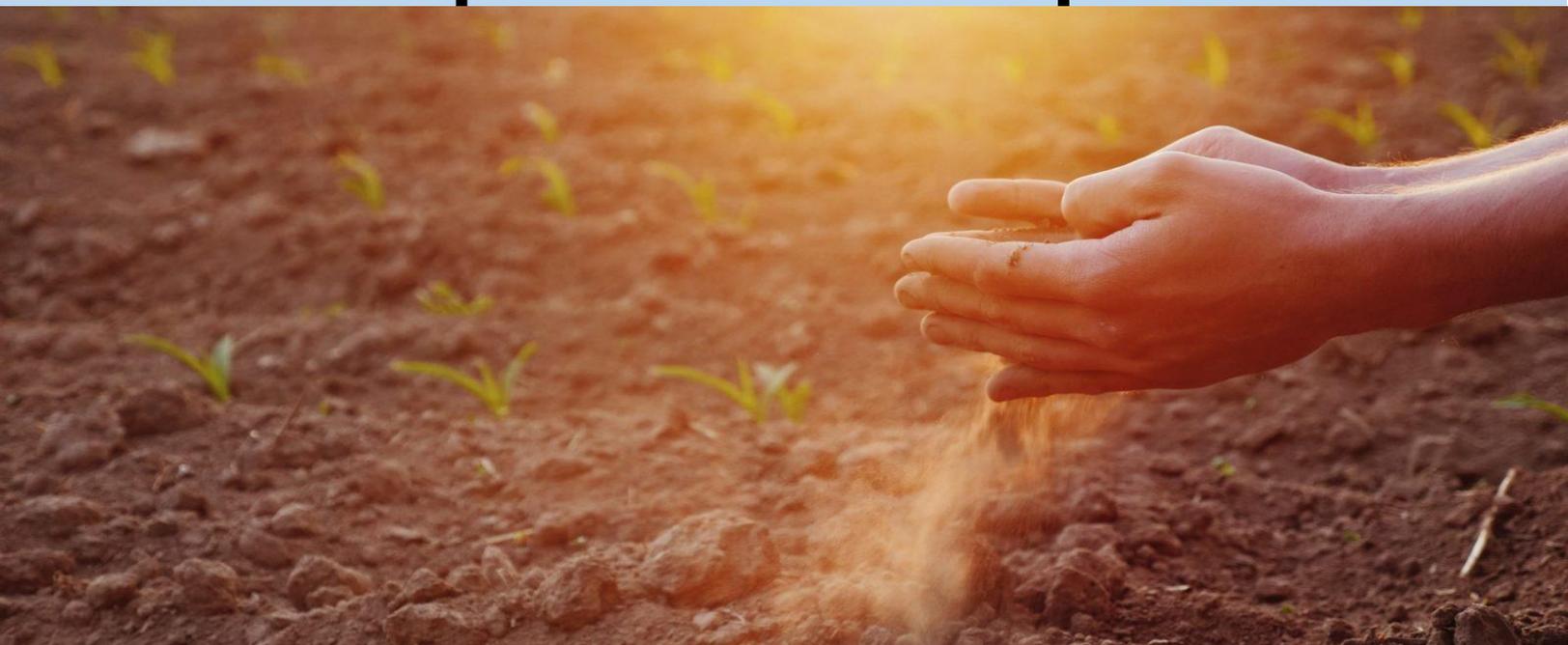


2019



PTTEP: Corporate with Purpose

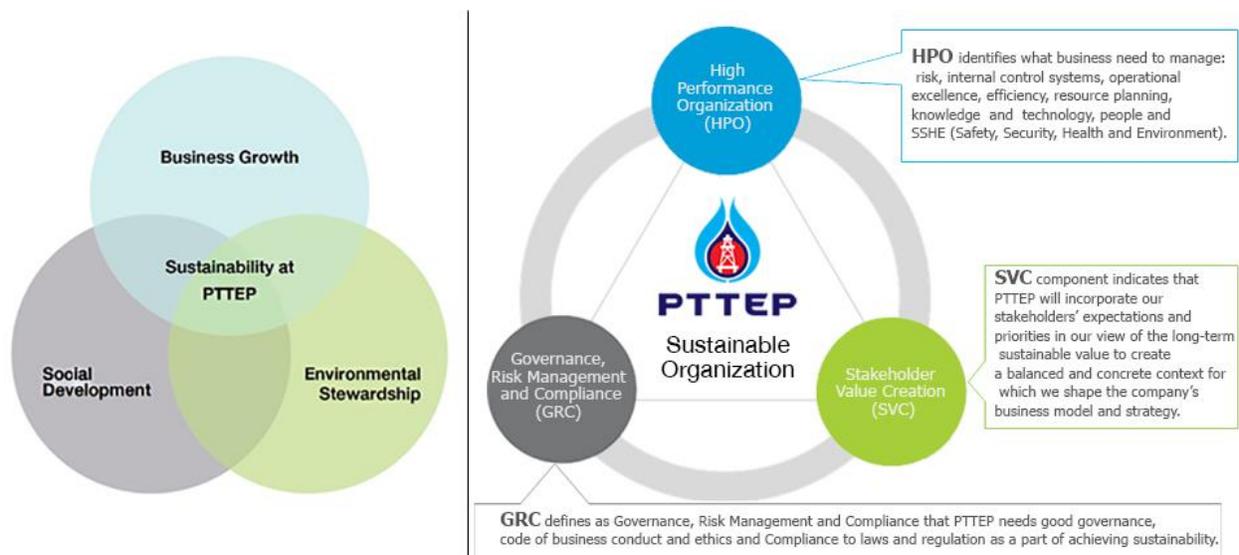


In the 21st century, corporate social responsibility movements are severed and created a broad impact. There are continuing limited consequences of the ability to manage problems caused to society. It has accumulated during the development of the previous century that have damaged to environmental resources, failure to solve problems.

Poverty in both urban and rural areas, including the erosion of social conscience, is leading to proposals to cope with these challenges. The concept "Sustainable development" leads to the developing of new ideas, guidelines, and methodologies of management as corporate governance and corporate social responsibility which are essential in management process.

PTT Exploration and Production Public Company Limited or PTTEP is a state-owned enterprise in Thailand which engages in oil and gas exploration and production business. It aims to procure energy from both domestically and internationally as a resource for economic development. Including with mutual awareness of living harmony in community and society in accordance with sustainable development.

According to its announcement on corporate website, PTTEP contribution to sustainable development is founded upon securing energy reserves to source and consumption for future generations. Its sustainability challenge is to achieve this corporate objective in a manner that demonstrates a wider benefit to society along the way, manages and interacts with the wider economy, wider society and the environment.



It has established Sustainable Development Framework that is structured on the three strategic objectives of Business Growth, Environmental Stewardship and Social Development to achieve the goal of

sustainability. The vision of PTTEP defines what it wants to achieve in terms of corporate sustainability, that is “Energy Partner of Choice through competitive performance and innovation for long-term value creation”. Therefore, sustainability at PTTEP consists of two dimensions: Business Sustainability and Organization Sustainability as illustrated by the above pictures.

The three main components in PTTEP "Organization Sustainability Model" to drive PTTEP towards sustainability include High Performance Organization (HPO), Governance, Risk Management and Compliance (GRC) and Stakeholder Value Creation (SVC). Balancing all of those key components is how PTTEP could achieve Organization Sustainability.

The Progress Of The Transformation Into Practice AND CASE STUDIES

