



PTT Exploration and Production Public Company Limited

Stakeholder Management Guideline

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1.0 Introduction

PTTEP Sustainable Development (SD) Framework comprises 3 main components namely; High Performance Organization (HPO); Governance, Risk Management and Compliance (GRC); and Stakeholder Value Creation (SVC). The balance among the three components will support PTTEP’s journey towards sustainability.

Operating under the SD framework, PTTEP is confident that this strong foundation as well as conscious consideration of all stakeholders’ interests will enable us to ensure energy security, deliver value, and foster sustainability for the wider world (from “WE” to “WORLD”).



Figure 1: PTTEP Sustainable Development Framework and Aspiration

For Stakeholder Value Creation (SVC), Stakeholder Management is one of the process of developing appropriate management strategies to effectively engage stakeholders throughout the lifecycle of the company operations and activities. This guideline describes an overall process of PTTEP Stakeholder Management, based on the methodologies from the relevant practices. The further details of each practice can be found in PTTEP guidelines and documents.

Stakeholder Management Guideline implementation enables us to obtain and maintain our “Social License to operate”. License to operate is part of social in sustainable development framework and aspiration of PTTEP.

This guideline is divided into 5 processes; to describe who are our stakeholders and how important to the company’s operations or activities. And how to manage the stakeholders and tools that fit with each stage of stakeholder management.

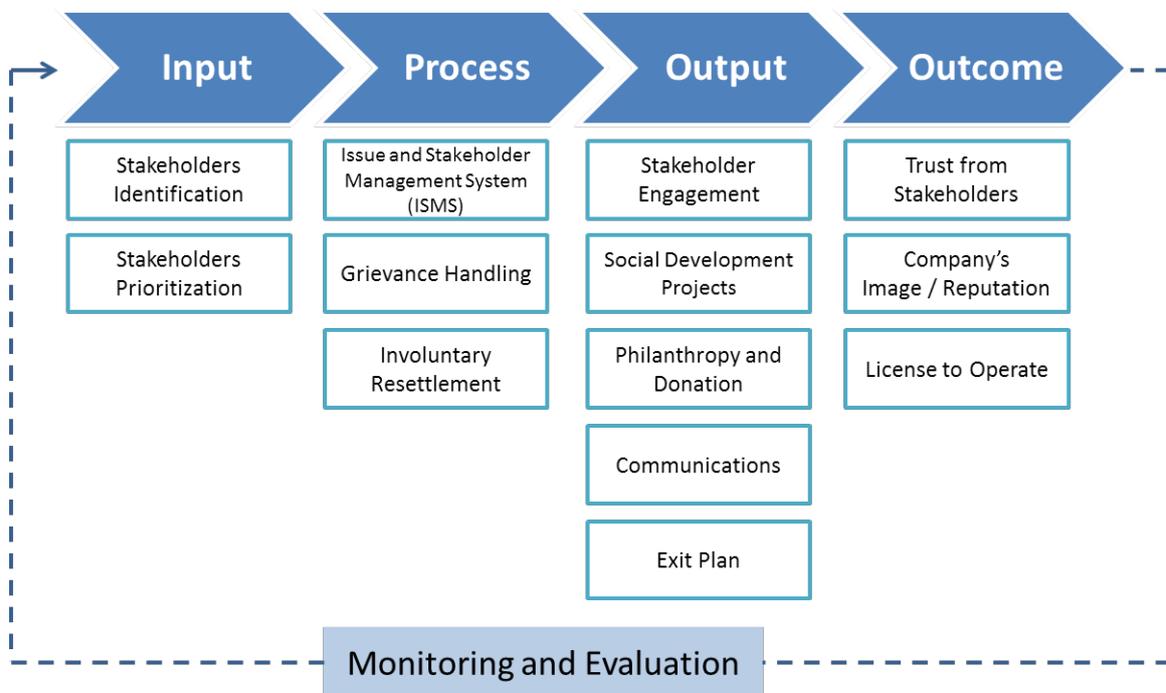


Figure 2: Stakeholder Management Process

2.0 Purpose

The purposes of this guideline are as followings:

- To identify and prioritize the stakeholders that could affect or be affected by the company’s projects or operations
- To analyze and execute the process to manage the stakeholders by applying the different tools i.e. Issue and Stakeholder Management System (ISMS), grievance handling and involuntary resettlement
- To find the appropriate mitigation and strategic plan for the stakeholder management i.e. stakeholder engagement, social development projects, philanthropy and donation, communications and exit plan
- To focus on continuous communications with stakeholders to meet their needs and expectations, and to address the soliciting issues
- To monitor and evaluate the result of a whole process, which helps make adjustments and respond to the problem areas

3.0 References

3.1 PTTEP Documents

Document Number	Document Title
12147-GDL-SSHE-413-010-R01	Bow-Tie Analysis Guideline
12088-PDR-001-01	Community Management Work Procedures
12145-PDR-001-R02	Corporate Communications Work Procedures
12052-GDL-001	Corporate Social Responsibility Framework
12140-GDL-002-R00	Creating Shared Value Roadmap
SSHE-106-PDR-501	Crisis Management Plan
12145-GDL-004-R04	Crisis Communications Guideline
13077-GDL-004-R00	Crisis Communications Manual
12140-GDL-001-R03	Donation Guideline
12140-GDL-009-R00	Grievance Handling Guideline
12052-GDL-008-R04	Issue and Stakeholder Management System Guideline
12088-GLD-03-R00	Protocol Guideline
12140-GDL-002-R00	PTTEP and Joint Venture Partners Contribution Guideline
12088-GDL-02-00	PTTEP Involuntary Resettlement Guideline
12052-GDL-006-R01	PTTEP Philanthropy Guideline
12052-GDL-005	PTTEP Social Investment Guideline
12142-GDL-001-R01	Risk Management Guideline
11035-STD-001-R03	Risk Management Standard
12052-GDL-004	Social Return on Investment
12052-PDR-001-00	Social Responsibility Work Procedures
-	Stakeholder Commitment Survey Methodology
-	Stakeholder Management Plan B6/27 Project
11001-STD-003-R03	Standard of Practices for Anti-Corruption
-	Sustainable Development Booklet
12165-GDL-001-R02	Sustainable Development Management Guideline

3.2 Other Reference Documents

Document Number	Document Title
-	A Guide to Social Return on Investment, SROI Network
-	A Strategic Approach to Early Stakeholder Engagement, IFC World Bank Group
-	Community Development & Community Relations Manual, PTT PLC.
-	Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets, IFC World Bank Group
-	Stakeholder Engagement Manual, UNEP
-	Stakeholder Engagement Tools for Action, Western and Public Child Welfare Implementation Center
ISBN 0-9738383-0-2	The Stakeholder Engagement Manual Volume 1: The Guide to Practitioners' Perspectives on Stakeholder Engagement
ISBN 1-901693-220	The Stakeholder Engagement Manual Volume 2: The Practitioner's Handbook on Stakeholder Engagement
-	The Toolkit: A better way to do business – External Affairs in the 21 st Century

4.0 Scope of Application

Stakeholder Management Guideline shall be applied to all PTTEP operation assets, both domestic and international, where there are organizations, communities or individuals who have an impact or interest in Company's project and operation.

5.0 Role and Responsibilities

Stakeholder Management Guideline shall be under the responsible of Social Responsibility Department (CSR) for preparation, review and update the guideline, and report to Corporate Affairs and Assurance Group (CAA). CSR also provides support to implement this guideline to all PTTEP operation assets both domestic and international.

