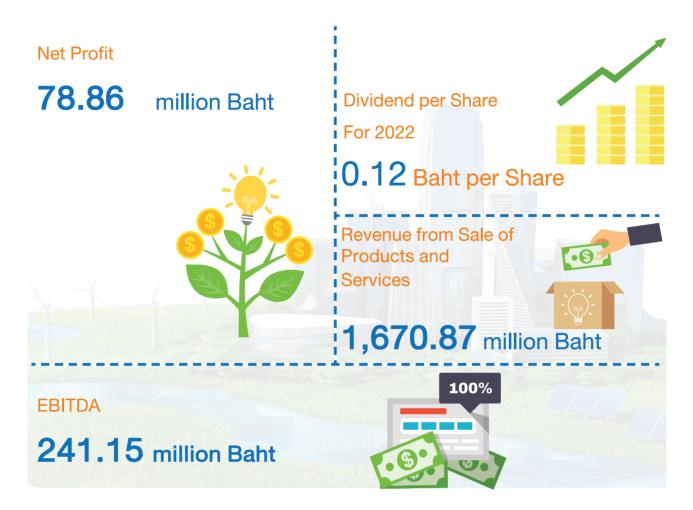
# **Economic Growth (Product)**



### Revenues and Expenses (Disclosure 201-1)

In 2022, UAC Group's main revenue from sale of products and services was increased 204.61 million Baht, or about 13.95% when compared with the same period of the previous year due to the increase of revenue in Trading Business group, manufacturing of energy and petroleum and manufacturing – chemical business groups. The profit in part of the parent company was decreased by 167.95 million Baht or 68.05% when compared with the same period of the previous year. It was as the result of additional cost and the decreased profit sharing from the associated company.

Selling and administrative expenses increased by 42.16 million baht or 19.97 percent comparing to the same period last year. It was mainly due to expenses of large companies. As for financial expenses, an increase of 2.83 million baht or 5.81 percent comparing to the same period last year from long-term loan liabilities. and corporate income tax expense equal to 9.24 million baht.

# **Innovation and Investment**

UAC Group has always given importance to the promotion and development of corporate innovation in collaboration with business partners in research, innovation, and technology development to add value to products and services. This would encourage businesses to achieve their goals and grow together according to the sustainable development framework in terms of economy, social and environment. It also used Kaizen small group activities to promote and develop innovation within the organization so that all employees could brainstorm ideas and presented new ideas which was beneficial to the UAC group. It has been done for the third consecutive year about the development and new project investment continually by focusing on Energy efficiency, circular economy, and green Energy & products such as:

• Investing in the RDF3 fuel plant project from municipal waste under Vientiane Waste Management Co., Ltd. (VWM), located in Vientiane. Lao People's Democratic Republic (Lao PDR) to be sold to SCG Group's cement plant in Khammouane subdistrict to be used as a fuel to replace coal with a capacity of 120 tons per day. Expected to start commercial operation within the second guarter of 2023.







- Investing in installing a charging station for electric vehicles under UAC Energy Co., Ltd., 1 station, totaling 5 dispensing points, in cooperation with the Electricity Generating Authority of Thailand (EGAT) by using COSTEL brand electric chargers. and the EleX by EGAT brand located in the parking area Eastern Economic Corridor of Innovation (EECi) headquarters building inside Wang Chan Valley Wang Chan District, Rayong Province.
- Investing in the installation of electric charging stations for electric vehicles under the brand SUPER FAST under a joint venture company. "PPWE" (PPWE), 2 stations, including 6 dispensing nozzles, located in Caltex gas stations in the area of Non-Sung District Nakhon Ratchasima Province which manages the station by EGAT's "BackEN" system and the station users could be easily used through the application "EleXA".





# **Corporate Governance and Anti-Corruption**

### Good Corporate Governance

The Company always gave precedence to the good corporate governance, which was regarded as the foundation of business operation for transparency and verifiability to be trusted by all related parties, resulting in the sustainable growth. Therefore, the Company had established the good corporate governance policy, and distributed the practice toward the Company's directors, management, and employees at all levels. The Board of Directors set up the sub-committees, such as, Audit Committee, Executive Committee, Risk Management Committee, Nomination and Remuneration Committee, and Corporate Governance Committee, to perform the duties in considering, supervising, monitoring, and reporting the performance in different areas to the Board of Directors to ensure that the Company's operations were in line with the Corporate Governance Code.

