition			
- At a point in time	161,288,167	5,638,085	166,926,252
- Over time	97,741	20	97,761
Total	161,385,908	5,638,105	167,024,013
Other revenue not from contracts with customers	5,854,341	-	5,854,341
Total revenue	167,240,249	5,638,105	172,878,354

<sup>(1)</sup> The Group has revenue from sales that is mainly generated from segment fixed assets located in Thailand and the majority of revenue occurs in Thailand. The Group has insignificant revenue from any specific customer located outside of Thailand.

#### 7 Cash and cash equivalents

	Consolidated and Separate financial statements	
	2022	2021
Cash on hand	127,761	157,028
Cash at bank	458,309	644,718
Cash and cash equivalents	586,070	801,746

#### 8 Trade receivables

##### 8.1 Trade receivables

	Consolidated and Separate financial statements	
	2022	2021
Trade receivables, gross	8,442,102	8,174,347
Less: Loss allowance (Note 28)	(12,331)	(3,108)
Trade receivables, net	8,429,771	8,171,239

Outstanding trade receivables, as at 31 December 2022 and 2021, are analysed as follows:

	Consolidated and Separate financial statements	
	2022	2021
Current	8,357,953	7,636,913
Overdue:		
- Less than 3 months	51,616	518,644
- 3 to 6 months	14,615	4,948
- 6 to 12 months	5,572	10,734
- Over 12 months	12,346	3,108
	8,442,102	8,174,347
Less: Allowance (Note 28)	(12,331)	(3,108)
	8,429,771	8,171,239

##### 8.2 Impairments of trade receivables

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

	Consolidated and Separate financial statements	
	2022	2021
Opening loss allowance at 1 January	3,108	20,353
Increase In loss allowance recognised in profit or loss during the year	12,899	1,254
Receivables written off during the year as uncollectible	-	(760)
Unused amount reversed	(3,676)	(17,739)
Closing loss allowance at 31 December	12,331	3,108

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#### 9 Inventories

	Consolidated and Separate financial statements	
	2022	2021
Crude oil	13,379,481	10,133,796
Petroleum products	9,246,648	7,460,460
Petrochemical products	262,110	309,823
Materials and supplies	1,001,732	879,285
Other merchandise	3,439	2,613
	<b>23,893,410</b>	<b>18,785,977</b>

As at 31 December 2022, part of petroleum and petrochemical products in the consolidated and separate financial statements of Baht 1,375 million (2021: Baht 1,505 million) was carried at net realisable value with this being lower than cost.

The provisions of the Oil Trading Act B.E. 2543 require the Group to maintain certain minimum levels of inventory at all times. As at 31 December 2022, the value of this inventory amounted to Baht 8,620 million (2021: Baht 5,127 million).

#### 10 Other receivables

Other receivables primarily relate to subsidy claims which are expected to be refunded within 12 months.

#### 11 Other current assets

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Prepaid excise tax	1,100,185	1,196,491	1,100,185	1,196,491
Prepaid expenses and deferred charges	462,812	292,493	551,470	425,340
Contract assets	299,962	270,077	299,962	270,077
Income tax receivable	1,228,755	86,897	1,226,619	86,897
Other	48,483	27,589	46,027	25,124
	<b>3,140,197</b>	<b>1,873,547</b>	<b>3,224,263</b>	<b>2,003,929</b>

#### 12 Financial assets and financial liabilities

The classification of the Group's financial assets and liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Financial assets</b>				
Financial assets at amortised cost				
- Cash and cash equivalents	586,070	801,746	586,070	801,746
- Trade receivables	8,429,771	8,171,239	8,429,771	8,171,239
- Amounts due from related parties	15	15	52,520	47,014
- Long-term loans to related parties	-	-	3,687,725	3,553,483
Financial assets at fair value through other comprehensive income (FVOCI)	1,093,981	1,147,500	1,093,981	1,147,500
	<b>10,109,837</b>	<b>10,120,500</b>	<b>13,850,067</b>	<b>13,720,982</b>
<b>Financial liabilities</b>				
Liabilities at amortised cost				
- Bank overdrafts and short-term borrowings from financial institutions	9,739,338	7,899,982	9,739,338	7,899,982
- Trade and other payables	4,775,027	4,151,043	4,774,510	4,150,546
- Amounts due to related parties	10,691,998	10,588,460	10,694,002	10,588,275
- Current portion of long-term borrowings from financial institutions	1,667,067	1,717,067	1,667,067	1,717,067
- Current portion of long-term loans from related parties	3,666,667	3,950,000	3,666,667	3,950,000
- Short-term loans from related parties	16,696,199	11,423,386	16,697,027	11,424,236
- Current portion of lease liabilities	319,210	438,314	323,744	464,366
- Long-term borrowings from financial institution	1,415,667	1,249,400	1,415,667	1,249,400
- Long-term loans from related parties	2,750,000	2,750,000	2,751,034	2,751,259
- Lease liabilities	2,117,860	2,399,499	2,117,860	2,403,965
	<b>53,839,033</b>	<b>46,567,151</b>	<b>53,846,916</b>	<b>46,599,096</b>

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#### 12.1 Other financial assets at amortised cost

##### a) Classification of financial assets at amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

Financial assets at amortised cost other than trade receivables:

	Consolidated financial statements					
	31 December 2022			31 December 2021		
	Current	Non-current	Total	Current	Non-current	Total
Amounts due from related parties	15	-	15	15	-	15
	Separate financial statements					
	31 December 2022			31 December 2021		
	Current	Non-current	Total	Current	Non-current	Total
Amounts due from related parties	52,520	-	52,520	47,014	-	47,014
Loans to related parties	-	3,687,725	3,687,725	-	3,553,483	3,553,483
Total	52,520	3,687,725	3,740,245	47,014	3,553,483	3,600,497

##### b) Fair values of other financial assets at amortised cost

The fair values of loans to related parties carried at amortised cost approximate at their carrying amounts as the interest rates according to loan agreements are floating rates, reflective of market rates.

#### 12.2 Financial assets at fair value through other comprehensive income

##### a) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category.

Financial assets at FVOCI comprise the following investments:

	Consolidated and Separate financial statements	
	2022	2021
<b>Non-current assets</b>		
Investments in equity investments - Listed securities	1,093,981	1,147,500

The investments consist of an investment in equity securities of Bangkok Aviation Fuel Services Public Company Limited (BAFS) which is listed on the Stock Exchange of Thailand.

##### b) Amounts recognised in profit or loss and other comprehensive income during the year

	Consolidated and Separate financial statements	
	2022	2021
Gain recognised in other comprehensive income	277,263	76,500

## 13 Fair value

### Fair value estimation

The table below demonstrates financial instruments carried at fair values, by the valuation methods (excluding where the fair values are approximately the carrying amount). The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial assets that are measured and recognised at fair value Level 1 at 31 December 2022 and 2021.

	Consolidated and Separate financial statements	
	2022	2021
<b>Financial assets measured at fair value through other comprehensive income</b>		
Equity securities	1,093,981	1,147,500

The Group and the Company have financial assets that are measured at fair value level 2 (Note 12.1 (b)) but no financial assets are measured at fair value level 3. There are also no changes in valuation techniques during the year.

During the year 2022, the Company disposed a portion of the equity investment and reclassified gain from disposal of such investment measured at fair value from other comprehensive income to retained earnings.

The financial liabilities comprise short-term and long-term borrowings from financial institutions, and short-term and long-term loans from related parties. The carrying amounts of these financial liabilities approximate to their fair values. The long-term borrowings from financial institutions and loans from related parties are based on the discounted future cash flows using a discount rate based on the current borrowing rate as at the reporting date and classified as fair value level 2.



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#### 14 Investments in subsidiaries and an associate

##### 14.1 Subsidiaries

The principal subsidiaries, all of which are incorporated and domiciled in Thailand, are:

Business	Investment value per cost method		% Ordinary share ownership	
	2022	2021	2022	2021
Mobil Enterprises (Thailand) Limited	833	833	99.99	99.99
Industry Promotion Enterprises Limited	51,484	51,484	100.00	100.00
United Industry Development Company Limited and its subsidiaries	58,943	58,939	100.00	100.00
Pacesetter Enterprises Limited	3,333	3,333	100.00	100.00

On 2 December 2022, Mobil Enterprises (Thailand) Limited which is a subsidiary, had registered the dissolution with the Ministry of Commerce. As at 31 December 2022, the subsidiary is in process of liquidation.

The ownership percentages detailed above include the effects of both direct and indirect ordinary shareholdings, but exclude preferred shares. The Company does not own any of the preferred shares issued by these subsidiaries, but has the ability to govern the financial and operating policies of each subsidiary.

##### 14.2 Associate

The Company holds a 20.78% interest in an associate, Thai Petroleum Pipeline Company Limited ("Thappline"), which is incorporated and domiciled in Thailand with its primary business activity being the operation of a petroleum pipeline business.