6.0 Definition

Terminology	Description
Corporate Social Responsibility (CSR)	Refer to the ethical principle that an organization should be responsible for how its behavior might affect society and the environment.
Creating Shared Value (CSV)	Improving CSR by policies and practice that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates.
Crisis	A major or catastrophic event (out of control emergency). A crisis could result in sustained national impacts over a prolonged period of time; almost immediately exceeds resources normally available to the company, local authorities and country in the impacted area; and significantly interrupts governmental operations and emergency services to such an extent that national security could be threatened.
Donation	Define as a gift given by physical or legal persons, typically for charitable purposes and/or to benefit a cause. A donation may take various forms, including cash, in-kind or both. It also may consist of emergency, relief or humanitarian aid items, development aid support, and can also relate to medical care needs.
Engagement	An organization's efforts to understand and involve stakeholders and their concerns in its activities and decision-making processes

Terminology	Description
Emergency	<p>An occurrence or event, natural or human caused, that requires an emergency response to protect life, property and environment. The external assistance may or may not be needed to supplement the company efforts and capabilities to save lives and to protect property and public health and safety, or to lessen or avert the threat of a major or catastrophe in any part of the company premises.</p> <p><u>for example</u>, include major disasters, emergencies, terrorist attacks, terrorist threats, fires, floods, oil and hazardous material spills, marine vessel and aircraft accidents, earthquakes, tropical storms, typhoon, war-related disasters, outbreak of diseases and medical emergencies, and etc.</p>
Issue	<p>Refer to events or circumstance that result in positive or negative impacts on the company. The issue may involve environmental and social aspects or a combination of multiple issues. The issue may be short-term or long-term depending on the management approach with scope covering local, national or global levels. In accordance with ISO 31000 - PTTEP Risk Management Process; an issue is called a “Risk Event”.</p>
Issue and Stakeholder Management	<p>Refer to the process of analyzing, understanding and planning to respond to events, circumstances and stakeholders in which the organization is (or should be) involved, so that the negative impacts are mitigated. Positive impacts and company reputation can also be enhanced through issue and stakeholder management.</p>
Philanthropy	<p>Charitable giving. It often has little relation to business objectives, even though it may be addressing a community or societal need. Strategic philanthropy, however, is designed to enhance competitive context, aligns social and economic goals and improves a company's long-term business prospects.</p>

Terminology	Description
Risk	An event maybe happens. Once it happens, there will be unpleasant consequences e.g. property damage, financial loss, project value deterioration, reputation damage, environmental impact, unachievable target/objective, etc.
Social Enterprise (SE)	Commercial strategies to maximize improvements in human and environmental well-being. Can be structured as a for-profit or non-profit. SE as its subsidiary and generate funds to help start-up, aiming to do public goods to promote financial sustainability for such entities and groups. Selling goods and services in the open market, social enterprises reinvest the money they make back into their business or the local community. Do not depend on philanthropy and can sustain over the long term.
Social Impact	Refer to any potential or actual change that has an impact on surrounding community and workers, resulting from the business activity to be support.
Social Investment	Refer to the voluntary contributions made by companies to help communities sustainably address their development priorities.
Social License to Operate	Define as existing when a project has the ongoing approval within the local communities and other stakeholders, ongoing approval or broad social acceptance and, most frequently, as ongoing acceptance.
Social Return on Investment (SROI)	Social return on investment provides a framework for measuring the costs and benefits of social investment programs and initiatives. It accounts for not just the economic but also the social and environmental outcomes associated with social investment programs and initiatives.

Terminology	Description
Social Risk	Define as a combination of probability of certain hazard occurrences and the severity of impact resulting from such occurrence.
Stakeholder	Refer to persons, a group of people or agents both in and out of operational areas who have direct or indirect influences in the decision-making processes which affect goals and success of the organization. Stakeholders also refer to those who have been affected by the company decision making process and those who are interested in the operations. Shareholders and financial institutes are not included.

6.0 Acronyms

CEO	Chief Executive Officer
EVP	Executive Vice President
SVP	Senior Vice President
HCA	Human Resources, Corporate Affairs, and Assurance Group
HSR	Social Responsibility Department
HMM	Communications Department
HSR/P	Public Affairs Section
HSR/S	Social Development Projects Section
HMM/M	Media Management Section
HMM/C	Communications Management Section

7.0 Stakeholder Management Process

The stakeholder management process can be demonstrated as the diagram in below;

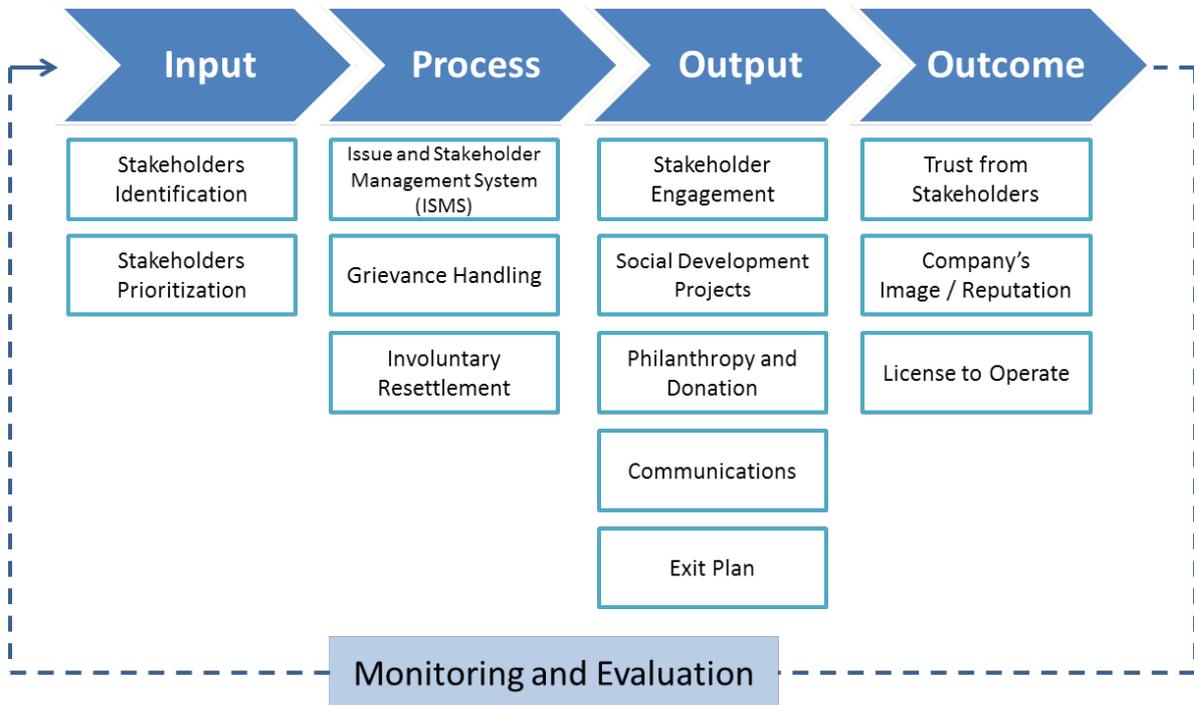


Figure 3: Stakeholder Management Process

7.1 Input

7.1.1 Stakeholder Identification

The first step in the process of stakeholder management is stakeholder identification - determining who your stakeholders are, and their key groupings. The Company may have a large number of stakeholders in different dimensions and concerns. To make it more understandable, PTTEP classified the stakeholders into 9 groups according to IFC, UNEP, World Bank and The Office of Natural Resources and Environmental Policy and Planning (ONEP).



Figure 4: Group of Stakeholders

Group 1: Government agencies, Regulators

Government agencies refer to ministry, bureaus, departments, state enterprises, regional and provincial levels.

Regulators refer to government agencies or government unit that obtains the authorization to issue permit for company’s activities.

Group 2: Vendors and Contractors/Suppliers

Vendor refers to a manufacturer or agent or stockiest or provider of goods and service as specified by the company.