In order to work in accordance with the dimension of driving long-term Stakeholder Value Creation (SVC), PTTEP has improved the activities / social projects including their works based on social responsibility in various operation areas both at home and abroad. It had previously worked to support the community like philanthropy-based by summarizing the results of operations to evaluate the output (outputs) and results (outcomes) that affected the community problems in its operation area together with and corporate social responsibility projects. Besides, the company is searching for new ways to expand the Stakeholder Value Creation (SVC) further in society and community.

Based on PTTEP activities and social projects that are conducted in Thailand whether in Songkhla, Kamphaeng Phet, Udon Thani and Khon Kaen, are in accordance with the measures of better quality of life in its operating areas. The measurements are also according to environmental impact and community quality support both social self-reliance according to the philosophy of sufficiency economy in economic management. It is a joint operation with alliances, government agencies and civil society networks with the following details.

1. School-Based Integrated Rural Development



PTTEP has participated in the public school project. The project is developed according to government policy aimed to build education with co-operation between sectors, the public, private, and civil society. The implementation of this project for PTTEP, as a private organization will support various school activities.

The project consists of (1) the STEM study program that brings 4 knowledge fields, namely Science, Technology, Engineering and Mathematics to be integrated for use in daily life and work. (2) Moral Skills Training Program. (3) Self-Sufficiency Career Project according to the Sufficiency Economy Philosophy. It's provided "Learning Center" for various livelihoods, such as growing vegetables, growing rice, raising fish, raising chickens, raising frogs, etc.

This is a simple production business that students can implement by themselves. Responsibility in work is a process of learning about management and working together as a group on the other side as well.

Activities/projects has promoted simple production skills in PTTEP operating area of Sukhothai, Kamphaeng Phet and Phitsanulok. PTTEP has also worked with the Mechai Viravaidya Foundation in further work of self-reliance projects. This is a project to improve quality of life and income with a school-centered for community. School-Based Integrated Rural Development (School-BIRD) is a career initiative for students and interested communities. Both established as a "fund" to lend money to members for starting their own business.