#### **Board of Directors**

The Board of Directors consisted of total 7 directors who were 4 independent directors over half of total directors in accordance with the Corporate Governance Code, and 1 female and 1 executive director. The Corporate Governance Committee consisted of total 3 committee members who were 2 independent directors and 1 executive director. The Corporate Governance Committee had duty to establish the corporate governance policy to be standard and consistented with the rules, regulations, and practices prescribed by the Office of the Securities and Exchange Commission (SEC), Stock Exchange of Thailand, Thai Institute of Directors (IOD), and other relevant laws, and schedule to hold the meeting for at least once a year in order to regularly monitor the consideration, review, and update result of the corporate governance policy, and publicize "Corporate Governance Policy" (corporate-governance-policy-th.pdf (uac.co.th), and "Corporate Governance Report" (corporate-governance-report-th.pdf (uac.co.th)) on the Company's website.

For the efficient corporate governance of the Board of Directors, the Company had determined to yearly assess the performance of the Board of Directors and Sub-Committees both in type of the individual Board/Committee and individual person basis. In 2022, three types of the Board/Sub-Committee assessment results were as follows.



# **Operating Results for 2022**

Assessment result of Good Corporate Test Governance by SET and IOD

at 93% in excellent level



Test result of post-code of conduct training

Average scores of **17.44** scores (20 full scores)

Quality Assessment result of holding the Annual General Meeting of Shareholders by Thai Investors Association at **100%** 



# **Business Code of Conduct**

The Company estimated the key principle of practice on business ethics, which was deemed as key basis in reinforcement and upgraded of good corporate governance as the crucial foundation of security and sustainable growth, and as the thing that supports the organization's ability to attain the defined goal under two key basic concepts as follows.

- 1. Development and creation of kindness basis of the organizational personnel
- 2. Development and creation of good environment that is the availability of good, transparent, and explicable system and supervision, and generation of fairness to all related parties.

Thus, the Company deemed appropriate to establish Business Code of Conduct and Employee Code of Conduct for adopting and publicizing to the directors, management, and employees as the practical guideline to declare the intention of transparent and moral business operation, and took responsibility on stakeholders, concerned on society and environment. This Code of Conduct reflected the value and practice of all employees that should conduct oneself and operate in accordance with the defined Framework of Code of Conduct without any exceptions. In 2021, the Company communicated inside the organization in various forms, and organized online trainings for all employees, as well as conduct post-training tests. The test result for measuring the knowledge and understanding on Business Code of Conduct, and Employee Code of Conduct had average scores at 17.44 scores from 20 full scores.

## Anti-Corruption

The Company realized and emphasized on anti-corruption by determining internal process for transparency of treatment both to the internal and external stakeholders, and verifiability, and prescribing and promulgating "Anti-Corruption Policy" and "Fraud protection policy" within the organization, and publicizing to all organizational levels from the directors, management, and employees in order to ensure that everyone was aware of the significance of the moral, transparent, and accountable business operation, and prevent corruption with all business activities of the UAC Group.

The Board of Directors entrusted the Audit Committee consisting of total 3 committee members who were determined to be 3 independent directors to perform the duty to review the internal control system and internal audit system to have adequate, appropriate, and efficient control process and system. The Audit Committee independently and carefully performed its duties pursuant to the scope of the entrusted authority that was consistent with the requirements of the Stock Exchange of Thailand and the Corporate Governance Code. The Audit Committee had hired El Business Advisory Co., Ltd. to perform the duty as the auditor of internal control system of the Company to audit once a quarter, and directly report to the Audit Committee. In 2022, total of 4 Audit Committee's Meetings were held to report the internal control system audit result, monitoring and assessment result.

### Communication and Anti-Corruption Support Activities

• Publicized the anti-corruption policy and the fraud protection policy for all organizational employees for acknowledgement by email, and post within the area of the Company and the plant, as well as publicizeon the Company's website.

