

## **Appendix 5**

The Audit Committee Report, the Sustainability and Risk Management Committee Report and the Nomination Compensation and Corporate Governance (NCCG) Committee Report



# Audit Committee Report for the year 2022

The Audit Committee of Indorama Ventures Public Company Limited consists of three Independent Non - Executive Directors in line with the SET requirements. The Independent Directors possesses appropriate qualifications to serve on the Audit Committee.

Mr. Rathian Srimongkol	Chairman
Dr. Siri Ganjarerndee	Member
Mr. Tevin Vongvanich	Member

During the year 2022, the Committee held 6 meetings. Attendance of committee members was 100% during the year.

The Audit Committee independently performed its duties, in accordance with the Audit Committee Charter, which has been reviewed and approved by the Board of Directors and is in alignment with the regulations of the Stock Exchange of Thailand (SET).

Significant activities of the committee during the year are summarized here as under-

## 1. Review and approval of Financial Statements

The Audit Committee reviewed the quarterly and annual consolidated financial statements of the Company and its subsidiaries, prepared in accordance with Thai Financial Reporting Standards (TFRS), which is in conformance with the International Financial Reporting Standards (IFRS). The Committee reviewed material issues and exceptional items and obtained sufficient clarifications from the external auditors and the management, and confirmed that the financial statements are accurate, complete, presented fairly with adequate information and disclosure in notes to the financial statements, which duly complied with the relevant laws and financial reporting standards. The Audit Committee also reviewed Key Audit Matters (KAMs) as presented quarterly by the Statutory Auditors of the Company.

The Audit Committee approved quarterly consolidated financial statements and reviewed annual consolidated financial statements before the Board of Directors approves it. The committee also held independent meeting with external auditors to review external auditor's scope of work, audit approach and to discuss any issues that they might be facing.

## 2. Review and approval of Management Discussion and Analysis

Every quarter the Audit Committee deliberated on the Management Discussion and Analysis (MD&A). The Committee approved the quarterly MD&A reports and reviewed the annual MD&A reports before recommending it to the Board of Directors for approval. The Committee believed that the MD&A fairly presented the adequate information.

## 3. Review of Internal Control Systems' Adequacy and Effectiveness

Audit Committee assessed the adequacy of internal control systems with the Company's management, external and internal auditors. The Committee worked together with the Internal Auditors and the Management to streamline the internal control systems and procedures on a continuous process. The Committee also reviewed the progress of Control Self-Assessment Questionnaires (CSAs), a tool developed by Internal Audit department and distributed to business process owners globally to assist them in conducting "Self Business - Process Audit" and address the control gaps as deemed appropriate. Audit Committee reviewed the Evaluation of "Sufficiency of Internal Controls Systems" for the year 2022. Based on its review, the Committee is in agreement with Management and Internal Audit department and believes that the company's internal control systems are adequate, suitable, effective and adaptable to evolving circumstances to meet the company's businesses requirements, present and future, while complying with the related laws and regulations.

## 4. Oversight of Internal Audit Function

Audit Committee reviewed and approved the Annual Internal Audit Plan for the year 2022. On half - yearly basis Committee reviewed internal audit department presentation elaborating upon the progress of audit plan, reviewing significant audit findings and the follow - up implementation status of the past reported findings. Audit Committee also reviews the new initiatives undertaken by Internal Audit department to further enhance the effectiveness and efficiency of Internal Audit process. Based on its review, Committee is of the opinion that the Company's internal audit function including their independence and team size is adequate and effective.

## 5. Review of Connected Transactions in compliance with the Law and Stock Exchange of Thailand's Regulations

Audit Committee approved New Connected transactions, on quarterly basis, which are required to be approved by the Audit Committee as per SEC/SET regulations and Connected Transaction Policy of the company.

Based on its review, the Committee is of the opinion that all such transactions took place on regular commercial conditions and justifiable terms on arm's length basis as would have been entered into with the third parties, in the best interest of the Company, in line with the Connected Transaction Policy of the Company and in compliance with the regulatory requirements.