Contractors/Suppliers refers to the party with whom the company has entered a contractual relationship for provision of goods and services.

Group 3: Customers

Customers or buyers who buy products or service of PTTEP group.

Group 4: Employees

Employees of PTTEP and PTTEP Group.

Group 5: Shareholders, Institutional Investors & Financial Institution

Shareholders, also referred to as a stockholder, is a person, company, or institution that owns at least one share of a company's stock, which is known as equity. Because shareholders are essentially owners in a company, they reap the benefits of a business success.

Investment & Financial Institution is a company engaged in the business of dealing with financial and monetary transactions such as deposits, loans, investments, and currency exchange.

Creditors is an entity that extends credit by giving another entity permission to borrow money intended to be repaid in the future.

Group 6: Business Partners, Consortium, Joint Ventures

Business Partners is a commercial entity with which another commercial entity has some form of alliance. This relationship may be a contractual, exclusive bond in which both entities commit not to ally with third parties.

Consortium is an association of individuals, companies, organizations, or governments with the objective of participating in a common activity or pooling their resources for achieving a common goal.

Joint Ventures is a business arrangement to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a joint venture, each of the participants is responsible for profits, losses, and costs associated with it.

Group 7: Communities

Communities and local government organizations, occupational groups, volunteer groups in the working area at the district level, sub-district, village where is in/near by the operational area.

Communities also includes indigenous peoples, as social groups with identities that are distinct from dominant groups in nation societies. They are among the most marginalized and vulnerable segments of a population. PTTEP treats the indigenous peoples as same practice as other communities or group of stakeholders.

For example, in Thailand, the community can be divided into 2 main types;

Offshore Operation

The communities and group of stakeholders for offshore operation can be classified into 3 groups;

- Small-scale and commercial fisheries listed by National Fisheries Association and/or Small-scale Fisheries Association in the operation area.
- Shoreline community and/or business owners who are affected from PTTEP's operation.
- Communities around supply base and along the transportation route.

Onshore Operation

The communities and group of stakeholders for onshore operation consist of surrounded communities and nearby transportation route to production station, wellsite location, onshore pipeline, supply base, etc. For example in Thailand, The Office of Natural Resources and Environmental Policy and Planning (ONEP) defined the proximity range into 2 areas as follows;

- Primary Area: 0-1 kilometer surrounding company properties such as production station, wellsite location, etc.
- Secondary Area: 1-5 kilometers surrounding company properties including 50 meters along access road and 500 meters from center of pipeline route.

Group 8: Independent/Public organizations, NGOs, Academics

Independent/Public organizations and NGOs refers to key non-profit and/or voluntary citizens' group which is organized on a local and national level or have an influence with local communities.

Academics refers to key local and national society or institution of distinguished scholars or scientists that aims to promote and maintain standards especially in Petroleum, Energy, Environmental and other related to E&P business.

Group 9: Press and Medias

Mass media, news agencies, local and international news stations, social media, also public influencers and bloggers.

We focus on key mass media which represents a wider range of stakeholders and may spread positive and/or negative message regarding the company's activities and they can be classified into 3 levels:

1. Local Media refers to media that produced news in local communities surrounding PTTEP activities, like a town, city, neighborhood, etc.
2. National Media refers to media that broadcasted and published news nationwide.
3. International media refers to media that broadcasted and published news globally.

7.1.2 Stakeholder Prioritization

After listed all concerned stakeholders and identified to 6 groups, the next step is to prioritize them by influence and impact, and plot this on stakeholder prioritization mapping shown in figure 5, to map out your stakeholders on an Influence / Impact matrix and classify them by their power over your work and by their interest in your work. One purpose of this activity is to help identify and categorized stakeholder groups so that appropriate attention can be given to each group according to the level of engagement needed.

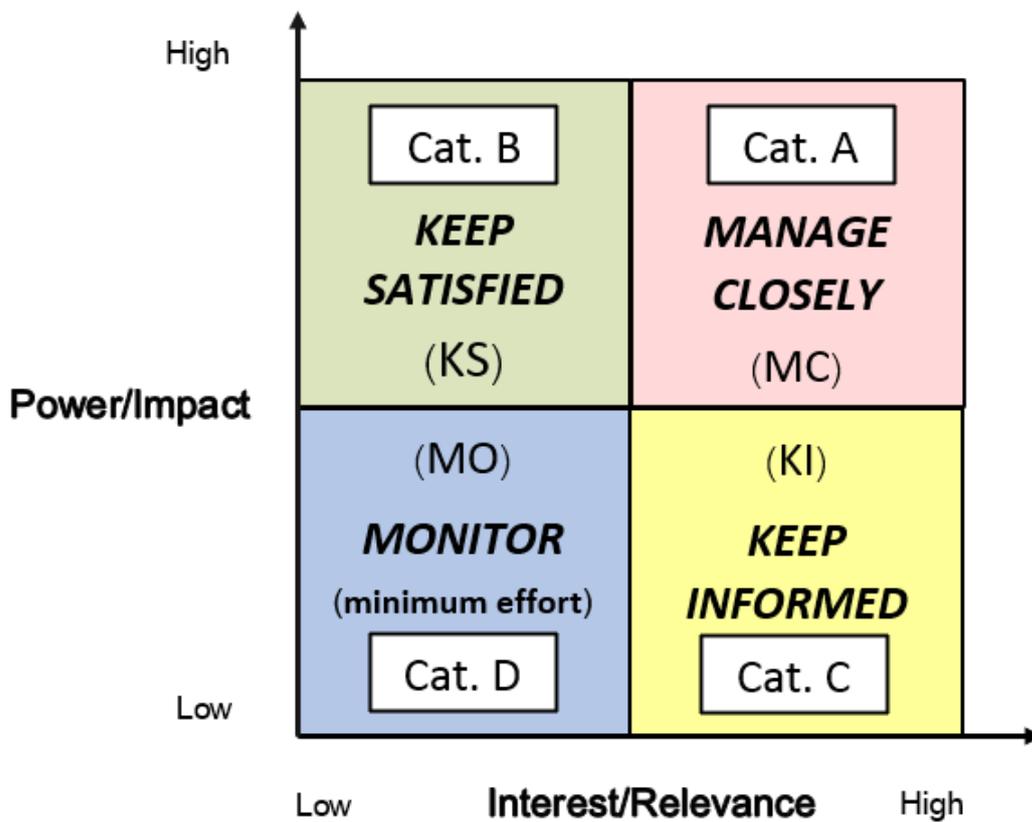


Figure 5: Stakeholder Prioritization Mapping

Table 1: Description of Power / Impact

Power / Impact	Description / Examples
<p>High Power/Impact stakeholder groups are those with the power to:</p>	<ul style="list-style-type: none"> • Remove, grant or influence “license to operate” • Restrict access to resources, operating sites or intellectual capital • Damage or build company reputation • Contribute or detract from companies’ ability to learn and innovate • Restrict or provide access to investment funds • Provide useful early warning signals about emerging issues and risks or cause distractions diverting management attention and time from core activities depending on the context of engagement may want to focus on some or all of these sources of influence
<p>High Interest/ Relevance stakeholders are those who are in a position of:</p>	<ul style="list-style-type: none"> • Direct financial dependence (e.g. who depend on you for wages, purchases, grants) • Indirect financial dependence (e.g. whose livelihoods depend on you through your contributions to the regional economy, or for example low income customers who depend on low prices for basic goods which you may provide) • Non-financial dependence (e.g. those who depend on you for essential services) • Non-financial impairment or risk from your operations (e.g. through air or noise pollution or from risk to health for consumers of your products)

Source: Account Ability, the United Nations Environment Programme, and Stakeholder Research Associates, 2005. The Stakeholder Engagement Manual Volume 2: The Practitioner’s Handbook on Stakeholder Engagement No. ISBN 1-901693-220.