Anti-Corruption Policy : anti-corruption-policy-th.pdf (uac.co.th) Fraud Protection Policy : fraud-protection-policy-th.pdf (uac.co.th)



- Organized the employee trainings in various channels, for instance, new employee orientation before working commencement, management and employee meeting activity, management meeting, etc. to properly realize, understand, and observe.
- Participated as the member of PACT (Partnership Against Corruption for Thailand) Network in order counter fraud for Thailand, being organized by Thaipat Institute, and supported by the Office of the Securities and Exchange Commission (SEC); and deliver the representative to yearly participate in the "Anti-Corruption Day" Activity. However, in 2022, the said activity organizing was suspended due to the COVID-19 pandemic situation.
- Provided the channels of complaint or whistleblowing or suggestion to the Board of Directors through the Chairman of the Audit Committee about breach of laws, correctness of financial reporting, internal control system or breach of code of conduct by both internal and external stakeholders. In 2022, the Company did not receive whistle blowing, and complaints both from internal and external stakeholders at all, and directly reported to the Audit Committee and the Board of Directors for acknowledgement.

# For Complaint or Whistleblowing Channels are as follows.

Telephone:	0-2936-1701
Website:	www.uac.co.th
Letter:	The Chairman of the Audit Committee
	UAC Global Public Company Limited
	1, TP&T Tower, 19th Floor, Soi Vibhavadirangsit 19,
	Vibhavadirangsit Road, Chatuchak, Bangkok 10900
Email:	chairman_auditcom@uac.co.th



# **Tax Strategy**

The Company had a strong tax governance policy led by the Chief Financial and Accounting Officer, and responsible by the Board of Directors to perform the duty to monitor and controlled the work relating to tax and tax risk. The Audit Committee reviewed the Company's tax strategy, risk, internal control, and governance relating to tax agency. The Company established the tax policy and publicized on the Company's website (www.uac.co.th)

# **Risk & Crisis Management**

The Company applied the risk management framework in accordance with the principle of COSO ERM in the organization to increase the risk management efficiency corresponding to the corporate vision, mission, and strategies for preventing and mitigating the risk impacts that might cause the organizational failure to achieve the goal-based objectives (Disclosure 102-11), and for creating the trust of the stakeholders of all parties. The Company could operate the business under the current continuous and rapidly changed situations, whereas the management and employees at all organizational levels participated in operations in accordance with the standard risk management system together with the corporate strategic and policy planning under the continuous governance by the Risk Management Committee to mutually achieve the business goals. There were reports to the Risk Management Committee four times a year about the summary of risk management performance and risk information and those would be submitted to the Board of Directors as well.

In 2022, according to the COVID-19 pandemic condition and situation since last year, the Company had monitored andfollowed up the overall impacts for controlling the risk management in the acceptable level and prepared the supporting plan for the said contingent impacts. In overview, UAC Group could well manage the risks. The Company had set and classified the risk management framework into the following: 1) Enterprise Risk Management, 2) Investment Project Risk Management, and 3) Business Continuity Management.

Risk Issue	Risk Abatement Management Guideline
Income growth	<ul><li>Set KPI goals and distributed to achieve the target each year.</li><li>New investments.</li><li>Put more operation efficiency.</li></ul>
Unbalance of port income	<ul><li>More investment as in KPI.</li><li>More new investments.</li><li>Put more Operation efficiency.</li></ul>
The success of new investment	<ul><li>More investment as in KPI.</li><li>Set up Investment Committee.</li><li>Set up Venture Capital (VC) working group.</li></ul>
The success of M&A	<ul><li>More investment as in KPI.</li><li>Set up investment Committee.</li><li>Set up Venture Capital (VC) working group.</li></ul>
The success of project in abroad	<ul><li>More investment as in KPI .</li><li>Set up Investment Committee.</li><li>Set up Venture Capital (VC) working group.</li></ul>
The success of projects that have already been invested	<ul> <li>Feasibility study with existed plant comparison/benchmark.</li> <li>Invest in projects with reliable information and skill.</li> </ul>

### **1. Enterprise Risk Management** In 2022, the company assessed the key risks as follows.

# Economic Risk

Risk Issue	Risk Abatement Management Guideline
Global economic recession risk	<ul> <li>Continuously and closely manage the change and monitor the global economic situation and government sector policies.</li> <li>Postpone and reduce the unessential expenses.</li> <li>Review the investment policy and goal to be suitable and consistent with the current situation.</li> </ul>
Exchange rate fluctuation risk	<ul> <li>Enter Currency Forward Contract.</li> <li>Closely monitor the trend and situation of money market.</li> <li>Establish the practice for preventing the foreign exchange fluctuation.</li> </ul>

