



# LEAPING TO ERA OF TRANSFORMATION



## ABOUT THIS REPORT

Prepared under the principles of The International Integrated Reporting Council (IIRC), this integrated report of IRPC approaches internationally accepted report preparation to communicate key business issues as well as issues of interest to stakeholders to enable them to appreciate and access IRPC's data in a more timely way. The report covers economic, social, and environmental performance over the calendar year. Going forward, it is expected that integrated reports will become more and more popular because it is essentially an annual report integrated with sustainability matters, which helps investors leverage data leading to more accurate decision-making. For the integrity of data reported, IRPC has asked Lloyds Register International (Thailand) to review the data concerning business, social, environmental, occupational health, and safety performance outcomes.

### VISION

Leading Integrated Petrochemical Complex  
in Asia by 2020

### MISSION

Operational Excellence  
High Performance Organization  
Corporate Social Responsibility  
Value Creation  
Innovation & Creation of New Business

### VALUES



Individual Ownership	Innovation
Synergy	Responsibility for Society
Performance Excellence	Integrity & Ethics
	Trust & Respect





### UHV Project: Value addition through clean products

Requiring USD 1,121 million in investment, UHV was ready for commercial operation in 2016, enabling IRPC to derive **320** KTA of propylene.

(For details, please refer to page 14)



### EVEREST plans rolled out

IRPC kicked off this strategic project to improve organizational efficiency, with a goal to create **3,500** million baht in incremental profit in 2015 and **7,000** million baht in 2016.

(For details, please refer to page 15)



### Lam Sai Yong Model

IRPC's water management knowledge gives communities additional income of some **30,000** baht for each household each year.

(For details, please refer to page 33)



### 103 IRPC-developed prototype products

53 products represent innovations that can be commercially produced and sold, generating a profit of some **484** million baht.

(For details, please refer to page 16)

#### Contents

Message from the Chairman	04	<b>Performance</b>		<b>Corporate Governance</b>	
Message from the President	05	Key Performance	12	CG Performance	40
Milestones and Recognition	06	Business Strategies	13	Good Corporate Citizenship	43
2015		Economic Performance	14	Management Structure	45
Our Business	10	Social, Community, Environmental Performance	17	Board of Directors	46
		Risk Management Performance	19	The Management	47
		Sustainable Development Performance	24		
		QSHE Management Performance	26		
		CSR Performance	31		
		Human Resource Performance	36		

## MESSAGE FROM THE CHAIRMAN



IRPC performance recovery from last year, evident in Baht 17,033 million (a 10-year high) in EBITDA and Baht 9,402 million in net profit—a stark contrast with the loss of Baht 5.235 million in 2014. Accounting for this remarkable achievement were IRPC's continued preparedness moves.

A vision has been defined by the Board of Directors for IRPC Public Company Limited to be a Leading Integrated Petrochemical Complex in Asia by 2020 along with short-term and long-term plans to ensure that IRPC would be guided by the planned directions and plans to goal achievement.

One might call 2015 a golden year for IRPC, with its performance recovery from last year, evident in Baht 17,033 million (a 10-year high) in EBITDA and Baht 9,402 million in net profit—a stark contrast with the loss of Baht 5.235 million in 2014. Accounting for this remarkable achievement were IRPC's continued preparedness moves, accurate projections, and efficient endeavor in business conduct and management of its executives and staff under the supervision of the Board and its four committees.

The Board highly values business conduct with responsibility to society, the environment, and communities in line with IRPC's philosophy of striking a balance among its economy, society, and environment. As a result, this year saw IRPC maintain its DJSI (Dow Jones Sustainability Indices) membership in the oil & gas category for a second successive year.

By and large, an entity that is robust, renowned, and publicly trusted is one with high business capability, management governance, and social responsibility. The Board has supervised IRPC's business for efficiency based on good governance and has put such efforts into Board performance that it earned certification as Board of the Year 2015 along with Audit Committee of the Year 2015, attested by the Thai Institute of Directors (IOD) and evident in sound performance outcomes and extensive recognition. Shareholders can therefore rest assured that IRPC is conducting its business transparently and takes very seriously internal control, anti-corruption, and risk management with due regard for all stakeholders, in addition to proper development in various aspects. Incidentally IRPC has enforced a new set of values called iSPIRIT, focusing on strengthening from within for sustainable growth.

The Board has also promoted IRPC's status as a learning and creative organization, whether one talks about operating innovation, business innovation, or innovation for the good of

society. IRPC also values research and development (R&D) because it believes that leapfrog growth must be R&D-based and can create significant value addition. Out of these innovative concepts by the management sprang successful undertakings like the DELTA Project, with excellence in operation, marketing, procurement, and HR administration as its goals. The benefits reaped by the project this year totaled Baht 4,565 million. The year 2016 sees IRPC extend its success to a new EVEREST Project, which is going to be a stiffer challenge calling for ability, earnest commitment, and participation of all employees. The Board fully supports this project, which is bound to achieve its goals, thanks to IRPC's collaboration with a leading worldwide consultant.

On behalf of the Board, may I express my appreciation to all of you for your confidence, support, and cooperation with us IRPC over the years—the shareholders, customers, business partners, government agencies, academicians, financial institutions, communities, mass media, NGOs, and our own executives and staff. Your perseverance has paid off handsomely this year. It is my conviction that from now on, IRPC will grow stronger in business and organization health alike into a good corporate and global citizen with responsibility for society. IRPC's capability is bound to benefit and create value for shareholders, stakeholders, and our nation.

A handwritten signature in black ink, appearing to read 'Tevin Vongvanich', written over a horizontal line.

Mr. Tevin Vongvanich  
Chairman



# MESSAGE FROM THE PRESIDENT



To extend our success, the EVEREST Project. One goal is to attain over 14% in ROIC, which implies EBITDA of around Baht 29,000 million, approximating the altitude in feet of Mount Everest.

This year 2015 has proved a resounding success for the businesses of IRPC Public Company Limited, with the goal of net profit exceeded to Baht 9,402 million, thanks to the strengthening of our core business under the “Strengthen Core Business” strategy, most remarkably the success of the DELTA Project, which has added significant value. This spectacular success will therefore provide strength to our executives and employees to keep building on our accomplishments under the active promotion and support of the Board of Directors and the shareholders.

To extend our success, the EVEREST Project, launched in late 2015, will be jointly worked on with a leading worldwide consultant for about two years, as we pursue our “Leading Integrated Petrochemical Complex in Asia by 2020” vision. One goal is to attain over 14% in ROIC, which implies EBITDA of around Baht 29,000 million, approximating the altitude in feet of Mount Everest. The project seeks to improve profitability efficiency, lessen expenses, and improve planning and companywide management. Goals will in stages get more challenging, not unlike the climbing of Mount Everest, which calls for expertise, competency, perseverance, physical stamina, moral support, and support from trek companions. Incremental margins will be sought in parallel with improvement of organizational health to ensure that IRPC will be getting to the top and staying there.

Besides governance-based business management, operational excellence, efficient management of the supply chain with due regard for cost-effective resource consumption, and mitigation of impacts on communities, society, and the environment, this year IRPC has taken most seriously personnel capability development and HR management system development, in pursuit of maximum efficiency so that people may prove to be our platform for growth thanks to their strengths and our strong corporate culture that would drive our people in a proper, uniform direction. This year we are enforcing i-SPIRIT as corporate values so that all of our people may recognize their common ownership and responsibility (i = individual ownership complements SPIRIT). This echoes PTT Group’s common values of being smart and conscientious while also being socially responsible.

We fully recognize that business marked by responsibility to society, communities, and the environment is the foundation of sustainable growth and satisfaction of stakeholders—shareholders, customers, business partners, communities, and employees. Such behavior guides IRPC’s development so

that we all may strive for maximum added value. In addition, constant communication of useful data for the shareholders, investors, and the public to make good investment decisions has been our task all along. As evidence, this year IRPC received “Thailand Sustainability Awards 2015” from the Stock Exchange of Thailand.

As for our investment project updates, construction of the UHV Project, designed to turn low-value heavy crude oil into higher-value products, especially propylene of 320,000 tons per year, is now completed. The project is under testing and poised for safe raw-material feeding and expected to start commercial operation in the first quarter of 2016. Meanwhile, the Polypropylene Debottlenecking Project, with a capacity of 300,000 tons per year, has kicked off with construction work since May this year and is due for completion in the third quarter of 2017. To fund these projects, IRPC has secured additional long-term, baht-denominated loans worth Baht 4,000 million over eight years, while securing long-term loans to ease financial liquidity. In addition, IRPC has accepted Baht 3,878 million in repayment by TPI Aromatics Public Company Limited, in effect settling all litigation with the former group of executives since September 2014.

Besides these various investment projects, IRPC commands a strategy for success through the R&D of special-grade products for higher value, allocating an investment budget for this purpose amounting to 1% of the petrochemical revenue in 2016 and rising each year to 2-3%, approaching the percentages of leading worldwide companies. At the same time, we are going to raise the ratio of our research personnel to 7% of the workforce so as to develop green, innovative products while adding commercial value.

On this occasion, I would like to express my sincere thanks to the shareholders and the Board, customers, business partners, financial institutions, mass media, and all related parties for their support and confidence in our businesses over the years. I appreciate all the employees’ dedication and unity in performance. I am convinced of IRPC’s successful strides toward planned goals for secure progress.

**Mr. Sukrit Surabotsopon**  
President

# MILESTONES AND RECOGNITION

## January



- Signed a joint-venture agreement with PCC Rokita SA of Poland for an investment in high value-added products with a focus on Asia-Pacific markets



- In 2015, IRPC was ranking by Thaipat institute in a top 100 ESG of sustainability development on their environmental, social and governance presented by ESG

## February



- Honorary plaque for sustainability 2015, SET



- With Blue Light Industrial Co., Ltd., unveiled the world's first Green ABS travel luggage under the Caggioni brand

## March



- Signed an agreement on the production, sale, and purchase of ABS powder and resins with Asahi Kasei Chemicals Corporation

## April



- Launched the IRPC Cubic Academy, where quality personnel are molded to drive the company toward sustainability under PTT Group's key policy and guidelines



- Best Investor Relations by Company in 2015 Award, Corporate Governance Asia journal



## May



- Participated in the launch of a cooperative project to develop IZ under an MOU between the Department of Industrial Works, the Japanese city of Kitakyushu, and IRPC

## June



- Signed a construction agreement for the PPE (polypropylene) expansion project and PPC (polypropylene compound and specialties project) to add value to the propylene derived from the UHV Project



- With Wonderworld Products Co., Ltd., launched wood plastic composite, an innovation under the Trix Track product name



- Asia Responsible Entrepreneurship Awards 2015 (Social Empowerment, "From Bench to Community" (a prosthesis project)), Enterprise Asia journal





## July



- National Outstanding Workplace for Safety, Health, and Environment 2015 Award, Department of Labour Protection and Social Welfare



## August



- HRH Princess Maha Chakri Sirindhorn graciously inaugurated Kamnoetvidya Science Academy and Vidyasirimethi Institute of Science and Technology under the care of PTT Group, in pursuit of scientific excellence



- Asia Best Employer Brand Award 2015, Employer Branding Institute, India

## September

MEMBER OF  
**Dow Jones  
 Sustainability Indices**  
 In Collaboration with RobecoSAM

- Attained ranking on DJSI Emerging Market as one of the leading companies worldwide for sustainable development among the Oil & Gas Industry group for 2015 for the second consecutive year



CHANNEL NEWSASIA

- Top 16 of Asia Leading Companies with sustainable management Presented by Channel News Asia



## October



- Rolled out the iSPIRIT corporate values



- Golden Peacock Global Award for Excellence in Corporate Governance 2015, India's Institute of Directors (IOD)



## November



- Board of the Year Awards 2015 (Board and Audit Committee), Thai Institute of Directors (IOD)



- Launch of the EVEREST Project, designed to steer IRPC toward all-round excellence



- ASEAN Corporate Governance Award 2015 (TOP 50 ASEAN PLCs), presented by ASEAN

## December



- Construction ended on the UHV Project, which is expected to kick off commercial production in 2016



- With the Fine Arts Department, proceeded with renovation of the Khrua Ta Phet archeological site, located on the Ayutthaya Oil Depot site