The movements in investments in an associate are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
At 1 January	2,094,717	2,137,192	1,729,360	1,729,360
Share of profit from an associate (Note 28)	311,870	226,818	-	-
Dividend received	(214,391)	(269,293)	-	-
Share of other comprehensive income	5,281	-	-	-
At 31 December	2,197,477	2,094,717	1,729,360	1,729,360

The Group's share of the results of its associate, which is unlisted, and its aggregated assets and liabilities, are as follows:

	Consolidated financial statements	
	2022	2021
Assets	2,585,809	2,482,849
Liabilities	(345,858)	(388,132)
Net assets	2,239,951	2,094,717
Revenues	669,366	536,820
Net profit	311,870	226,818

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## 15 Property, plant and equipment

	Consolidated financial statements			
	Land	Buildings, plant and equipment	Construction in progress	Total
<b>At 1 January 2021</b>				
Cost	4,966,090	63,966,523	1,061,323	69,993,936
Less: Accumulated depreciation	-	(45,243,538)	-	(45,243,538)
<b>Net book amount</b>	<b>4,966,090</b>	<b>18,722,985</b>	<b>1,061,323</b>	<b>24,750,398</b>
<b>Year ended 31 December 2021</b>				
Opening net book amount	4,966,090	18,722,985	1,061,323	24,750,398
Additions	-	-	1,605,692	1,605,692
Disposals	(20,107)	(25,874)	(229)	(46,210)
Transfers	-	949,131	(949,131)	-
Depreciation charge (Note 28)	-	(2,211,303)	-	(2,211,303)
Impairment (Note 28)	-	(392,927)	-	(392,927)
<b>Closing net book amount</b>	<b>4,945,983</b>	<b>17,042,012</b>	<b>1,717,655</b>	<b>23,705,650</b>
<b>At 31 December 2021</b>				
Cost	4,945,983	64,498,737	1,717,655	71,162,375
Less: Accumulated depreciation	-	(47,456,725)	-	(47,456,725)
<b>Net book amount</b>	<b>4,945,983</b>	<b>17,042,012</b>	<b>1,717,655</b>	<b>23,705,650</b>
<b>Year ended 31 December 2022</b>				
Opening net book amount	4,945,983	17,042,012	1,717,655	23,705,650
Additions	-	-	1,500,001	1,500,001
Disposals	-	(23,126)	-	(23,126)
Transfers	-	2,089,070	(2,089,070)	-
Depreciation charge (Note 28)	-	(2,200,482)	-	(2,200,482)
<b>Closing net book amount</b>	<b>4,945,983</b>	<b>16,907,474</b>	<b>1,128,586</b>	<b>22,982,043</b>
<b>At 31 December 2022</b>				
Cost	4,945,983	66,405,588	1,128,586	72,480,157
Less: Accumulated depreciation	-	(49,498,114)	-	(49,498,114)
<b>Net book amount</b>	<b>4,945,983</b>	<b>16,907,474</b>	<b>1,128,586</b>	<b>22,982,043</b>

	Separate financial statements			
	Land	Buildings, plant and equipment	Construction in progress	Total
<b>At 1 January 2021</b>				
Cost	675,420	63,610,152	1,061,323	65,346,895
Less: Accumulated depreciation	-	(44,801,387)	-	(44,801,387)
<b>Net book amount</b>	<b>675,420</b>	<b>18,808,765</b>	<b>1,061,323</b>	<b>20,545,508</b>
<b>Year ended 31 December 2021</b>				
Opening net book amount	675,420	18,808,765	1,061,323	20,545,508
Additions	-	-	1,605,692	1,605,692
Disposals	-	(25,874)	(229)	(26,103)
Transfers	-	949,131	(949,131)	-
Depreciation charge (Note 28)	-	(2,211,303)	-	(2,211,303)
Impairment (Note 28)	-	(392,927)	-	(392,927)
<b>Closing net book amount</b>	<b>675,420</b>	<b>17,127,792</b>	<b>1,717,655</b>	<b>19,520,867</b>
<b>At 31 December 2021</b>				
Cost	675,420	64,142,366	1,717,655	66,535,441
Less: Accumulated depreciation	-	(47,014,574)	-	(47,014,574)
<b>Net book amount</b>	<b>675,420</b>	<b>17,127,792</b>	<b>1,717,655</b>	<b>19,520,867</b>
<b>Year ended 31 December 2022</b>				
Opening net book amount	675,420	17,127,792	1,717,655	19,520,867
Additions	-	-	1,500,001	1,500,001
Disposals	-	(23,126)	-	(23,126)
Transfers	-	2,089,070	(2,089,070)	-
Depreciation charge (Note 28)	-	(2,200,482)	-	(2,200,482)
<b>Closing net book amount</b>	<b>675,420</b>	<b>16,993,254</b>	<b>1,128,586</b>	<b>18,797,260</b>
<b>At 31 December 2022</b>				
Cost	675,420	66,049,217	1,128,586	67,853,223
Less: Accumulated depreciation	-	(49,055,963)	-	(49,055,963)
<b>Net book amount</b>	<b>675,420</b>	<b>16,993,254</b>	<b>1,128,586</b>	<b>18,797,260</b>

As at 31 December 2022, the cost of fully-depreciated property, plant and equipment of the Group and the Company that were still in use amounted to Baht 20,209 million and Baht 19,882 million, respectively (2021: Baht 20,060 million and Baht 19,733 million).

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#### 16 Right-of-use assets

As at 31 December, right-of-use asset balance are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Properties	3,773,071	3,870,929	3,777,377	3,900,875
Motor vehicles	-	340,885	-	340,885
Equipment	50,115	93,072	50,115	93,072
<b>Total</b>	<b>3,823,186</b>	<b>4,304,886</b>	<b>3,827,492</b>	<b>4,334,832</b>

For the year ended 31 December, amounts charged to profit or loss and cash flows relating to leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Depreciation charge of right-of-use assets:				
Properties	(462,632)	(426,178)	(488,273)	(451,818)
Motor Vehicles	(65,615)	(134,265)	(65,615)	(134,265)
Equipment	(42,957)	(35,796)	(42,957)	(35,796)
<b>Total</b>	<b>(571,204)</b>	<b>(596,239)</b>	<b>(596,845)</b>	<b>(621,879)</b>
Addition to the right-of-use assets during the year	415,660	613,789	415,660	613,789
<b>Total cash outflow for leases</b>	<b>(542,786)</b>	<b>(634,751)</b>	<b>(568,839)</b>	<b>(660,804)</b>
Expense relating to short-term leases	16,554	51,426	16,554	51,426
Expense relating to variable lease payments	1,330	21,661	187,662	192,916

#### 17 Deferred income tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax assets	886,376	2,583,048	777,884	2,473,231
Deferred tax liabilities	(213,283)	(222,300)	(213,283)	(222,300)
<b>Deferred tax assets (net)</b>	<b>673,093</b>	<b>2,360,748</b>	<b>564,601</b>	<b>2,250,931</b>

Deferred income taxes are calculated on all temporary differences, under the liability method, using the statutory tax rates expected to apply in periods when the related deferred tax asset is realised or the deferred tax liability is settled.

The gross movement of the deferred income tax account is as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
At 1 January	2,360,748	3,511,731	2,250,931	3,400,712
Charged to profit or loss (Note 26)	(1,698,978)	(1,049,584)	(1,697,653)	(1,048,382)
Charged to other comprehensive income	11,323	(101,399)	11,323	(101,399)
<b>At 31 December</b>	<b>673,093</b>	<b>2,360,748</b>	<b>564,601</b>	<b>2,250,931</b>

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The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Consolidated financial statements				
	At 1 January 2021	Charged to profit or loss	Charged to other comprehensive income	At 31 December 2021
<b>Deferred tax assets</b>				
Depreciation	-	33,008	-	33,008
Provisions for employee benefits	723,898	19,564	(86,099)	657,363
Tax losses carried forward	2,943,975	(1,185,754)	-	1,758,221
Others	131,302	3,154	-	134,456
	3,799,175	(1,130,028)	(86,099)	2,583,048
<b>Deferred tax liabilities</b>				
Changes in fair value of financial assets measured at fair value through other comprehensive income	(207,000)	-	(15,300)	(222,300)
Depreciation	(80,444)	80,444	-	-
	(287,444)	80,444	(15,300)	(222,300)
Consolidated financial statements				
	At 1 January 2022	Charged to profit or loss	Charged to other comprehensive income	At 31 December 2022
<b>Deferred tax assets</b>				
Depreciation	33,008	27,092	-	60,100
Provisions for employee benefits	657,363	15,729	2,306	675,398
Tax losses carried forward	1,758,221	(1,756,663)	-	1,558
Others	134,456	14,864	-	149,320
	2,583,048	(1,698,978)	2,306	886,376
<b>Deferred tax liabilities</b>				
Changes in fair value of financial assets measured at fair value through other comprehensive income	(222,300)	-	9,017	(213,283)