2. The Crab Hatchery Learning Center

In 2013, PTTEP has collaborated with community leaders to gather "Local Fishery Saving Group P.Supanan "and" Institute of Coastal Aquaculture: NICA), an agency under the Department of Fisheries, Ministry of Agriculture and Agricultural Cooperatives to initiate the hatchery of crab breeding resources. The "Crab Hatchery Learning Center" has been set up at Moo 1, Hua Khao Subdistrict, Singhanakorn District, Songkhla Province. It is a fishing area for residents and is the location of PTTEPoperating base. Apart from community support, this collaboration is initiated to support PTTEP's petroleum development in the Gulf of Thailand.



Members of the local fishery savings group Por Sapanan Consisting of 200 fishermen who are engaged in catching crabs, 60 percent of them are in Singhanakhon district. The rest are people in Ranot, Muang and Thepha, the districts in the seaside area of Songkhla Province, joint areas or related to PTTEP's exploration and drilling business operations. Their fishing area is about 20-25 miles away from the sea coast, nearby the center of the petroleum production platform of PTTEP.

This group of fishermen used to have conflicts regarding fishing area with commercial fishing company. The group's member felt that big fishery boat snatched crabs and fishes from their regular fishing area and caused the decline of crabs in the sea. The local fishery group collaborated with local NGOs to demonstrate and petition to the Commercial Fishing Boat operators, including PTTEP to compensate the damage to their occupations.

The Crab Hatchery Learning Center is initiated and resulted the combining skills, knowledges and experiences from NICA research, real-life experiences, observations and experiments of fishermen members and support of technology and funding from PTTEP. Resulting in more crabs at the coastal areas and being able to capture more crabs than in the past. They catch about 300 – 600 kilograms per day per ship (100% increase).

The success of the Crab Hatchery Learning Center leads to the excitement to request support for further implementation of the project from the neighborhood. Both in Songkhla Nakhon Si Thammarat, Phatthalung and Pattani. Recently a total of 24 communities (networks) have study visit to the center. Approximately 10,000 conservationists, students, scholars, and the general public each year, including the "Asian Coastal Resources Institute - Foundation: CORIN - ASIA) used as an example of the transfer of knowledge to improve the quality of life of coastal people in ASEAN countries. Meanwhile PTTEP has additional project to elevate a Crab Hatchery Learning Center as a learning center that also serve as local restaurant with accommodation. This is the further preparation to support the needs of other communities that interested in enhancing this project to be Social Enterprise.

3. Changing waste into energy, biogas in the household

In 2013, PTTEP initiated a project to support community work in the Sinphuhorm project area at Ban Thap Hai, Saeng Sawang District, Nong Saeng District, Udon Thani Province. Allowing the community to rely on themselves from waste management. "Dung smell" from small pig farms in the community and "food waste" are turned to fermentation in ponds to produce biogas for household use and produce organic fertilizer.

This waste-to-energy project is started from PTTEP's working closely with community leaders, village headmen, members of the sub-district administration organization and teachers, to arrange a demonstration

center to use raw materials from pig manure and food waste. Fermented in a fermentation pond to produce biogas instead of LPG. There are demonstration center and 2 learning centers at Ban Thap Hai Temple and Ban Thap Hai School. Members in this project are co-operation with 130 households, which are 79 households that feed pigs (Ban Thap Hai has 279 households at the end of the August 2019). PTTEP supports biogas installing equipment that costs about 50,000 baht per household.



The biogas system in the household uses ten sacks (600 kilograms) of pig manure to be fermented in a cement pond that is dug into a 1-meter deep hole, 1.5 meters wide and 4 meters long, with PE sheet covering. A cement pond for pig manure, food waste should be filled one time a day. The system from the gas wells will be connected to the burner. A stove for households will receive 2-3 cubic meters of gas

a day, which is enough for food cooking in each family.

Production of biogas used in the household is able to replace the cost of LPG purchase about 1.5 cylinders per month. PTTEP has helped members of the community save money by spending 600 baht per month. Estimated of 2.7% of the household expenditure. (Calculated from the household expenditure of Udon Thani Province - National Statistics Office number 22,535 baht/month). Estimated proportion cost is equal to monthly expenses related to work according to rituals and entertainment activities combined.

On the other side, operations in this project will replace the community official budget in waste management of the Tambon Administrative Organization Management in order to solving dung smell in the community.

With the success of this project, there are additional demands from other household members who did not participate in the project from the beginning. They are submitting requests to participate in this project and get supports from PTTEP. The company has planned to expand the membership by 30 more per year. Forming "Community Enterprise" to provide biogas systems for restaurants and restaurants (including hotels / Small resort in the city) is also recommended for the community technicians. At the same time, PTTEP has brought this project with community technicians to share the best practices to other communities in the operating areas of PTTEP, both domestic and international. To ensure that the all communities in its operating areas will learn to become self-reliant.