According to the stakeholder prioritization mapping in figure 5, the level of engagement for each group can be identified as follows:

Category A: High Power / High Interest (Manage Closely; MC)

These are stakeholders who have high power to create an impact to the company activities or company license to operate and also pay high interest to company activities. These groups must be fully engaged with make the greatest efforts to satisfy and ensure that they understand and support company activities or project.

Category B: High Power / Low Interest (Keep Satisfied; KS)

These groups of stakeholder have power to create any impact to the company activities, however they pay minimal attention to company activities and movement. These stakeholders should keep them satisfied by providing adequate information. Regular visit and consultation on their interest should be conducted with these groups.

Category C: Low Power / High Interest (Keep Informed; KI)

These groups of stakeholder don't have enough power to create any impact to the company activities but they pay high attention to company activities and movement. They should be given enough information and engaged for consultation and decision on some issues. Keeping these groups adequately informed and regularly talked to will ensure that no major issues will be raised from them.

Category D: Low Power / Low Interest (Monitor; MO)

These groups do not have any impact and they also pay low attention to company activities. Company should keep monitor these groups of people, occasional communication should be made. There is no specific methodology of communication for these groups.

After stakeholder prioritization, we should evaluate stakeholder attitude that affect PTTEP or E&P business, to find out stakeholder engagement methods.

Table 2: Stakeholder Attitude Definition

Stakeholder Attitude	Definition
	<p>Negative (Red)</p> <ul style="list-style-type: none"> Stakeholders are explicitly show or express negative attitude / action / comments towards E&P business or directly at PTTEP. <p>Neutral (Yellow)</p> <ul style="list-style-type: none"> Stakeholders show no sign of objection towards project activities or no sign of support. Allow PTTEP to carry on activities <p>Positive (Green)</p> <ul style="list-style-type: none"> Stakeholders are eager to show positive ideas including be part of the committee in creating and organizing CDP program or impact mitigation solution. Stakeholder responds on behalf of PTTEP when there is a question. Stakeholder expresses that existence of PTTEP operation improves their quality of lives and welcome to have PTTEP operation in as neighbor.

Once stakeholder groups have been identified and prioritized according to the degree of potential project impacts, either positive or negative, and capacity to influence the project, a strategic approach will be developed.

The information of stakeholders will be used as a data base to input to the stakeholder management process for a further analysis and develop the strategic plan.

7.2 Process

To develop an appropriate and efficiency stakeholder management strategies, the management process will be conducted in various methods by applying the different tools. This includes Issue and Stakeholder Management System (ISMS), Grievance Handling and Involuntary Resettlement.

7.2.1 Issue and Stakeholder Management System (ISMS)

In order to ensure that stakeholder management strategies are optimally focused, a social risk assessment should be aware and proceed. “Social Risk” is a probability or threat or any negative occurrence that will have impact on company’s activities or operations. Thus, social risk assessment should be recognized so that strategies can be put in place to reduce their likelihood of occurrence.

Risk assessment is a part of Issue and Stakeholder Management System (ISMS)¹ which is a proactive system that provides guidelines on practices to manage social risks across PTTEP operations.

To analyze on social risk assessment, Bow-Tie Analysis Model² and Risk Matrix³ will be used as a tool to identify potential risk event, risk drivers, and formulate mitigation plan to prevent risk event to occur

¹ Source: Issue and Stakeholder Management System Guideline (12052-GDL-008-R04, Revision No.4, 3 May 2021)

² Source: Bow-Tie Analysis Guideline (12147-GDL-SSHE-413-010-R01, Revision No.1, March 2017)

³ Source: Risk Management Standard (11035-STD-001-R03, Revision No.3, 1 February 2017)

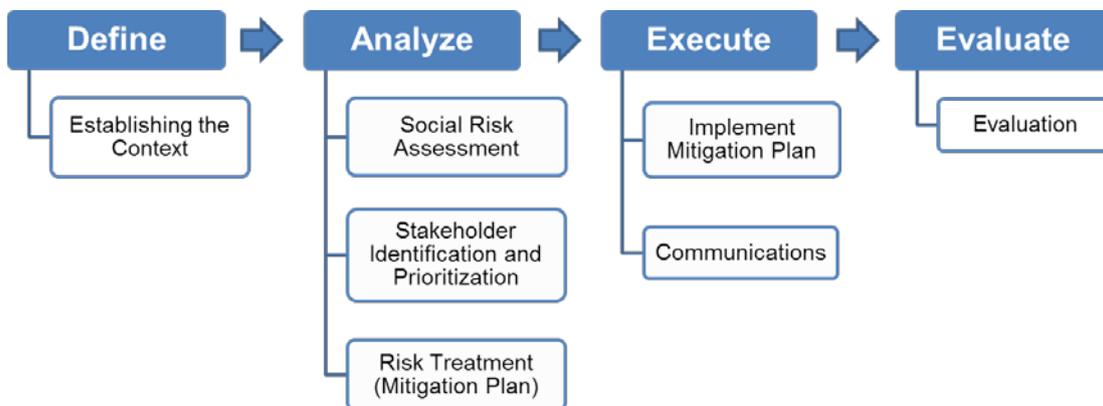


Figure 6: ISMS Process



Figure 7: Social Risk Analysis Model

7.2.1.1 Social Risk Assessment Process



Figure 8: Social Risk Assessment Process

Social risk assessment process can be conducted as follows:

1. Address Risk Event - Address a risk event that may occur and impact to company's activities or operation.
2. Identify Risk Drivers - Identify risk drivers of that risk event. Risk drivers can be identified to 5 components as follows:
 - Engagement
 - Operation Impact Control
 - Expectation
 - Law and Regulation
 - Others

3. Analyze Impact - Analyze impact which may occur by that risk event. The impact can be classified to 7 aspects as follows:
 - Financial
 - People
 - Property Damage
 - Project Cost and Schedule
 - Legal and Compliance
 - Environment
 - Image and Reputation

4. Prioritize Impact & Likelihood - Prioritize the risk event by plotting in Risk Matrix to foresee a likelihood of occurrence. Any social risk event that is plotted in red zone should be given highest priority for mitigation, whilst other social risks in the yellow and green zone should be managed in suitable manner.