Separate financial statements				
	At 1 January 2021	Charged to profit or loss	Charged to other comprehensive income	At 31 December 2021
<b>Deferred tax assets</b>				
Depreciation	-	33,008	-	33,008
Provisions for employee benefits	723,898	19,564	(86,099)	657,363
Tax losses carried forward	2,939,890	(1,184,552)	-	1,755,338
Others	24,368	3,154	-	27,522
	3,688,156	(1,128,826)	(86,099)	2,473,231
<b>Deferred tax liabilities</b>				
Changes in fair value of financial assets measured at fair value through other comprehensive income	(207,000)	-	(15,300)	(222,300)
Depreciation	(80,444)	80,444	-	-
	(287,444)	80,444	(15,300)	(222,300)

Separate financial statements				
	At 1 January 2022	Charged to profit or loss	Charged to other comprehensive income	At 31 December 2022
<b>Deferred tax assets</b>				
Depreciation	33,008	27,092	-	60,100
Provisions for employee benefits	657,363	15,729	2,306	675,398
Tax losses carried forward	1,755,338	(1,755,338)	-	-
Others	27,522	14,864	-	42,386
	2,473,231	(1,697,653)	2,306	777,884
<b>Deferred tax liabilities</b>				
Changes in fair value of financial assets measured at fair value through other comprehensive income	(222,300)	-	9,017	(213,283)
	(222,300)	-	9,017	(213,283)



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#### 18 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Contract assets	2,609,332	2,328,604	2,609,332	2,328,604
Other	23,947	26,025	23,907	26,025
	<b>2,633,279</b>	<b>2,354,629</b>	<b>2,633,239</b>	<b>2,354,629</b>

#### 19 Borrowings from financial institutions

Movements in borrowings from financial institutions are analysed as follows:

	Consolidated and Separate financial information			
	Beginning balance	Cash transactions		Ending balance
		Additions	Repayments	
Bank overdrafts	162	43,412	(43,574)	-
Bill of exchange	499,820	16,021,124	(15,381,606)	1,139,338
Short-term borrowings	7,400,000	173,303,000	(172,103,000)	8,600,000
<b>Total short-term borrowings</b>	<b>7,899,982</b>	<b>189,367,536</b>	<b>(187,528,180)</b>	<b>9,739,338</b>
Long-term borrowings	2,966,467	2,000,000	(1,883,733)	3,082,734
<b>Total borrowings from financial institutions</b>	<b>10,866,449</b>	<b>191,367,536</b>	<b>(189,411,913)</b>	<b>12,822,072</b>

Bank borrowings and other facilities detailed above are denominated in Baht, unsecured and bear interest at rates based on prevailing market rates. The interest rates in 2022 ranged between 1% and 3% per annum (2021: 1% to 2% per annum).

Short-term borrowings from financial institutions comprised bank revolving facilities (overnight loans and promissory notes due within 3 months).

Long-term borrowings from financial institutions are 3-years loan which repayable in 12 quarterly installments and bear interest at 3-month and 1-month BIBOR rate plus margins.

#### Maturity of long-term borrowings from financial institutions

	Consolidated and Separate financial statements	
	2022	2021
No later than 1 year	1,667,067	1,717,067
Later than 1 year and no later than 5 years	1,415,667	1,249,400
	<b>3,082,734</b>	<b>2,966,467</b>

#### 20 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade accounts payable	3,674,903	3,112,423	3,674,392	3,111,954
Other tax payables	1,096,994	966,263	1,096,994	966,263
Contract liabilities	301,428	285,880	301,428	285,880
Other payables and accruals	798,696	752,740	798,690	752,712
	<b>5,872,021</b>	<b>5,117,306</b>	<b>5,871,504</b>	<b>5,116,809</b>

Other tax payables primarily represent excise tax payable generated as a result of normal operations.



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#### 22 Share capital and premium

	Issued and paid-up share capital			
	Number of shares (million)	Ordinary shares	Share premium	Total
At 1 January and 31 December 2022 and 2021	3,461	17,075,181	4,031,711	21,106,892

As at 31 December 2022 and 2021, the total authorised number of ordinary shares is 3,468 million shares with a par value of Baht 4.9338 per share. All issued shares are fully paid.

#### 23 Legal reserve

	Consolidated and Separate financial statements	
	2022	2021
At 1 January	1,000,901	1,000,901
Appropriation during the year	252,509	-
At 31 December	1,253,410	1,000,901

Under the Public Limited Companies Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5 percent of its net profit after taking into account any accumulated deficit brought forward until the reserve is not less than 10 percent of the registered capital. The legal reserve is non-distributable.

#### 24 Revenue from sales and services

	Consolidated and Separate financial statements	
	2022	2021
Revenue from sales of goods	245,948,188	166,686,954
Revenue from sales of services	538,634	464,315
	246,486,822	167,151,269

#### 25 Expenses by nature

The following expenditure items, classified by nature, have been charged in arriving at the operating profit.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Net changes in inventories of finished goods	(1,739,301)	(2,694,632)	(1,739,301)	(2,694,632)
Raw materials and consumables used	241,767,557	159,105,090	241,767,557	159,105,090
Depreciation and amortisation	2,806,296	2,825,226	2,831,937	2,850,866
Employee expenses	1,486,364	1,492,756	1,486,364	1,492,756

#### 26 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Current tax:</b>				
Current tax on profits for the year	610,299	(519)	608,741	(1,797)
Adjustments in respect to prior year	10,883	1,797	10,883	1,797
	621,182	1,278	619,624	-
<b>Deferred tax:</b>				
Deferred tax for the year (Note 17)	1,698,978	1,049,584	1,697,653	1,048,382
	1,698,978	1,049,584	1,697,653	1,048,382
<b>Income tax expense</b>	<b>2,320,160</b>	<b>1,050,862</b>	<b>2,317,277</b>	<b>1,048,382</b>

The tax on the Group's and Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group and the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Profit before tax	11,829,156	5,494,792	11,721,442	5,527,232
Tax calculated at domestic tax rates	2,365,831	1,098,958	2,344,288	1,105,447
Tax effect of:				
Income not subject to tax	(51,295)	(43,713)	(32,635)	(52,682)
Expenses not deductible for tax purposes	7,732	1,418	7,732	1,418
Expenses more deductible for tax purposes	(2,108)	(5,801)	(2,108)	(5,801)
Income tax expense	2,320,160	1,050,862	2,317,277	1,048,382

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#### 27 Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Earnings attributable to equity holders of the parent	9,508,292	4,443,214	9,404,165	4,478,850
Weighted average number of ordinary shares in issue (million shares)	3,461	3,461	3,461	3,461
Basic earnings per share (Baht per share)	2.75	1.28	2.72	1.29

There are no potential ordinary shares in issue during the years presented and as such diluted earnings per share is not presented.

#### 28 Cash flow information

##### 28(a) Reconciliation of net profit to cash flows from operating activities:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Profit before income tax expense	11,829,156	5,494,792	11,721,442	5,527,232
Adjustments for:				
Depreciation (Note 15 and 16)	2,771,686	2,807,542	2,797,327	2,833,182
Amortisation	34,610	17,684	34,610	17,684
Loss allowance (Note 8)	9,223	(17,245)	9,223	(17,245)
Write-down of inventory to net realisable value	88,399	59,724	88,399	59,724
Impairment charge on non-financial assets (Note 15)	-	407,796	-	407,796
Loss on disposal of property, plant and equipment and intangible assets	3,260	6,573	3,260	9,194
Share of profit from an associate (Note 14)	(311,870)	(226,818)	-	-
Interest income	(17,787)	(3,152)	(210,810)	(186,104)
Finance costs	376,236	310,781	376,331	311,267
Dividend income	-	-	(217,591)	(272,393)
Net unrealised foreign exchange loss (gain)	25,918	(61,396)	25,918	(61,396)
Changes in working capital				
Trade receivables	(299,519)	(3,065,814)	(299,519)	(3,065,814)
Amount due from related parties	-	36,471	-	54,403
Inventories	(5,195,832)	(5,701,464)	(5,195,832)	(5,701,464)
Other receivables	(11,721,272)	(1,263,510)	(11,721,272)	(1,263,510)
Other current assets	(108,343)	(327,515)	(64,153)	(325,354)
Prepaid rental and deferred charges	59,577	115,940	159,390	234,751
Other non-current assets	(278,650)	(101,807)	(278,610)	(101,807)
Trade and other payables	781,152	520,893	781,133	520,813
Amount due to related parties	90,949	2,772,201	93,134	2,772,191
Income tax payables	-	2,415	-	-
Provisions for employee benefits	76,922	71,257	76,922	71,257
Other non-current liabilities	63	-	21	-
<b>Cash (used in) generated from operations</b>	<b>(1,786,122)</b>	<b>1,855,348</b>	<b>(1,820,677)</b>	<b>1,824,407</b>

