

Risk Management





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Risk Management Process Overview



Risk Management Framework >> The company's structured Enterprise Risk Management framework is conducted on an annual basis, integrated across all business units through 4 steps:

- 1. Risk Identification** Scanning risk signal from internal/external factors, ESG trends, stakeholder expectations, black swan events, and relevant laws
- 2. Risk Assessment** Evaluating risk levels based on Likelihood and Impact, prioritizing exposures into the corporate Risk Map.
- 3. Risk Mitigation** Formulating concrete response plans to manage and reduce risk levels within the corporate risk appetite.
- 4. Monitoring & Reporting** Tracking results and reporting to the Enterprise Risk Management Steering and Risk Management Committee.

Enterprise Risk Management Integration

For the Company's risk management process, risk identification is conducted to assess factors with ongoing organizational impacts. PTG analyzes both internal and external contexts, stakeholder needs and expectations, and relevant laws or regulations to formulate a concrete, organization-wide risk management plan. This framework aims to mitigate risks within the corporate risk appetite and build stakeholder confidence by ensuring business continuity amidst potential changes. Furthermore, monitoring and reporting on enterprise and department-level risks are consistently submitted to the Enterprise Risk Management Working Group and the Risk Management Committee to sustainably drive and achieve the organization's short- and long-term goals and objectives.





1.1

Risk Appetite & Tolerance Framework

➤ Description of risk appetite or risk tolerance levels for at least two risk categories/ types

Risk Categories	Risk Appetite
Strategic Risk 	The company has a process for determining corporate strategies that are consistent with the vision and company goals. The company considers risks in putting strategies into appropriate practice, to be able to manage risks that may affect operations according to corporate strategy and reduce damages that may result from strategic risks and drive the company's performance to effectively achieve the goals set.
Financial Risk 	The company has managed risks that may affect financial performance, keep it at a level acceptable to the company and consistent with the company's financial goals, finding new business opportunities. Business operations are conducted with appropriate consideration of returns to stakeholders. The company has managed financial risk and investment risks so that returns on investment are as expected and the company's performance achieve a sustainable growth.
Operational Risk 	The company does not accept risks that affect the operations of important transactions of the company and affecting cyber security, which may result in the company being unable to continuously run the business. The company does not accept risks that affect the safety of employees, customers and all groups of stakeholders. The company focuses on continuous business operations. It does not cause a severe impact on the company's core business.
Compliance Risk 	The company focus on compliance with all relevant policies, laws, rules and regulations to make sure that its operations are accurate, reliable and transparent to all parties. The operations according to the principles of good corporate governance to promote transparent operations, anti-corruption and achieve in complying with related rules and regulations.

The company has determined risk appetite levels for use in risk assessment and management. Any risks that have been assessed are found to be it may affect the company beyond the risk appetite levels. The company assign to the department that the risk owner prepare a risk mitigation plan.

1.2

Prioritizing Risks : Methodology & Scale



Risk Map			Likelihood				
			Very Low	Low	Medium	High	Very High
			1	2	3	4	5
Impact	Very High	5	5	10	15	20	25
	High	4	4	8	12	16	20
	Medium	3	3	6	9	12	15
	Low	2	2	4	6	8	10
	Very Low	1	1	2	3	4	5

The company will assess the risk level in order to prioritize risks. The prioritization of risks is the basis for considering and selecting methods to respond risks. Calculating the risk level by multiplying the scores between the likelihood of occurrence and the impact in order to prioritize and use in deciding which risks should be mitigating with first.

$$\text{Risk Score} = \text{Likelihood} \times \text{Impact}$$

➤ **Risk Mapping & Prioritization** Assessed risks are mapped into 4 distinct matrix zones to drive mitigation focus

- **Red Zone (Very High):** Managed and mitigated with the highest priority.
- **Orange Zone (High):** Addressed sequentially following the red zone.
- **Yellow Zone (Medium):** Monitored with standard management controls.
- **Green Zone (Low):** Maintained within acceptable corporate levels.

Risks can be prioritized by managing risks in the red zone or the very high zone first. Then descend in order the risk is in the orange zone and yellow zone, respectively.





1.2 Prioritizing Risks : Methodology & Scale

Risk Map			Likelihood				
			Very Low	Low	Medium	High	Very High
			1	2	3	4	5
Impact	Very High	5	5	10	15	R1 20	25
	High	4	4	8	R2 12	16	20
	Medium	3	3	6	R2 9	R1 12	15
	Low	2	2	4	6	8	10
	Very Low	1	1	2	3	4	5

- R1** Risk from oil price volatility (before mitigation plan)
- R2** Cyber Security Risk (before mitigation plan)
- R_** Risk level after mitigation plan

EXAMPLE :

When assessing the level of likelihood and impact of Risk from oil price volatility (**R1**), the risk level is in the red zone (Very High ●) and assessing the level of likelihood and impact of Cyber security risk (**R2**), the risk level is in the orange zone (High ●).