Table 3: Impact Criteria

Impact Rating	Financial	People	Property damage	Project cost & schedule	Legal/ Compliance	Environment	Image/ Reputation
Critical (5)	> 10% of NI/NPV/EMV	Multiple fatalities	Loss >\$50M	Impact on cost or schedule >10%	<ul style="list-style-type: none"> Dismissal of Board and Management Revocation of any licenses or permits Imprisonment >12 mths Fines/Compensations; <ul style="list-style-type: none"> ➢ Thai Laws: > 5M THB, ➢ Foreign Laws: > 1M USD 	<ul style="list-style-type: none"> Spill >100,000 bbl Tier 3 International assistance 	<ul style="list-style-type: none"> International media coverage Formal complaint from international authority
	1% - 10% of NI/NPV/EMV	<ul style="list-style-type: none"> Multiple Lost Work Day Case (LWDC) One permanent disability One fatality 	Loss between \$5-\$50M	Impact on cost or schedule 5%-10%	<ul style="list-style-type: none"> Suspension of stock trading Suspension of any licenses or permits Imprisonment 6-12 mths Fines/Compensations; <ul style="list-style-type: none"> ➢ Thai Laws: 1M-5M THB, ➢ Foreign Laws: 200k-1M USD 	<ul style="list-style-type: none"> Spill > 10,000 bbl Tier 2 Regional assistance 	<ul style="list-style-type: none"> National media coverage Local community protest with national influencer
Significant (3)	0.1% - 1% of NI/NPV/EMV	<ul style="list-style-type: none"> Single LWDC Multiple Restricted Work Day Case (RWDC) 	Loss between \$100k - \$5M	Impact on cost or schedule 2.5%-5%	<ul style="list-style-type: none"> Imprisonment ≤ 6 mths Fines/Compensations; <ul style="list-style-type: none"> ➢ Thai Laws: 300k-1M THB, ➢ Foreign Laws: 10k-200k USD 	<ul style="list-style-type: none"> Spill > 1,000 bbl Tier 1 Localised effect 	<ul style="list-style-type: none"> Regional media coverage Online media spread Local community protest with provincial/state influencer
	0.01% – 0.1% of NI/NPV/EMV	<ul style="list-style-type: none"> Medical Treatment Case (MTC) Single RWDC 	Loss between \$10k - \$100k	Impact on cost or schedule 1.25%-2.5%	<ul style="list-style-type: none"> Fines/Compensations; <ul style="list-style-type: none"> ➢ Thai Laws: <300k THB, ➢ Foreign Laws: <10k USD 	<ul style="list-style-type: none"> Spill > 1 bbl Minor effect 	<ul style="list-style-type: none"> Local media interest Influenced online media post Local community aggregation
Moderate (2)	< 0.01% of NI/NPV/EMV	Minor injury with First Aid	Loss <\$10k	Impact on cost or schedule <1.25%	<ul style="list-style-type: none"> No penalty Breach but can be resolved without any actual punishment 	<ul style="list-style-type: none"> Spill < 1 bbl Slight effect 	<ul style="list-style-type: none"> No news coverage Non-influenced online media post Local community complaint
Minor (1)	< 0.01% of NI/NPV/EMV	Minor injury with First Aid	Loss <\$10k	Impact on cost or schedule <1.25%	<ul style="list-style-type: none"> No penalty Breach but can be resolved without any actual punishment 	<ul style="list-style-type: none"> Spill < 1 bbl Slight effect 	<ul style="list-style-type: none"> No news coverage Non-influenced online media post Local community complaint

Table 4: Likelihood Criteria

Rating	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
Frequency of Occurrence / Likelihood of Occurrence	Event occurrence is remote and/ or never heard of in the E&P industry	Event has occurred few times in the E&P industry OR is unlikely to occur in PTTEP	Event has occurred several times in the E&P industry OR occurred once in PTTEP OR may occur in PTTEP	Event has occurred several times per year in the E&P industry OR more than once per year in PTTEP OR occurred at the same location OR is likely to occur in PTTEP	Event has occurred frequently in E&P industry OR occurred more than once per year at the same location OR is expected to occur in PTTEP

7.2.1.2 Mitigation Plan

After the risk event is addressed and analyzed, the mitigation plan will be developed and implemented to prevent or minimize the impact which may occurred by the risk event.

The mitigation plan will be developed with the main purpose to close the gap of risks as well as to gain the community’s acceptance and license to operate for the smooth operation and enhance the company’s reputation and image.

Key Risk Indicator (KRI) is a tool to evaluate efficiency of mitigation plan. KRI is a measure used to indicate how risky an activity is. It provides an early signal of increasing risk exposure and the need for action. To ensure that risk remains at an acceptable level, KRI must be regularly monitored to swiftly respond to the changing circumstance.

Table 5: KRI Definition

Color	Levels	Definition of each tolerance level
Green	Acceptable	“Green” signifies that the business is functioning and the KRI is in line with acceptable levels.
Yellow	Tolerable	“Yellow” is used as an early warning indicator that the KRI is now beyond the acceptable level but in tolerable level. Additional responses may be required.
Red	Unacceptable	“Red” indicates that the risk is in unacceptable level and that it is highly unlikely that base KPI will be achieved.

Key Risk Indicator	Acceptable	Tolerable	Unacceptable
Number of stakeholders complain on company activities (per year)	0	>5	>10

Figure 11: Example of KRI

7.2.2 Grievance Handling

PTTEP has developed Grievance Handling Guideline to ensure that all grievances raised are managed and handled appropriately and systematically.

Stakeholders can raise their grievances or complaints through public affairs staffs, SSHE staffs, security officers, PTTEP website and etc.

Grievance Handling is a process to manage the complaints or plaintiffs which raised by people, communities or company’s stakeholders. The complaints regard to any impact related to activities of PTTEP or its subsidiary. Grievance Handling is aimed at providing a platform to resolve complaints quickly and effectively before they escalate.



Figure 12: Grievance Handling Process

Source: Grievance Handling Guideline (12140-GDL-009-R00, Revision 0, June 2016)

Step 1: Grievance Receipt and Registration

- Allow for different ways for filling complaints; direct verbal report to company staff, designated third party, written complaint
- Register all related information and photos into the Grievance Record Form, part I, to record the details of grievance

Step 2: Investigation

- Categorize the source of complaint that it has been whether caused by company activities or not and to find what is a root cause of the complaint
- Appoint an appropriate person or team to investigate and facilitate setting up a solution

Step 3: Resolution

- Set a meeting among concerned parties to determine an appropriate resolution
- Implement the agreed solution and follow up with complaint to ensure satisfaction and record in Grievance Record Form, part II

Step 4: Close Out

- In case the resolution is **accepted** by the plaintiff, it has to be recorded this result in the Grievance Record Form, part II, and then the case can be considered closed
- In case the resolution is **rejected** by the plaintiff, it has to be recorded this result in the Grievance Record Form, part II, and remark the concerned factors or comments, then transfer to legal for any possible lawsuit or other concerned department for a further discuss on next resolution
- Monitor the case regularly to ensure the case is completely closed and to ensure the next resolution has been developed for the rejected case

Step 5: Lesson(s) Learnt

- Review the lesson(s) learnt from the grievance; cause, resolution and execution, and communicate to all concerned parties in order to prevent reoccurrence and to develop an improved working process

7.2.3 Involuntary Resettlement

PTTEP operations may need to acquire or access to public or private land. The resettlement will occur in some manners which may cause physical displacement or economic displacement. Voluntary agreement is company's prime objective to acquire or access the land. However, if the resettlement involuntary occurs, company has to manage properly to avoid adverse impacts on people or communities.



Figure 13: Involuntary Resettlement Process

Source: PTTEP Involuntary Resettlement Guideline (12088-GDL-02-00, Revision 0, No. 2, 15 October 2015)

1. Impact Identification

- Make an inventory of households and number of individuals including indigenous peoples that likely to be affected by company activities.
- Determine the possible project impacts and influence i.e. loss of homesteads, loss of lands and assets, loss of income and etc.

2. Stakeholder Engagement

- Early communicate to the households to manage their expectations and concerns of project's impact.
- Share project information and knowledge as well as seek the understanding and response from the stakeholders.
- Find a proper methods of engagement in a timely manner. Affected stakeholders should be engaged before, during and after resettlement on a regular basis.

3. Compensation

- Provide compensation to economically or physically displaced people for assets or access to assets.
- Compensation can be made in cash or in-kind contribution such as community projects or both.
- Compensation should be provided at adequate valuation. Replacement costs of existing assets, trees and crops in agricultural areas need to be determined.
- Once the compensation package is agreed, the payment process should be conducted in straightforward, systematic, in predictable manner, also be conducted at the earliest possible opportunity before the activities causing the resettlement take place.

4. Resettlement and Livelihood Restoration

- As compensation itself does not guarantee the improvement of livelihoods and standard of living of displaced persons, a well plan of resettlement and livelihood restoration need to be deployed.
- In addition to compensation, transitional support and development assistance need to be provided, such as land preparation, facilities set up, training and job opportunities after displacement.
- Successful livelihood restoration needs to be based on a thorough understanding of the community's cultural uniqueness.