# **Operational Risk**

Risk Issue	Risk Abatement Management Guideline
Raw material inadequacy risk	<ul> <li>Supply other the alternative raw materials as substitute.</li> <li>Enter into the long-term purchase-sale contract with the deliverer.</li> </ul>
Critical machinery operation failure risk	<ul> <li>Maintain the machineries on the determined plan.</li> <li>Supply and stock the Critical Spare Parts in order to reduce waiting period.</li> <li>Operate and control machineries in accordance with the SOP Principle.</li> </ul>

## **Environmental Risk**

Risk Issue	Risk Abatement Management Guideline
Risk from global warming, for instance, drought, storm, flood, fire, and earthquake	<ul> <li>Business Continuity Plan supports the business operation that may be interrupted.</li> <li>Make All Risks Insurance and Business Interruption (BI) Insurance.</li> </ul>

# Social Risk

Risk Issue	Risk Abatement Management Guideline
Community Complaints Risk	<ul> <li>Comply with the EIA measure and environmental management standard system.</li> <li>Prepare meeting plan, develop and promote the continuous community promotion and development activities.</li> </ul>

## **Compliance Risk**

Risk Issue	Risk Abatement Management Guideline
The risk of non-compliance with the law	<ul><li>Follow up with the law and related rules.</li><li>Evaluate and review the law at least once a year</li></ul>

## **Emerging Risk**

Risk Issue	Risk Abatement Management Guideline
Continuous COVID-19 pandemic risk	<ul> <li>Assess the impact and formulate the risk prevention and abatement measures to control the pandemic.</li> <li>Regularly rehearse the business continuity management plan to cope with the unexpected situation.</li> </ul>
Cyber threat risk	<ul> <li>Apply the necessary technology in work process.</li> <li>IT Unit performs the duty to follow up, plan, monitor, and supply the hedging instrument for cyber threat risk.</li> <li>Build awareness and penetratively recognize the cyber threat for the employees.</li> </ul>
Human resource management risk for future growth support	<ul> <li>Determine the direction of human resource development to be consistent with the business strategies.</li> <li>Enhance skills and opportunity of career progress by learning and exchanging among the employees in the group.</li> <li>Enhance the employee engagement.</li> </ul>

# 2. Investment Project Risk Management

The Company determined that all investment projects should clearly and systematically analyze the risks ineach period of project implementation as follows.

- Feasibility Phase Risk
- Construction Phase Risk
- Operation Phase Risk including operational, financial and tax risks pursuant to the policy of the invested country, and exchange rate risks.
- Natural Disaster Risk

However, the Risk Management Working Group analyzed and assessed the risk and determines that all investment projects should be approved by the Risk Management Committee.

# 3. Business Continuity Management (BCM)

The Company prepared the Business Continuity Management (BCM) Manual to be used as the guideline for managing to support the critical events that might affect the Company's business operations. The Company systematically operated , organized the trainings in management, manager, and supervisory levels to have knowledge and understood the said matter, and encouraged the awareness on participation in carrying out the said matter.

In 2022, from COVID 19 situation, the Company had been prepared to cope with the pandemic through the rehearsal of emergency plan to be prepared for the contingent situations, adjustment of crisis management plan to be appropriated and consistent with the current situation, and adoption of the pandemic disease control measure, social distancing as determined by the government sector. In addition, the Company had assessed the situation and prepared the operating guidelines in various areas.

**Safety**: The Company promoted the compliance with the plan and practice on pandemic control situation by highly emphasizing on the safety of the employees, customers, and related parties, preparedness of information technology system for working from home, alternation of the days to come to work at the office as necessary, preparation of alcohol-based hand gel at every crucial point in the office and plant, preparation of masks and rubber gloves, including hourly cleaning of gateway, preparation of vaccines for the employees in case of inadequacy of vaccines.

Marketing: The Company adjusted the sale and marketing plan based on the situation and encouraged the salesperson to apply the online meeting technology and following up the works with the customers.

**Finance:** The Company was ready to handle and audit the liquidiy on a regular basis and reduced expenses and investment funds.

**Continuous Business Operation**: According to the assessment of the COVID-19 pandemic situation impact, the Company had adjusted the production , marketing plans, and reduced expenses and investment funds to be suitable for the situation and set up the Venture Capital (VC) Working Group for the employee brainstorming to invent and extend the new business to support the change of business.

