

UNITED NATIONS GLOBAL COMPACT:

COMMUNICATION ON PROGRESS FOR THE ADVANCED LEVEL



United Nations Global Compact

PRINCIPLES OF ADVANCE PROGRAM	IMPLEMENTED BY PTTGC	POSITION IDENTIFIED IN THE REPORT
Implementing the Ten Principles into strategies and operations		
1. The COP describes mainstreaming into corporate functions and business units	<p>PTTGC manages its sustainability by creating a Sustainability Management policy in all areas including environment, society and organisational management. The policy will be integrated with operational strategies in each area within the organization under the supervision of the PTTGC Group's Sustainable Development Committee. Its responsibilities include launching and implementing the sustainability policy, strategies and sustainable development plan in accordance with both the organizational goals and global standards. The committee is comprised of C-Suite and Senior Management officers from each business area, who will directly implement the policy into each area based on the business goals and sustainability development objectives of the organization.</p> <p>PTTGC's sustainable strategies and goals are applied in all business units and companies in the PTTGC Group. They are used in various approaches, no matter whether in applying the scope of sustainable management to the real practices and monitoring their results, assessing risks in business or organization levels or creating an operational plan and setting up goals for each department.</p>	President and CEO Statement/ Growing with Sustainability/ Guarding our Environment/ Being Professional/ Driving Shared Value
2. The COP describes value chain implementation	<p>PTTGC manages risks and utilizes an effective system to organize partners and contractors in each task with clear Codes of Conduct and Ethics. As a part of PTTGC's value added chain, we encourage our partners to conduct business with care and responsibility. We support performance assessments and monitor results in all elements including business, environment, society and organizational operation. The information from the assessments and results will eventually be used in PTTGC's partner selection processes.</p> <p>In addition, PTTGC arranges an exchange of expectations with its partners along with providing training to support partners in improving their operational efficiency to reach PTTGC's standards.</p>	About PTTGC/ Business Conduct, Ethics and Compliance/ Supply Chain Management
Robust human rights management policies and procedures		
3. The COP describes robust commitments, strategies or policies in the area of human rights	<p>PTTGC supports human rights management policies and participates in Universal Declaration of Human Rights (UDHR), which is one of the projects from the United Nations Organization (UN). In addition, PTTGC adopts a set of Conduct and Ethics to cover effective corporate governance practices, human rights, labour rights, fair employment and social responsibilities. All of these are operated in accordance with global standards and monitored by management indicators for both social and environmental factors.</p>	Business Conduct, Ethics and Compliance/ Our Professionals/ www.pttgcgroup.com

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4. The COP describes effective management systems to integrate the human rights principles	<p>PTTGC has applied human rights principles into its risk management procedures. All employee will receive training in human right principles, Code of Conduct and Ethics as well as operational policies. The employee will further learn about complaint procedures in case they would like to bring up any concerns. The same extent is also provided to business partners and contractors via a purchasing requirement demanding a registration and their compliance to PTTGC's policies.</p> <p>PTTGC sets goals and implements a performance monitoring system to maintain human rights under a Sustainability Management and Security, Safety, Health and Environment Operational Excellence Management System (SSHE OEMS). In addition, PTTGC schedules assessments to be certified from ISO14001 standard and Thai Labor Standards (TLS.8001-2553) on a regular basis.</p>	Business Conduct, Ethics and Compliance/ Our Professionals/ Supply Chain Management
5. The COP describes effective monitoring and evaluation mechanisms of human rights integration	<p>PTTGC's Human Rights Management covers risk assessments and the human rights practices within its operational procedure. PTTGC provides communication channels, such as email, an online form on PTTGC's website, or telephone for internal and external stakeholders to offer their comments and complaints. PTTGC will handle and solve all incoming complaints, one of the operational performance indicators of PTTGC, with fair and confidential practices. In terms of business partners, we have a Vendor Criticism Process to receive, investigate and solve all concerns.</p>	Business Conduct, Ethics and Compliance/ Our Professionals/ Supply Chain Management/ www.pttgcgroup.com
Robust labour management policies and procedures		
6. The COP describes robust commitments, strategies or policies in the area of labour	<p>PTTGC is aware of and respectful of the Labor Rights of every employee and contractor. PTTGC strictly complies with the International Labour Organization Convention (ILO Convention) by applying the Labour Rights into its strategies and operational mechanisms, such as Operational Conduct and Ethics, Integrated Policies and Administration Indicators.</p>	Business Conduct, Ethics and Compliance/ Our Professionals
7. The COP describes effective management systems to integrate the labour principles	<p>PTTGC uses various standards, including ISO14001, OHSAS/ TIS1800, ISO26000, and CSR-DIW in assessing and managing risks. Moreover, PTTGC is evaluated and certified every three years by the Thai Labour Standards (TLS.8001-2553).</p> <p>All our employee must participate in training pertinent to Labour Rights and regulated practices based on PTTGC's integrated policies as well as Conduct and Ethics. Furthermore, they will receive information regarding communication channels via email, online forms on PTTGC's website, and telephone in order to report any concerns or offer comments. In addition, PTTGC provides its partners and contractors with the same policies as well as Conduct and Ethics regulations in order to ensure compliance with organizational standards and the Labour Law of Thailand.</p>	Business Conduct, Ethics and Compliance/ Our Professionals

