



Mr. Thepparat Theppitak
President

Mr. Kulit Sombatsiri
Chairman of the Board of Directors

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE PRESIDENT

At the 2021 United Nations Climate Change Conference, more commonly known as COP26, leaders of more than 130 countries came together and committed to greenhouse-gas emission reduction targets. Thailand has pledged to achieve carbon neutral by 2050 and net-zero emissions by 2065.

Meanwhile, EGCO Group re-examined its business direction and announced its low-carbon society commitment under the concept “Cleaner, Smarter, and Stronger to Drive Sustainable Growth.” Our long-term goal is to achieve corporate carbon neutral by 2050, and our medium-term plan is to reduce carbon emission intensity by 10% by 2030.

In support of this direction, EGCO Group now operates under the 4I Strategy: Invest, Increase, Improve and Innovate. This means we are investing in a diverse range of new businesses with a focus on clean energy technology and business innovation. Our notable successes in 2021 include 2 investment projects in the United States: We acquired a 28% stake in the Linden Cogen natural gas power plant with a capacity of 972 MW and a 17.46% stake in Apex Clean Energy Holding, a leading developer, seller, and commercial operator of clean energy projects in the United States. In addition, EGCO Group acquired a 24% stake in the startup Peer Power to develop an energy trading blockchain platform. We also stepped into a new role as a supplier and importer of LNG, allowing us to effectively manage the fuel costs of EGCO Group power plants.

EGCO Group has never stopped looking for new opportunities. Together with the Industrial Estate Authority of Thailand, we are developing the EGCO Rayong Industrial Estate into a smart and green industrial estate to encourage investment in the target S-curve and new S-curve industries, which have been promoted as part of the Eastern Economic Corridor (EEC). Together with EGAT and RATCH Group, we established and registered Innopower to commercialize research and innovation and bolster our smart energy solution business. We also signed a memorandum of understanding (MoU) on solid oxide fuel cell (SOFC) power generation with EGAT, Bloom Energy, and ATE. This project makes use of hydrogen to generate electricity. This alternative fuel source will contribute to Thailand’s carbon reduction and eventual carbon neutral.

Despite the volatility, EGCO Group performed well in 2021 and received recognition from various entities. For instance, we were rated AA+ with a “stable” outlook by TRIS Rating, reflecting our excellent performance, investment diversity, and liquidity. We were also recognized for our “Sustainability Excellence” at the Rising Star Sustainability Awards, part of the SET Awards 2021.

As for our sustainability performance in 2021, we have earned a spot on the Emerging Markets Index in the Electric Utilities category of the Dow Jones Sustainability Indices (DJSI) for two consecutive years. The Stock Exchange of Thailand also placed us on its Thailand Sustainability Investment list for the seventh consecutive year, and Thaipat Institute gave us the Sustainability Disclosure Award for the third year in a row. In addition, we were a winner of the UN Women 2021 Thailand WEPs Awards for transparency and reporting from the United Nations Women’s Organization and the European Union, which demonstrates our stance on empowering women and promoting gender equality in the business sector.

In terms of corporate governance, the Board of Directors redefined the qualifications of sub-committees and reviewed and amended their powers and duties to include environmental and sustainable development issues. As a result, sub-committee charters were revised accordingly to make the various aspects of corporate governance more robust, more efficient, and better suit the ever-changing context. The Board of Directors also examined and improved multiple policies, such as the Corporate Governance Policy, the Anti-Corruption Policy, the Whistleblowing Policy, the No Gift Policy, the Information Technology and Cyber Security Policy, and the Personal Data



Protection Policy. Thanks to our efforts on this front, we have received the mark “Excellent” with a total score of 97 on the Corporate Governance Report (CGR) of Thai Listed Companies by the Thai Institute of Directors.

Along with conducting business, EGCO Group has always emphasized **caring for and engaging local communities, society, and the environment**. In the fight against COVID-19, EGCO Group continued to stand alongside health workers and Thai people. We supported the public and private sectors’ efforts to cope with and **alleviate the effects of COVID-19** by donating funds, medical equipment, and personal protective equipment to hospitals, schools, children’s development centers, and community health centers in areas where EGCO Group operates and in all other regions across the country. We also supported the operation of vaccination centers and patient transit centers with more than 23 million baht. Together with our efforts in 2020, **we have spent over 55 million baht**. We hope that the Thai people and Thailand will get through this crisis as quickly as possible.

For local communities, we conducted 79 projects to improve the quality of life around our power plants. **For society**, we continued to promote learning through the Khanom Power Plant Learning Center’s online science activities under the concept “**Smart Solutions for Life**.” We also created an “**Energy Teachers Online**” program to pass on our knowledge of electric power and coexistence with communities, society, and the environment to children, teachers, and the general public. These efforts were in line with the guidelines for classroom development in the 21st century. Khanom Power Plant Learning Center was a national winner in the Science and Environment Museums category of **the Museum Thailand Awards 2021**, organized by the National Discovery Museum Institute. EGCO Group was also a regional winner of **the Asia Responsible Enterprise Awards 2021** organized by Enterprise Asia in recognition of our “Investment in People.”

Environmentally, EGCO Group continued to play its part in protecting and restoring biodiversity, ecosystems, and forested watersheds through the Thai Rak Pa Foundation. This charitable organization, founded and funded by EGCO Group, **delivered the restored Ang Ka nature trail in the Doi Inthanon National Park, Chiang Mai**, to the Department of National Parks, Wildlife, and Plant Conservation. The nature trail will serve as a learning resource for Thailand’s highest mountain swamp forest ecosystem. The various operations of EGCO Group and the Thai Rak Pa Foundation have contributed to the greenhouse gas reduction of over 2,890,000 ton CO₂e and to the carbon sequestration of approximately 180,000 ton CO₂e.

The many successes of 2021 could not have happened without the policy support of the Board of Directors, the drive of the executives, the cooperation of EGCO Group employees, and the helping hands of all stakeholders. We all worked towards a common goal: That is the sustainable development of our organization. EGCO Group will continue to embark on the energy transition to bring about a low-carbon society, create favorable long-term returns for its shareholders, and ensure a balanced future for society.

On behalf of the Board of Directors, management, and employees, we would like to express our heartfelt gratitude to our shareholders, investors, suppliers, customers, communities, and other stakeholders for their continued support for EGCO Group. We promise to continue to grow sustainably and stronger than ever before.



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