# OUR BUSINESS

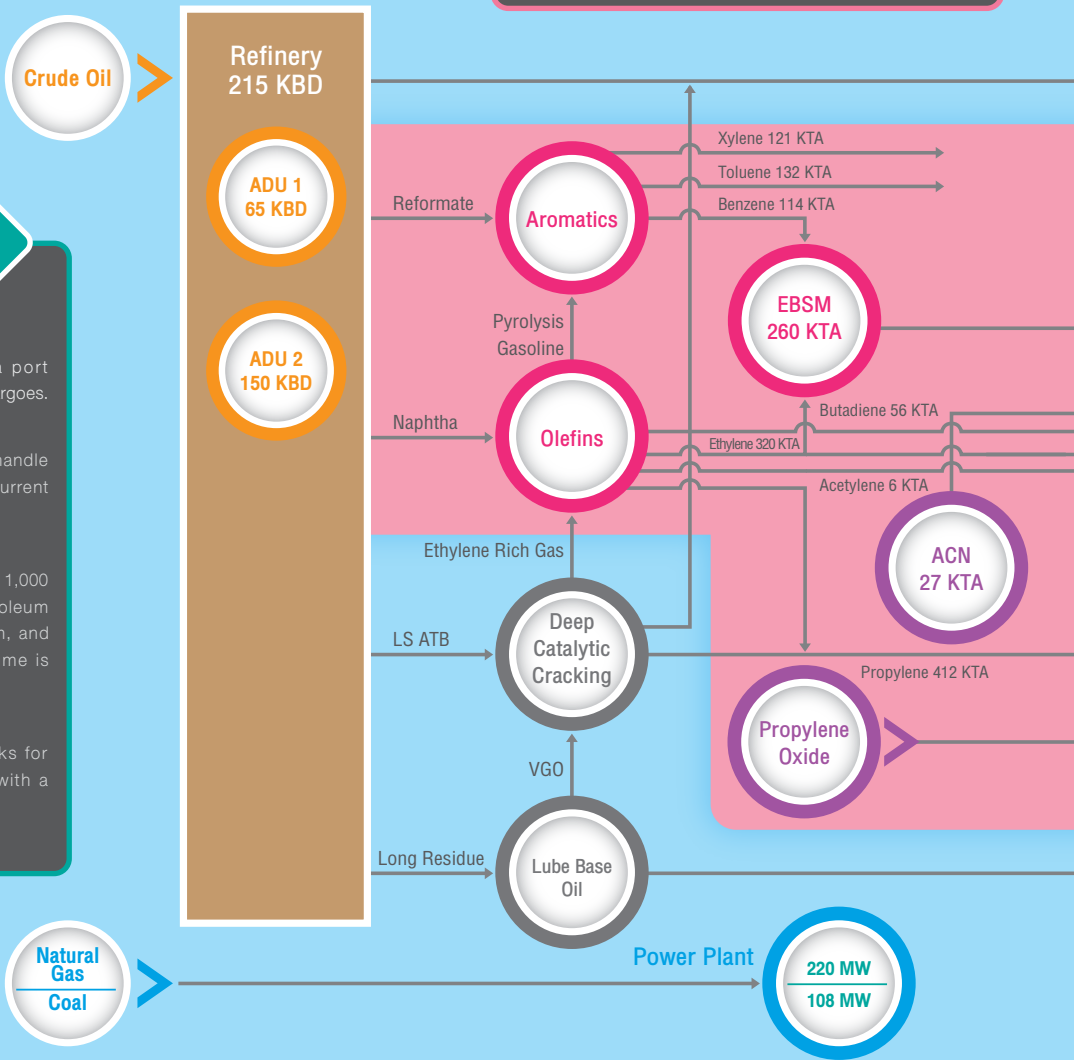
IRPC is an integrated pioneer of Southeast Asia's petrochemical industry with a refinery and petrochemical complexes located in its own industrial zone, fully equipped with essential infrastructure and utilities supporting production. Four main business units make up IRPC: **petroleum**, **petrochemical**, **port and tank service**, and **asset management**.



## Petrochemical business

IRPC's upstream petrochemical products consist of olefins (828-KTA capacity) and aromatics (367-KTA capacity). Sold under the POLIMAXX brand to domestic and international plastic operators, polyolefins consist of HDPE and PP (615-KTA total capacity), and styrenics consist of ABS, SAN, EPS, and PS (334-KTA total capacity).

## Integrated Refinery and Petrochemical Complex Flow Chart



## Port and tank service business

The modern, international-standard deepsea port business caters for domestic and international cargoes.

### Bulk & container terminal (BCT):

Serving general cargoes, IRPC's six sub-wharfs handle vessels ranging from 800 to 150,000 DWT. The current annual cargo volume exceeds 1.4 million tons.

### Liquid & chemical terminal (LCT):

IRPC's six sub-wharfs handle vessels ranging from 1,000 to 250,000 DWT. This petrochemical-liquid-petroleum terminal handles petrochemicals, liquid petroleum, and gaseous cargoes, whose combined annual volume is about 15 million tons (or more than 2,000 vessels).

### Tank service:

Service is provided through more than 300 tanks for liquid petroleum and petrochemical products with a storage capacity of 2.9 million tons.

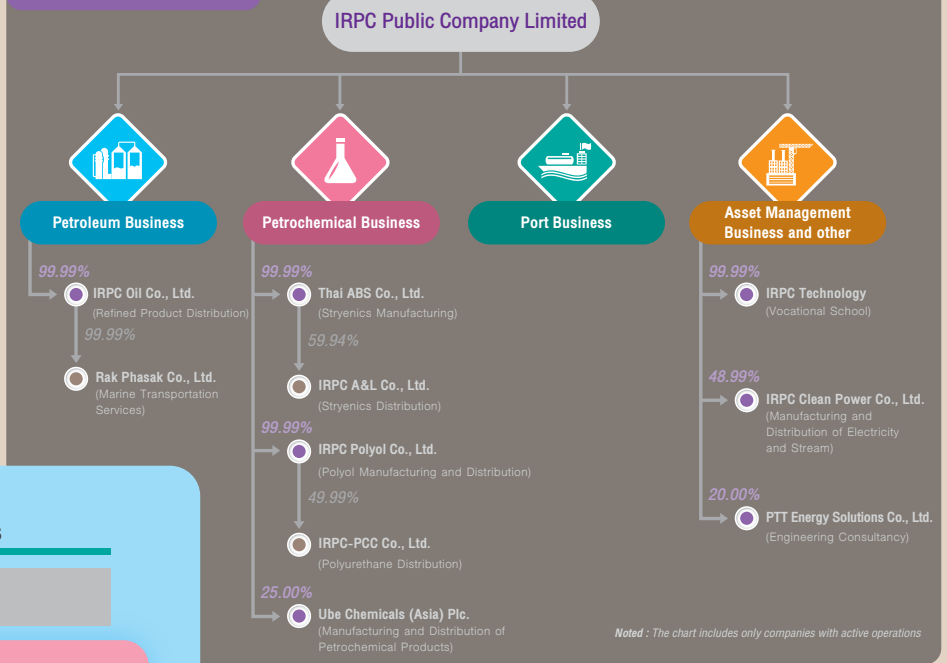


## Petroleum business

The third largest refinery in Thailand, our unit commands a total capacity of 215 KBD, yielding naphtha, gasoline, diesel, and LPG. Its lube base oil plant boasts a total capacity of 320 KTA, whereas an associated asphalt plant's capacity is 600 KTA.



## Business Structure and Shareholding



### Finished Products

LPG, Gasoline, Gasohol, Diesel, Fuel Oil
--

### Uses

Fuel
------

### THAI ABS Co., Ltd.

PS 125 KTA
---------------

Tape, CD cases, Electrical Appliances
---------------------------------------

### THAI ABS Co., Ltd.

EPS 30 KTA
---------------

Rigid Foam Insulation, Protection
-----------------------------------

### THAI ABS Co., Ltd.

ABS/SAN 179 KTA
--------------------

Plastic Toys, Electrical Appliances, Automobile Parts, Kitchen Utensils
---

### HDPE

140 KTA
---------

Consumer Packaging, Drink Bottles, Pipes, Ropes, Fishing Nets
---

### Acetylene Black

4 KTA
-------

Dry Cell Battery, Rubber Compound
-----------------------------------

### PP

475 KTA
---------

Consumer Packaging, Drink Bottles
-----------------------------------

### IRPC Polyol Co., Ltd.

Polyol 25 KTA
------------------

Flexible foams, adhesive elastomers and footwear application
--

### Lube Base Oil

320 KTA
---------

Lubricant
-----------

### TDAE

50 KTA
--------

Ingredient In Tires
---------------------

### Asphalt

600 KTA
---------

Construction Materials for Road
---------------------------------

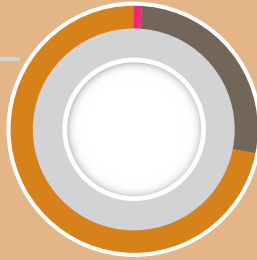
## Asset management business

IRPC has set up a unit to manage high-potential land in Rayong and other provinces with a total acreage of about 10,000 rai and a goal to develop such land into projects, equipped with essential infrastructure and utilities systems to accommodate target industries. The asset management business also houses IRPC Solutions Provider, designed to provide full support to investors in IRPC Industrial Zone with skills and professionalism. Services include plant and machinery maintenance, IT system configuration, testing and analytical laboratory services, metrological services, warehouse services, trailer-weighting services, and legally required training on safety.

# KEY PERFORMANCE

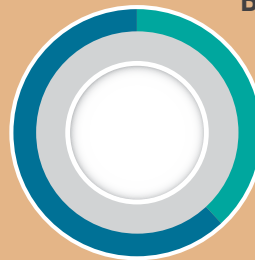
## By Sales Revenue

**72%**  
Petroleum Products  
**27%**  
Petrochemical Products  
**1%**  
Others



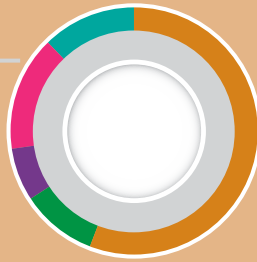
## By Distribution

**61%**  
Domestic  
**39%**  
Export



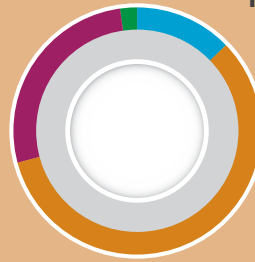
## Petroleum Products

**10%**  
Gasoline  
**56%**  
Diesel  
**7%**  
Fuel Oil  
**15%**  
Lube Base Oil and Asphalt  
**12%**  
Others



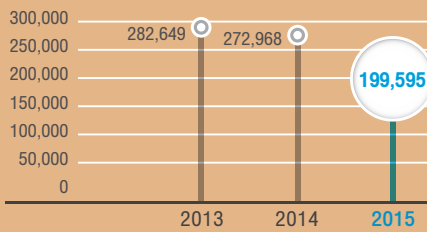
## Petrochemical Products

**13%**  
Aromatic  
**58%**  
Olefins and Polyolefins  
**27%**  
Styrenics  
**2%**  
Polyol



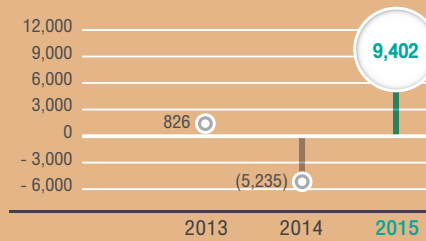
## Net Sales

Unit: Million Baht



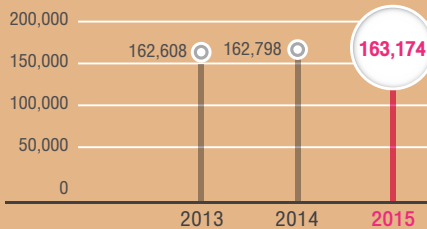
## Net Profit

Unit: Million Baht



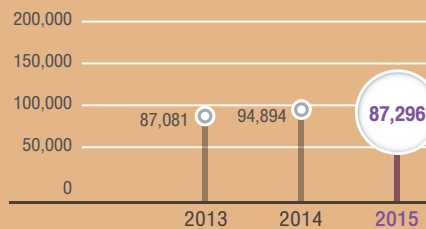
## Total Assets

Unit: Million Baht



## Total Liabilities

Unit: Million Baht



\*For details on financial highlights, please refer to the annual report (pages 6-7, 226-234) at <http://irpc.listedcompany.com/misc/ar/20160304-irpc-ar2015-th-02.pdf>



# BUSINESS STRATEGIES

IRPC has defined a vision and business strategies to become a “**Leading Integrated Petrochemical Complex in Asia by 2020**”. To this end, key strategic projects have been undertaken to enhance the capability and strengthen businesses in tandem with IRPC’s stewardship of society, communities, and the environment, with key future plans formulated to ensure vision achievement.

### PHOENIX



**A comprehensive project to improve organizational efficiency through optimized deployment of assets together with capacity expansion in high-potential product lines.**

Completed projects:

**CHP I:** Power generation of 220 million units and steam generation of 420 tons an hour

**PRP:** Propylene capacity of 100 KTA

**EURO IV:** Capacities of 15 KBD gasoline, 10 KBD diesel, and 15 KBD jet fuel

**TDAE:** Capacities of 28 KTA TDAE and 25 KTA 150BS

**EBSM:** Capacities of 60 KTA EBSM and 60 KTA ABS/SAN

**Lube blending:** Annual blending capacity of 60 million liters. (With an incremental propylene volume of 320 KTA, UHV is undergoing testing, with commercial operation achieved in 2016.)

### DELTA



**A project to maximize operating efficiency toward excellence in**

- Operational excellence
- Commercial excellence
- Procurement excellence
- Human resource excellence.

**This year, DELTA contributed 4,565 million baht in income.**


### EVEREST



**This strategic project collaboration with a leading worldwide consultancy, designed to improve comprehensive operating aspects, covers**

- Production
- Commercial & sale
- Hiring & procurement
- Corporate management
- Organization health.

### Fully Integrated PP



**PPE:** 160-KTA polypropylene capacity growth


**PPC:** 140-KTA polypropylene compound capacity growth




**Investment plans for specialty products**

- Paraxylene (PX)
- Acrylic Acid (AA)/ Super-Absorbent Polymer (SAP)



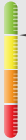
**2020 ROIC 14%**



-  INDIVIDUAL OWNERSHIP
-  SYNERGY
-  PERFORMANCE EXCELLENCE
-  INNOVATION
-  RESPONSIBILITY FOR SOCIETY
-  INTEGRITY & ETHICS
-  TRUST & RESPECT

## STRATEGIC GOALS


**BIG**



**REVENUE**  
5% pa Revenue Growth with 10% pa EBITDA Growth

IRPC strives for 5% annual revenue growth and 10% annual EBITDA growth


**STRONG**



**REVENUE**  
1st Quartile ROIC Petroleum & Petrochemical Industry

To become a top-quartile petrochemical company, IRPC pursues a return on invested capital (ROIC) goal of over 14% by 2020.

**LONG**



**REVENUE**  
Member of DJSI Emerging Market Universe

To showcase its commitment to sustainable operation with balanced economic, social, and environmental aspects, IRPC qualified as a member of Dow Jones Sustainability Indices (DJSI), Emerging Market, Oil and Gas Industry.