5. Monitoring and Evaluation

- Monitoring and Evaluation of resettlement activities at the end of the project are required, to assess whether the objectives, including livelihood restoration have been achieved.
- The main components of monitoring and evaluation plan should be focused on stakeholder engagement, work performance monitoring and impact monitoring.

7.3 Output

After the various methods and tools of management process have been implemented, the output of a process can be presented in many ways i.e. Stakeholder Engagement, Social Development Projects, Philanthropy and Donation, Communications and Exit Plan.

7.3.1 Stakeholder Engagement

Stakeholder engagement is the process of communicating and working with stakeholders to inform project's information, to meet their needs and expectations, and to address issues as they occur. The key benefit is to increase support and minimize resistance from stakeholders, also to capture important information to help make adjustment and response to problem areas.

Stakeholder engagement can be conducted in a timely manner with different scale, depends on a project progress, group of stakeholders and its degree of Influence / Impact.

For example:

- Public Participation (PP), Public Hearing, Public Meeting
- Regular Meeting with key stakeholders (monthly, quarterly, yearly) e.g. meeting with concerned government authorities and communities
- Technical Forum / Knowledge Sharing to better understanding of PTTEP business
- Group Meeting / Focus Group Meeting / In-depth Discussion
- Notification via communication materials/channels (letter, poster, brochure, exhibition, VDO, spot radio and etc.)
- Opinion Survey to obtain the opinions both in positive and negative way
- Operation Site Visit for a better understanding of PTTEP business and to reduce their irrelevant concerns
- Cultural or Annual Event Participation

Stakeholder engagement is implemented in a timely manner to ensure we understand and manage the interests and concerns of stakeholders at every asset.

7.3.2 Social Development Projects

PTTEP has developed social development projects (i.e. CSR, CSV, SE projects) under 4 themes as follows;

1. Basic Needs (BN):

- To implement projects which serve the basic needs of stakeholders in the area of 4 factors.
- To uplift a quality of life, develop an infrastructure, provide a basic human need, also including emergency relief support.

2. Education (EDU):

- To implement projects which provide support to underprivileged students to pursue their study or to develop skill of workforce to serve business and industry.
- To provide and extend an educational opportunity to the youth through the scholarship program, learning youth camp, learning instruction support and etc.

3. Environment (ENV):

- To implement projects which conserve and protect natural resources for future generation.
- To create and embed an environmental awareness e.g. reforestation project.

4. Culture (CS):

- To implement projects which conserve cultural heritage, maintain pride of the country.
- To create the awareness of cultural conservation both in local area and nationwide, to prolong the religious, as well as to support sport activities.

7.3.3 Philanthropy and Donation

Philanthropy and Donation can be undertaken in a variety of ways i.e. grant making, establishment of a foundation, and development of a matching funds program. PTTEP approach to philanthropic donation reflects our sustainable development commitment and our company culture. Having in place a system will ensure transparency, align with Corporate Governance & Business Ethics (CG&BE) and Standard of Practices for Anti-Corruption, and accountability in decision-making, as well as will help to manage stakeholder expectations.

PTTEP has focused its donation to 4 themes of activities which are; Basic Needs, Education, Environment and Culture. To meet an objective and ensure a transparency, the company established a grant making process according to PTTEP DAS as follows:

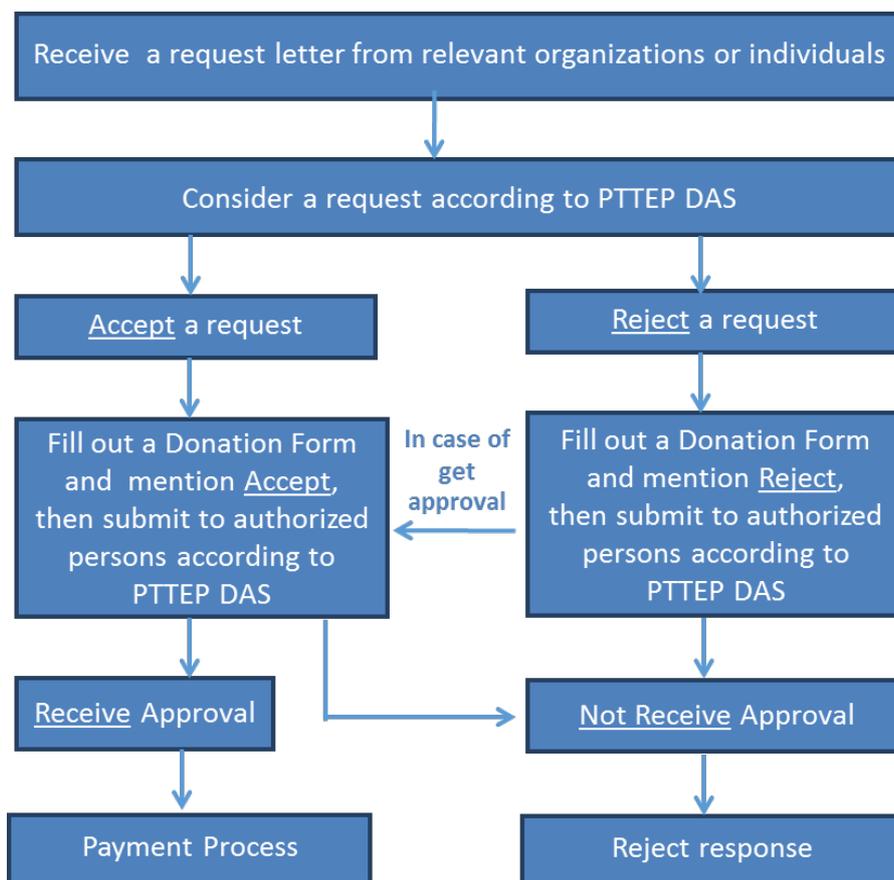


Figure 14: Grant Making Process

Source: Donation Guideline (12140-GDL-001-R03, Revision No. 3, 15 September 2020)

After completed a donation, the company should follow up whether the requesters proceed the activities and achieve the objective that they purposed in the beginning or not. It will help the company to have reference information for consideration on a further donation request.

7.3.4 Communications

The effective communication is an essential part of doing the stakeholder management. PTTEP respects human rights equally and commits to disclose information to all PTTEP stakeholders in order to increase the understanding of the company business and promote a transparency and accountability and engendering the public trust.

PTTEP has developed the communication channels in various way as follows:

- Promote company information, its business and social development projects through the company website (www.pttep.com), mass medias as television, radio channels, newspapers, social media and etc.
- Create a communication materials such as factsheet, report, VDO, spot radio and brochure to distribute to the stakeholders and upload on company website and social media.
- Assign PTTEP staff as a company representative to convey the company message and response to the inquiries or complaint from the stakeholders.

However, in case of the crisis i.e. a protest, oil spill or other incidents which may direct or indirect affect to the stakeholders and/or the environment, PTTEP will manage and conduct a mitigation plan, following Crisis Management Plan¹, Crisis Communications Guideline² and Crisis Communications Manual³.

Source:

1. Crisis Management Plan (SSHE-106-PDR-501, Revision No.2, May 2016)
2. Crisis Communications Guideline (12145-GDL-004-R04, Revision No.4, 5 April 2019)
3. Crisis Communications Manual (13077-GDL-004-R00, Revision No.0, 25 July 2014)

7.3.5 Exit Plan

As a company’s project has its lifecycle and when the operation comes to the ending stage, the exit plan and strategy is has to be considered in order to early manage the risks which may occur and to maintain a good relation and trust from stakeholders, as well as to keep a company reputation.