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8. The COP describes effective monitoring and evaluation mechanisms of labour principles integration	<p>PTTGC Welfare Committee will receive all complaints from employee through internal communication channels, such as email, online form or via immediate supervisors. The committee has the direct responsibility for investigating the facts before proceeding to respond and solve the issues. In addition to these procedures, PTTGC provides a mechanism to assess and monitor labour processes through the engagement activities of stakeholders, employee satisfaction surveys, and performance evaluations of business partners based on Labour Rights policies.</p>	<p>Business Conduct, Ethics and Compliance/ Our Professionals/ Supply Chain Management/ www.pttgcgroup.com</p>
Robust environmental management policies and procedures		
9. The COP describes robust commitments, strategies or policies in the area of environmental stewardship	<p>PTTGC commits and sets its goals related to Resources and Environmental Management in accordance with the Sustainability Management guidelines. The goals include not only environmental friendliness in production, but also responsibilities for all products, researches and innovations to have less impact on the environment, purchasing and creating a Green supply chain.</p> <p>PTTGC emphasizes Environmental Management as one of its essential operational strategies. The strategies include clear policies and procedures, employee's behavioral adjustment throughout the organization as well as internal and external engagement activities.</p> <p>The details of Quality, Safety, Occupational, Health, Environment & Business Continuity (QSHEB) policy are available in website, and environmental targets and performances are mentioned in the 'Guarding Our Environment' section.</p>	<p>President and CEO Statement/ Sustainability Foundation/ Innovation and Products/ Guarding Our Environment/ Update on Oil Spill www.pttgcgroup.com</p>
10. The COP describes effective management systems to integrate the environmental principles	<p>Environmental policies for operation, innovation, partners, potential impacts on environment, health and safety are included in PTTGC Integrated Environmental Management System, which is certified from ISO 14001 and ISO50001 (Energy Management Systems). PTTGC requires employee at all levels from the Board of Directors all the way to operational levels to monitor progress on environmental management as in charges.</p> <p>For new projects, PTTGC requires environmental impact assessment reports along with risk assessments from every operational step. In terms of enhancing the environmental protection, PTTGC initiates programs on production improvement, alternative raw materials as well as environmentally friendly research and production. PTTGC continually studies impacts on the environment by using Life Cycle Assessment for products. Please see more details in the 'Innovation & Products' and the 'Guarding Our Environment' section.</p>	<p>President and CEO Statement/ Innovation and Products/ Climate Strategy and Energy Management/ Sustainable Water Management/ Resource Efficiency and Waste Management/ Air Quality Control/ Update on Oil Spill</p>

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11. The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	<p>PTTGC continually monitors its operation's environmental performance with eco-efficiency indicators in both corporate and operational levels. The eco-efficiency indicators, based on the United Nations Conference on Trade and Development (UNCTAD) Manual, are followed as the operation's environmental performance measurement.</p> <p>In addition to the reduction of environmental impacts from business operations, PTTGC focuses on monitoring and preparing our readiness, such as generating compliance and monitoring environmental quality reports, which are submitted to relevant authorities as regularly required basis, launching Business Continuity Plan, Early Warning System, local communities' opinion and satisfaction survey.</p>	Climate Strategy and Energy Management/ Sustainable Water Management/ Resource and Waste Management/ Air Quality Control/ Update on Oil Spill/ Supply Chain Management
Robust anti-corruption management policies and procedures		
12. The COP describes robust commitments, strategies or policies in the area of anti-corruption	Business Ethics and Compliance with regulations of the good corporate governance principles for anti-corruption policies are very important for operations. PTTGC commits to being a transparent and accountable organization by articulating policies and regulations in line with anti-corruption and bribery laws and conflicts of interests. The details of policies and regulations are provided in the Business Ethics as well as in the Corporate Compliance Policy.	Business Conduct, Ethics and Compliance www.pttggroup.com
13. The COP describes effective management systems to integrate the anti-corruption principle	<p>All PTTGC's employee must attend training to gain awareness of anti-corruption and gift acceptance policies during their new employee orientation. The details of the good corporate governance principles and policies can be found on PTTGC's website.</p> <p>In addition, PTTGC's Business Conduct, Ethics and Compliance are applied into the entire value chain. All business partners must be aware of and engage in practices that comply with PTTGC's standards.</p>	Business Conduct, Ethics and Compliance/ Supply Chain Management www.pttggroup.com
14. The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	<p>PTTGC's performance of business ethics and good corporate governance practices is measured by members of the Board of Directors who have attended the Anti-Corruption Executive Program. Additionally, PTTGC also has an Audit Committee, which is responsible for evaluating operational performance and providing opinions and recommendations to the Board of Directors in order to enhance monitoring efficiency.</p> <p>PTTGC uses information from stakeholders' engagement activities, internal and external complaint system and satisfaction surveys as communication channels between stakeholders and the Management about PTTGC's corporate governance practices.</p>	Business Conduct, Ethics and Compliance/ www.pttggroup.com