## ECONOMIC PERFORMANCE

### Business

IRPC registered spectacular performance growth this year, with 9,402 million baht in net profit, a 180% rise from last year. This year, its EBITDA amounted to 17,033 million baht, a ten-year high. The GIM (market gross integrated margin) of 32,156 million baht eclipsed last year's 15,788 million baht, a 16,368-million-baht increment. Below are the highlights.

#### Petroleum business



Gross margins from production at market prices

**14,246 million baht**

Increase from 2014

**8,117 million baht**

IRPC focused on fuel quality control against standards, selling through channels that provide maximum profits, and cooperates with affiliates in developing the Athena Pricing Tool, which led to novel sales strategies, adding some 1,000 million baht in profits.

As a result, this year's market gross margin amounted to 14,246 million baht, a gain of 8,117 million baht from last year. IRPC posted 62% of its income from domestic sales and 38% from exports.

#### Port and tank farm business



Port and tank farm business generated

**732 million baht**

IRPC's goal was to improve the quality of its product tanks and port services to meet customers' varied needs, with a focus on excellent, international-standard, safe, and green management.

This year the business generated 732 million baht in income.

#### Petrochemical business



Gross margins from production at market prices

**15,420 million baht**

Increase from 2014

**8,197 million baht**

IRPC focused on relentlessly promoting and supporting R&D to develop specialty products, setting the sales proportion of these products at 60% by 2020.

This year the petrochemical business posted a market gross margin of about 15,420 million baht, an 8,197-million-baht gain from last year. Domestic sales accounted for 58% of the income; exports, 42%.

#### Asset management business



Public utility services to meet the needs of target industries, generating

**3,211 million baht**

IRPC's goal is to manage and develop commercial land to supplement value to assets. This year it sold IRPC Oil's land, generating 61 million baht, made about 25 million baht providing supporting services for investors' projects and businesses in the industrial zone, and through public utility services to meet the needs of target industries, generating 3,211 million baht.

### UHV (Upstream Project for Hygiene and Value-Added Products)

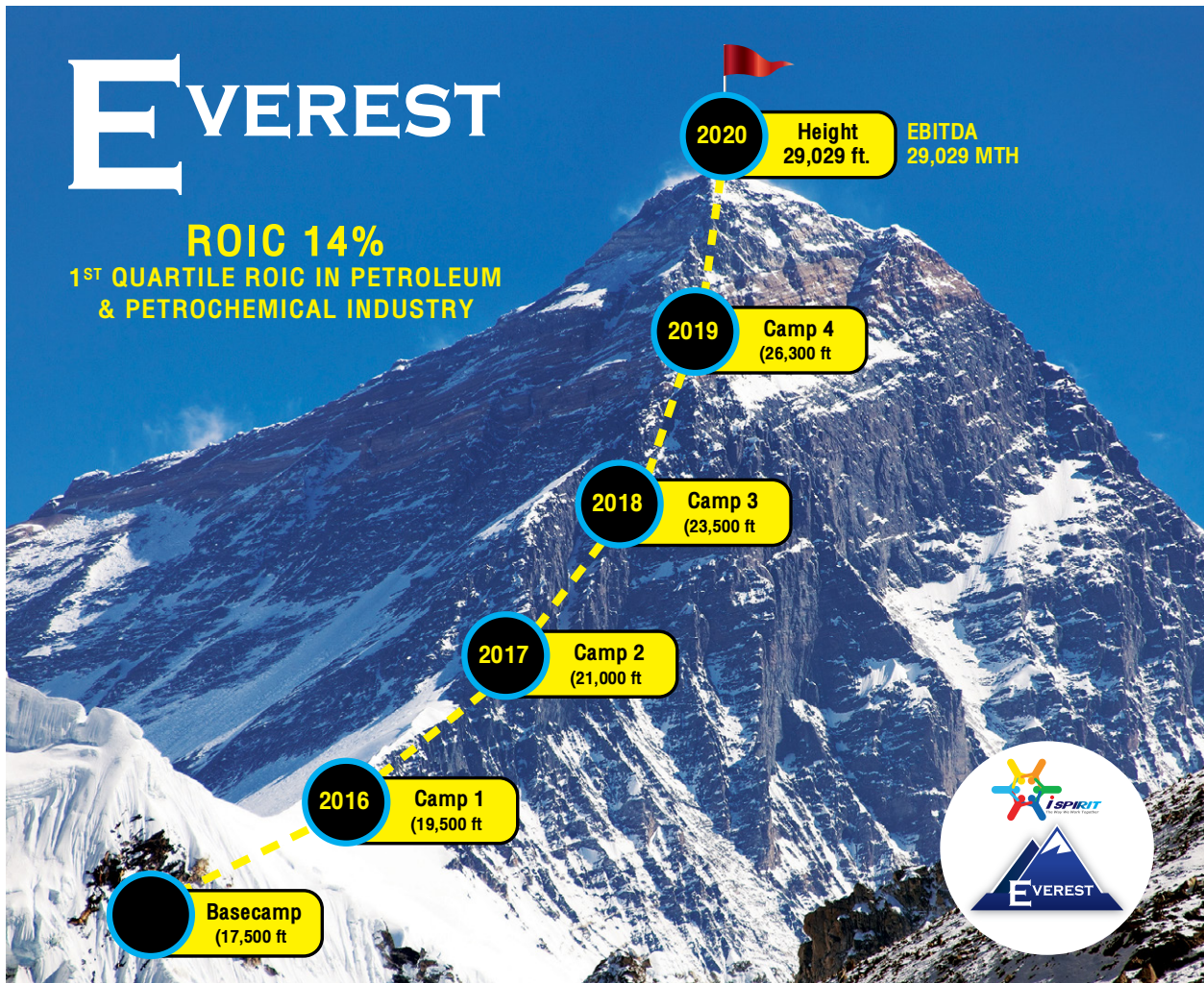


This project seeks to raise competitiveness and foster sustainable growth by investing USD1,121 million to improve the quality of low-value heavy oil by adding value to it, notably the incremental volume of 320 KTA of propylene, plus other secondary products. Machinery tests are ongoing to get ready for safe feedstock input. Commercial start-up is expected in the first quarter of 2016.



\*For details on UHV and other strategic projects, please refer to the annual report (pages 167-169) at <http://irpc.listedcompany.com/misc/ar/20160304-irpc-ar2015-th-02.pdf>

## EVEREST Project



IRPC engages in comprehensive work improvement against best practices, with processes designed to support and raise efficiency in software management and forging of learning processes to constantly groom its personnel for efficiency improvement across the organization. In addition, this project focuses on improving organization health in support of efficient, sustainable operation.

**EVEREST Project's** goal is to generate 3,500 million baht in incremental commercial profits in 2016 and 7,000 million baht in 2017, while driving goal achievement through 14% or higher in ROIC in pursuit of the top quartile. To this end, five key aspects are focused on:

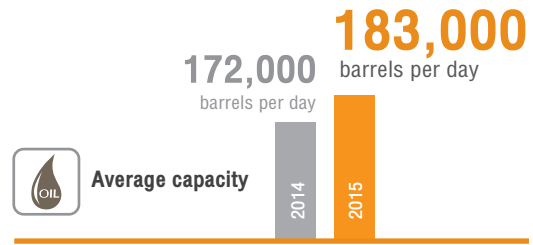
- Operation
- Commercial
- Procurement
- Corporate
- Health

The project focuses on strengthening the mindset, core values, and culture to enable employees to steer their work in a uniform direction. The challenge requires collaboration, meaning that project success calls for united teams of excellence - like getting to the top of Mount Everest.



## Production

This year, IRPC operated its VGOHT (Vacuum Gas Oil Hydro Treating Unit) as planned, enabling the importing of 67 million barrels of crude oil into refining processes, equivalent to an average capacity of 183,000 barrels per day (b/d), or roughly 85% against last year's average capacity of 172,000 b/d. Below are the highlights of production operations.



### Process improvement and machinery efficiency improvement of the group of plants:

A total of 94 projects, including the Advanced Process Control Project, resulted in 500 million baht a year of profits. IRPC appointed AIMC (Asset Integrity Management Committee) to review mistakes arising from operating machinery.

### Capacity growth and value addition:

IRPC established an NHTU unit to lower naphtha's sulfur content, an ISOM unit to raise the octane value of gasoline, and a BTX unit to accommodate HCN (heavy naphtha) from the UHV Project.

### Safety and occupational health:

IRPC has laid down a management system for its QSHE tasks and intensively promoted safety awareness for all employees and contractors. As a result, its safety performance proved outstanding, achieving the goal of 0.46 injury needing medical treatment per million man-hours.

## Research and development (R&D)



**54** products,  
posting **484** million baht  
in gross margins



IRPC's strategy is to pursue excellence in marketing and R&D for maximum customer satisfaction in parallel with product excellence through leveraging "green" feedstock that is safe for consumers. It built on 103 developed prototype products to derive 54 commercial products, posting 484 million baht in gross margins.

### Commercial innovations

- **Green ABS**  
260 tons of sales, with 15 million baht in revenue
- **Expandable Polystyrene (EPS)**  
7,000 tons of sales, with 339 million baht in revenue
- **Carbon Reduction Label**  
Products with registered carbon labels (HDPE, PP, PS, EPS) posted 660,000 tons of sales, with 28,269 million baht in revenue
- **POLIMAXX BANBAX**  
During the year, IRPC developed this product for prostheses
- **Green products**  
These included polymers blended with natural color compounds and POLIMAXX wood plastic composite.



\*For details on innovative products, please refer to the sustainability report (pages 50-55) or log on to [http://www.irpc.co.th/th/pdf/library/12/2015\\_IRPC%20SD%20Report\\_TH.pdf](http://www.irpc.co.th/th/pdf/library/12/2015_IRPC%20SD%20Report_TH.pdf)





# SOCIAL, COMMUNITY, ENVIRONMENTAL PERFORMANCE

## Social and community

IRPC is committed to running its businesses with responsibility to society, communities, and the environment. Cultivating voluntarism among its employees together with awareness of responsible business conduct, it strives to create shared value hand in hand with the growth of Thai society. This year it allocated 465 million baht for its social projects.

### Community and social development

Lam Sai Yong Model,  
Employment for hawser hands,  
Promotion of community enterprises,  
Hydroponic vegetables for community,  
Drinking water for community,  
Voluntary spirit,  
Heavy machinery community development

### Communication

Community public announcement system,  
Public's Right to Know,  
Fieldwork coordination center,  
Open house

### Educational support

KVIS & VISTEC,  
One for Nine,  
IRPC Community Network Learning Center,  
Community scholarships

### Cultural promotion

Renovation of Wat Khrua Ta Phet  
archeological site

### Environment

Expansion of green areas

### Promotion of CSR Innovation

From Bench to Community,  
IRPC Cubic Academy

### Community health

Community Sharing,  
Mobile Clinic,  
Check-ups and health vigilance for  
residents around the Industrial Zone



### From Bench to Community (Prostheses) Project

This year, IRPC prostheses unit visited Tak province's Um Phang Hospital and fabricated **232 pieces** of prostheses for **151 people**

### Community Sharing Project

This year, free treatment was provided for **5,179 residents** of communities around the industrial zone

### Mobile Clinic Project

This year, 12 visits provided free check-ups for **1,412 residents** of communities around the industrial zone

### Lam Sai Yong Model Project

This year, the project improved the quality of life for 440 households, adding to each household an average of **30,000 baht**.

## Environment

Stressing business conduct with due regard for the environment, pollution reduction, energy conservation, and efficient management of greenhouse gases, IRPC strives for the CSR-DIW green industry approach in parallel with the establishment of safe and sound surroundings for communities. Below are the highlights of its environmental actions this year.

### Carbon dioxide emission reduction

In its intermediate petrochemical processes and its lube base plant, IRPC replaced fuel oil with natural gas.

### Management of VOCs

IRPC raised the efficiency of VOC cameras, applied mobile activated carbon to ease VOC impacts in plant areas during maintenance turnarounds, and instituted VOC vigilance using canisters.

### Continuous reduction of sulfur dioxide emission

This also applied to 960 tons of nitrogen dioxide each year.

### Creation of protection strips

This year, IRPC planted 35,000 trees covering 39 rai, sequestering 300 tons of carbon dioxide equivalent (against 2,800 tons last year), an 11% gain.

### Establishment of participatory environmental management

This achievement halved the number of environmental complaints this year.

## Eco-Industrial Zone (EIZ)

IRPC strives for balanced production in economic, social, and environmental aspects by requiring that each plant commands sound ecological management under the Eco-Factory concept of the Industrial Environmental Institute of the Federation of Thai Industries so as to evolve into an Eco-Industrial Zone under the ecological industrial development concept of the Department of Industrial Works (DIW). This year, four IRPC plants (ethylene, cogeneration, oil refinery, and lube base oil) achieved such distinction; the goal is for all IRPC plants to achieve similar distinction by 2017.



This year, IRPC cut **1,611,884 gigajoules** in energy consumption, equivalent to **154,591 tons of carbon dioxide** emission reduction

IRPC's goal for zero hazardous waste landfill is to be achieved by 2020



IRPC accepted Eco-Factory awards for its ethylene, cogeneration, refinery, and lube base oil plants from Ms. Atchaka Sibunruang, Minister of Industry, at the BITEC International Trade & Exhibition Centre, Bang Na, Bangkok, at the annual "Eco-Innovation and Solution 2015" technical seminar, hosted by the Industrial Environmental Institute, Federation of Thai Industries



## RISK MANAGEMENT PERFORMANCE

IRPC earnestly implemented its scope and processes for risk management under the **ISO 31000:2009** international standard and OEMS (Operational Excellence Management System), while applying BCMS (Business Continuity Management System) under **ISO 22301:2012** to prevent and mitigate potential corresponding business losses.