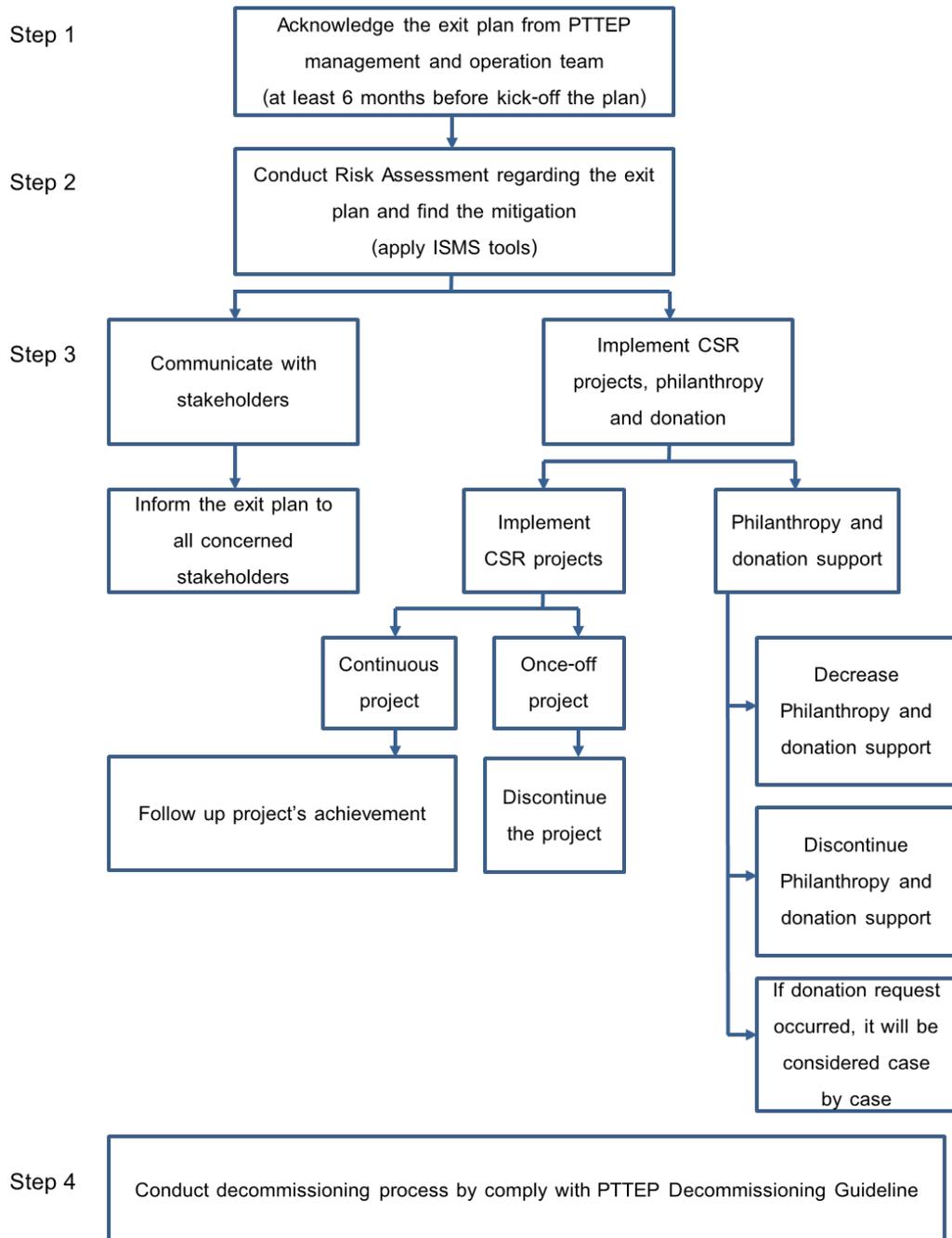


Figure 15: Exit Plan Process

Source: Stakeholder Management Plan B6/27 Project (Rev.0, 29 December 2017)

After the exit plan has been implemented, the communication among the stakeholders is very important. PTTEP has to officially inform to the concerned government authorities, both in central and local areas, communities and key stakeholders. The Communications Department (CMM) has to prepare key message and statement, and announce to key stakeholders and medias.

Concerned staffs i.e. asset/project manager, public affairs staff, SSHE supervisor, operation supervisor and etc., has to engage the stakeholders to make a clear understanding of company's objective.

7.4 Outcome

A well manage of stakeholders will bring a good outcome to the company and its operations. The efficient stakeholder management can create "Trust" from the stakeholders. Having a strong foundation of trust will help the company operations or activities run smoothly, even in the disagreement, it will help in reaching solutions and achieving successful outcomes when serious issues arise.

Besides obtaining the stakeholders' trust, a successful stakeholder management can build a company's image/reputation which reflects the good performance of a company in running business with correctness and transparency while treating all stakeholders fairly and equally under good corporate governance. "Social License to Operate" is another significant outcome of the effective stakeholder management. It is not only run the business legally and regulatory compliance, but also needs to earn the support of the community and social in which it operates. Gaining and maintaining "Social License to Operate" is also increasingly important to long-term business continuity and sustainability.

7.5 Monitoring and Evaluation

This stage is the process of monitoring and evaluation overall stakeholder management process focusing on relationships and adjusting strategies as well as plans for engaging stakeholders. Monitoring and evaluation process involves collecting data, assessing the level of engagement and using insights from the data collection to adjust strategies and tactics for engaging effectively with stakeholders.

The company should have mechanisms to receive ongoing direct feedback from key stakeholders i.e. Stakeholder Commitment Survey, Social Return on Investment (SROI) and etc.

However, Stakeholder Management Process and associated documents are not static. The methodology, application tools and information documents should be reviewed and updated in timely manner to ensure the strategy is meeting project expectations and to make modifications if required.

7.5.1 Stakeholder Commitment Survey

Stakeholder Commitment Survey is a methodology to obtain and track the commitment levels of stakeholders. The result of a survey will be used as a reference and database to improve the stakeholder management process to be more effective.

7.5.1.1 Stakeholder Commitment Level

PTTEP has set the stakeholder commitment in 4 levels as follows;

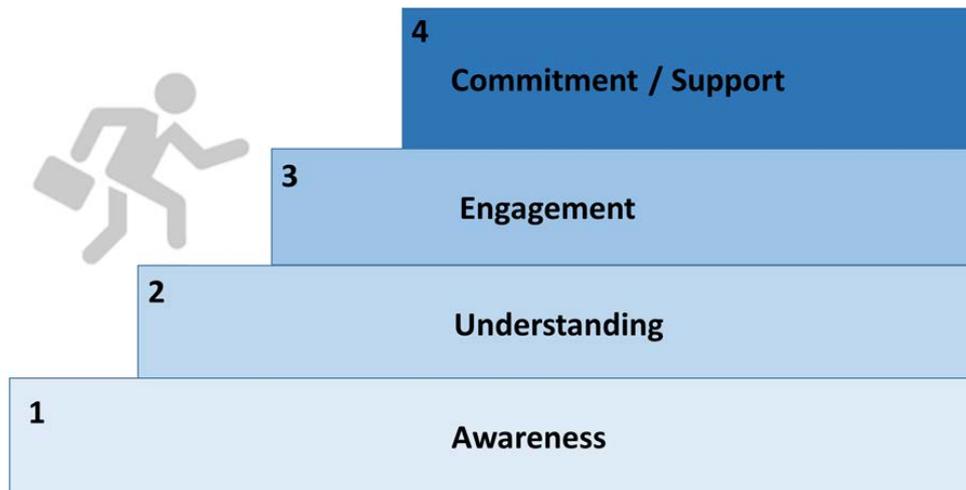


Figure 16:Stakeholder Commitment Level Model

Source: ACCENTURE Commitment Curve Model

1. Awareness

Having the awareness on roles and responsibilities of PTTEP.

2. Understanding

Having a clear understanding of PTTEP business in petroleum exploration and production, as well as understand the company’s CSR and Social Development projects for a sustainability development.

3. Engagement

Having participation with PTTEP activities, involving in public participation and express the opinions or comments on company activities.