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In the cash flow statement, proceeds from sale of property, plant and equipment consist of:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Net book amount	23,126	46,210	23,126	26,103
Loss on disposal of property, plant and equipment	(3,260)	(6,573)	(3,260)	(9,194)
Proceeds from disposal of property, plant and equipment	19,866	39,637	19,866	16,909

#### 28(b) Non-cash transactions of investing and financing activities:

	Consolidated and separate financial statements	
	2022	2021
<b>Non-cash transactions</b>		
Acquisition of property, plant, equipment	319,289	351,413
Acquisition of right-of-use assets	304,160	421,181

#### 28(c) Change in liabilities arising from financing activities:

	Consolidated financial statements		
	Leases	Borrowings	Total
<b>Liabilities as at 1 January 2021</b>	2,797,521	28,202,610	31,000,131
Cash flows	(442,142)	783,037	340,895
Other non-cash movement	482,434	4,188	486,622
<b>Liabilities as at 31 December 2021</b>	2,837,813	28,989,835	31,827,648
Cash flows	(431,286)	6,890,231	6,458,945
Other non-cash movement	30,543	54,872	85,415
<b>Liabilities as at 31 December 2022</b>	2,437,070	35,934,938	38,372,008

	Separate financial statements		
	Leases	Borrowings	Total
<b>Liabilities as at 1 January 2021</b>	2,853,628	28,204,787	31,058,415
Cash flows	(468,195)	782,969	314,774
Other non-cash movement	482,898	4,188	487,086
<b>Liabilities as at 31 December 2021</b>	2,868,331	28,991,944	31,860,275
Cash flows	(457,339)	6,889,984	6,432,645
Other non-cash movement	30,612	54,872	85,484
<b>Liabilities as at 31 December 2022</b>	2,441,604	35,936,800	38,378,404

#### 29 Contingent liabilities

As at 31 December 2022, the Group had contingent liabilities in respect to bank guarantees arising in the ordinary course of business, amounting to Baht 330 million (2021: Baht 187 million) to third parties. It is not anticipated that any material liabilities will arise from these bank guarantees.

#### 30 Commitments

##### Capital commitments

As at the statement of financial position date, the Group had capital commitments amounting to Baht 451 million (2021: Baht 215 million).

#### 31 Financial risk management

The Group's activities expose it to a variety of financial risks, which include market risk (including market prices for petroleum commodities risk, foreign exchange risk and interest rate risk), credit risk, liquidity risk, and capital risk.

##### 31.1 Market risk

###### (a) Market prices for petroleum commodities risk

The Group's financial results can be significantly affected from time to time by volatility and cyclical movement in the market prices for crude oil, petroleum, and petrochemical products. Given the large size and the long-term nature of its business, the Group expects that this risk will be moderated over time. The Group does not employ the use of derivative instruments to manage the risk.



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#### (b) Foreign exchange risk

The Group's activities are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Purchases of goods and export sales are primarily transacted in US Dollars. Domestic sales are transacted predominantly in Baht, and are thus not subject to foreign exchange risk.

As at 31 December 2022 and 2021, the Group had no short-term or long-term debt denominated in foreign currencies. In 2022, the Group did not enter into any forward foreign currency contracts. The Group's foreign exchange guidelines prohibit speculative foreign exchange transactions.

The sensitivity of profit or loss to changes in the exchange rates from financial assets and financial liabilities denominated in foreign currency is insignificant to the Group's and the Company's operating results.

#### (c) Interest rate risk

As the Group has no significant interest bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The interest rate risk arises from deposits and borrowings that are issued at variable interest rates exposing the Group to cash flow interest rate risk. The Group continually optimises the mix in its borrowing facilities to maximise financing flexibility while minimising financing cost.

The sensitivity of profit or loss to changes in the variable interest rates from bank deposits, loans to related parties, loans from related parties and borrowings from financial institutions is insignificant to the Group's and the Company's operating results.

### 31.2 Credit risk

#### a) Risk management

Credit risk is managed on a Group basis. Credit risk primarily arises from cash and cash equivalents, and credit exposures to commercial and retail customers, including outstanding receivables and committed transactions. Credit risk in respect to balances outstanding with related parties has been assessed to be low due to the overall strength of the ExxonMobil Group.

In the case of cash and cash equivalents, only independently rated banks with a minimum rating of at least BBB-, or equivalent, are accepted.

For trade customers, risk evaluations are performed internally which include reviews of financial position, business success indicators, past experience, and other factors. Individual risk limits are set based on the resulting internal ratings in accordance with limits set by management. Risk categories are established for individual customers based on internal credit guidelines ranging from very low to very high risk. The risk categories are intended to reflect the risk of payment default by a customer and are similar to the rating scales established by external rating agencies.

#### b) Impairment of financial assets

The Group's financial assets comprise cash and cash equivalents, trade receivables, amounts due from related parties, long-term loans to related parties and financial assets at fair value through other comprehensive income (FVOCI). These are subject to the expected credit loss model, which is done by applying the TFRS 9 as disclosed in Note 4.5(e). The result of the assessment shows that the identified impairment loss for the year was related to trade receivables only and the amount was immaterial.

### 31.3 Liquidity risk

The Group manages liquidity risk by maintaining a minimum operating level of cash and cash equivalent balances. In addition, the Group maintains committed credit facilities as well as a number of uncommitted credit facilities from banks and related parties. The Group reviews requirements for future cash flows through the completion of an annual finance plan. The finance plan is completed for the forthcoming year to ensure that estimates of future requirements are analysed such that appropriate facilities can be made available.

The Group currently has adequate financing sources. As at 31 December 2022, the Group has uncommitted facilities of Baht 71,751 million (2021: Baht 75,005 million), of which majority was from ExxonMobil affiliates. The Group has also received an approval from the Securities and Exchange Commission to offer Baht 12,000 million of bills of exchange in a revolving program, of which Baht 1,139 million has been utilised as of 31 December 2022.

Liquidity risk may also arise if customers are not able to settle obligations to the Group within the normal credit term. To manage this risk, the Group periodically assesses financial viability of customers and may require certain customers to provide bank guarantees or other similar instruments.

#### Maturity of financial liabilities

There are liabilities which the undiscounted cash flows due within 5 years approximate at their carrying balances because the impact of discounting is insignificant except for lease liabilities in the table below. Such liabilities are:

- Bank overdrafts and short-term borrowings from financial institutions
- Trade and other payables
- Amount due to related parties
- Current portion of long-term borrowings from financial institutions
- Current portion of long-term loans from related parties
- Short-term loans from related parties
- Long-term borrowings from financial institutions
- Long-term loans from related parties

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The table below analyses the undiscounted cash flows of the Group's lease liabilities into relevant maturity groupings based on their contractual maturities as at 31 December 2022.

	Contractual maturities of financial liabilities					
	Consolidated financial statements			Separate financial statements		
	Within 1 year	1 - 5 years	Over 5 year	Within 1 year	1 - 5 years	Over 5 year
Lease liabilities	342	983	1,387	347	983	1,387

#### 31.4 Capital risk

##### Risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders. In the future, the Group may adjust the amount of dividend paid to shareholders in order to maintain an appropriate capital structure. Annually, the Group completes a finance plan which seeks to establish positions for the current and future years' dividend projections.

##### Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with conditions specified in the loan agreements.

As at 31 December 2022, the Group has complied with such conditions.

#### 32 Related party transactions

The Group is controlled by ExxonMobil Asia Holdings Pte. Ltd. (ExxonMobil) incorporated in Singapore, which owns 65.99% of the Company's shares as at 31 December 2022. The ultimate holding company is Exxon Mobil Corporation incorporated in the United States of America. A further 7.3% of the shares are held by Vayupak Fund 1, a mutual fund established by the Ministry of Finance, with the remaining shares held by a variety of institutional and retail investors.

The Vayupak Fund 1 acquired the shares from the Ministry of Finance on 15 September 2010. The significant investments in subsidiaries and an associate are set out in Note 14.

The following transactions were carried out with related parties:

#### (a) Sales of goods and services

	Consolidated and Separate financial statements	
	2022	2021
Sales of goods and services:		
- Other related parties	15,036,292	9,103,055

Sales of goods and services between related parties are based on market prices and primarily relate to the sale of petroleum and petrochemical products.

#### (b) Purchases of goods and services

	Consolidated and Separate financial statements	
	2022	2021
Purchases of goods:		
- Other related parties	190,955,026	108,831,345
Purchases of services:		
- An associate	632,172	536,016
	191,587,198	109,367,361

Purchases of goods from related parties primarily relate to the purchase of crude oil, petroleum and petrochemical products. Purchases of services from an associate relate to the provision of pipeline transportation services for the Group's products. Purchases of goods and services are based on market prices.