## 4. Promotion and Creation of Enterprise Risk Management Culture

The Company aimed at regularly reinforcing the risk management culture to be arisen in enterprise-wide at all levels. Therefore, the Company had prepared the risk management culture creation guidelines and adhered for observance in enterprise wide. The said guidelines consist of:

- 1. Risk governance
- 2. Risk management structure
- 3. Risk management
- 4. Risk communication
- 5. Publicity of risk management knowledge

In 2022, from the COVID-19 pandemic situation, the Company organized the in-house trainings on the risk management with online system, through the employee accessed for online study and then did the test after training programs. The employees had to pass the defined score criteria only. If the employees fail, they had to access to study and did the test until passing in accordance with the rules.

# **Change Management**

The company committed and gave priority to the change management in comply with company vision and internally and externally changes. And it would be flexible for modern organization. Be prepared for changes in which the results of operations were as follows.

# Performance in year 2022

Operational Excellence	UAC
• Promoted digital transformation to adjust the work process and targeted to be KPIs in each department to reduce the process and to have efficient fasten work.	<ul> <li>From the Covid -19 situation, the Company allowed staff to work from home and being being Hybrid working that was how challenging of organization and employee.</li> <li>Changed cultural mindset and working style and encouraged staff to do the cross function.</li> <li>Promoted and created a culture of innovation concepts and ways to improve work processes. Including developing a digital system to support various functions.</li> <li>Encouraged teamwork and professionalism through activities and annual operational plans.</li> </ul>

# Supply Chain Management

The supply chain management is deemed as part of the sustainable business operation strategy, contributing to the efficiency of quality, rapid, and timely supply of products or services in the Company's operations, use of the transparent and fair supplier risk management and procurement, support the adoption of the principle of good governance, anti-corruption, labour care, and environmental and social safety. The company's supply chain management was divided into 2 main areas as follows:

- 1. The efficiency of Supply Chain Management
- 2. Sustainable Supply Chain Management by taking social sustainable development Environment and Governance (Environment, Social and Governance or ESG) to be guideline of integrated working process.

## Strategies for 2022

- Promoted the knowledge and understanding, develop the procurement process of the Company Group to advance toward the excellent procurement in accordance with the international principle.
- Improved work process by adopting the technology in the process for maximum benefits of the Company both in respect to quality and reduction of cost and expenses.
- Developed the potential of suppliers with compliance with Supplier Code of Conduct, and sustainable development.

## **Operations for 2022**

### 1. Efficient Supply Chain Management

#### 1.1 Strategic Procurement Process Development

#### • Procurement of alternative countries

The Company considered low-cost country sourcing of the goods in type of equipment and spare parts used in the plants, but the quality and standard of goods were maintained to open the opportunity on competition and reduction of sourcing cost of goods.

### Adjustment of internal working process

The Purchasing Unit in collaboration with the related Internal Unit improved working for more efficient and planed the usage of spare parts to be consistent with the actual usage quantity to reduce the inventory quantity. Moreover, the spare parts advance ordering in the plant was help for reducing the fluctuation cost in price, It was Included cooperating with the accounting department to reduce copy papers to set up account debt from the original number of several sets, only 3 left were left: Bill of Loading, Invoice, and Packing List document.

#### Digital Transformation

The Purchasing unit had applied the technology in work process to be consistent with the current situation, for instance, meeting via Microsoft teams, use of Electronic Signature in signing Purchase Orders and Contract, preparation of Online Request Form to reduce the paper consumption and increased working convenience to be workable from anywhere and enhanced more rapid service efficiency.

### **Operating Result for 2022**

- Saving up to 6% of the budget for materials and services procurement in 2022.
- Purchasing materials and services that met the proper Spec and quality 99%.
- User satisfaction surveying results of purchasing were up to 89% in 2022.

#### 1.2 Developing partner relations by organizing seminars with partners.

The company organized a seminar to be a good partnership annually by inviting business partners to share knowledge and their expertise to staff. It was very good feedback for their participation. The results of operations were as follows:

No.	Courses	Operators
1	Freezone warehouse management costing and customs clearance	Business partners / HR online platform
2	Cyber Threat Awareness	Business partners / IT / HR online platform

#### In summary, there were totally two seminars with business partners in 2022 as following:

In 2023, the company plans to continuely building good relationships with partners by exchanging and transferring knowledge for sustainable growth together.

# 2. Sustainable Supply Chain

The Company emphasized and attemptd to focus on operating the sustainable development of supplier group of the Company by applying the Sustainable Supply Chain Management Framework of the UN Global Compact as the operating guideline with the suppliers as follows.