## 6. Compliance with Securities and Stock Market Laws, Regulations of Stock Exchange of Thailand and/or other applicable laws

Audit Committee reviewed, on quarterly basis, the status of the company's compliance with the laws and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant laws pertaining to the Company's business. There were no significant non-compliances noted. The Committee further reviewed the status of compliance with the local and all other applicable laws and regulations of respective countries in which the company subsidiaries operates and observed no significant issue of non-compliance.

## 7. Appointment of External Auditors

Audit Committee evaluated the performance of KPMG Phoomchai Audit Limited, the external auditors of the Company, for the year 2022 and being satisfied, recommended to the Board for their re-appointment for the year 2023 along with the proposed audit fee.

## 8. Review of Anti-Corruption Measures

Audit Committee periodically reviewed the measures taken by the Company and its subsidiaries for countering any anti-corruption and / or bribe related matters, as part of good Corporate Governance measures, in line with the guidelines of the Thai Institute of Directors Association.

## 9. Self-Assessment of Audit Committee Members

Audit Committee conducted a self-assessment to review and evaluate its performance by benchmarking it with the Audit Committee Charter and best practice guidelines. The Audit Committee is satisfied that it has been effective in carrying out its duties and has followed the terms of reference in its charter. The results of the self-assessment were reported to the Board of Directors of the Company.


## 10. Report of the Audit Committee

Audit Committee from time to time reported critical issues related to Internal Audit and other activities to the Board of Directors.

Based on above it can be concluded that the Audit Committee performed its duties as specified in the Board-approved Charter with competence, prudence, and independence in equitable interests of all the stakeholders. In the opinion of the Committee, IVL's financial reports were accurately prepared in all material aspects under generally accepted accounting principles. IVL has adequate risk management practices, appropriate internal controls and internal audit systems, compliance with good corporate governance, legislation, requirements, and obligations as relevant to its businesses.

The Audit Committee received good cooperation and support throughout 2022 from the Board of Directors, Executive Officers, Auditors and all other relevant departments.

On behalf of the Audit Committee



Mr. Rathian Srimongkol  
Chairman of the Audit Committee

# Sustainability and Risk Management Committee Report 2022

The Sustainability and Risk Management Committee (the “Committee”) was established by the Board and operates in accordance with the Sustainability and Risk Management Committee Charter, to oversee the Group’s sustainability activities and provide risk management oversight, including monitoring the effectiveness of the risk management framework and mitigation plans. Its findings are reported to the Board.

The Committee, which includes four independent and four executive directors, is accountable to the Board for its performance and supported by the Chief Strategy Officer and Chairman of the ESG Council.

Mr. Aloke Lohia	Chairman
Mr. Rathian Srimongkol	Member
Mr. Kanit Si	Member
Mr. Russell Leighton Kekuewa	Member
Mr. Tevin Vongvanich	Member
Mr. Dilip Kumar Agarwal	Member
Mr. Uday Paul Singh Gill	Member
Mr. Yashovardhan Lohia	Member

Four Committee meetings were convened in 2022, on February 14, May 3, August 1, and November 2. The first three meetings were fully attended, while only Mr. Dilip Kumar Agarwal was unable to attend the last meeting.

The Committee performed its duties in accordance with the SRMC Charter and within the applicable laws and regulations. Noteworthy items for the year were:

## 1. Overseeing Sustainability Goals and Strategy

The Committee assessed and advised on IVL’s sustainability goals and strategy in line with ongoing activities, allowing the Company to respond to external developments and aim for sustainable and resilient operations. These activities were shaped by IVL’s strategic priorities, which address significant megatrends, such as climate change, the circular economy, water stewardship, product safety and transparency, and health and well-being. They also reflect international frameworks such as the Sustainable Development Goals (SDGs), the UN Global Compact (UNGC), the opinions of a diverse range of stakeholders, and the implications for enterprises.

