

Banpu Public Company Limited

SET Sustainability Awards 2017

September 18, 2017

Agenda

- About Banpu
 - Corporate Governance
 - Sustainability Governance
 - Sustainability Practices
 - Sustainability Performance 2016
 - Show Case
 - Zhengding Central Cooling System
 - Community Development
 - Banpu Champions for Change
 - Q&A
-



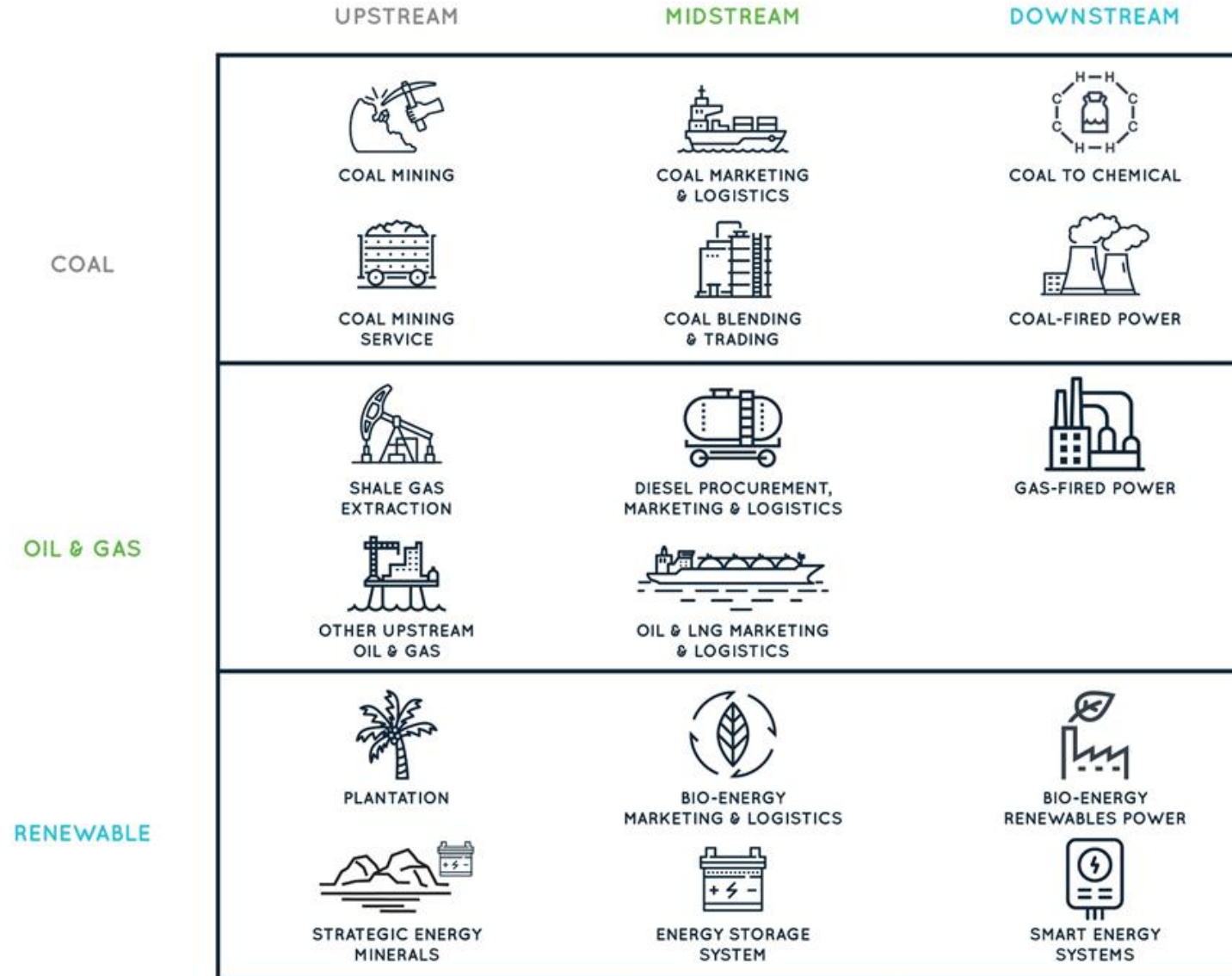
BANPU

PLANTING THE FUTURE

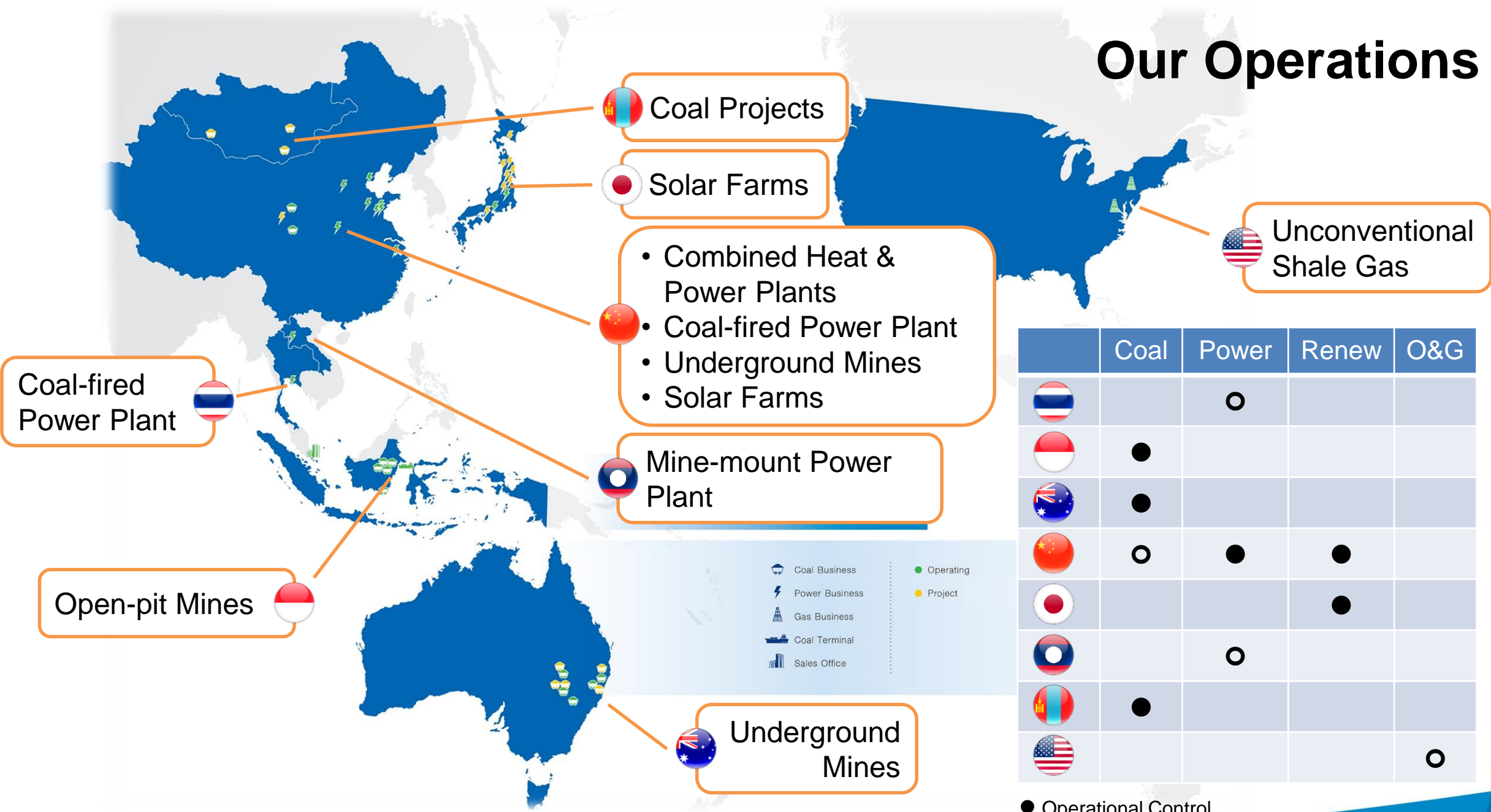
Vision The Asian energy company at the heart of innovation, technology, and sustainability

- Missions**
- Build sustainable value for all our stakeholders as a trusted partner, with emphasis on care for the earth and society
 - Promote innovation, synergy, sustainability, and integration across the energy supply chain, between conventional and new energy technologies
 - Foster our corporate values, operational excellence, and uphold Banpu's reputation for integrity, professionalism and best practices