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Taking action in support of broader UN goals and issues		
15. The COP describes core business contributions to UN goals and issues	<p>PTTGC commits to develop good corporate governance in order to become a sustainable organization. PTTGC realizes and encourages the importance of complying with international standards, such as UN Millennium Development Goals (UN's MDGs), United Nations Global Compact Advance Level (UNGC Advanced Level), ISO 26000 and Global Reporting Initiative G4 Guidelines. With this compliance, PTTGC was ranked in the Top 10 companies with the highest scores of Dow Jones Sustainability Indices (World Members). PTTGC was additionally selected to be one of The Global Compact 100 Index Constituents, an organizational evaluation index based on the World Charter of the United Nations. The index has been a measurement for evaluating organizations that create their social responsibility maximization together with business continuity. All of these show our level of commitment and demonstrate PTTGC's efforts in maintaining its sustainability.</p>	<p>President and CEO Statement/ Awards and Recognitions/ Management Excellence/ www.pttgcgroup.com</p>
16. The COP describes strategic social investments and philanthropy	<p>The goals of PTTGC's social responsibility projects are not only to emphasize its ability to blend into the community, but also to focus on creating strengths and adding value at both local and national levels. For national projects, PTTGC has on-going projects and invests in society in all five dimensions, including the environment, economy, health, society and education in development as well as leverage the overall economy and society. As a result, PTTGC and the community can simultaneously move forward in all areas. PTTGC also conducts the community satisfaction survey relevant to its operations and projects. In 2014, the community satisfaction was at 85.14%; increasing from 82.30% in 2013. This was due to the fact that PTTGC responded to the comments from the evaluation to improve its operations in several areas, such as increasing Green areas in the community, improving youth language skills, taking care of old ages, launching career support initiatives and fast communication to community of unusual operation erupted.</p>	<p>Driving Shared Value</p>
17. The COP describes advocacy and public policy engagement	<p>PTTGC pays attention into supporting Sustainability Policies particularly in terms of improving production efficiency, reducing carbon emissions, and preserving resources. PTTGC in conjunction with other organizations, such as the Greenhouse Gas Management Organization, Thailand Business Council for Sustainable Development (TBCSD), The Federation of Thai Industries (supporting in accounting and Greenhouse Gas reports), and the National Economic and Social Development Board (NESDB), has fully supported Green Growth or Bio-Economy. Moreover, PTTGC has participated in a Carbon Disclosure Project to support the Greenhouse Gas Reduction Plan on an international level and received the honor of being the leader of climate change management or Climate Disclosure Leadership Index for the second consecutive year.</p>	<p>Responsible Environmental Management/ Supply Chain Management/ Driving Shared Value</p>

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18. The COP describes partnerships and collective action	PTTGC encourages strong relationships and collaboration with representatives from the community, educational institutions, official authorities and suppliers as well as business partners. PTTGC supports and coordinates the development of various projects and activities, no matter whether they are in terms of exchanging knowledge, research collaboration, volunteering or participating in projects as the industry leader. PTTGC and companies in the PTTGC Group commit to build allies both in terms of business and as a part of society in order to enhance the efficiency of PTTGC's sustainable business operations.	Materiality Assessment/ Innovation and Products/ Update on Oil Spill/ Driving Shared Value
Corporate sustainability governance and leadership		
19. The COP describes CEO commitment and leadership	PTTGC provides "President & CEO Statement" in Sustainability Reports and Annual Reports on an annual basis.	President and CEO Statement
20. The COP describes Board adoption and oversight	<p>PTTGC's management structure and Committees take responsibility to govern and manage PTTGC for sustainability in accordance with the United Nations Global Compact Principles. The persons who assume Board of Director positions are required to have specific qualifications, roles, duties and responsibilities appropriate to PTTGC's size and business conditions.</p> <p>Furthermore, PTTGC determines to have four specific committees including the Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee, and Risk Management Committee responsible for evaluating all essential specific tasks that cover all dimensions.</p>	Management Excellence/ www.pttgcgroup.com
21. The COP describes stakeholder engagement	<p>PTTGC divides stakeholders into eight separate groups. The list of stakeholder groups, stakeholder engagement procedures and performance of the procedures are provided in the 'Materiality Assessment' section of the Sustainability Development reports and in PTTGC's website.</p> <p>The operational performance in relation with stakeholder engagement is reported to the Corporate Governance Committee meeting on a quarterly basis.</p>	Materiality Assessment/ Sustainability Foundation www.pttgcgroup.com