4. Commitment / Support

Having a support to PTTEP and its business, also being a part of company activities. Able to introduce PTTEP in a positive way to the others and defense on negative point.

7.5.1.2 Stakeholder Commitment Survey Methodology

The Stakeholder Commitment Survey Methodology consist of the following elements;

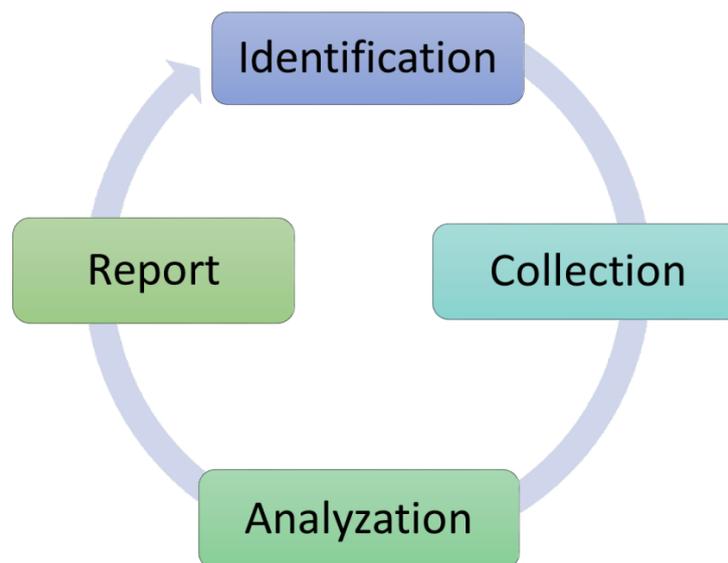


Figure 17: Stakeholder Commitment Survey Methodology Process

Source: PTTEP Stakeholder Commitment Survey Methodology, July 2016

1. Identification

- Identify the stakeholders to make a survey
- It can be identified by the area, target group and number of sampling

2. Collection

- Collect the data by using a proper measurement tools i.e. questionnaire, interview, fieldwork survey and etc.

3. Analyzation

- Record the data systematically and correctly
- Analyze the data by using Influence / Impact mapping

4. Report

- Making a report to concerned people when the process is completed

7.5.2 Social Return on Investment (SROI)

Social Return on Investment (SROI) is a principles-based method for measuring extra-financial value (i.e. environmental and social value not currently reflected in conventional financial accounts) relative to resources invested. It can be used by any entity to evaluate impact on stakeholders, identify ways to improve performance and enhance the performance of investments.

7.5.2.1 Benefits of Social Return on Investment¹

- To maximize the community / societal benefits arising from a social investment program or initiative
- To direct resources towards managing unexpected positive and negative outcomes
- To enhance the profile of social investment by tracking the outcomes of programs and initiative
- To increase the effectiveness of social investment by understanding whether a program or initiative has met its objectives

Source: 1. SROI Network. 2012. A Guide to Social Return on Investment

7.5.2.2 SROI Assessment Process

The process for assessing the social return on investment includes six key steps. These steps are further described below;

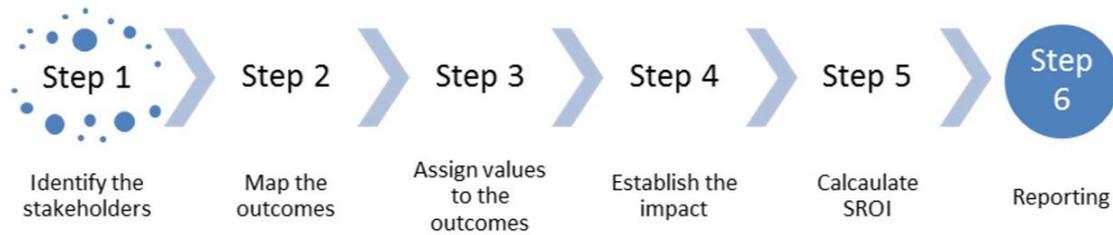


Figure 18: SROI Assessment Process

Source: Social Return on Investment Guideline (12052-GDL-004, Revision 04, 28 Dec 2012)

Step 1: Identify the Stakeholders

- Identify the relevant stakeholders who are referred to as the beneficiaries

Step 2: Map the Outcomes

- Define the inputs, outputs and outcomes associated with the Social Investment program or initiative being evaluated

Step 3: Assign Values to the Outcomes

- To assign values to the outcomes, the indicators and financial proxies have to be identified
- Indicators provide a means of demonstrating or proving that change (i.e. outcome) has occurred and by how much
- Financial proxy means an approximation of the value where it is not possible to obtain an exact measure
- The examples of Indicators and Financial Proxies can be shown in table 6

Table 6: The Examples of Indicators and Financial Proxies

Outcome	Indicator	Financial Proxy
<p>Increased awareness and understanding within the community of local biodiversity values due to the installation of new interpretation materials along existing nature trails in a national park.</p>	<ul style="list-style-type: none"> • Changes in the level of awareness and understanding within the local community • Number of people from the local community utilizing the nature trails in the national park • Changes in behavior of those using the nature trails (i.e. reduction in litter along trails) 	<ul style="list-style-type: none"> • Cost associated with an adult continuing education course (in the leisure category). • Increased awareness in the community reflects the same outcome associated with lifelong learning.

Step 4: Establish the Impact

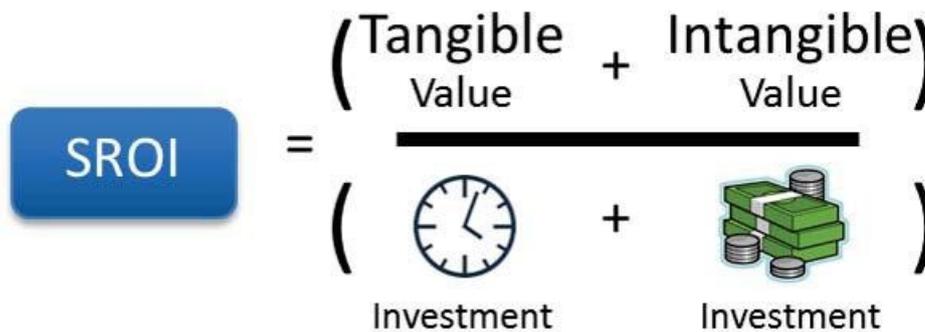
- This section provides a number of ways of assessing whether the outcomes that have been analyzed result from company activities
- These methods provide a way of estimating how much of the outcome would have happened anyway and what proportion of the outcome can be isolated as being added by the activities.
- In order to do this, two key issues need to be considered - deadweight and attribution
- Deadweight is a measure of the amount of outcome that would have happened even if the activity had not taken place. In some instances the outcome or a portion of the outcome would have been achieved without the investment.
- Attribution is an assessment of how much of the outcome is due to the other organizations, projects or people in the area. It is often difficult to assess attribution – in such instances estimation should be made.

Step 5: Calculate the Social Return on Investment (SROI)

- SROI can be calculated by

$$\text{SROI} = \text{Present Value} / \text{Value of Inputs}$$

or



$$\text{SROI} = \frac{(\text{Tangible Value} + \text{Intangible Value})}{(\text{Investment} + \text{Investment})}$$

Figure 19: SROI Calculated Method

- Present Value means is the value of an expected income stream determined as of the date of valuation. The present value is always less than or equal to the future value because money has interest-earning potential, a characteristic referred to as the time value of money.
- Value of inputs mean the value of the investment or the value of the social investment project.

Step 6: Reporting

- The last step is reporting the outcomes from the SROI assessment.
- Reporting to the stakeholders, communicating and using the results, and embedding the SROI process in Social Investment projects.
- This stage gives guidance and shows on how to make the most effective social investment projects.