Business Value Chain



Our Operations

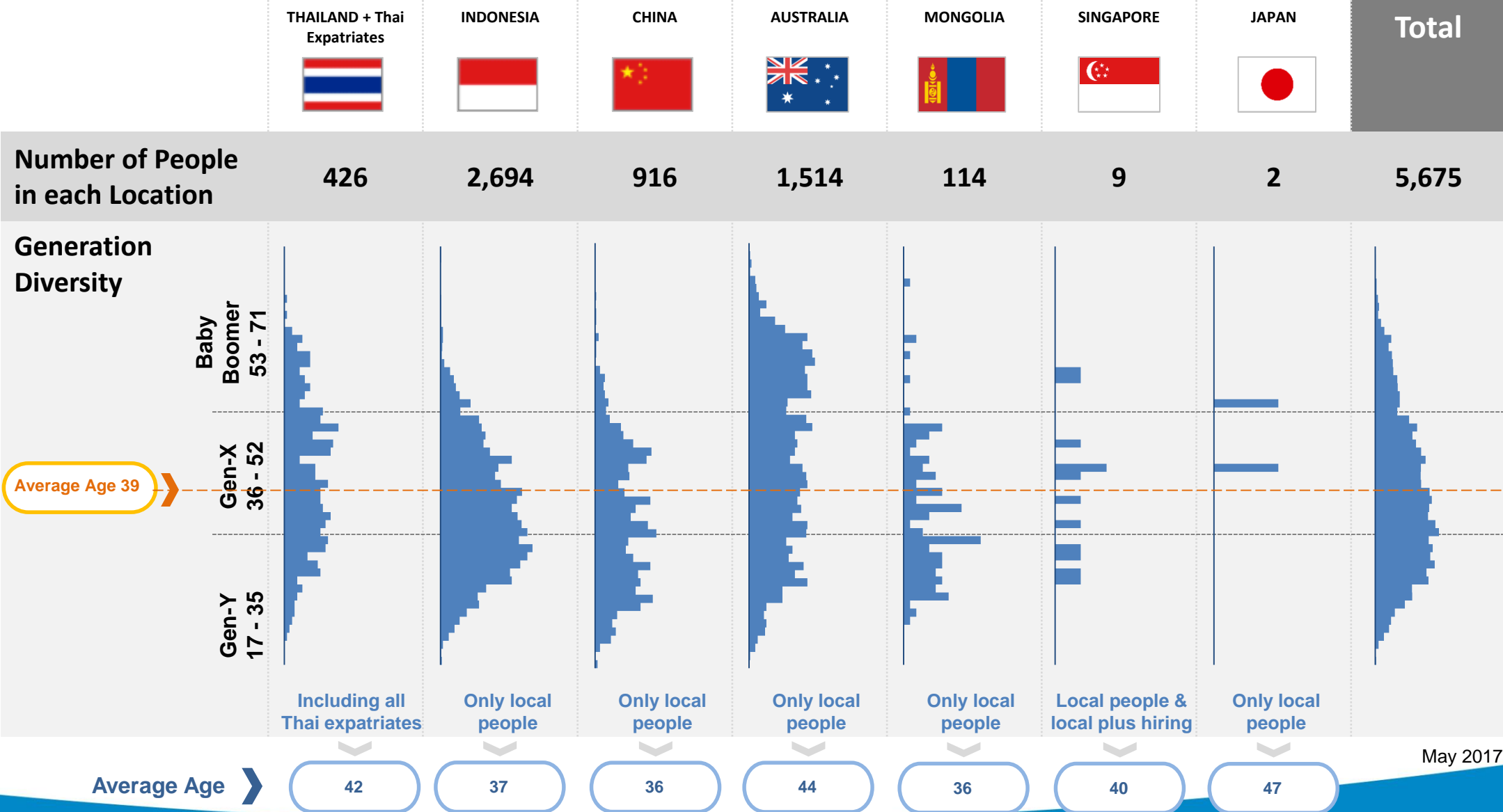


- Combined Heat & Power Plants
- Coal-fired Power Plant
- Underground Mines
- Solar Farms