#### (c) Expenses

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Expenses paid to:				
- Subsidiaries	-	-	213,273	196,198
- Other related parties	2,832,081	2,709,524	2,829,734	2,707,468
	2,832,081	2,709,524	3,043,007	2,903,666

Expenses primarily relate to the provision of support services and are charged on either a cost or cost plus basis.

## Esso (Thailand) Public Company Limited

### Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

(All amounts in Baht thousand unless otherwise stated)

#### (d) Finance costs, net

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interest income received from:				
- Subsidiaries	-	-	193,023	182,953
	-	-	193,023	182,953
Interest expenses paid to:				
- Subsidiaries	-	-	95	486
- Other related parties	198,775	175,751	198,775	175,751
	198,775	175,751	198,870	176,237

Interest charges and interest income are based on market rates at the time the agreements were entered.

#### (e) Key management compensation

	Consolidated and Separate financial statements	
	2022	2021
Salaries and other short-term employment benefits	69,788	70,187
Post-employment benefits	13,801	15,904
	83,589	86,091

The above information is prepared in accordance with the Securities and Exchange Commission's regulations. This includes the managing director, the first four managers reporting to the managing director as well as all managers at the same level including Treasurer, Controller and 2 managers of the company's affiliates based on their actual management provided to the company.

#### (f) Year-end balances arising from sales/purchases of goods/services and expenses

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Amounts due from:				
- Subsidiaries	-	-	52,505	46,999
- Other related parties	15	15	15	15
	15	15	52,520	47,014
Amounts due to:				
- Subsidiaries	-	-	2,167	3
- Other related parties	10,691,998	10,588,460	10,691,835	10,588,272
	10,691,998	10,588,460	10,694,002	10,588,275

Amounts due from related parties relate primarily to interest receivables on long-term loans (Note 32g).

The amounts due to related parties reflect a net payable which arises mainly from the purchase and sales of crude oil, petroleum and petrochemical products under standard industry terms.

#### (g) Loans to related parties

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Long-term loans to:				
- Subsidiaries	-	-	3,687,725	3,553,483

Movements in long-term loans to related parties are analysed as follows:

	Separate financial statements	
	2022	2021
At 1 January	3,553,483	3,443,943
Loans advanced during the period	193,325	187,978
Loan repayments received	(59,083)	(78,438)
At 31 December	3,687,725	3,553,483

Long-term loans to related parties are unsecured. They bear interest based on the minimum lending rate of Bangkok Bank Public Company Limited.

## Esso (Thailand) Public Company Limited

### Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

(All amounts in Baht thousand unless otherwise stated)

#### (h) Loans from related parties

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Current</b>				
Short-term loans from:				
- Subsidiaries	-	-	828	850
- Other related parties	16,696,199	11,423,386	16,696,199	11,423,386
	16,696,199	11,423,386	16,697,027	11,424,236
Current portion of long-term loans from:				
- Other related parties	3,666,667	3,950,000	3,666,667	3,950,000
	20,362,866	15,373,386	20,363,694	15,374,236
<b>Non-current</b>				
Long-term loans from:				
- Subsidiaries	-	-	1,034	1,259
- Other related parties	2,750,000	2,750,000	2,750,000	2,750,000
	2,750,000	2,750,000	2,751,034	2,751,259

Movements in loans from related parties are analysed as follows:

	Consolidated financial information				
	Beginning balance	Cash transactions		Non-cash transactions	Ending balance
		Additions	Repayments	Compound interest	
Revolving loans	7,929,500	10,000,000	(5,000,000)	54,872	12,984,372
Short-term loans	3,493,886	217,941	-	-	3,711,827
<b>Total short-term loans</b>	11,423,386	10,217,941	(5,000,000)	54,872	16,696,199
Long-term loans	6,700,000	4,000,000	(4,283,333)	-	6,416,667
<b>Total loans from related parties</b>	18,123,386	14,217,941	(9,283,333)	54,872	23,112,866

	Separated financial information				
	Beginning balance	Cash transactions		Non-cash transactions	Ending balance
		Additions	Repayments	Compound interest	
Revolving loans	7,929,500	10,000,000	(5,000,000)	54,872	12,984,372
Short-term loans	3,494,736	217,919	-	-	3,712,655
<b>Total short-term loans</b>	11,424,236	10,217,919	(5,000,000)	54,872	16,697,027
Long-term loans	6,701,259	4,004,258	(4,287,816)	-	6,417,701
<b>Total loans from related parties</b>	18,125,495	14,222,177	(9,287,816)	54,872	23,114,728

As at 31 December 2022, the Group has undrawn revolving loan facilities of Baht 58,016 million

Short-term loans from related parties are unsecured. They have no fixed term of repayment and bear interest based on the adjusted minimum lending rate of Bangkok Bank Public Company Limited or Bangkok Interbank Offered Rate (BIBOR).

Long-term loans from other related parties are 3-years loan which repayable in 12 quarterly installments and bear interest at 1-month BIBOR rate plus margins.

#### Maturity of long-term loans from related parties

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
No later than 1 year	3,666,667	3,950,000	3,666,667	3,950,000
Later than 1 year but no later than 5 years	2,750,000	2,750,000	2,751,034	2,751,259
	6,416,667	6,700,000	6,417,701	6,701,259

## Esso (Thailand) Public Company Limited

### Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

(All amounts in Baht thousand unless otherwise stated)

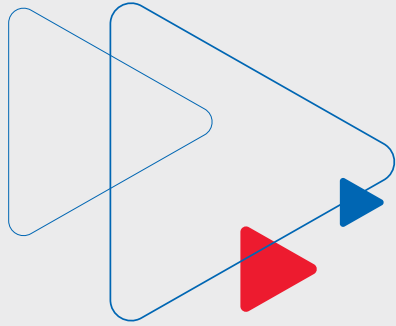
#### 33 Dividend payment

At the Board of Director Meeting No. 7/2022 held on 8 September 2022, the Board approved a resolution to declare interim dividend payment at Baht 0.50 per share, totalling Baht 1,730 million. The dividend was paid to shareholders on 6 October 2022.

#### 34 Subsequent events

On January 11, 2023, the Company was notified by ExxonMobil Asia Holdings Pte. Ltd. (ExxonMobil), the Company's majority shareholder, that they are signing an agreement in which ExxonMobil will sell all of its shares in the Company to Bangchak Corporation Public Company Limited. The ExxonMobil and OEM (Original Equipment Manufacturer) branded lubricants business (finished lubricants business) and ExxonMobil branded chemicals marketing business (chemicals marketing business) are outside of the scope of this transaction. The transaction is also subject to conditions being fulfilled, including the approvals of the relevant authorities (if required). It is anticipated that the completion of the transaction will occur sometime in the second half of 2023, however, the process could take up to 12 months to complete.





# ATTACHMENT



**APPENDIX 1**

# Board of Directors, Executives, Controlling Persons and Company's Secretary

(as of the date of Form 56-1 One Report Preparation)

## Information of Directors, Executives, Controlling Persons and Company's Secretary



To see Directors and Executive Experience, click on photos

## Information of Directors



**Ms. Suda Ninvoraskul**  
**Director and Chairperson**  
 (Non-executive)

**Age:** 52

**Appointment Date:** January 28, 2023

**Number of Years in the Board:** 2 Months

**Education:**

- Bachelor Degree in Statistics, Chulalongkorn University
- Master of Science in Business, Krannert Management School, Purdue University, USA

**Director Training:**

To enroll Director Accreditation Program (DAP) organized by Thai Institute of Association in 2023

**Current Positions:**

- Chairperson Esso (Thailand) Public Company Limited

**Directorship in other listed company and other non-listed company**

Other listed company: -

Other non-listed companies: 2 companies

- Chairperson, Managing Director, ExxonMobil Limited
- Director, ExxonMobil Exploration and Production Khorat Inc.

