



# BANPU

## BANPU PCL

Resources / Energy & Utilities

[www.banpu.com](http://www.banpu.com)



**Core Business:** Banpu operates two core businesses comprising ① coal production from the company's mines in Indonesia, China, and Australia ② power and steam generation from power plants in Thailand (Map Ta Phut Industrial Estate in Rayong province) and China.

### Strategy and corporate culture for sustainability

Banpu believes human resources is the vital element in creating corporate sustainability. Therefore, it places great emphasis on employee engagement. Given personnel diversity in area it operates in terms of language, ethnic group, religion, and culture, the company's key human resources management principle is to build and strengthen corporate culture called "Banpu Heart".

To ensure that embedded corporate culture is effectively implemented, the company plans its operation systematically from recruitment, staff orientation, to performance evaluation processes. The company forms Banpu Change Leaders (BCL), a task force responsible for driving theoretical "Banpu Heart" corporate culture into practice through a wide range of activities. To monitor the level of alignment between employee behavior and the corporate culture, the company conducts an annual survey by the third party. Furthermore, all relevant activities and the aforementioned survey are translated into local language of each location to ensure that all staffs fully and genuinely embrace "Banpu Heart" corporate culture.

### Management approaches to challenges and rapid changes in business environment

To ensure that its businesses catch up with customer demand and cope well with rapid change in energy industry environment, Banpu has transformed into an energy company that is leading global trends in Decarbonization, Decentralization, and Digitalization.

The company deploys **Greener & Smarter strategy** to drive the organization via synergy of its three core businesses, namely energy resources, energy generation, and energy technology. In addition, the company also made constant progresses in energy technology research and development as well as development of human capital and management system.



Meanwhile, the company manages **climate change risk**, one of the key risks directly affecting Banpu both as an energy provider and a consumer, through two key paths. The first is to reduce greenhouse gas emissions intensity of mining business by 25% and of power business by 15% within 2020. The second is to invest in renewable power businesses, with an aim to increase renewable energy portfolio to more than 20% by 2025.



“Banpu drives sustainable growth with Greener & Smarter strategy to create value for all stakeholders in accordance with our brand promise: ‘Our Way in Energy. Our Way in Sustainability’.”

Ms. Somruedee Chaimongkol, CEO

### Contributions to the United Nations’ Sustainable Development Goals (SDGs)

The company sees opportunity in building sustainable energy business by using SDGs as guidelines in setting its long-term operational targets with clear determination of target achievement year. For example, the company aims to achieve Goal 7 “Affordable and Clean Energy” through installation of 300MW integrated solar power system by 2022 and aim for renewable energy to comprise more than 20% of Banpu’s portfolio by 2025. The company is also committed to Goal 15 “Life on Land” with a target to achieve net positive impact on biodiversity upon closure of coal mines after 2025.

In addition, Banpu sets goals and operational development in alignment with SDGs. For example, “Clean Water Access Program” at Indominco coal mine in Indonesia aimed to promote clean internal source of water supply in accordance with SDG 6 “Clean Water and Sanitation” to resolve the community’s clean water scarcity problem and secure accessibility to clean and safe water supply. This program benefits 440 households while the assessment of program’s social return equals to 1.13x, implying that every IDR 1 investment could generate social return of IDR 1.13.

### Financial Data / Stock Price Results (unit:millions of baht)

Fiscal Year ended: December 31

รายการ	2017	2018	2019*
Sales	97,324	112,771	65,272
Cost of sales	68,869	82,390	54,482
Gross profit (loss)	28,455	30,380	10,790
Net profit (loss)	7,900	6,694	896
Total assets	268,751	274,317	257,044
Total liabilities	163,822	171,305	164,492
Shareholders’ equity	85,315	83,060	73,838
EPS (Bt)	1.55	1.30	0.17
Gross Profit (loss) Margin (%)	29.24	26.94	16.53
Net Profit (loss) Margin (%)	7.47	5.43	1.20
ROE (%)	9.62	7.95	3.05
Dividend yield (%) **	2.19	4.39	6.14

Source: SETSMART

\* 3Q19 Financial statements ended September 30, 2019

\*\* As of November 29, 2019