	Coal	Power	Renew	O&G
		○		
	●			
	●			
	○	●	●	
			●	
		○		
	●			
				○

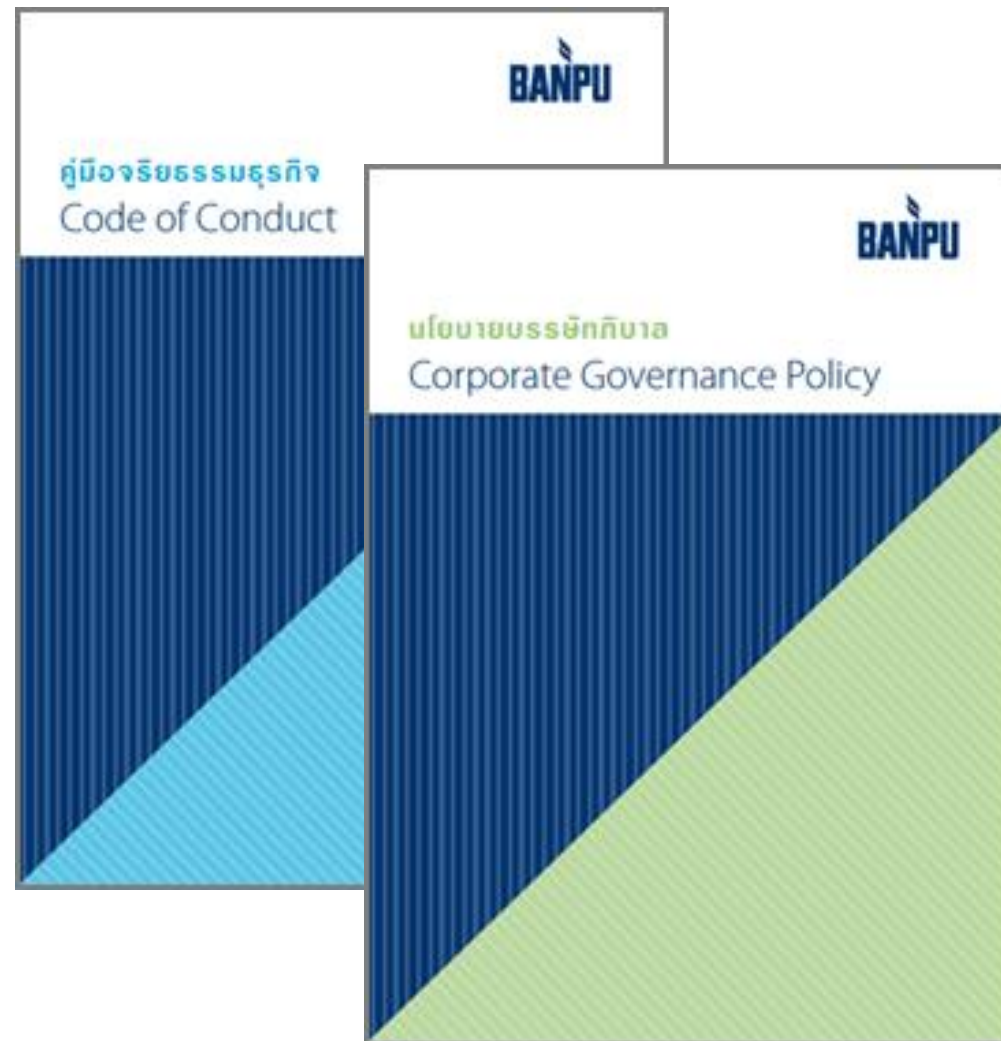
● Operational Control

People Demography



May 2017

Corporate Governance



Banpu CG Development

1st Corporate Governance Policy and Code of Conduct

2002
Existing CG Best Practices

2nd Edition in Indonesian & Chinese

2006
CG principles
OECD + SET+ SEC

3rd Edition to all operations

2014
CG best practices :
OECD+SET+SE+
- SD Policy
- ID Definition
- Complaint Channel

Apply New CG Code (SEC)

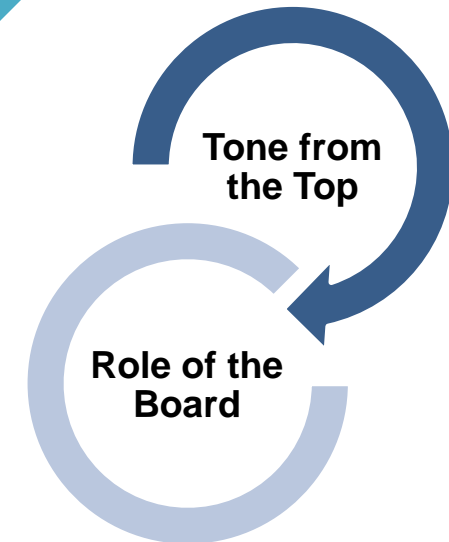
2015-2016
Strengthen effective
risk management and
internal control
-Whistleblowing Policy
-Anti Corruption Policy
-Certified with CAC Anti
Corruption