### 2.1 Establishing sustainable practices for Principle, Supplier or Suppliers of

Conduct were prepared by formulating the supplies and service procurement policy for sustainable business development that adheres to the principle of environmental and social operations together with governing and encouraging all suppliers to comply with the said guideline.

### 2.2 Criteria for analyzing and grouping the key suppliers.

#### o Critical Tier 1 Suppliers criteria is as follow.

- High expenses and high risk.
- Raw materials suppliers, goods, and services for main's business process.
- Being the single supplier or few suppliers in the market.
- Being the suppliers that can search for the rare goods and services.

#### o Non-Critical Suppliers criteria is as follow.

- Being medium or low volume trading partners and moderate or low risk.
- Being the goods or services that are generally available in marketplace.
- Being the goods or services that are replaceable.

Type of Suppliers	Number of Suppliers	Proportion of Total Purchase (%)
Main Key Suppliers of the Company (Critical Tier 1 Suppliers) / (Tier 1 Suppliers)	103	85.59%
Secondary Key Suppliers (Non-Critical Suppliers)	168	14.41%

" The company had followed up on the results of the implementation of sustainable practices of business partners / business ethics of business partners. In 2022, there were no complaints and no violations of the business ethics from the group of suppliers".

### 2.3 Suppliers Risk Assessment

After analyzing trading partners, the Company has encouraged the suppliers to comply with the sustainable practices and we followed up on such actions. The analysis process and risk reduction measures were shown as follows:

### Supply Chain Risk Analysis Process

#### • Supplier Risk Management

- o Identify the economic impact.
- o Identify the environmental impact.
- o Identify the social impact.

#### Risk Mitigation Measures

- o Supplier Site visit Planning
- o Internal Audit
- o Correction and Prevention of Recurrence
- o Improvement of Goods and Service Quality

#### Number of Key suppliers participating in the 2022 ESG Assessment



In 2023, the company aims to encourage those suppliers (Critical Tier 1 Suppliers) to participate 100% ESG assessment. Besides this, the company also promoted local procurement, especially purchasing raw materials that were energy crops from farmers which we bought continuously and nonlimit as raw materials for the production in the power plant.

#### Performance for 2022

Procurement	Value (Baht)
Purchasing goods and services (Local)	29.22 million
Purchasing energy raw material (Local)	16.76 million

# Cybersecurity Management

The Company promoted the application of information technology system as the crucial instrument that responded the business operations and expectation of the stakeholders and had the modern and efficient standards used for execution and emphasized on the safety system in conformity to the international standards to ensure the support of the UAC Group's business expansion.

## Data Security Management in accordance with the International Standards

The Company had established and carried out in accordance with the policy and practice for the security of information technology system under the extensive supervision from:

- o Risk assessment of the information technology system, and preparation of risk abatement management plan, counter system and emergency contingency plan in case of Server's failure to operate, provision of availability test, data backup system, and rehearsal of emergency contingency plan and business continuity management plan on a regular basis.
- o Resource management on the properties of information technology system under control of the property and equipment usage and maintenance to be perfect and available, and prevention of unauthorized access of the properties or data.
- o In data confidentiality management, the Company establishes a security measure by controlling the access of data and usage of the information system of the Company based on the necessity and significance, or secret level of data, entry of the written agreement of confidentiality, and non-disclosure of the Company's data to the external agencies.
- o Prevention of cyber threat against the information system both from undesirable intrusion through network system and program that will cause damage to the Company's data, and detection, prevention, and retrieval, as well as creation of awareness to the users on a continuous and regular basis.
- o Organizational communication for creating the awareness and enhancing the efficiency of information technology system usage, whereas IT Unit prepares E Newsletter focusing on the contents relating to the information system, and regularly communicates to create the awareness to the organizational users.
- o Organizing the in-house trainings in the topic relating to cyber threat and the topic of program usage for the organizational users, whereas IT Unit shall yearly carry out and determine for at least 2-3 programs per year and asses the knowledge and understanding test after training.

## Personal Data Management

The Company emphasizesd on the personal data management, where the manual, policy, and practice for the personal data protection had been prepared as the guidelines for storage, usage and disclosure, and/or execution with the personal data for the Company Groupand the affiliated companies, and promulgated the document since 2020, as well as the policy guideline for using cookie on website.

In 2023, the Company had set compliance with the Personal Data Protection Act (PDPA) was one of the key indicators that every organization must implement and monitor.