### Risk management policy

IRPC's focus is on company-wide risk management. A policy was announced for the Board, executives, and employees to strictly observe. To this end, a Risk Management Steering Committee was appointed, as was a Risk Management Committee, designed to devise policies, steer, and guide IRPC's risk management.

### Business risks

#### Price volatility risks

Constantly, IRPC joined hands with PTT Group companies to cut costs by relying more on indigenous resources, suitable inventory management, and efficiency improvement in planning feedstock purchases, together with product processing and sales. In addition, its policy scope governs derivative trading contracts in keeping with business plans under the oversight of the Hedging Committee and the Risk Management Committee.

#### Foreign-currency exchange risks

IRPC's risk management consisted in making the ratio of US dollar-denominated loans match its revenue structure together with the management of crude oil proportion and purchasing terms. For instance, switching from the US dollar to the baht in payment for crude oil to ease volatility, or selling some US dollars, to accommodate baht-denominated payment.

#### Operation risks

Continually, IRPC has taken risk management measures through its projects to improve the efficiency of machinery and equipment, thorough inspection of plant machinery and equipment for risky points, minimization of maintenance time, and execution of OEMS (Operational Excellence Management System). It formally treated the UHV Project as a corporate risk to closely track updates and ensure that the project achieved all its goals.

#### Organizational capability risks

IRPC strengthened its workforce and excellence in HR administration, while improving its own competencies through improvement of the performance outcome management system, career path management system, capability development system, and organizational restructuring for competitiveness.

## Social and community risks

Strictly and continuously, IRPC has forged understanding and good relations, while engaging in assorted activities beneficial to society, including construction and renovation of public utilities, scholarship presentation, open house, operation of fieldwork coordination centers for community activities, and joint emergency drills with communities and public agencies.

## Environmental risks

Strictly, IRPC focused on compliance with safety and environmental laws and regulations, as well as TIS/OHSAS 18001 and ISO 14001 health and environmental management systems. It strived for climate change management, VOC reduction, and high-risk elements. Finally, IRPC cooperated with DIW in developing its industrial zone into an eco-industrial zone.

## Corporate governance risks

IRPC commands sound corporate governance (CG) and risk management practices by defining an approach for fraud prevention and is preparing an integrated system for compliance with regulations, requirements, and laws.

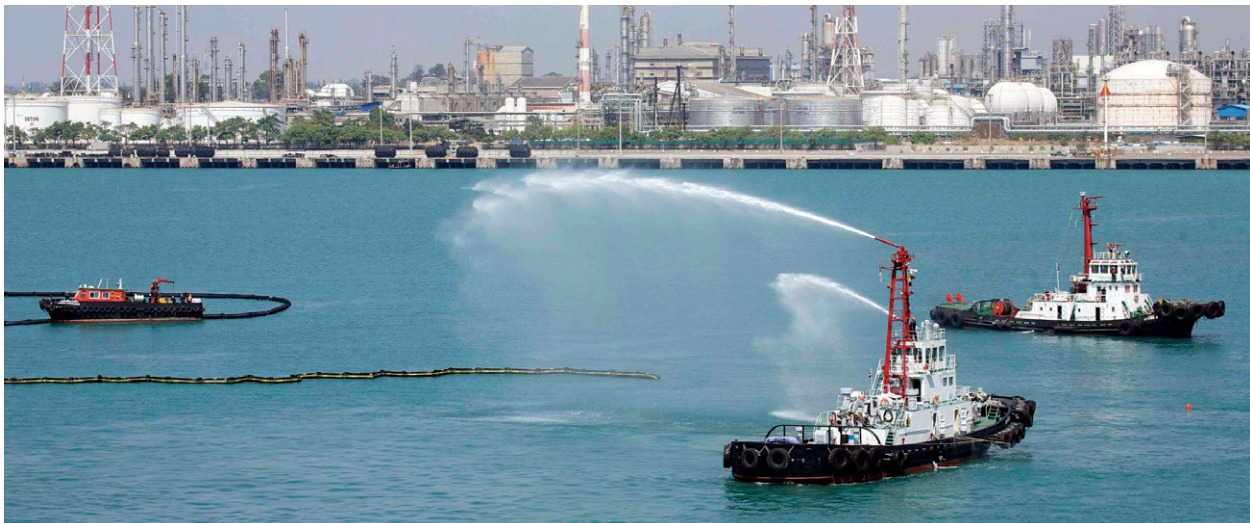
## Emerging risks

### Emission allocation management for future project risks over the next five years

Due to legal requirements against excessive pollution emission, which could stunt IRPC's business growth, it has appointed a team to investigate pollutant emission reduction from existing plants and develop manuals for pollutant reduction in risky activities, including application of clean technologies to new projects.

### Risks arising from free-trade agreements

The likes of Trans-Pacific Partnership (TPP) could harm IRPC's current business opportunities and markets. IRPC has investigated the impacts of each of its products sold, supported product development to match and conform to changing legislation, and supported research on new green, energy-saving products.







# MARKET OVERVIEW AND INDUSTRY OUTLOOK



## Petroleum products



### Year's overview

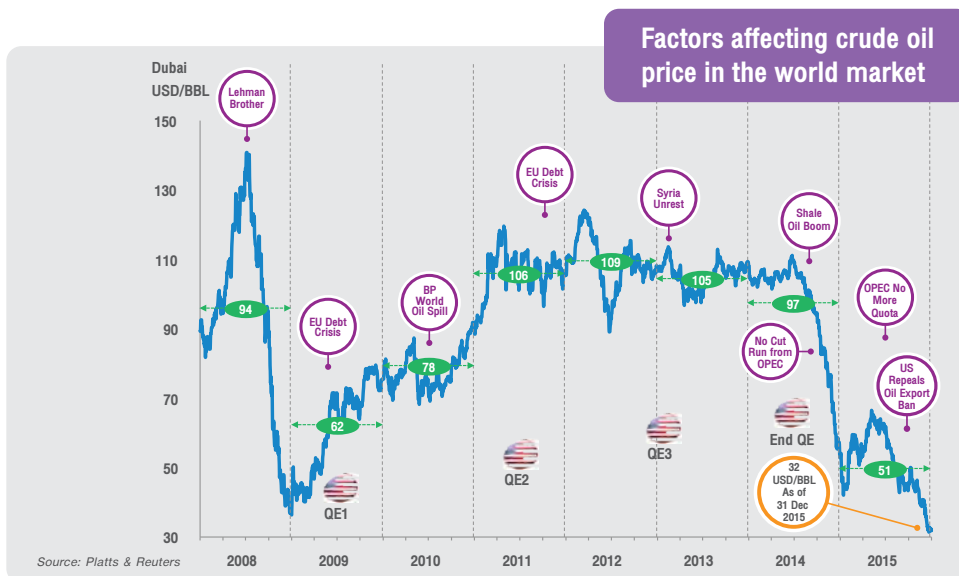
Dubai crude oil's average price this year was USD50.9 per barrel, a sharp drop from USD97.0 per barrel last year. Facing excessive supply due to the rising US shale oil output and resistance to cut down production by both OPEC and non-OPEC blocs, not to mention the impact of FED's interest rate rise (thus strengthening the US dollar), the market was way oversupplied. One notes that this situation was aggravated by the revocation of the US crude oil export embargoes.

This year, domestic refined petroleum products totaled 62,626 million liters, equivalent to 172 million liters per day, a rise of 6% from last year, while overall imports dropped by 5.0 million liters (42%). The overall domestic refined-product consumption was up by 2.0%, led by the rise of 13.5% on gasoline consumption, 3.8% on diesel consumption, and 9.5% on jet fuel. On the other hand, LPG consumption dropped by 11.4%, with a steep fall in demand by the transport, household, and industrial sectors. NGV consumption, on the other hand, became sluggish this year and dropped by 3.8% from last year.

### Annual outlook

The crude oil market continues to be pressured by global oversupply, while the OPEC bloc has sent no signal on production cuts and non-OPEC producers still maintain high output rates. The US, meanwhile, has lifted the 40-year embargoes on oil exports. One

notes the 0.5-2.0 million b/d market oversupply in 2016. Even with a forecast of 500,000-b/d production cut by the US in 2016, the long-term crude oil market continues to face pressure, since the cut is hardly enough to drive the market to an equilibrium.



## Petrochemical products



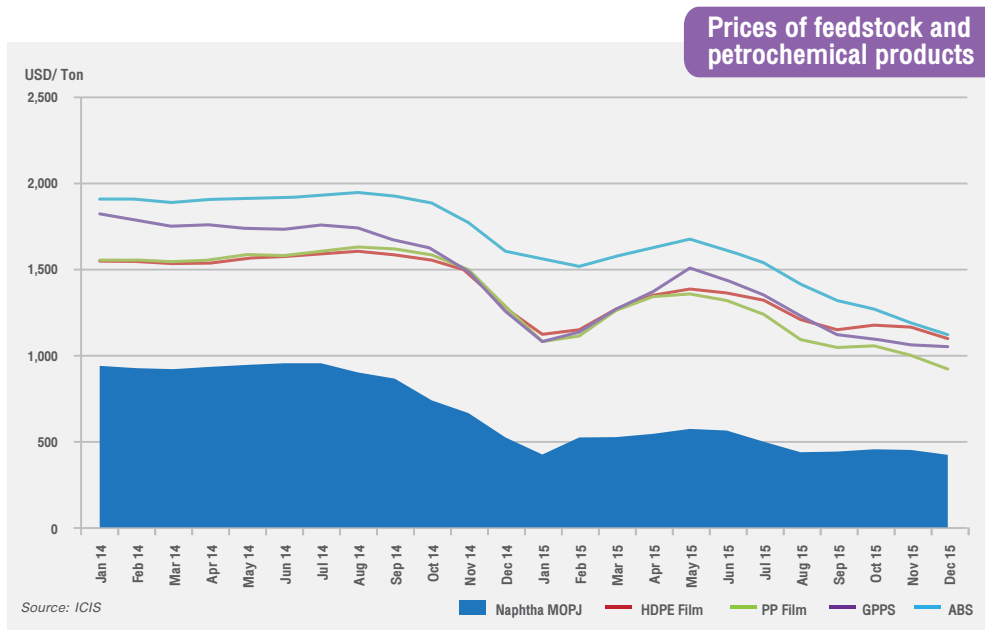
### Year's overview

The export and import values of petrochemicals this year continued to fall further from last year, primarily driven by volatile oil prices and weakening exchange rates, uncertain and fragile global economic recovery in the Eurozone, the US, and Asia, particularly China-where economic growth dipped to its 25-year low. Most ASEAN economies were hurt by shrinking global exports and falling global commodity prices. In addition, the sluggish plastics industry resulted in stunted growth of the petrochemical industry.

Prices of monomers and polymers this year fluctuated with those of their feedstock, namely crude oil and naphtha. When comparing polymer prices this year to the same period of last year, the price of polypropylene (PP) dropped to USD1,181 per ton, high-density polyethylene (HDPE) to USD1,250 per ton, polystyrene (PS) to USD1,250 per ton, and acrylonitrile-butadiene-styrene (ABS) to USD1,491 per ton. For monomers, ethylene went down to average USD1,105 per ton, propylene to USD786 per ton, and styrene monomer dropped to USD1,117 per ton.

### Annual outlook

The Thai petrochemical industry in 2016 is anticipated to track improving GDP and downstream industrial growth. The Office of the National Economic and Social Development Board (NESDB) reported its economic growth projection for 2016 at 2.8-3.8%, citing government spending and investment, economic stimuli, gradual global economic recovery, and weakening baht, amid depressed oil prices. Capital investments by the government on several megaprojects will significantly drive the demand for polymers, inducing growth for the petrochemical industry. Yet, the weakening currencies of trade partners, including the EURO, Japanese yen, and particularly Chinese renminbi, will significantly limit the export potential of Thailand and hinder global commodity price recovery.



## Port and tank farm businesses



### Port business

Given NESDB's projection of economic growth in 2016 at 3.0-4.0%, led by mega-infrastructure project investment by the government and a prediction of production expansion of the steel industry from plants in Rayong continuing from late 2014, the demand for cargoes and logistics at deepwater ports is set to rise. In a related move, IRPC has recently introduced a total solutions provider for incremental revenue from the likes of iron ores and steel, granite, and sands. This is part of the integrated port business expansion strategy for bulk cargo business groups.

### Tank farm business

Anticipating robust domestic economic growth in 2016 and expansion of the petrochemical industry, the tank farm business for petrochemical products, especially for new customers, is expected to rise. However, under the Ministry of Energy's new policy on reduction of the compulsory fuel reserves in late 2015, the business has suffered, including that of IRPC. Its overall storage business in 2016 is expected to fall to the same level as in 2015. To optimize the value and maximize the efficiency of its tank farm business, IRPC's current strategy is to diversify its oil depots in Rayong, Phra Pradaeng, and Ayutthaya to serve external customers.

## Asset management business



Following the announcement of the Board of Investment (BOI) of approvals of 17 projects altogether worth over 40,000 million baht, the overall capital investment is set to steadily recover, particularly the "super cluster" group including (1) automotive and parts cluster, (2) electrical appliances, electronics, and telecommunication equipment cluster, (3) eco-friendly petrochemicals and chemicals, (4) digital-based cluster, (5) food innopolis, and (6) medical hub.

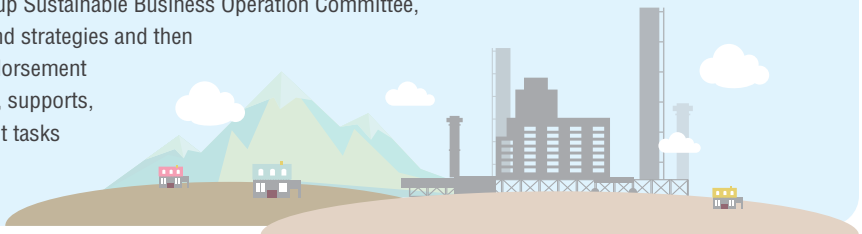
Under the national economic policy and support from ASEAN member countries on free-trade agreements, more newly developed industrial estates have been continuously promoted, leading to more capital investments and commercial activities. These moves not only support ASEAN members' investment activities, but also attract non-ASEAN foreign investors to Thailand.