CG Policy



Code of Conduct

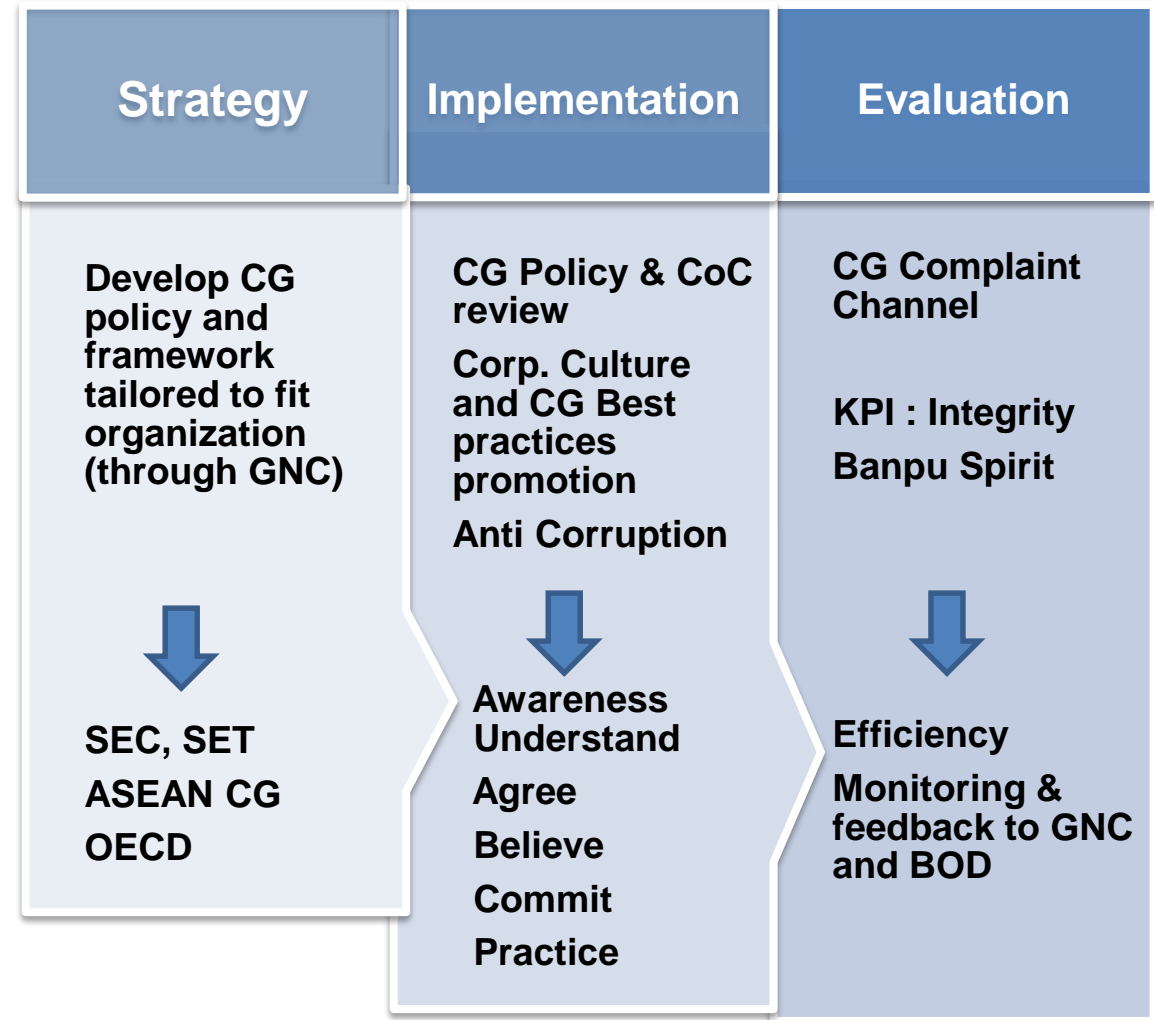


Corporate Governance Strategy, Implementation, Evaluation

Corporate Governance and Nomination Committee (GNC)

GNC Charter

1. To review the Corporate Governance policy and the Code of Conduct and to monitor compliance of the policy and practices so that it remains within an ethical framework.
 - To consider and review whether the Company's Corporate Governance policy and its Code of Conduct are appropriate and adequate and to regularly update the Corporate Governance policy.
 - To monitor and supervise directors and staff's compliance with the Corporate Governance policy and the Code of Conduct so that it is in line with those determined by the Board of Directors and
 - To arrange a system where Banpu can receive grievance with regards to the Corporate Governance and Code of Conduct from stakeholders.



Corporate Governance Internal Communication

Orientation to new staff

- CG Policy & Code of Conduct
 - Marketing sensitive Information Policy & Guideline
 - Anti Corruption
- With compliance acknowledgement



Internal Communication & Knowledge Sharing

- CG Raise Your Voice
- CG Column in Banpu Insight (Internal Journal)
- CAC Anti Corruption knowledge Sharing with senior management and staff
- Workshop on corruption risk assessment with related Business Units



Anti - Corruption News Google + : BanpuCG

สิ้นบน โรลล์รอยซ์ - การันไทย

แกะรอย เปิดทางคดีบนโรลล์รอยซ์-กรณไทย

3 คดีในชั้นศาล

ยื่นขอตั้งอัยการ 78,426 คดี

รวมมูลค่ากว่า 78,773 ล้านบาท

มาตรการสอบสวน 1,200-1,300 คดี

2534-2536 (Signa 385)

2536-2540 (Signa 500, 500, 500, 500)

2547-2548 (Signa 100)

สรุปประเด็นสำคัญ

- ▶ ศาลสหราชอาณาจักรสั่งปรับโรลล์-รอยซ์ 671 ล้านดอลลาร์ หรือราว 3 หมื่นล้านบาท หลังสำนักงานต่อต้านการทุจริต (SEO) ของประเทศ พบว่า บริษัทสมรู้ร่วมคิดกับการทุจริต หรือ ละเมิดต่อการป้องกันการตัดสินใจสินบนในไทย จีน อินเดีย รัสเซีย อินโดนีเซีย มาเลเซีย และ โมซัมบิก
- ▶ โรลล์-รอยซ์ ยอมรับว่าได้มีการจ่ายสินบนในหลายประเทศที่ได้ทำการซื้อขงหรืออนุมัติสำหรับเครื่องบิน รวมถึงประเทศไทย ที่เกิดขึ้นในระหว่างปี 2534-2548 รวมมูลค่าเกิน 1,300 ล้านบาท

แนวทางแก้ไข

- ▶ ปฏิรูปกระบวนการจัดซื้อจัดจ้าง
- ▶ แต่งตั้งคณะกรรมการภายนอกที่เป็นกลาง เป็นอิสระประกอบด้วยผู้ทรงคุณวุฒิทั้งในประเทศและต่างประเทศสอบสวนและให้ความจริงใจโปร่งแก่สาธารณชน

CORPORATE GOVERNANCE COMPLAINT CHANNEL

To promote a transparent and accountable corporate culture, the Company has set up the Corporate Governance Complaint Channel to receive governance-related complaints from all stakeholders.