In 2022, Indorama Ventures Investments & Holdings (IVIH) was established with a mandate to achieve our 2030 Vision ambitions on advanced recycling and renewable feedstock, support the segments in achieving our sustainability goals, and contribute to decarbonization and a circular economy. A dedicated team was formed to evaluate different technologies. In the past year, IVIH explored more than 50 major technology providers

around the world that have already achieved some success in their pilot initiatives, and who are in the demonstration stages looking to further scale-up to the industrial level. We have already taken the lead in more than 30 of the evaluated projects to further assess their readiness.

The Diversity, Equity and Inclusion (DEI) Committee was formed in 2022 to pursue our DEI ambitions and a range of ESG-related projects and initiatives. The DEI Committee, together with the corporate sustainability team, are driving these initiatives to achieve IVL’s sustainability goals.

At our last SRMC meeting on November 2, the SRMC Charter was reviewed and revised by SRMC members and approved by the Board of Directors on November 16, 2022.

## 2. Overseeing Risk Management

The Committee reviews risk policies and practices and ensures that adequate processes and procedures are in place to monitor and manage risks.

The Committee oversaw the global rollout of the new Enterprise Risk Management (ERM) and Business Continuity Management (BCM) capabilities, processes, and platforms.

In addition, the Committee established the Corporate Risk Profile (CRP), which includes significant risk areas, such as business growth, regulatory conditions, health, safety, and cybersecurity,

Additionally, financial risks were presented by the Finance team. At the end of 2022, IVL had secured approximately USD 2,400 million in sustainability linked loans and bonds which were assessed and aligned based on IVL’s 2030 Vision and to achieve corporate sustainability targets.

## 3. Sustainability Performance Review and Initiatives

The Committee reviewed IVL’s sustainability strategies and performance during the year and provided suggestions related to our short-term (2025), medium-term (2030) and long-term targets (Net Zero ambition) as well as the impacts of not achieving these targets which could pose significant business and reputational risks.

The following are a few key initiatives overseen by the Committee:

- **Decarbonization:** reviewed our environmental performance against the targets and our plan and its alignment with SBTi guidelines.
- **Health & Safety:** reviewed the strategic EHS priorities and multi-year plan, corporate EHS performance, especially significant incidents and their impacts, the audit program with an EHS maturity index, and integration in M&A activities.

- Bio-based feedstock and advanced recycling: advised to ensure the competitiveness of bio-based feedstocks from pricing and technology points of view as well as the food crop and food waste approach from brand owner perspectives.
- Supply Chain Management: advised to strengthen the compliance management and carbon footprint (Scope 3) management of suppliers that will build their sustainability capacity together with the achievements of our SBTi commitments.
- Diversity, Equity, and Inclusion (DEI): reviewed the progress on a strategy, roadmap, metrics, and targets, as well as participation as a signatory to UN Women's Empowerment Principles (WEP), and our commitment to the UN LGBTI Standards of Conduct.
- Advocacy: reviewed progress on activities in each region regarding single-use plastics and promotion of a circular economy at multiple levels of regulatory engagement, and industry memberships and associations, among others, to seek collaborative opportunities.

#### 4. The Future Path to Sustainability

The Committee offered recommendations to support IVL's 2030 Vision, business and sustainability strategies, and purpose statement, relating to the following initiatives:

- Decarbonization: reviewed operational efficiency plans including green projects at key sites that contribute the most to achieving the 2025 and 2030 targets, capturing our carbon footprint in the supply chain, SBTi commitments, cost-competitiveness and technological enhancements, revisiting internal carbon pricing (ICP) to better reflect the current situation, further investments in decarbonization initiatives within our operations and supply chain, procurement of renewable electricity through VPPAs, and a feasibility study on green hydrogen and natural capital solutions (NCS).
- Sustainability Targets 2025/2030: emphasizing concrete action plans to achieve the 2025 and 2030 targets, together with the key challenges and support required, alignment of our targets with customers and the global agenda, ESG risk and mitigation measures, segment-wise ESG strategies and targets, sustainability knowledge sharing, strengthening ESG principles in supply chain management, our biodiversity commitment, and the roadmap.
- Health & Safety: focusing on reshaping mindsets around health and safety to improve our workplace culture. This begins with written commitments from leadership followed by year-end reviews on the progress achieved, reinforcement and coaching to promote behaviors that drive a positive culture, full adoption at every plant of published IVL EHS standards around our Golden Safety Rules, regulatory compliance and process safety, capability improvements

through training and sharing of best practices, assurance auditing to provide an independent view of gaps, and the tracking of action plans through to closure.