# SUSTAINABLE DEVELOPMENT PERFORMANCE

**IRPC’s business philosophy strives for sustainable growth with a focus on business growth in parallel with stewardship of natural resources and the environment together with the promotion of communities’ quality of life to enable it to peacefully co-exist with communities.**

Setting up an Office of Sustainability Management to manage the corporate sustainability strategy, IRPC appointed an IRPC Group Sustainable Business Operation Committee, which defines sustainability policies and strategies and then tables screened work plans for the endorsement of the Board. Also, it steers, monitors, supports, and promotes sustainable development tasks under the policies and strategies.



## Sustainability Management Policy

1. Take into account balance between economic, social, and environmental aspects and include all stakeholders in the efforts for sustainable business growth
2. Reduce operating impacts throughout the value chain together with achievement of business growth, embracing social, environmental, health, and safety aspects
3. Develop green strategies for growth, while paying due regard for a sustainable economy and environment
4. Promote innovations and operating technologies for a sustainable future
5. Transparently disclose obligations, standards, and performance on sustainability for continuous improvement
6. Cultivate in employees recognition of responsibility and due consideration for stakeholders to forge a sustainable operating culture.



## “iSPIRIT” Driver toward sustainability

IRPC formally rolled out its iSPIRIT corporate values to support the instillation of sustainability DNA among employees by cultivating their responsibility to society, the environment, and stakeholders, while being committed to operating with integrity, transparency, and morality. All these will drive IRPC toward its goals in a sustainable way. *(For details, please refer to page 2.)*



## DJSI: Hallmark of sustainable operation

MEMBER OF  
**Dow Jones Sustainability Indices**  
 In Collaboration with RobecoSAM

Echoing commitment to doing businesses with balanced emphasis (economic, social, and environmental) while exercising stewardship of natural resources and the environment, this year **IRPC was named to the membership of DJSI Emerging Market (Oil & Gas) for the second year** in a row, a universal proof of IRPC's global leadership on sustainable development.

### Assessment of materiality matrix

IRPC has in place a Materiality Assessment process that covers various issues significantly affecting itself and stakeholders.

### Supply chain management

IRPC promotes business partners' management under sustainable practices and manages risks arising from procurement

### Product responsibility

IRPC focuses on innovation R&D geared toward customers' needs through strategies for commercial and R&D excellence for maximum customer satisfaction

### Adjustment to climate change

IRPC is part of the ongoing solution to climate change by making its production processes clean

### Green operation

IRPC focuses on efficient consumption of natural resources

### Responsibility for water resources

IRPC achieves maximum efficiency in water management by developing plans and measures to prevent and resolve impacts of water consumption on communities and the environment

### Safe operation

IRPC promotes a safety culture, while employing safety management processes to prevent and address situations or risk factors concerning the safety of personnel and processes

### Personnel capacity-building

IRPC strives to improve HR management systems, personnel capability, and retain personnel in the long term

### Good corporate citizenship

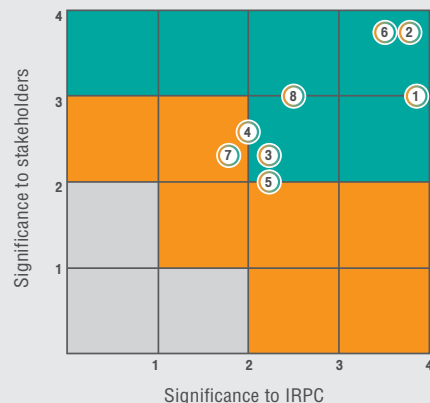
IRPC runs its businesses with responsibility to society and communities in pursuit of shared value and concurrent growth with Thai society.

### Outcomes of Materiality Assessment 2015

- 1 Supply chain management
- 2 Product responsibility
- 3 Adjustment to climate change
- 4 Green operation
- 5 Responsibility for water resources
- 6 Safe operation
- 7 Personnel capacity-building
- 8 Good corporate citizenship



\*For details on materiality assessment for sustainable development, please refer to the annual report (pages 193-195) at <http://irpc.listedcompany.com/misc/ar/20160304-irpc-ar2015-th-02.pdf>





# QSHE MANAGEMENT PERFORMANCE

## QSHE Policy

With a vision to become a Leading Integrated Petrochemical Complex in Asia by 2020,

IRPC recognizes and highly values QSHE aspects of business for operational excellence and response to all stakeholders. The company's integrated QSHE policy is described below.



**Quality**

International standards are in force for improvement of processes and services as well as product development, with actions taken for ongoing work process efficiency improvement.



**Safety and occupational health**

IRPC is committed to promoting a vigorous safety culture among its workforce and stakeholders through managing assorted projects to lead to the Zero Accident goal-relentlessly improving and warding off work hazards.



**Environment**

Besides conforming to relevant laws, regulations, and requirements, as well as environmental protection measures, IRPC focuses on continuous process improvement with due regard for the environment. It also focuses on the 3Rs (reduce, reuse, recycle), energy conservation, and greenhouse gas (GHG) emission management for a low-carbon society.

## QSHE management strategy

### Process

Defined are measures to control, audit, and reduce risks of project planning and processing of green processes through the application of PTT Group OEMS (operational excellence management system) integrated with QSHE management systems.

### People

QSHE awareness and culture are promoted among all stakeholders, ranging from rank-and-file employees, while continually enhancing the efficiency of communication.

### Partners

Emphasis is on strengthening QSHE leadership in the petrochemical and refining industry through networking with all sectors (public, private, and community) and forging relations with all agencies to put forward its views on QSHE regulation amendments.

### Professional

IRPC develops QSHE professionalism with a focus on KM (knowledge management) for QSHE operational excellence and acceptance by third-party agencies.

## QSHE performance

### Quality

So that their environmental, health, and safety management may proceed efficiently and sustain all basic operation, IRPC and its affiliates have implemented ISO 9001, ISO 14001, and ISO 18001. Annually, audits and revisions of these systems' effectiveness are in place.

### Safety and occupational health

#### Operating safety

IRPC strives to cultivate QSHE awareness and culture among all employees and contractors through executing BBS (Behavior-Based Safety) and Safety Operation Improvement (Safety Man, i-CAREs, and activities to develop capability on safety and communication for contractors).

#### Process safety

IRPC commands preventive approaches for severe process incidents like explosion, oil and chemical leaks, and fires. To this end, it relies on PSM (Process Safety Management) and defines process safety approaches together with PTT Group companies.

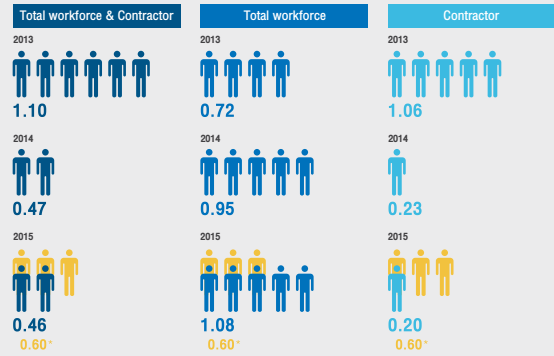


\*For details on projects to cultivate QSHE awareness and culture, please refer to the annual report (pages 202-205) at <http://irpc.listedcompany.com/misc/ar/20160304-irpc-ar2015-th-02.pdf>

### Safety and occupational health statistics



**Total Recordable Incident Rate: TRIR**  
(Number of injured (person) per 1 Million work hours)



**Total Recordable Occupational Illness Rate: TROIR<sup>(1)</sup>**  
(Number of work related sick (person) per 1 Million work hours)

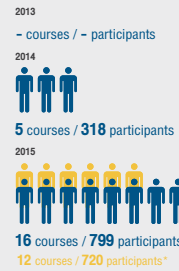


\*Target 2015

Remark : <sup>(1)</sup> TROIR had only been analysed based on employees, who, undertook health check



**Process Safety Management (PSM) Training Program**  
(courses and participants)



**Tier 1 Process Safety Events**  
(cases)

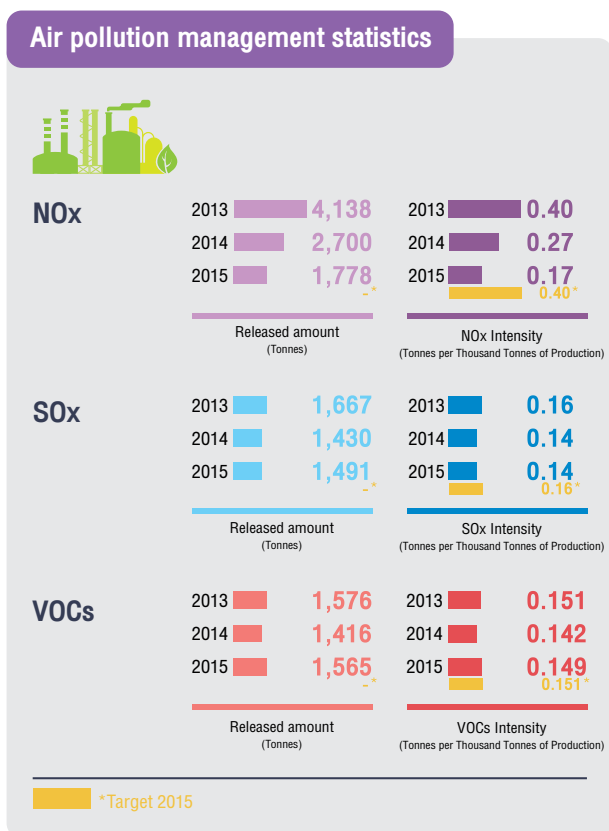


\*Target 2015

## Environmental

### Air pollution management

IRPC commands rigorous pollution management to curb air emission against goals as described below.



### Management of VOCs

IRPC employs VOC cameras and has installed tools to efficiently trap and cut emissions. For 2016, it plans to install control valves at chemical storage tanks and install vapor recovery units at the benzene, toluene, xylene, and ethylene plants, which are expected to ease VOC emissions by about 94 tons.

### Emission control of oxides of combusted nitrogen (NOx)

IRPC ran a project on combustion efficiency improvement at the burner and combustion chamber of the gas turbine at CHP1, successfully lowering NOx emission by 75%. This year, the overall emission reduction averaged 57% of that of 2013.

### Sulfur oxide (SOx) emission

As a result of the switch in low-sulfur fuel consumption, investment in gas distribution pipelines in the industrial zone and in the pressure control and gas volume measurement station at EBSM and lube base oil plants, IRPC successfully maintained SOx concentration at 0.14 ton per thousand tons of products. Next year, it expects to further reduce this emission by 25%.

## GHG emission reduction

Through its key approaches of making low-carbon products, raising energy efficiency, and improving the cleanliness of its processes, IRPC is part of the resolution of climate change problems.

This year, it successfully lowered GHG emissions by **28,953** tons of carbon dioxide equivalent (TOCE) from products registered as "carbon label" ones.

Its gasohol and biodiesel products lowered GHG emissions by **230,602** TOCE.

IRPC lowered energy consumption by **1,611,884** gigajoules, equivalent to **154,591** TOCE.



## Pollutant Release and Transfer Registers (PRTR)

PRTR is a voluntary project initiated by DIW, Ministry of Industry, in conjunction with JICA (Japan International Cooperation Agency) to report operators' data, released and transferred volumes of pollutants/waste to air, soil, and water in pilot areas of Rayong. In 2014, it took part by reporting the outcomes of petroleum and petrochemical plants; this year, it joined in PRTR publicity to forge understanding among various stakeholders and hear comments for further PRTR refinement for greater efficiency.

## Waste management

IRPC's goal for reducing the hazardous-waste landfill volume by 2020 is zero. This year, it conducted a waste flow analysis to guide future waste reduction project development. Next year, it plans to run a project on humidity reduction in waste sediments using chemicals at the PTK Catalyst Plant, which would cut some 600 tons of waste.

## Water management

Thanks to its 3Rs (reduce, reuse, recycle) approach, IRPC successfully cut 1,007,400 cubic meters of water usage. With PTT Group Water Management Team, it defined strategies for water management under assorted crises. IRPC also belongs to the Water War Room Rayong, designed to manage the volume and quality of water for the province. As for wastewater treatment, IRPC commands a strict, efficient system required by the authority before eventual release.

### Water management statistics

#### Fresh Water Intensity

(M<sup>3</sup>/ Tonnes of Production)



#### Water saved from 3Rs program

(M<sup>3</sup>)



\*Target 2015

Remark \* In 2014, An increase in water usage was a result of Fire incident at VGOHT and Power Plant increased the production of electricity and steam to accommodate ABS expansion project, EBSM expansion project.



\*For details on water management, please refer to the sustainability report (pages 63-65) at [http://www.irpc.co.th/th/pdf/library/12/2015\\_IRPC%20SD%20Report\\_TH.pdf](http://www.irpc.co.th/th/pdf/library/12/2015_IRPC%20SD%20Report_TH.pdf)

## Complaint management

In place at IRPC is an efficient complaint management system. IRPC also instituted a system of participatory environmental management in project development in its industrial zone. This is done through the “Community and Society Development Multilateral Committee, IRPC Industrial Zone, Rayong” and the EIA/EHIA Monitoring Committee to ensure confidence in IRPC’s control and impact mitigation concerning its activities. These efforts resulted in a decline in complaints this year, with environmental complaints dropping 50% from last year; meanwhile, satisfaction of communities around the zone concerning the environment averaged 99.52%, which was superior to that of last year.