In 2018, the Board of Directors approved and adopted the Whistleblower Policy to handle and provide a procedure for any complaints. It is also a tool for the employees to make complaints related to corporate governance and business ethics in an effective and responsible way. The secretary to the Corporate Governance and Nomination Committee is responsible for collecting the complaints and reporting to the Committee in each quarter and make a complete report for the Board annually. In order to ensure effective operation of this internal control mechanism, all provided data will be kept strictly confidential. This policy has been conceived to enable employees to report violations of laws, regulations or the Company's code of conduct while respecting the Company's protection.

THE NEXT STEP OF ANTI-CORRUPTION

As we all are well aware, Banpu was certified as a member of the Thailand Private Sector Collective Action Coalition Against Corruption (CAC) on 10 July 2015, and re-certification will take place in 2018. Since becoming a member, Banpu has communicated its work on anti-corruption to the board of directors, management and staff through various activities. For example, details of the certification process and membership qualifications were introduced at the Knowledge Management event. Moreover, monthly news updates are distributed through the web portal, giving summaries of some corruption cases and the lessons gained from each case to help management and staff understand the issue further.

On 17 May, Banpu hosted a talk titled "Corruption: Impacts on Credibility and Business" by Khun Kuehch Jantaratani, Advisor for the Private Sector Collective Action Coalition Against Corruption (CAC), Thai Institute of Directors (IOD). The opening remarks were given by Khun Somnuek Chaitrongkot, CEO of Banpu.

CG Complaint Channel



CG complaint channel has been set up for all group of stakeholders to express their opinions and report grievances in case they are unfairly treated by Banpu through provided channels.

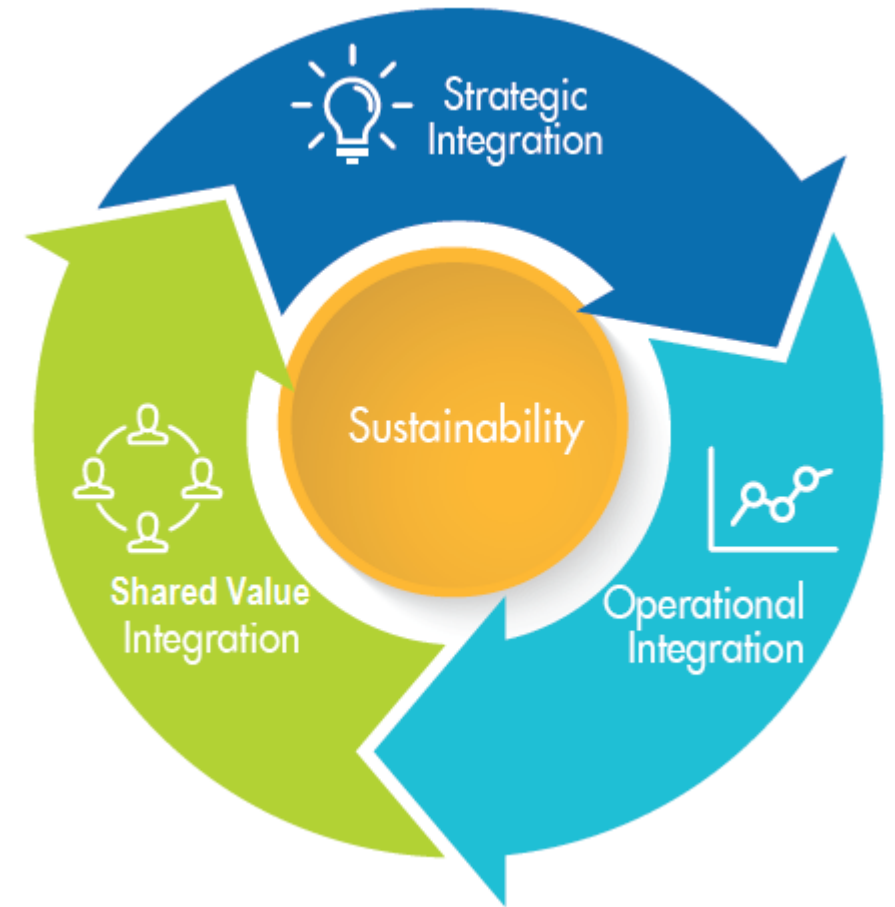


A report of CG complaint will be reported to Corporate Governance and Nomination Committee on quarterly basis and report to the Board of Directors annually.



Whistleblower Policy has been set up to ensure effective protection is provided.