- IVIH: evaluating the technologies on projects in progress before making final decisions on investments, finalizing the projects once they fit our investment criteria, engaging with our brand owners, customers and governments to further grow the recycled market and seeking perspectives between bio-based and traditional feedstocks, and strengthening IVIH's capabilities to achieve our mission and Vision.
- Risk Management: monitoring emerging risks and uncertainties through an integrated approach, including the Russia-Ukraine conflict and its impacts, promoting our BCM initiative in public relations campaigns to key stakeholders demonstrating our organizational readiness and resiliency towards any disruptions, and driving institutionalization of Risk Management and BCM capabilities, processes, and platforms across IVL. Going forward, the priority is to elevate a risk mindset and culture across the Company as well as a deep dive on organizational strategic risks, strengthening tactical business risks and operational ERM at plants/sites, key integrated supply chains, and implementation of BCM at plants.

#### 5. Sustainability Assessment Review

The Committee reviewed and acknowledged the recommendations from the Dow Jones Sustainability Indices (DJSI) Corporate Sustainability Assessment, together with sustainability assessments by MSCI, Sustainalytics, CDP, EcoVadis, ChemSec, FTSE4Good Index, the Stock Exchange of Thailand (SET), and other ESG evaluations, including from customers and investment funds and recommended adopting suitable best practices. Some initiatives in progress include the SBTi commitment, remuneration scheme and long-term incentives (IVL ESOP-W1 Warrants), DEI, and supply chain management, particularly GHG Scope 3 emissions.

#### 6. Committee Performance Evaluation

The self-assessment form was amended to align more closely to the objectives and responsibilities outlined in the Committee charter. The Committee conducted a self-assessment using the new evaluation form to review and evaluate its performance and effectiveness in carrying out its duties.

Overall performance and effectiveness were satisfactory during the year.

## Committee Leadership

Throughout 2022, we delivered value creation in sustainability and achieved important ESG milestones as a company and for our stakeholders. We are recognized as a leader in ESG among our peers and have a best-in-class sustainability practice, notably our inclusion in the Dow Jones Sustainability World Index for the fourth consecutive year and in the Dow Jones Emerging Markets Index for the sixth consecutive year. We also received a range of recognitions and sustainable financing as a result of our collective ESG efforts. This confirms the important advances we are making through our commitment and leadership in sustainability.

Decarbonization and ambition towards Net Zero remain our key focus in 2023. Many of our initiatives and projects are in alignment with our sustainability and net zero ambitions. Committing to SBTi is a huge driving force in redefining our decarbonization plan and roadmap which incorporates the potential of new technologies, unconventional feedstock options, and sustainable product developments.

The Committee believes that our integrated business portfolio, starting from upstream to downstream, as well as product end-of-life management help expand our sustainability matrix, strengthen our position, and allow us to further enhance long-term business value through sustainability for our stakeholders.

On behalf of the Sustainability and Risk Management Committee,



Alope Lohia  
Chairman of Sustainability and  
Risk Management Committee

# Nomination, Compensation and Corporate Governance (NCCG) Committee Report for the Year 2022

The NCCG Committee (henceforth referred to as “Committee”) is a sub-committee of the Board of Directors (“Board”). The Committee supports the Board in its oversight of nominating and compensating Directors of the Board and the company’s Group Chief Executive Officer. Furthermore the Committee supports the Board’s effort to oversee corporate governance.

The Committee members consist of five Independent Directors, who possess appropriate qualifications to serve in the Committee:

Mr. Russell Leighton Kekuewa	Chairman
Mr. William Ellwood Heinecke (retired at 2022 AGM)	Member
Mr. Kanit Si	Member
Dr. Siri Ganjarerndee	Member
Mrs. Kaisri Nuengsigkapien	Member

To ensure adequate management input to the Committee’s deliberations Mr. Alope Lohia, Group CEO & Vice Chairmen of the Board serves as “Advisor” to the Committee.