### CSR-DIW: Approaching Green Culture

The CSR-DIW Project focuses on the network efforts of activities for society and communities in pursuit of sustainable development—a step toward the international social-responsibility standard.

IRPC has run CSR-DIW projects since 2009, with 23 of its plants and affiliates’ plants taking part and earning recognition. This year, it participated in the project through 12 registered plants, all winning CSR-DIW Awards 2015:

#### 11 CSR-DIW Continuous Awards

One operation winning  
an award for commitment  
to community development  
at the “good” level.  
(Ethylene Plant)



\*For details on CSR-DIW projects, please refer to the annual report (pages 204-205) at <http://irpc.listedcompany.com/misc/ar/20160304-irpc-ar2015-th-02.pdf>



## CSR PERFORMANCE

### CSR policy and strategies

In conducting its businesses, IRPC is committed to the CG principle in parallel with social, environmental, and stakeholder responsibilities under the **“Care, Share, and Respect”** concept. Below are the CSR direction and policy.



- 1 Basing business conduct on corporate governance, taking into account stakeholders' benefit as well as fair treatment of all stakeholders
- 2 Conducting businesses with fairness, while promoting free trade without breaching intellectual properties or copyrights. IRPC promotes anti-corruption.
- 3 Respecting internationally accepted human rights principles, which form the foundation for human resource development, as well as treatment of customers and business partners
- 4 Taking responsibility for consumers through developing and improving safe products and services. IRPC provides accurate, sufficient information to consumers, while keeping consumers' data confidential.
- 5 Engaging in social and community development through encouraging audits, corrections, and improvement to prevent negative impacts on communities and society. Support is also given to social and environmental projects or activities.
- 6 Taking due care of the environment through appropriate environmental management systems. Promotion is given to efficient usage of resources as well as development of products and services without environmental impacts.
- 7 Engaging in innovative businesses that not only raise competitiveness and value for IRPC, but also benefit target groups, such as innovation in anti-bacterial plastic products, which are good for consumers' hygiene
- 8 Preparing social and environmental reports under internationally accepted for accepted formats to disclose information on activities for society and the environment to all stakeholders.

## CSR performance

This year's CSR engagement, carried out under SET's Guidelines for Social Responsibility and Guidelines for CSR Report, is highlighted below:

### 1 Good corporate governance

IRPC strictly and continuously evolves its CG policy, resulting in a "5 Emblems" rating as a result of the CGR assessment by Thai IOD for seven consecutive years. It was among the 17 companies whose scores exceeded 90 on the CG Scorecard.

### 2 Fair business conduct

IRPC has its CG manual presented on its website. In 2015, the latest edition was made more rigorous and international, with addition of issues on corporate responsibility for sustainable growth and anti-corruption. All employees must sign their names in acknowledgment of the code of conduct for strict adherence.



### 3 Anti-corruption

IRPC was admitted to CAC (Private Sector Collective Action Coalition against Corruption) and set an anti-corruption policy and measures for implementation across the organization. Information about anti-corruption is regularly circulated among staff through IRPC's communication channels.

### 4 Respect for human rights

IRPC respects and supports the human rights principles announced by UNGC (UN Global Compact). In 2015, it joined the pledge to promote CRBP (Children's Rights and Business Principles). UNICEF requested that children's rights be included in IRPC's CG policy and corporate strategies. In response, IRPC has annexed projects dealing with children's rights in its 2016 strategic plan.



### 5 Fair labor treatment

IRPC treats its workers fairly under international principles by putting in place a work system focusing on safety and workplace hygiene and capacity-building through IDPs (Individual Development Plans). Its performance management system ensures fair, efficient performance assessment. It treats employees' petitions fairly and transparently, while respecting employees' right to express their free views.

### 6 Responsibility for consumers

IRPC's policy aims to ensure that customers and end-customers receive products of higher quality resulting from its R&D, including POLIMAXX BANBAX, Green ABS, and Wood Plastic Composite (as a result of nanochemical plant investment). Information technology has helped the company manage databases, including IRIS (IRPC Relationship Information System) for petroleum customer relationship management and the CRM iAsset system for the asset management business.





## 7 Social and community development

IRPC set its criteria for CSR project selection by analyzing the severity of impacts on society and itself for optimal benefit from the budget as well as benefit for society, IRPC, and stakeholders.

Below are this year's highlights.

### Social and community development

#### Lam Sai Yong Model



The project sought to develop water sources and raise the quality of life for Ban Nong Yang villagers in Tambon Lam Sai Yong, Amphoe Nang Rong, Buri Ram. This year, over 440 households that who had suffered from drought benefited, with average income growth of 30,000 baht per month per household.

#### Employment for hawser hands

This supported the local economy through employment for hawser hands in parallel with fishery. Some 3.2 million baht in revenue per year was generated.

#### Promotion of community enterprises

IRPC provided support to 100 vocational groups with 1,311 members in total to make community products more responsive to market demand.

#### Volunteer spirit

This year a total of 1,564 community members and 1,282 IRPC staff participated in various volunteer spirit projects around the industrial zone for a total of 6,083 volunteer hours.

### Community communication

#### Community communication

IRPC constructed a public announcement system (towers) at seven locations for circulation of useful information and emergency communication. A total of 18 communities with 13,800 villagers have benefited from the system.

#### Public's Right to Know

IRPC organized training for community members in Rayong to equip them with accurate information, including that on gas emissions from the flare stack, UHV and CHP II projects concerning safety and occupational health, among others. A total of five training sessions were organized for 1,074 participants this year.

#### Fieldwork Coordination Center

IRPC's Fieldwork Coordination Center monitored potential operating impacts on communities. In addition, it developed a community database for windward areas, numbering 10,398 households or 38,526 residents for defining work plans and measures.

#### Open House

IRPC arranged an annual Open House session, welcoming stakeholders to learn about its operations. This year, it held altogether 15 sessions for 580 villagers.

### Community hygiene

#### Mobile Clinic for Communities



This year IRPC launched 12 free monthly mobile check-ups and preliminary clinic visits for communities, serving 1,412 users.

#### Sharing with Communities



This project provided free basic medical care to communities around the industrial zone. This year, 5,179 took advantage, and the number of IRPC Cardholders made this year totaled 687.

#### Check-up and vigilance of residents around the industrial zone

With Rayong Hospital, IRPC collected health information on 900 community residents for two years for use in treatment planning under the Mobile Clinic for Communities Project and analysis of illness tendencies.

## Education

### ○ KVIS and VISTEC

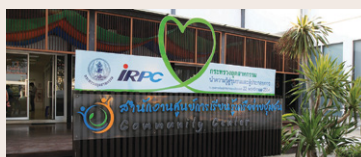


With PTT Group companies, IRPC founded Kamnoetvidya Science Academy (KVIS), offering the final three years of high-school education, and Vidyasirimethi Institute of Science and Technology (VISTEC), offering post-graduate studies in science. The ultimate goal is to become Thailand's leading research university.

### ○ One for Nine

With ONESQA (Office for National Education Standards and Quality Assessment, Public Organization), IRPC developed innovative education by leveraging its potential and readiness at nine schools.

### ○ IRPC Community Network Learning Center



This center engaged in relations activities involving communities, including English-language learning, biscuit classes, tae kwan do club, and ballroom dancing club. This year saw a total of 9,479 participants.

### ○ Scholarships for communities

Since 2008, IRPC has granted scholarships to students from 89 communities. This year alone saw 312 scholarships handed out.

## Art and culture

### ○ Renovation of Wat Khrua Ta Phet archeological site



IRPC liaised with Fine Arts Office 3 of Phra Nakhon Si Ayutthaya on the renovation of the ruined temple, excavated at the site of IRPC Oil Depot in Ayutthaya. The renovation work was completed this year. It is IRPC's goal to develop this into an archeological learning center for the benefit of youths and the interested public.

## Social enterprise

IRPCT is a vocational college in which IRPC has invested 99.9% to cater to the demand for skilled technicians. This is regarded as social enterprise under the “community college for community” concept.

IRPCT has developed “school-plant” education, in which students have their hands on modern equipment and train in IRPC's and affiliates' plants. That way, IRPCT graduates possess labor-market demand skills. Below are IRPCT's strategies for becoming the country's leading vocational college by 2020:

1. Elevate its standard for producing graduates to cater to the demand of the petrochemical and energy industries by adding two new disciplines, namely petrochemical and energy techniques, while upgrading their quality to the premium grade by means of ACE (Advanced Competency in Engineering)
2. Elevate the quality of existing disciplines by modifying them into a mini-English program or English program to transition to AEC and the global standard.



\*For details on social enterprise, please refer to the annual report (pages 218-219) at <http://irpc.listedcompany.com/misc/ar/20160304-irpc-ar2015-th-02.pdf>

## 8 Environmental management

IRPC boasts plans on environmental management at each production unit (“CSR in Process”) to minimize impacts on stakeholders. Key projects around the industrial zone in Rayong are as follows.



### Expansion of green areas – community and industry standing side by side

In collaboration with Taphong Tambon Administrative Organization, IRPC drew up a map showing green areas and community areas with free space under the Office of Natural Resources and Environmental Policy and Planning’s plan. A total of 49 plots of land with a combined area of 2,339 rai served as the pilot area, where 598 trees were planted. At the next stage, IRPC will engage in planning development of green areas in Moo 4 of the subdistrict.

### Protection Strip

This year a total of 34,680 trees were planted in phase 2 for a stretch of 2.29 kilometers for a total area of 39 rai. In all, 276,340 trees were planted on 371 rai or a connected stretch of 13.14 kilometers, capable of sequestering 3,008 tons of carbon dioxide per year. By 2016, IRPC will carry on the project to complete the planned 18.09 kilometers, or an entire area of 424 rai.

## 9 Publicity of CSR innovation

### From Bench to Community (Prostheses)

Since 2011, IRPC has donated anti-bacterial polymers to the Prostheses Foundation of HRH the Princess Mother. This year at Um Phang Hospital, Amphoe Um Phang, Tak, a team making prosthesis went to work. A total of 151 patients were fitted with 232 prosthetic legs. A total 6,694 prosthetic legs have been assembled for 5,040 patients from 90 tons of polymers. The project won Asia Responsible Entrepreneurship Awards (AREA Awards).



### IRPC Cubic Academy

IRPC Cubic Academy is a new project intended for driving the company toward sustainability, focusing on producing personnel with an understanding of CG, social contribution, communication, environmental conservation, promotion of good corporate image and social trust, and sustainable business growth. This year, 187 employees took part together with 35 external parties.



## 10 Sustainability Report

IRPC makes its Annual Report for shareholders and bases its Sustainability Report on the G4 Sustainability Reporting Guidelines for shareholders and investors to acknowledge the company’s comprehensive operation overview. A report on Communication on Progress was also issued for submission to UNGC at the advanced level.



# HUMAN RESOURCE PERFORMANCE

## HR policy and strategies

IRPC values organization health by defining it as a corporate KPI. It focuses on improving its human resource management system under three key areas, namely HR management system improvement, employee capacity-building, and long-term personnel retention.

### Summary of HR administration performance

This year, IRPC allocated **61.3 million baht** to this area through a variety of projects, while establishing common understanding of iSPIRIT values to drive IRPC toward its goals. As a result of its plan modification this year, the OHI (organizational health index) rose by **69%** from last year.

## HR administration performance

### 1. HR management system improvement

IRPC improved this system to elevate it to the international level while conforming to business strategies. To this end, personnel are administered in pursuit of HR excellence, an element of the DELTA Project, consisting of

#### Reorganization for efficiency

IRPC underwent organization reorganization, assessed job values, and defined a structure for compensation and welfare in addition to formulating manpower requirements and career development plans to raise its HR management efficiency.

#### Performance Management System (PMS)

IRPC developed this system by relying on KPIs for fairness and accountability while defining essential competencies for jobs to frame IDPs for given positions.

## 2. Employee capacity-building

This year, IRPC allocated 61.3 million baht to this area so that its employees may sustainably support business growth. To this end, the following projects were managed.

### Executive Leadership Development Program (Ex-LDP)

The program enhanced mastery of leadership under the approach of efficient core values and corporate culture. This year saw 98 executives enroll.

### Middle Management Leadership Development Program (MLDP)

This program leveraged a development process where executives brainstormed and presented business development projects. This year saw 72 executives pass the course.

### IRPC Chemical Engineering Practice School (I-ChEPs)

This program developed a learning process by integrating chemical engineering knowledge to forge unity and teamwork in addition to process capability among employees. To date, it has generated some 53 million baht in value addition for IRPC.

### iSPIRIT corporate values

These were inaugurated to forge common recognition and understanding to enable IRPC to achieve its goals.

\*For details on employee capacity-building projects, please refer to the sustainability report (pages 30-43) at [http://www.irpc.co.th/th/pdf/library/12/2015\\_IRPC%20SD%20Report\\_TH.pdf](http://www.irpc.co.th/th/pdf/library/12/2015_IRPC%20SD%20Report_TH.pdf)





### 3. Long-term personnel retention

IRPC focused on keeping capable personnel by valuing employee engagement through participatory activities, including

#### Promotion of employees' activities

IRPC joined in promoting the exercising of employees' rights through eight labor unions, to which 86.79% of the employees belonged. This year it handled 38 such unions' complaints, all of which were resolved systematically and transparently by the management. In addition, IRPC allocated a budget supporting 28 employees' clubs.

### 4. Performance indicators

Thanks to organizational restructuring, job value assessment, iSPIRIT definition, enhancement of the management's leadership, and internal communication development, this year saw improvement in OHI (organizational health index) over last year. IRPC will remain committed to developing its performance outcomes to improve this index in the years to come.

#### Compensation and welfare

Continually, IRPC focused on forging a high quality of life for employees on a par with other leading peers of the same industry. Also defining suitable and fair compensation and welfare schemes, it restructured welfare schemes to keep quality personnel over the long term.