Sustainability Governance



Sustainable Development Policy (2016)



Sustainable Development Policy

At Banpu, we have a strong belief in the norm that an industry would be vigorous only when it is developed in tandem with social and environmental responsibility. We are dedicated to conduct our business with good corporate governance and management of economics, environmental and social risks and opportunities. In every location, we put sustainable development framework into practice through the effective implementation of international best-in-class standards to create Competitiveness and Value creation to all stakeholders as follows:

Competitiveness

- **People** : Respect for employees' human rights by fair treatment, Build strong corporate culture through Banpu Spirit, and employee development, Enhance leadership and technical competency.
- **Operational Excellence** : Focus on the flexible and efficient business process along the supply chain with innovation and continuous improvement, provide superior products and services to customers and enhance customer relationship management, and seek for new business opportunities.

Value creation to stakeholders

- **Compliance** : Adhere to good corporate governance and comply to stipulated laws and regulations, including international standards.
- **Occupational Health and Safety** : Care for occupational health and safety of our employees and business partners by the alignment of 3 safety principles; Zero incident, Zero repeat, and Zero compromise, to eliminate fatalities, injuries and occupational illness.
- **Environment** : Balance business development alongside environmental protection, study and evaluate environmental impact before project implementing as preventive measure in every projects, reduce or optimize resource utilization, provide pollution prevention at sources and proper environment management along supply chain.
- **Community** : Create sustainable values to our host community through community engagement, tax contribution, local employment and other programs toward stakeholders' acceptance.

In implementing this policy, we establish measurable indicators to monitor and review in order to ensure that our Sustainable Development policy would be practically achieved.

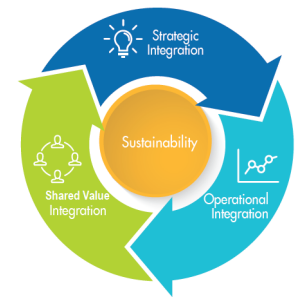
Document No.: TH-HSEC-SD-PO-01	 _____ (Somruedee Chaimongkol) Chief Executive Officer
Revision: 1	
Date: 1 April 2016	

At Banpu, we have a strong belief in the norm that an industry would be vigorous only when it is developed in tandem with social and environmental responsibility.

SD Framework

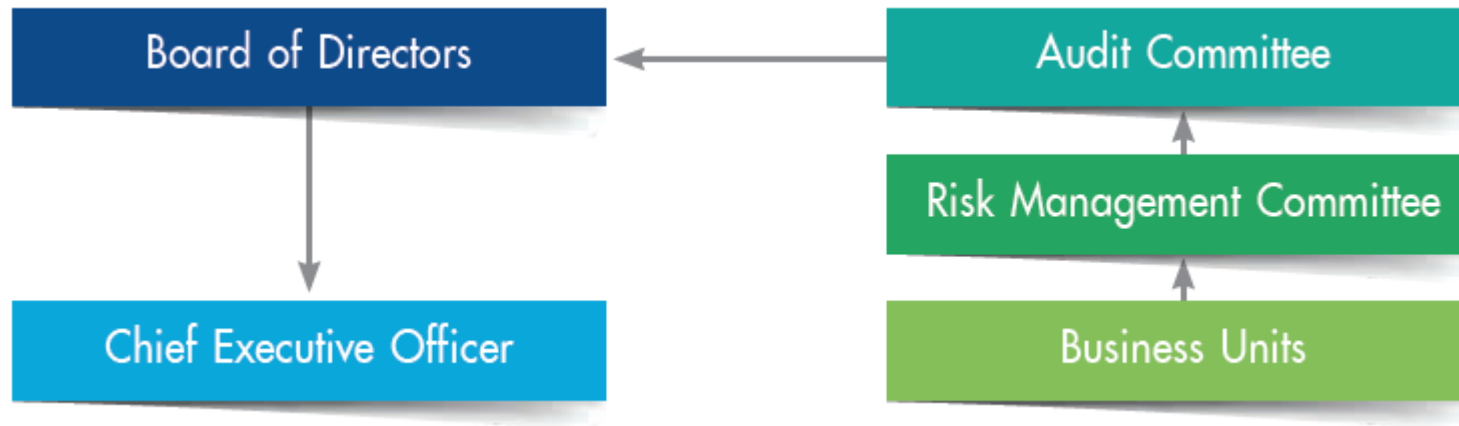
- **Competitiveness**
 - People
 - Operational Excellence
- **Value creation to stakeholders**
 - Compliance
 - Occupational Health and Safety
 - Environment
 - Community