**Position in other business or organization: -**

**Experience in the past 5 years:**

Present	Chairperson Esso (Thailand) Public Company Limited Chairperson and Managing Director, ExxonMobil Limited
2020 - 2023	Applications Manager, ExxonMobil Global Services Company, USA
2019 - 2020	GCS Leadership Culture Lead ExxonMobil Global Services Company, USA
2015 - 2019	Corporate Processes Applications Manager ExxonMobil Global Services Company, USA

**Records of violation of law\*:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** None



**Mr. Wattana Chantarasorn**  
**Independent Director**  
**and Chairperson of the Audit Committee**  
 (Non-executive)

**Age:** 76

**Re-appointment Date:** April 27, 2021    **Number of Years in the Board:** 15 Years and 2 Months <sup>(1)</sup>

**Education:**

- Bachelor of Science, Chemical Engineering, Chulalongkorn University
- M.Sc in Chemical Engineering, Illinois Institute of Technology, USA

**Director Training:**

- Advanced Audit Committee Program organized by Thai Institute of Directors Association in 2018
- Director Accreditation Program organized by Thai Institute of Directors Association in 2009

**Current Positions:** -

**Directorship in other listed company and other non-listed company**

Other listed company: -

Other non-listed company: -

**Position in other business or organization:** -

**Experience:**

2006 - 2007	Asia Pacific Refining Business Advisor, ExxonMobil Limited
2004 - 2006	Asia Pacific Refining Business Advisor, Esso (Thailand) Public Company Limited
1997 - 2004	Refinery Manager, Esso (Thailand) Public Company Limited

**Records of violation of law\*:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** None

<sup>(1)</sup> Number of years serving as the Independent Director: 8 Years and 6 Months



**Mr. Buranawong Sowapruux**  
**Independent Director, Chairperson of Nomination,  
 Remuneration and Performance Evaluation Committee  
 and Member of Audit Committee**  
 (Non-executive)

**Age:** 65

**Re-appointment Date:** April 19, 2022

**Number of Years in the Board:** 3 Years 8 Months

**Education:**

- Bachelor of Engineering, Mechanical Engineering, Chulalongkorn University
- Master of Engineering, Industrial Engineering, Texas A&M University, Texas, USA
- Doctor of Engineering, Industrial Engineering, Texas A&M University, Texas, USA

**Director Training:**

- Director Certification Program (DCP) organized by Thai Institute of Association in June 2019
- Advance Audit Committee Program (AACP) organized by Thai Institute of Association in 2019
- Director Leadership Certification Program (DLCP) organized by Thai Institute of Association in 2021

**Current Positions:** -

**Directorship in other listed company and other non-listed company**

**Other listed company:** 1 company

- Independent Director, Chairperson of Nomination and Remuneration Committee, Chairperson of Transformation Committee and Member of Risk Oversight Committee Thai Group Holdings Public Company Limited

**Other non-listed company:** 2 companies

- Independent Director, The Blue Circle Pte. Ltd, Singapore
- Director, Able Asset Sukhumvit Company Limited

**Position in other business or organization:**

- Independent Observer, Anti-Corruption Organization of Thailand

**Experience:**

2015 - February 2019	Member, Petroleum Committee
2016 - 2017	Sub-Committee on the Management of Expiring Concession
2016 - February 2019	Sub-Committee on the Determination of Gas Price
2009 - 2013	Global Business Analysis and Reporting Manager, ExxonMobil Global Services Company, Houston, USA

**Records of violation of law\*:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** None





## Ms. Prachit Hawat

**Independent Director, Member of Audit Committee and Member of Nomination, Remuneration and Performance Evaluation Committee**  
(Non-executive)

**Age:** 64

**Re-appointment Date:** April 19, 2022

**Number of Years in the Board:** 5 Years and 1 Month

### Education:

- Bachelor of Accountancy, Faculty of Commerce and Accountancy, Chulalongkorn University
- MSBA, Management Information Systems, Mississippi State University, USA
- M. Acc., Accounting, Chulalongkorn University
- Ph.D. Management Information Systems, The University of Calgary, Canada

### Professional Certifications:

- Certified Internal Audit (CIA)
- Certified Public Accountant (CPA, Thailand)
- Certified Information Systems Auditor (CISA)

### Director Training:

- Advanced Audit Committee Program 44/2022 by Thai Institute of Directors Association in 2022
- Director Certification Program organized by Thai Institute of Directors Association in 2018
- Director Accreditation Program organized by Thai Institute of Directors Association in 2011

### Current Positions: -

### Directorship in other listed company and other non-listed company

Other listed company: -

Other non-listed company: -

### Position in other business or organization:

- Associate Professor, Department of Accountancy, Faculty of Commerce and Accountancy, Chulalongkorn University
- Advisor to the Internal Audit Procedure Efficiency and Effectiveness Promotion Committee, Sports Authority of Thailand
- Member of the University Council of Kasem Bundit University
- Member of the Risk Management Committee of Mahamakut Buddhist University

### Experience:

- Lecturer, Department of Accountancy, Chulalongkorn University
- Independent Director and Member of Audit Committee, Thailand Iron Works Public Company Limited
- Senior Internal Auditor, Charoen Pokphand Group of Companies
- Auditor, Jaiyos & Co., Ltd

**Records of violation of law\*:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** None



**Mr. Veerasak Kositpaisal**  
**Independent Director**  
 (Non-executive)

**Age:** 68

**Re-appointment Date:** March 13, 2023

**Number of Years in the Board:** 1 Months

**Education:**

- Bachelor of Engineering (Mechanical) Chulalongkorn University
- MS in Engineering , Texas A&I University Texas, USA

**Director Training:**

- Director Certification Program (DCP) organized by Thai Institute of Association in 2006
- Finance for Non-Finance Director Program (FND) organized by Thai Institute of Association in 2006

**Other Training:**

- Top Executive Program in Commerce and Trade (TEPCoT 2/2009), Commerce Academy, University of the Thai Chamber of Commerce
- Executive Program (Class 11), Capital Market Academy (CMA)
- Executive Program, Energy Education, Class 5, Thailand Energy Academy
- Leadership Development Program "Enhancing Competitiveness", International Institute for Management Development (IMD)

**Current Positions:** -

**Directorship in other listed company and other non-listed company**

**Other listed company:** 2 Companies

- Independent Director and Chairman of the Audit Committee Civil Engineering Public Company Limited
- Independent Director, Member of Audit Committee and Chairman of Nomination and Remuneration Committee TOA Paint (Thailand) Public Company Limited

**Other non-listed company:** 2 companies

- Director - Glow Energy Public Company Limited
- Independent Director / Member of the Audit Committee - Saphthip Company Limited
- Advisor, DTGO Corporation Limited

**Position in other business or organization:**

- Director / Member of the Corporate Governance Committee - Thai Institute of Directors

**Experience in the past 5 years:**

2021 - Present:	Director / Member of the Corporate Governance Committee, Thai Institute of Directors
2020 - Present:	Advisor, DTGO Corporation Limited
2020 - Present:	Independent Director / Chairman of the Audit Committee Civil Engineering Public Company Limited
2019 - Present:	Director, Glow Energy Public Company Limited
2016 - Present:	Independent Director / Member of Audit Committee / Chairman of Nomination and Remuneration Committee, TOA Paint (Thailand) Public Company Limited
2016 - Present:	Independent Director / Member of the Audit Committee, Saphthip Company Limited
2018 - 2021:	Independent Director / Chairman of Board of Directors, Eastern Water Resources Development and Management Public Company Limited
2015 -2019:	Independent Director / Chairman of Corporate Governance Committee / Member of Risk Management Committee, MCOT Public Company Limited
2018 - 2019	Director, Tobacco Authority of Thailand
2010 - 2018	Chief Executive Officer, Institute of Industrial Energy, Federation of Thai Industries
2014 - 2018	Chairman, HMC Polymers Co., Ltd.
2012 - 2014	Chief Executive Officer, Thai Oil Public Company Limited
2011 - 2012	Chief Executive Officer, PTT Global Chemical Public Company Limited

**Records of violation of law\*:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** 0.0003% (Held by herself)



**Ms. Ratrimani Pasiphol**  
**Director, Managing Director**  
**and Designated CFO**  
 (Executive)

**Age:** 55

**Re-appointment Date:** April 27, 2021      **Number of Years in the Board:** 10 Years and 10 Months

**Education:**

- Bachelor of Accountancy, Chulalongkorn University
- MBA, University of Washington, USA

**Director Training:**

- Director Accreditation Program (DAP) organized by Thai Institute of Association in 2012

**CFO Training:**

- TLCA CFO Profession Development Program organized by Thai Listed Companies Association

**Current Positions:**

- Managing Director, Designated CFO, Business Services Manager and Tax Manager  
Esso (Thailand) Public Company Limited

**Directorship in other listed company and other non-listed company**

Other listed company: -

Other non-listed company: 1 company

- Director, ExxonMobil Limited

**Position in other business or organization: -**

**Experience in the past 5 years:**

Present	Managing Director, Designated CFO, Business Services Manager and Tax Manager Esso (Thailand) Public Company Limited
February 2020 - 2023	Business Services Manager and Tax Manager, Esso (Thailand) Public Company Limited
2015 - January 2020	Director, ExxonMobil Limited
	Treasurer/Tax Manager, Esso (Thailand) Public Company Limited
	Director and Treasurer/Tax Manager, ExxonMobil Limited
	Treasurer, Industry Promotion Enterprises Limited
	Treasurer, United Industry Development Company Limited
	Treasurer, Pacesetter Enterprises Limited
	Treasurer, Thai C-Center Company Limited <sup>(1)</sup>
	Treasurer, ExxonMobil Exploration and Production Khorat Inc.
	Treasurer, Mobil Enterprises (Thailand) Limited <sup>(2)</sup>

**Records of violation of law\*:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** 0.0003% (Held by herself)

<sup>(1)</sup> Until year 2016

<sup>(2)</sup> Mobil Enterprises (Thailand) Limited registered its dissolution with the Department of Business Development on December 2, 2022 and it is in the process of liquidation.