When prioritizing Risk from oil price volatility should be managed ahead of Cyber security risk.

However, after the risk has been managed by a mitigation plan. The level of risk is reduced.





1.3

Description of mitigating actions for at least two risks identified.

1. Cyber Security Risk



Cybersecurity threats are becoming increasingly prevalent and sophisticated, posing significant risks to the security of the Company's information systems. This represents a critical factor that may materially impact the continuity of the Company's business operations. If such cyber threats occur and the Company's preventive and mitigation measures are insufficient, they may cause substantial damage to operations, information systems, and the Company's assets. In addition, such incidents may adversely affect the Company's reputation, credibility, and stakeholder confidence, as well as result in financial impacts that could affect the Company's capital management.

Mitigation Plans

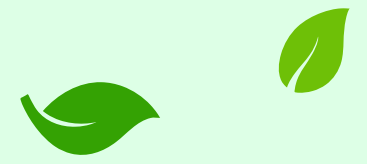
- 🛡️ The Company has established an Information Technology Security Policy (IT Security Policy), which is regularly reviewed and updated to ensure its relevance and effectiveness.
- 🛡️ The Company implements risk management practices to mitigate the impact of cybersecurity threats by adopting preventive measures and enhancing IT security controls across its systems. In addition, cybersecurity awareness is promoted among employees at all levels.
- 🛡️ The Company conducts penetration testing on its critical systems to prevent cyberattacks. This approach enables the identification of vulnerabilities and potential access points, allowing the Company to assess system risks and implement corrective actions to close identified gaps. Such testing is conducted on a regular basis as part of the Company's cybersecurity measures.
- 🛡️ The Company continuously enhances the effectiveness of its antivirus programs to strengthen monitoring capabilities and provide more comprehensive protection against cybersecurity threats.
- 🛡️ Cybersecurity awareness is promoted through internal communication channels and initiatives such as PTG Technology Day, where external experts are invited to provide training and knowledge sharing sessions to employees at all levels.
- 🛡️ The Company has established an IT Disaster Recovery Plan (DRP) and conducts regular testing, particularly in relation to cybersecurity scenarios, to ensure business continuity and minimize disruptions in the event of cyber incidents. The plan is also periodically reviewed and updated to align with current risk conditions.



1.3

Description of mitigating actions for at least two risks identified.

2. Environmental Risk



The Company’s business operations may involve activities that impact the environment and contribute to greenhouse gas (GHG) emissions, which may in turn contribute to global warming. These include, for example, operations at oil depots and fuel transportation activities that generate carbon dioxide emissions. The Company therefore places strong emphasis on minimizing environmental impacts by focusing on the reduction of carbon dioxide and greenhouse gas emissions, reducing energy consumption across its operations, and continuously improving energy efficiency throughout its business processes.

Mitigations

- 🌍 The Company is committed to reducing greenhouse gas (GHG) emissions to mitigate climate change impacts. A climate change management strategy has been established in alignment with the national energy plan and the country’s clean energy targets, with a corporate goal of achieving carbon neutrality by 2030.
- 🌍 Solar rooftop projects have been implemented at 138 stations to support clean energy use, reduce electricity costs and GHG emissions, and contribute to the Company's electricity reduction target. All projects have been registered under Thailand’s Voluntary Emission Reduction Program (T-VER).
- 🌍 Implemented an integrated palm oil project to promote the use of renewable energy and support the idea of operating an environmentally-friendly business.
- 🌍 Climate-related risks are assessed in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework and integrated into the Company’s enterprise risk management processes.
- 🌍 The Company invests in waste management and clean energy businesses, including refuse-derived fuel (RDF) production, waste-to-energy power plants, and organic waste treatment for oil improvement products.
- 🌍 The Company has implemented a sustainable rice cultivation project, which has been registered under the Premium T-VER program, to generate carbon credits and reduce environmental impacts.
- 🌍 The Company invests in and promotes initiatives that support GHG emission reduction, including EV charging stations in collaboration with EGAT , biodiesel use in transportation fleets, waste segregation and recycling, sustainable agriculture and coffee development, and mangrove reforestation projects for carbon credit generation.

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Has the risk management department been audited by an external auditor?



Risk management department has been audited to ensure its operations comply with the operating manual by Internal Audit, and its activities are monitored according to the requirements and standards of ISO9001 by the Quality System Assurance and Management Division. Additionally, it is also audited by External Auditor, PricewaterhouseCoopers Consulting (Thailand) Ltd. (PwC), which conducts regular audits of the company's risk management operations as part of the annual financial statement audit.