Three meetings were held during 2022: February 17, August 3 and November 3. Attendance for all three meetings was 100%.

Mr. Russell Leighton Kekuewa	3/3
Mr. William Ellwood Heinecke	1/1 (Retired in Apr 2022)
Mr. Kanit Si	3/3
Dr. Siri Ganjarerndee	3/3
Mrs. Kaisri Nuengsigkapien	3/3
Dr. Harald Link	2/2 (Appointed in May 2022)

The Committee performed its duties in accordance with the NCCG Charter and within applicable laws and regulations. Noteworthy items for the year were:

## 1. Board Member Transitions

Mr. William Ellwood Heinecke, Independent Director and Member of the Nomination, Compensation and Corporate Governance Committee retired from the Board at the 2022 Annual General Meeting of Shareholders due to the age limit stipulation in the Board of Directors charter.

Dr. Harald Link, Independent Director, was appointed to the NCCG Committee effective May 1, 2022.

## 2. Election of Directors to Replace those Retiring by Rotation

In compliance with Section 71 of the Public Limited Companies Act and Article 14 of the Company’s Articles of Association, one-third of the directors must vacate office at the Annual General Meeting (AGM) of Shareholders. The Directors who were scheduled for rotation at the AGM on 26 April 2022 were:

a) Mrs. Suchitra Lohia	Executive Director, Chairperson of the Corporate Responsibility Committee, and Deputy Group CEO
b) Mr. Yashovardhan Lohia	Executive Director, Member of the Sustainability and Risk Management Committee, and Chairman of the ESG Council
c) Mr. Sanjay Ahuja	Executive Director and Executive President Combined PET
d) Mr. Rathian Srimongkol	Lead Independent Director, Vice Chairman of the Board, Chairman of the Audit Committee, and Member of the Sustainability and Risk Management Committee
e) Mr. Tevin Vongvanich	Independent Director, Member of the Audit Committee, and Member of the Sustainability and Risk Management Committee
f) Mr. William Ellwood Heinecke	Independent Director and Member of the Nomination, Compensation and Corporate Governance Committee

Five of the Directors: Mrs. Suchitra Lohia, Mr. Yashovardhan Lohia, Mr. Sanjay Ahuja, Mr. Rathian Srimongkol and Mr. Tevin Vongvanich were re-elected to the Board. However, Mr. William Ellwood Heinecke, who attained the mandatory retirement age was ineligible for re-election.

### 3. Remuneration of the Board of Directors

There was no change in the retainer fee structure in 2022 compared to 2021. As in previous years no retainer fee was paid to Executive Directors.

The bonus paid to Directors in 2022 (for performance in 2021) was based on the overall performance of the company. The amount paid increased to 15.0 million baht, up from Baht 10.0 million paid in 2021 and matching the same amount paid in 2020.

### 4. Remuneration of Senior Management

To provide more visibility of senior management remuneration the Committee approved the disclosure of remuneration for the Group CEO and CEO. In addition the remuneration of the remaining members of the Indorama Management Council – Deputy Group CEO, Chief Financial Officer, Chief Human Resources Officer and Chief Strategy Officer are disclosed collectively.

### 5. Board Diversity Policy

A “Board Diversity Policy” was drafted and approved by the Board as per a recommendation by an international corporate governance rating agency. The Committee will take ownership of the policy as well as ensure that matters of diversity, inclusion and equity are adequately addressed within the Company.

### 6. Review of the NCCG Committee Charter and Committee Evaluation Process

The Committee did its annual review of the charter and implemented amendments to better articulate the roles and responsibilities of the Committee. Furthermore the selfevaluation tool were modified to better align with the charter and it was simplified to solicit better quality feedback from respondents. The results of the evaluation uncovered no areas for concern. Overall, the Committee performance was deemed satisfactory.

On behalf of the Nomination, Compensation and Corporate Governance Committee,



Russell Leighton Kekuewa  
Chairman