**Mr. Manoch Munjitjuntra**  
**Director**  
 (Executive)

**Age:** 54

**Re-appointment Date:** April 27, 2021

**Number of Years in the Board:** 5 Years and 1 Months

**Education:**

- Bachelor of Science, Mechanical Engineer, Faculty of Engineering, Chulalongkorn University
- MBA in Finance, Sasin Graduate Institute of Business Administration of Chulalongkorn University

**Director Training:**

- Director Accreditation Program (DAP) organized by Thai Institute of Association in 2018

**Current Positions:**

- Thailand Lubricants Sales Manager, Esso (Thailand) Public Company Limited

**Directorship in other listed company and other non-listed company**

Other listed company: -

Other non-listed company: 1 company

- Liquidator, Mobil Enterprises (Thailand) Limited

**Position in other business or organization: -**

**Experience in the past 5 years:**

August 2020 - Present	Thailand Lubricants Sales Manager, Esso (Thailand) Public Company Limited Liquidator, Mobil Enterprises (Thailand) Limited <sup>(1)</sup>
2017 - July 2020	Retail Sales Manager, Esso (Thailand) Public Company Limited Director and Managing Director, Industry Promotion Enterprises Limited Director and Managing Director, United Industry Development Company Limited Director and Managing Director, Pacesetter Enterprises Limited
2016 - 2017	Sales Support and Business Development Manager, Esso (Thailand) Public Company Limited
2015 - 2016	Retail Project Development Manager, ExxonMobil Limited

**Records of violation of law\*:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** None

<sup>(1)</sup> Mobil Enterprises (Thailand) Limited registered its dissolution with the Department of Business Development on December 2, 2022 and it is in the process of liquidation.



## Mr. Taweesak Bunluesin

**Director, Member of Nomination, Remuneration and Performance Evaluation Committee and Chairman of Environment, Social and Governance Committee**  
(Non-Executive)

**Age:** 54

**Re-appointment Date:** July 10, 2020

**Number of Years in the Board:** 4 Years and 6 Months

**Education:**

- Bachelor of Science, Chemical Engineering, Massachusetts Institute of Technology, USA
- Master of Science, Chemical Engineering, University of Pennsylvania, USA
- Ph.D. Chemical Engineering, University of Pennsylvania, USA

**Director Training:**

- Director Accreditation Program (DAP) organized by Thai Institute of Association in 2018

**Current Positions:**

- Public & Government Affairs Manager, ExxonMobil Limited

**Directorship in other listed company and other non-listed company**

Other listed company: -

Other non-listed company: -

**Position in other business or organization: -**

**Experience in the past 5 years:**

2019 - Present	Public & Government Affairs Manager, ExxonMobil Limited
2018 - 2019	Public & Government Affairs Manager, Esso (Thailand) Public Company Limited
2013 - 2018	Business Support & Control Manager, Sriracha Refinery, Esso (Thailand) Public Company Limited

**Records of violation of law\*:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** None





**Ms. Jirapun Paowarut**  
**Director**  
 (Executive)

**Age:** 49

**Appointment Date:** April 19, 2022

**Number of Years in the Board:** 9 Months

**Education:**

- Bachelor of Economics, Thammasat University
- Master of Business Administration, Virginia Tech University

**Director Training:**

- Director Accreditation Program (DAP) organized by Thai Institute of Association in 2022

**Current Positions:**

- Retail Sales Manager, Esso (Thailand) Public Company Limited

**Directorship in other listed company and other non-listed company**

Other listed company: -

Other non-listed company: 3 companies

- Director and Managing Director, Industry Promotion Enterprises Limited
- Director and Managing Director, United Industry Development Company Limited
- Director and Managing Director, Pacesetter Enterprises Limited

**Position in other business or organization: -**

**Experience in the past 5 years:**

April 2022 - Present	Retail Sales Manager, Esso (Thailand) Public Company Limited Director and Managing Director, Industry Promotion Enterprises Limited Director and Managing Director, United Industry Development Company Limited Director and Managing Director, Pacesetter Enterprises Limited
2021 - March 2022	Market Development Manager, Thailand and Greater Mekong Tributary Esso (Thailand) Public Company Limited
2020 - 2021	Asia Pacific Product and Customer Experience Manager, ExxonMobil Limited

**Records of violation of law\*:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** None



**Mr. Anuwat Rungruangrattanagul**  
**Director and Refinery Manager**  
 (Executive)

**Age:** 55

**Appointment Date:** January 27, 2023

**Education:**

- Bachelor of Science in Chemical Technology, Faculty of Science, Chulalongkorn University

**Current Positions**

- Refinery Manager, Sriracha Refinery, Esso (Thailand) Public Company Limited

**Directorship in other listed company and other non-listed company**

Other listed company: -

Other non-listed company: -

**Position in other business or organization: -**

**Experience in the past 5 years:**

2022 - Present	Refinery Manager, Sriracha Refinery, Esso (Thailand) Public Company Limited
2021 - 2022	Process Advisor, ExxonMobil Europe & Asia Pacific Pte. Ltd.
2017 - 2021	Process Manager, Sriracha Refinery, Esso (Thailand) Public Company Limited.

**Records of violation of law\*:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** None

## Information of Executive Officers



**Mr. Vanchai Vichakchon**  
**Thailand Commercial Sales Manager**  
 (Executive)

**Age:** 54

**Appointment Date:** June 1, 2017

**Education:**

- Bachelor Degree, Business Administration Faculty, Marketing Major, Assumption University

**Current Positions:**

- Thailand Commercial Sales Manager, Esso (Thailand) Public Company Limited

**Directorship in other listed company and other non-listed company**

Other listed company: -

Other non-listed company: -

**Position in other business or organization: -**

**Experience in the past 5 years:**

2017 - Present	Thailand Commercial sales Manager, Esso (Thailand) Public Company Limited
2017	Thailand Wholesale Fuels Area Manager, Esso (Thailand) Public Company Limited
2012 - 2017	Thailand Industrial and Commercial Area Manager, Esso (Thailand) Public Company Limited

**Records of violation of law\*:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** None



**Mr. Chatchawarn Hongcharoenthai**  
**Thailand Fuels Operations Manager**  
 (Executive)

**Age:** 43

**Appointment Date:** November 1, 2021

**Education:**

- Bachelor's degree, Chemical Engineering, Thammasat University
- Master's degree, Master of Management, Chulalongkorn University

**Current Positions:**

- Thailand Fuels Operations Manager, Esso (Thailand) Public Company Limited

**Directorship in other listed company and other non-listed company**

Other listed company: -

Other non-listed company: 1 company

- Director, Thai Petroleum Pipeline Company Limited

**Position in other business or organization: -**

**Experience in the past 5 years:**

November 2021 - Present	Thailand Fuels Operations Manager, Esso (Thailand) Public Company Limited
2019 - 2021	Vice President/ExxonMobil Exploration and Production Khorat Inc.
2017 - 2019	Business Venture Manager/ExxonMobil Limited

**Records of violation of law\*:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** None



**Ms. Vorraya Kosalathip**  
**Treasurer**  
 (Executive)

**Age:** 45

**Appointment Date:** February 4, 2020

**Education:**

- Bachelor of Engineering (Civil), Chiang Mai University
- Master of Business Administration, University of North Carolina at Chapel Hill, USA

**Current Positions:**

- Treasurer, Esso (Thailand) Public Company Limited
- Treasurer, Industry Promotion Enterprises Limited
- Treasurer, United Industry Development Company Limited
- Treasurer, Pacesetter Enterprises Limited
- Treasurer, ExxonMobil Exploration and Production Khorat Inc.
- Director and Treasurer, ExxonMobil Limited

**Directorship in other listed company and other non-listed company**

Other listed company: -

Other non-listed company: 1 company

- Director, ExxonMobil Limited

**Position in other business or organization -**

**Experience in the past 5 years:**

February 2020 - Present	Treasurer, Esso (Thailand) Public Company Limited Treasurer, Industry Promotion Enterprises Limited Treasurer, United Industry Development Company Limited Treasurer, Pacesetter Enterprises Limited Treasurer, ExxonMobil Exploration and Production Khorat Inc. Treasurer, Mobil Enterprises (Thailand) Limited <sup>(1)</sup> Director, Treasurer, and Asia Pacific Credit Manager <sup>(2)</sup> , ExxonMobil Limited
2018 - January 2020	Lead Fuels and Lubricant Treasurer-Asia Pacific, ExxonMobil Asia Pacific Pte. Ltd.
2016 - 2017	Financial Advisor, Global Fuels and Lubricant Treasurer, Exxon Mobil Corporation
2015 - 2016	Downstream Financial Advisor, Controller's, Exxon Mobil Corporation

**Records of violation of law\*:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** None

<sup>(1)</sup> Mobil Enterprises (Thailand) Limited registered its dissolution with the Department of Business Development on December 2, 2022 and it is in the process of liquidation.