#### HR administration statistics

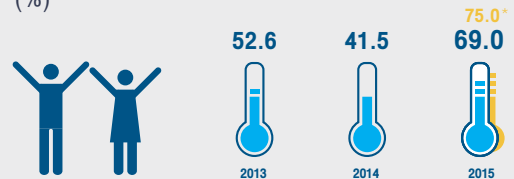
##### Average Training Hours of employee (Hours/Year)



##### Employee Satisfaction (%)



##### Organization Health Index (%)



\*2015 Target

## CODE OF BUSINESS CONDUCT



IRPC is committed to its code of business conduct, encompassing issues concerning human rights and treatment of personnel, society, and the environment, occupational health, and safety; anti-corruption; compliance with laws and regulations; and fair treatment of all stakeholders. It strives to expand its CG to all its business partners and stakeholders.

# CORPORATE GOVERNANCE POLICY

The Board has defined IRPC's CG policy in line with the Corporate Governance Policy for Listed Companies of SET and the criteria of Corporate Governance Reports of Thai Listed Companies (CGR) as follows:

- 1 With due regard for sustainable development and growth, all are committed to applying IRPC's CG principles (CREATE) to their work

## CREATE: Tenets for corporate governance

<b>Creation of Long Term Value:</b>	Creation of long-term value for the company
<b>Responsibility:</b>	Responsibility for action, performed with adequate competency and efficiency
<b>Equitable Treatment:</b>	Equitable treatment of stakeholders
<b>Accountability:</b>	Accountability for one's decisions and actions
<b>Transparency:</b>	Transparency of execution and information disclosure
<b>Ethics:</b>	Ethics of business execution, together with compliance with the code of conduct

- 2 The Board is independent, with clear segregation of roles between the Chairman and the President
- 3 The Board defines IRPC's vision together with key strategies, policies, and plans while ensuring a credible accounting system
- 4 The Board defines an anti-corruption policy and key relevant mechanisms while overseeing the prevention and resolution of conflicts of interest and connected transactions
- 5 The Board must lead in ethics and observance of IRPC's CG approach
- 6 The Board may appoint suitable ad hoc sub-committees to support deliberation of key matters
- 7 The Board must hold annual self-assessment to frame the scrutiny and improvement of its performance
- 8 The Board sets IRPC's code of conduct for itself, executives, and the rank and file to steer their conduct
- 9 IRPC's shareholders are entitled to fair treatment and access to information, disclosed adequately, credibly, and promptly
- 10 The Board's policy is for succession planning to be in place to ease suitable, transparent, and fair executive recruitment.

## CG milestones of 2015

First third-party performance assessment of **the Board and sub-committees**, with a plan to repeat this every **three years**

Opportunity for minor shareholders to nominate agenda items and nominate directors in advance

Enforcement of the **corporate compliance policy** across the organization

All employees' preparation of reports on disclosure of potential conflicts of interest through the intranet

Revision of the code of conduct to align with changes required by SET, the ASEAN CG Scorecard, and other international practices

## CG PERFORMANCE

### 1 Shareholders' rights

IRPC safeguards and promotes the exercising of shareholders' rights under the law and company regulations. Before the AGM this year, it had publicized the meeting through the IRPC Newsletter, which was sent to each shareholder together with the meeting notices and proxy forms. The AGM was held on April 3, 2015, under the Green Meeting theme, while shareholders were adequately and equitably facilitated. After the meeting, IRPC sent voting summaries and meeting minutes to all, while posting them on SET's and IRPC's websites.

### 2 Equitable treatment of shareholders

IRPC treats all shareholders with equitability by providing them with adequate data well ahead of time through convenient channels. It also allowed minor shareholders to nominate agenda items ahead of the AGM and nominate directors for election.

### 3 Regard for stakeholders' roles

#### Shareholders/investors

IRPC conducts its businesses with fairness for the optimal benefit of the shareholders with due regard for sustainable growth in addition to adequate data disclosure to the shareholders. Also, it enhanced shareholder relations through assorted channels and activities.

#### Customers/consumers

IRPC develops products and services to match customers' needs and cater to consumers' quality of life. It fully discloses marketing data while developing information technology for database management from the beginning of transactions to delivery of goods

#### Business partners

IRPC defines a procurement excellence policy and treats its business partners lawfully and fairly under the ESG approach:

- Environment (defining a policy of green product procurement)
- Social (supporting communities and local hiring)
- Governance (standard and auditable terms of reference and procurement methods)



## Competitors

Under its policy, IRPC treats its competitors in a fair manner. Its commercial competition is filled with integrity, without taking advantage of competitors, dishonest data acquisition, or slander.

## Creditors

IRPC commands good practices in strictly honoring contract terms with its commercial creditors and financial institutions. It discloses factual data to them if it cannot abide by a given contract in an attempt to jointly find a solution to the problem.

## Employees

IRPC is committed to developing employees' capabilities and quality of life on a par with their counterparts of leading companies. It defines fair compensation and duly restructures welfare structures while undertaking essential personnel development.

## Communities and society

IRPC has defined its policy on responsibility to communities and society in its long-term and annual plans under the CSV (Creating Shared Value) approach. It respects human rights as defined by UNGC and UNICEF, while supporting activities and constantly participating in community development.

## Environment and natural resources

IRPC was chosen by the Federation of Thai Industries to serve as a prototype for Eco-Industries. It commands a clear set of guidelines for environmental stewardship in pursuit of an Eco-Factory and constantly develops hygienic projects in areas around the industrial zone.

## 4 Disclosure and transparency

IRPC accurately and fully discloses financial and non-financial data within due periods for shareholders, investors, and analysts, including company reports required by SEC and SET, a sustainability report required by GRI at the G4 level, Communication on Progress (CoP) report required by UNGC, and disclosure of essential information in the annual report and on the company's website.

## 5 Board responsibilities

### Board of Directors

The Board defines IRPC's vision, directions, and strategies and establishes credible accounting systems, financial reporting, and account auditing. It ensures efficient internal control and internal audit processes, while defining a CG policy and establishing performance monitoring measures.

### Sub-committees

Established by the Board, four sub-committees (also referred to as "committees") help screen key businesses:

- **Audit Committee**  
This sub-committee defines policies for audits, reviews the internal control system, and reports audit outcomes to the Board. This year it held 12 meetings.
- **Nomination and Remuneration Committee**  
This sub-committee nominates directors, subcommittee members, and the President, and tables their compensation to the Board. This year it held eight meetings.
- **Corporate Governance Committee**  
This sub-committee proposes practical guidelines and relevant advice on CG to the Board, steers IRPC's compliance with CG plans, and assesses the Board's performance against such plans. This year it held seven meetings.
- **Risk Management Committee**  
This sub-committee defines the risk management policy and plans together with processes for the entire company. It develops systems, monitors, and assesses risk management outcomes. This year it held five meetings.

IRPC earned recognition (Board of the Year Awards 2015) for its Board and its Audit Committee and retained its **DJSI membership for the second consecutive year**, illustrating the Board's dedication to efficient CG

IRPC successfully earned **"5 Emblems"** rating under the **Corporate Governance Report (CGR) Project for the seventh consecutive year**, with a 2015 assessment **score of 92**, an improvement over last year despite stricter criteria.

### Board performance assessment

- **Annual performance assessment**

IRPC organized this assessment for the Board and its subcommittees, with the summary of overall findings below:

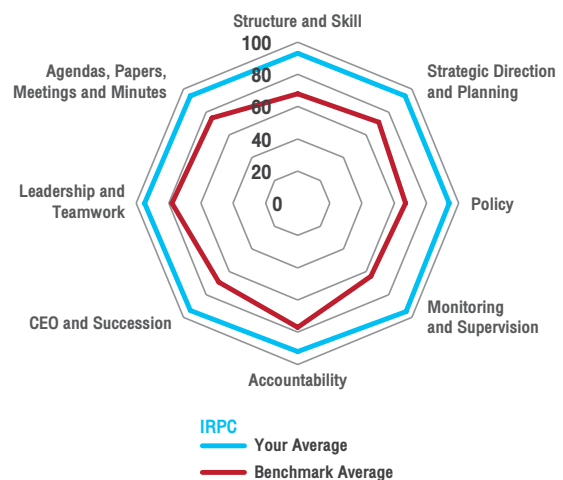
1. An average score for the Board of **95.28%**
2. Individual directors' scores
  - Self-assessment average of **95.97%**
  - Cross-assessment average of **89.15%**
3. Subcommittee performance outcomes

- **Board assessment by an independent third party**

This was the first year in which IRPC had organized Board assessment by an independent third party under SET's good practices, with Governance Matters Thailand (GMT), an affiliate of Governance Matters (GM) of Australia, serving as the assessor.

1. The Board earned an average score of 94, with a very good CG score, as seen in IRPC's performance graph (blue line) exceeding the benchmark (red line), with eight topics of assessment in the chart below.

Subcommittee	Average score (%)
Nomination and Remuneration Committee	<b>92.15</b>
Corporate Governance Committee	<b>98.96</b>
Risk Management Committee	<b>99.44</b>
Audit Committee	
● Overall performance	<b>99.44</b>
● Self-assessment	<b>91.95</b>
● Assessment by the Chairman	<b>100.00</b>



\*For details about Board assessment, please refer to the annual report (pages 85-89) at <http://irpc.listedcompany.com/misc/ar/20160304-irpc-ar2015-th-02.pdf>

2. The subcommittees earned an average score of 95, implying that all of them most efficiently steered IRPC's CG matters at a very good level, as summarized below:

Subcommittee	Topic					Average score (%)
	Composition	Charter, Duties, and Responsibilities	Auditors	Meetings	Reporting	
Audit Committee	/	/	/	/	/	97
Nomination and Remuneration Committee	/	/		/	/	95
Risk Management Committee	/	/		/	/	96
Corporate Governance Committee	/	/		/	/	94

3. The Chairman and individual directors earned an average **score of 95** against the following topics:

1. Strategic,
2. Ethics/values,
3. Knowledge and experience,
4. Relationship with other directors,
5. Relationship with the CEO,
6. Public profile,
7. Diligence,
8. Chairing meetings

The assessment topics for individual directors consisted of

1. Character,
2. Knowledge and experience,
3. Competence and judgment,
4. Diligence,
5. Collegiate.

## GOOD CORPORATE CITIZENSHIP

Besides its CG practices required by law, requirements, and best practices of the Thai capital market, the Board promoted IRPC's role for good corporate citizenship in five ways:

### 1 Human Rights

IRPC promotes human rights without discrimination or exclusion due to differences, with promotional activities on children, women, the handicapped, and the underprivileged, as well as fair deployment and treatment of labor workforce including

- Participation in projects and support of activities staged by independent agencies and international organizations, including UNGC.
- Joint foundation of the domestic UNGC Local Network
- Participation in the UNICEF Children's Right program
- Provision of materials for religious activities regardless of religion
- Enhancement of the quality of life for children, women, the handicapped, the elderly, and the underprivileged.

## 2 Labor Rights

### Employees

Developing procedures and practices that are fair to select, evaluate, and promote employees' career development, IRPC treats employees and workers without discrimination or segregation, and respects individual liberty

### Labor unions

IRPC supports their constructive activities and listens to their opinions.

### Service hire labors

IRPC engages in agreements with contractors complying with labor rights laws and has put in place measures and ways to enforce its business partners and contractors to treat their employees or workers fairly and legally.

### Children and youths

IRPC adheres to children's rights and the employment of the labor workforce under the UNICEF guideline.

## 3 The environment

### Environmental protection and impact mitigation

IRPC has developed standards of work quality, safety, and the environment on a par with international practices. Business partners have been enforced to comply with these standards. IRPC is also committed to its EIZ role model.

### Eco-forest

To establish and maintain ecological balance, IRPC selected specific types of trees fit with the local ecology, with all saplings procured from local communities.

#### Notification and complaint channels

By email to : auditor@irpc.co.th

By surface mail to : Audit Committee Chairman

IRPC Public Company Limited  
555/2 Energy Complex Building B  
6<sup>th</sup> Floor, Vibhavadi-Rangsit Road, Chatuchak,  
Chatuchak, Bangkok 10900

By mailbox to : P.O. Box 35, Sun Tower Post Office  
Bangkok 10900



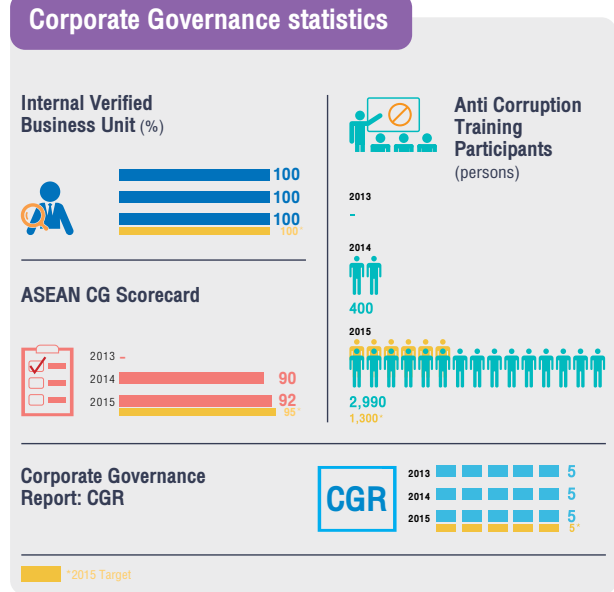
## 4 Anti-corruption

- The Board has defined its policy, guiding principles, and measures on anti-corruption, together with prevention of conflicts of interest. IRPC demands that the Board, executives, and employees disclose details on potential conflicts of interest with the company.
- IRPC was admitted as a member of CAC (Collective Action Coalition against Corruption) by Anti-Corruption Organization (Thailand)
- IRPC undertook assessment on anti-corruption against CAC's approach, with reassessment done every three years
- To expand its anti-corruption network, IRPC required its affiliates to devise anti-corruption policies and guidelines that agree with its own. It also invited stakeholders to join CAC.
- IRPC has completed anti-corruption training for 2,990 employees, equivalent to 57% of the workforce. A "We Can Stop Corruption" promotional campaign was broadcast via the intranet.
- To become a role model for all employees, IRPC jointly organized anti-corruption campaigns with the public sector
- With PTT Group, IRPC extended joint anti-corruption efforts within PTT Group to all its stakeholders
- IRPC organized the 5<sup>th</sup> Diamond Award in 2015 to give corporate recognition to the best business unit with internal auditing and internal control
- In place are a whistleblowing policy and protective measures for whistleblowers and involved witnesses. In 2015, IRPC received 65 complaints; it finally concluded 25 cases and is reviewing the remaining 40.