<sup>(2)</sup> Acted as AP Credit Manager until January 2023





**Mr. Suwat Srikanapongse**  
**Controller**  
 (Executive)

**Age:** 54

**Re-appointment Date:** October 1, 2020

**Education:**

- Bachelor of Business Administration, Accounting Major, Assumption University
- Master of Business Administration, Eastern Michigan University, USA

**Current Positions:**

- Controller, Esso (Thailand) Public Company Limited
- Controller, Industry Promotion Enterprises Limited
- Controller, United Industry Development Company Limited
- Controller, Pacesetter Enterprises Limited
- Controller, ExxonMobil Exploration and Production Khorat Inc.
- Director and Controller, ExxonMobil Limited

**Directorship in other listed company and other non-listed company**

Other listed company: -

Other non-listed company: 1 company

- Director, ExxonMobil Limited

**Position in other business or organization: -**

**Experience in the past 5 years:**

October 2020 - Present	Controller, Esso (Thailand) Public Company Limited Controller, Industry Promotion Enterprises Limited Controller, United Industry Development Company Limited Controller, Pacesetter Enterprises Limited Controller, ExxonMobil Exploration and Production Khorat Inc. Controller, Mobil Enterprises (Thailand) Limited <sup>(1)</sup> Director and Controller, ExxonMobil Limited
2018 - September 2020	Credit Manager, ExxonMobil Limited
2014 - 2018	Tax BSC Section Manager, ExxonMobil Limited

**Records of violation of law\*:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** None

<sup>(1)</sup> Mobil Enterprises (Thailand) Limited registered its dissolution with the Department of Business Development on December 2, 2022 and it is in the process of liquidation.



## Ms. Matana Sutatham

**Investor Relations and Planning Manager  
and Member of Environment, Social and  
Governance Committee**  
(Executive)

**Age:** 53

**Re-appointment Date:** August 1, 2021

**Education:**

- Bachelor of Science in Statistics, Faculty of Commerce and Accountancy, Chulalongkorn University
- Master of Business Administration, Sloan School of Management, Massachusetts Institute of Technology

**Current Positions:**

- Investor Relations and Planning Manager, Esso (Thailand) Public Company Limited

**Directorship in other listed company and other non-listed company**

Other listed company: -

Other non-listed company: -

**Position in other business or organization: -**

**Experience in the past 5 years:**

August 2021 - Present	Investor Relations and Planning Manager, Esso (Thailand) Public Company Limited
2018 - 2021	BAR FVC RBU Support Manager, ExxonMobil Limited
2016 - 2018	BAR Fuels and Lubes Stewardship and Analysis Manager, ExxonMobil Limited

**Records of violation of law\*:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** None

\* This covers any of the following within the past 10 years:

- (1) a conviction under a criminal charge, excluding conviction for traffic offences and minor charges;
- (2) being declared bankrupt or having assets controlled;
- (3) being dismissed from government service or a state organization or agency for dishonest at work; or
- (4) a conviction of offences under the Securities and Exchange Act B.E. 2535 or Derivatives Act B.E. 2546 for the following offences:
  - (4.1) willful misconduct or gross negligence characteristic;
  - (4.2) disclose or disseminate of false statement or information or conceals material facts that should have been disclosed which have an impact on decision making on investment; or
  - (4.3) unfair trading or taking advantage of other investors in securities or derivatives trading

\*\* As of December 31, 2022

## Details of Head of Internal Audit, Person assigned to take direct responsibilities for accounting oversight and Company Secretary

### Person assigned to take direct responsibilities for accounting oversight

#### Mr. Amorn Manchanda

Age: 38



**Appointment Date:** December 1, 2020

Qualified accountant pursuant to the relevant Notification of Department of Business Development,

**Education:**

- Master of Business Administration (MBA), Chulalongkorn University
- Bachelor of Accountancy, Srinakharinwirot University

**Accountancy Training in 2022:**

- Training on TFRS update for 2022
- Training on TFRS 9 and TFRS 16 update

**Experience in the past 5 years:**

2020 - Present In-Country Controller Supervisor, ExxonMobil Limited  
 2018 - 2020 General Accounting Supervisor-ExxonMobil Limited  
 2016 - 2018 HR Accounting Supervisor-ExxonMobil Limited

**Position in other business or organization:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** None



### Company Secretary

#### Ms. Angsna Pirentorn

Age: 47



**Appointment Date:** March 28, 2008

Qualified accountant pursuant to the relevant Notification of Department of Business Development,

**Education:**

- Master of Laws in International Legal Studies, Washington College of Law, The American University, Washington D.C. USA
- Bachelor of Laws, Thammasat University

**Experience in the past 5 years:**

2015 - Present Company Secretary,  
 Esso (Thailand) Public Company Limited  
 Senior Legal Counsel,  
 ExxonMobil Limited

**Position in other business or organization:** None

**Family Relationship with Executives of the Company:** None

**Shareholding in the Company\*\*:** 0.0003% (Held by spouse)

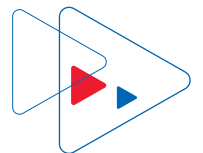


\*\* As of December 31, 2022

**APPENDIX 2**

# Director of Subsidiaries

- None -



**APPENDIX 3****Lead Auditor Information****Ms. Jiraphan S. Ssukravee****Audit Division Manager****Age:** 40**Appointment Date:** March 1, 2022**Education:**

- Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University
- Master of Business Administration, Chulalongkorn University

**Current Position:**

- Audit Division Manager, ExxonMobil Limited

**Related Training:** -**Directorship in other listed company and other non-listed company**

Other listed company: -

Other non-listed company: -

**Experience in the past 5 years:**

2022 - Present	Audit Division Manager-Thailand and Australia, ExxonMobil Limited
2020 - 2021	Financial Accounting and Reporting Division Manager-Asia Pacific, ExxonMobil Limited
2018 - 2019	Thailand Financial Planning Manager, Esso (Thailand) Public Company Limited

**Position in other business or organization:** None**Family Relationship with Executives of the Company:** None**Shareholding in the Company\*:** None

\* As of December 31, 2022



## APPENDIX 4

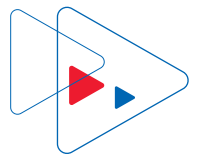
# Operating Assets and Asset Appraisal

## Fixed Assets

Details can be found in “[Nature of Business](#)”.

## Asset Appraisal



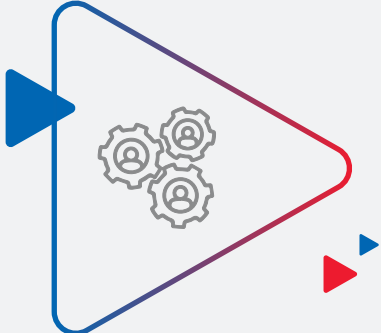

The Company has no Asset Appraisal in 2021.

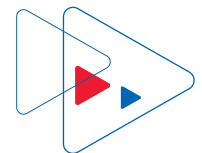


**APPENDIX 5**

# Corporate Governance Policy and Practices, Standard of Business of Business Conduct, Duties and Responsibilities of Board of Directors and Sub-Committees

Details are available at links below.

<p><b>Corporate Governance Policy and Practices</b></p> 	<p><b>Board Governance Guidelines</b></p> 	<p><b>Standards of Business Conduct</b></p> 	<p><b>Duties and Responsibilities of Board of Directors and Sub-Committees</b></p> 
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## Corporate Separateness Notice

Nothing in this material is intended to override the corporate separateness of local entities. Working relationships discussed in this material do not necessarily represent a reporting connection, but may reflect a functional guidance, stewardship, or service relationship. Where shareholder consideration of a local entity matter is contemplated by this material, responsibility for action remains with the local entity.

Esso (Thailand) Public Company Limited has numerous affiliates, many with names that include ExxonMobil, Exxon, Esso and Mobil. For convenience and simplicity in this report, those terms and terms like corporation, company, our, we, and its are sometimes used as abbreviated references to specific affiliates or affiliate groups. Abbreviated references describing global or regional operational organizations and global or regional business lines are also sometimes used for convenience and simplicity. Similarly, Esso (Thailand) Public Company Limited has business relationships with thousands of customers, suppliers, governments, and others. For convenience and simplicity, words like venture, joint venture, partnership, co-venturer, and partner are used to indicate business relationships involving common activities and interests, and those words may not indicate precise legal relationships.



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