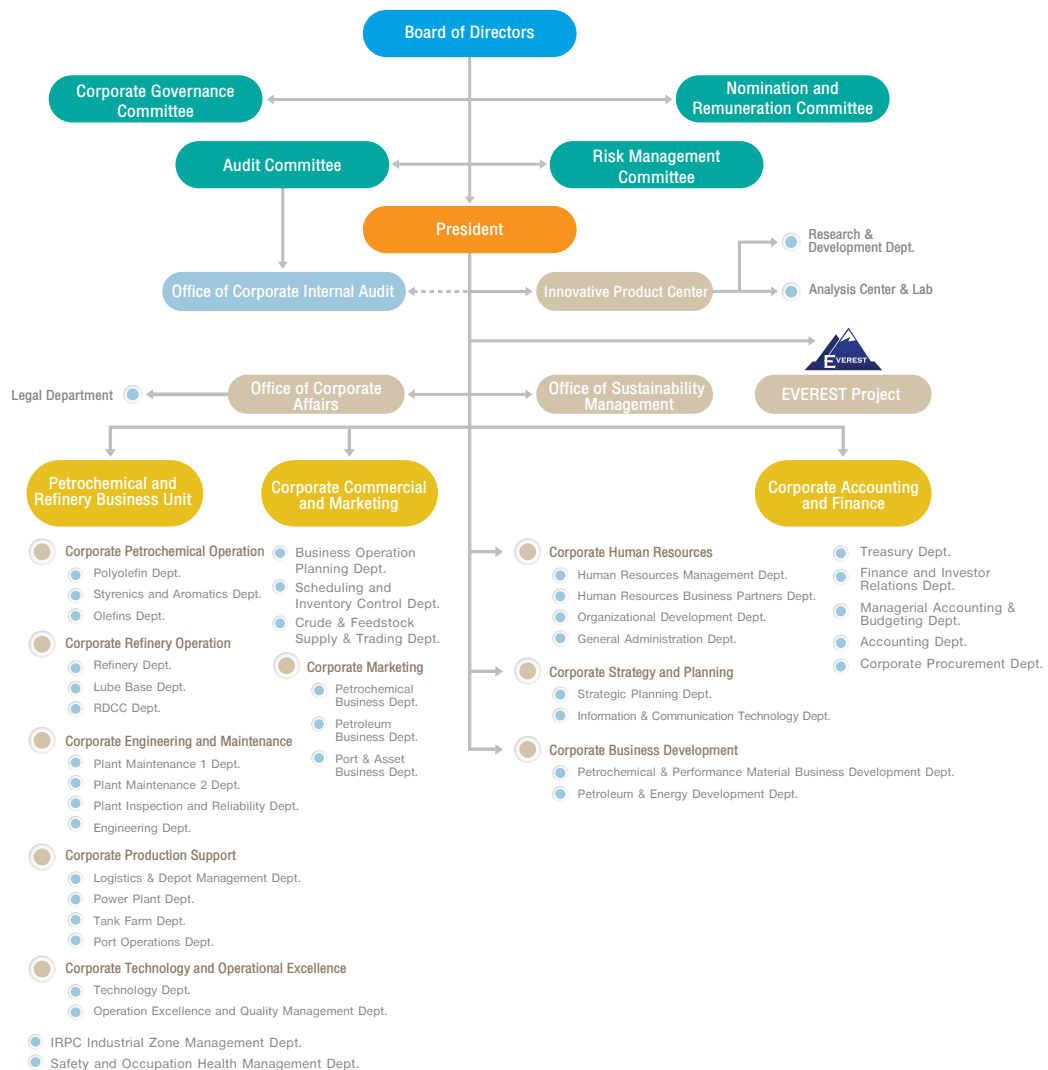
## 5 Learning and Development

IRPC joined the WEF (World Economic Forum) membership to share its learning and adopt international best practices for its own deployment in order to support the sustainable development approach, while embracing global good corporate citizenship. This year, one global issue relevant to IRPC's business is the imminent "Fourth Industrial Revolution", soon to expand, together with the preparedness moves made by all sectors to tackle this challenge.



## MANAGEMENT STRUCTURE

### IRPC Public Company Limited



## BOARD OF DIRECTORS

As of December 31, 2015, the Board consisted of 15 directors, 14 of whom (93.34%) were non-management ones, one management director, and six independent directors (40%).

Name & Current Position	Tenure since
1. Mr. Tevin Vongvanich Chairman	October 20, 2015
2. Mr. Cherdpong Siriwit Independent Director/ Chairman, Audit Committee	April 8, 2009
3. Mr. Woothisarn Tanchai Independent Director/ Chairman, Nomination and Remuneration Committee	June 19, 2015
4. Mr. Watcharakiti Watcharothai Independent Director/ Chairman, Corporate Governance Committee	April 5, 2011
5. Mr. Sarun Rungkasiri Director/ Chairman, Risk Management Committee/ Member, Nomination and Remuneration Committee	October 15, 2013
6. Mr. Chansin Treenuchagron Director	October 20, 2015
7. Mr. Chavalit Punthong Director	November 17, 2015
8. Mr. Songpope Polachan Independent Director/ Member, Audit Committee/ Member, Nomination and Remuneration Committee	April 5, 2013
9. Mr. Triumph Jalichandra Independent Director/ Member, Audit Committee	May 22, 2012
10. Mr. Somnuk Bomrungsalee Director	April 9, 2014
11. Mr. Pramual Chanpong Director/ Member, Corporate Governance Committee	April 1, 2014
12. Lt. Gen. Sasin Thongpakdee Independent Director/ Member, Corporate Governance Committee	September 1, 2014
13. Mr. Prasit Suebchana Director/ Member, Risk Management Committee	November 18, 2014-January 4, 2016
14. Mr. Ekniti Nitithanprapas Director	November 17, 2015
15. Mr. Sukrit Surabotsopon Director (Management Director)/ Member, Risk Management Committee/ President/ Secretary to the Board	October 1, 2013

## SUB-COMMITTEES

### 1. Audit Committee

The Audit Committee has at least three Board-appointed independent directors and must be duly independent under the Capital Market Supervisory Board's announcement. It must have at least one director who commands sufficient knowledge and experience to review the reliability of financial statements.

### 2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has at least three Board-appointed directors, at least one of whom must be an independent director. It nominates qualified candidates for new directors, subcommittee members, and the President, and determines their fair and sensible compensation.

### 3. Corporate Governance Committee

The Corporate Governance Committee consists of at least three Board-appointed directors, at least one of whom must be an independent director. It recommends CG implementation guidelines to and advise the Board, as well as monitoring operation.

### 4. Risk Management Committee

The Risk Management Committee consists of at least three Board-appointed directors who are experts in the petroleum or petrochemical business. It defines a risk management policy, plans, and procedure for the entire company.

\*For profile details of the Board and the management, please refer to the annual report (pages 28-59) at <http://irpc.listedcompany.com/misc/ar/20160304-irpc-ar2015-th-02.pdf>



# THE MANAGEMENT

## The President

The Board assigns the President to manage IRPC's businesses under its defined objectives and policies, and issue regulations on IRPC's business operations for all employees to acknowledge and observe.

## Management Committee

The Management Committee consists of the President and the Senior Executive Vice Presidents and Executive Vice Presidents of all business units together with the Executive Vice President, Office of Corporate Affairs, and Company Secretary serving as its secretary. It mentors the President on major decisions made concerning key issues of business strategies and directions, long-term business plans, investment plans, budgets, and resource allocation.

## Company Secretary

In conformity with the Securities and Exchange Act, B.E. 2535 (1992), and the announcements of the Capital Market Supervisory Board, the Board appointed Ms. Monwipa Choopiban, Executive Vice President, Office of Corporate Affairs, as Company Secretary. A Corporate Secretary and Compliance Division was also set up under the Company Secretary's authority to frame its operation on compliance and ensure proper compliance with IRPC's regulations.

Name & Position (as of 2015) <sup>1</sup>	
1.	Mr. Sukrit Surabotsopon President
2.	Mr. Peerapong Achariyacheevin Senior Executive Vice President, Petrochemical & Refinery Business Unit
3.	Ms. Rachadaporn Rajchataewindra <sup>2</sup> Senior Executive Vice President, Corporate Accounting & Finance
4.	Mr. Pongraphan Titathavewatana Executive Vice President, Corporate Refinery Operation
5.	Mr. Somkiat Lertritpuwadol Executive Vice President, Corporate Marketing
6.	Mr. Thammasak Panyowatkool Executive Vice President, Corporate Accounting
7.	Mr. Pravet Assavadakorn Executive Vice President, Office of Corporate Research and Development
8.	Ms. Monwipa Choopiban Executive Vice President, Office of Corporate Affairs
9.	Ms. Awrapin Ketratanakul Executive Vice President, Office of Sustainability Management
10.	Mr. Sirimet Leepagorn Executive Vice President, Corporate Strategy and Planning
11.	Mr. Kraisit Anukoolutaiwong Executive Vice President, Corporate Human Resources
12.	Ms. Srisuda Suralertrungsun Executive Vice President, Corporate Procurement and Administration
13.	Ms. Wanida Utaisomnapa Executive Vice President, Corporate Planning Supply Feedstock and Trading
14.	Mr. Chalor Panutrakul Executive Vice President, Corporate Business Development
15.	Mr. Veerawat Srinoradithlert Executive Vice President, Corporate Engineering and Maintenance
16.	Mr. Trisdee Watanangkur Executive Vice President, Corporate Production Support
17.	Mr. Woravuth Sivapetranart Executive Vice President, Corporate Technology and Operational Excellence
18.	Mr. Vichit Nittayanonte Executive Vice President, Corporate Petrochemical Operation / Acting Managing Director of Thai ABS Co., Ltd.
19.	Mr. Boondej Phuriyakorn Executive Vice President / Acting Managing Director of IRPC Polyol Co., Ltd.
20.	Mr. Phothiwat Paopongchuang Executive Vice President / Acting Managing Director of IRPC Technology Co., Ltd.
<b>The executive who completed the term during the year</b>	
	Ms. Duangkamorn Settanung <sup>3</sup> Senior Executive Vice President, Corporate Accounting & Finance

### Note:

1. Management list under the Capital Market Supervisory Board's announcement No. Thaw Jaw 23/2551, issued under the organization restructuring (as of January 2, 2015)
2. Ms. Rachadaporn Rajchataewindra was appointed with effect from November 1, 2015
3. Ms. Duangkamorn Settanung completed her term on October 31, 2015.

# BOARD AND MANAGEMENT COMPENSATION

## 1. Board and sub-committees

The 2015 AGM approved the compensation for the Board and sub-committees at the same rate as for 2014.

Directors	Monthly compensation/ person (baht)	Meeting allowance/ person (baht)
1. Board		
Chairman	60,000	60,000
Director	45,000	45,000
2. Four sub-committees and other sub-committees to be established later		
Chairman	None	60,000
Director	None	45,000

## 2. Management compensation

IRPC annually measures management performances at every level by defining a performance assessment policy under PMS (Performance Management System). The President's compensation is determined under clear, transparent, and fair principles, with the Nomination and Remuneration Committee responsible for proposing it to the Board for approval.

Compensation	(Million baht)	
	2014 (7 persons)	2015 (20 persons)
Compensation		
Salary	48.38	86.27
Bonus	5.93	35.41
Other compensation		
Provident fund	0.30	5.88
<b>Total</b>	<b>54.61</b>	<b>127.56</b>

**The year saw substantial growth in IRPC's performance,  
with profits rising by 180% over last year,**

mainly because the refining business posted larger margins caused by mostly weak oil and fuel feedstock prices. The lube base oil business, meanwhile, saw encouraging adjustment due to higher domestic demand. The petrochemical business, notably the polyolefin groups, commanded wider product spreads, while the commitment to excellence in work and management processes contributed to project successes. A case in point was the UHV Project, designed to improve the quality of heavy oil into high-value products, which enabled IRPC to proceed with full capacities. Another was the DELTA Project, designed to add efficiency and supplement value through operational excellence, cutting costs and adding profits as planned. Finally, IRPC extended its organizational excellence by launching the EVEREST Project to strive for even higher efficiency across the organization.

IRPC remains committed to sustainable organizational growth by running balanced businesses in economic, social, and environmental aspects to cater to all stakeholders, while constantly taking steps to improve the quality of life of communities around the industrial zone for mutual, sustainable growth.



(For details on economic, social, and environmental performance and other information, please refer to the [www.irpc.co.th](http://www.irpc.co.th) website).





IRPC Public Company Limited  
555/2 Energy Complex Building B, 6<sup>th</sup> Floor,  
Vibhavadi-Rangsit Rd., Chatuchak, Bangkok 10900  
Thailand  
Tel. : 66 (0) 2649-7000, 66 (0) 2649-7777  
Fax : 66 (0) 2649-7001

[www.irpc.co.th](http://www.irpc.co.th)