SD Governance – Strategic Integration

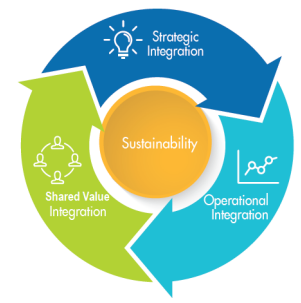


Integrated sustainability into the management strategies

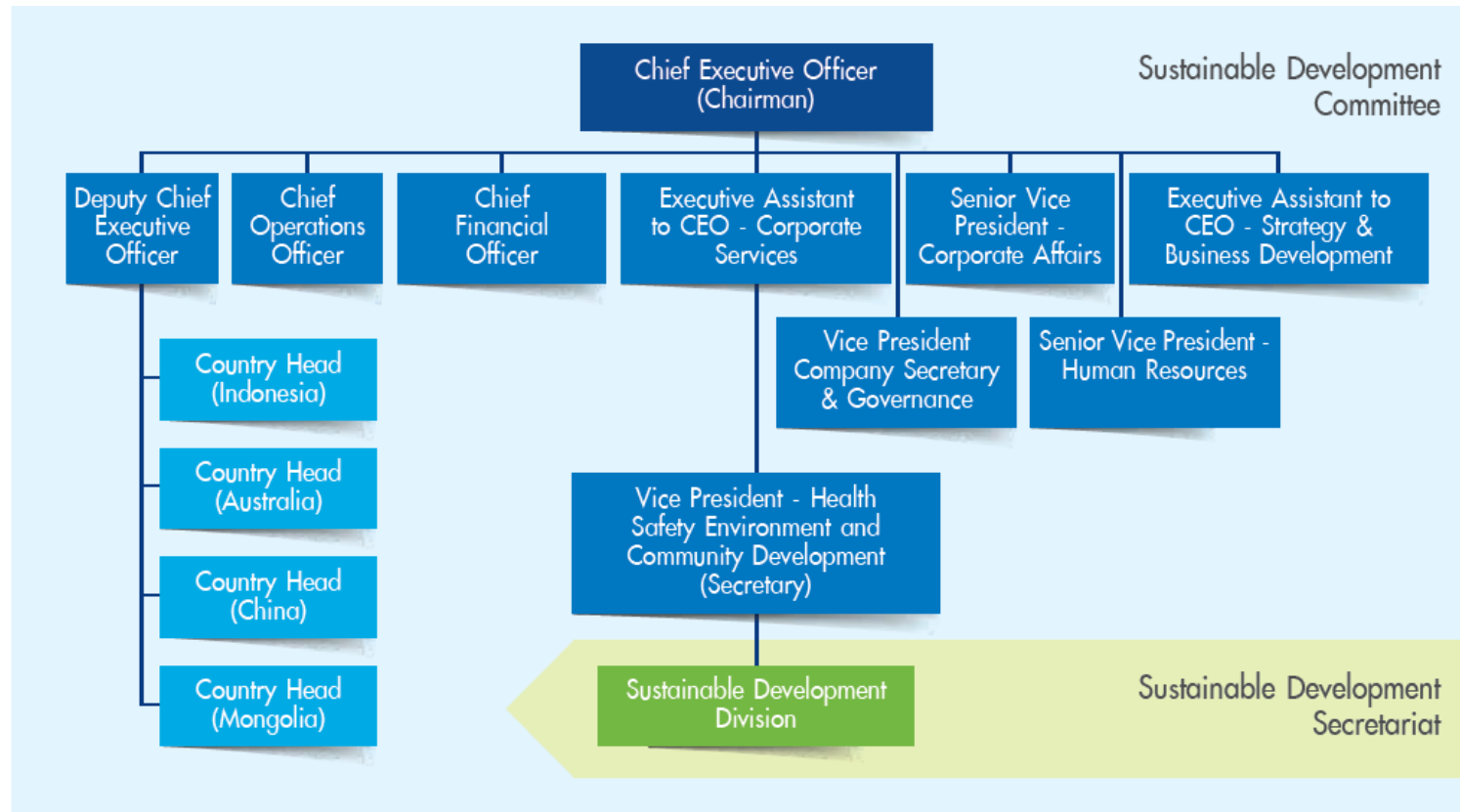
- Conduct sustainability risk assessment and report to BOD
- BOD acknowledge the strategies and corporate measurement indicators
- CEO and management team execute the strategic plan



SD Governance – Operational Integration

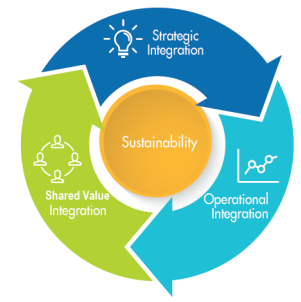


- SD Committee chaired by CEO
- SD Committee meeting conducts annually to review & evaluate sustainability performance



SD Governance – Shared Value Integration

- Drive sustainability through corporate shared value “Banpu Spirit”



BANPU *spirit*



Banpu SD Journey

SET Sustainability Award 2015
(market cap 30-100 billion THB)



SET Sustainability Award 2016
(market cap 30-100 billion THB)

ROBECOSAM Sustainability Award Industry Leader 2015

ROBECOSAM Sustainability Award Gold Class 2015

ROBECOSAM Sustainability Award Industry Leader 2016

ROBECOSAM Sustainability Award Gold Class 2016

ROBECOSAM Sustainability Award Industry Mover 2016

ROBECOSAM Sustainability Award Gold Class 2017

ROBECOSAM Sustainability Award Industry Mover 2017

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

QSE Management Committee

Sustainable Development Committee

1983

1993

2006

2008

2014

2015

2016

2017

Listed in the Stock Exchange of Thailand



1st SD Policy



New SD Policy

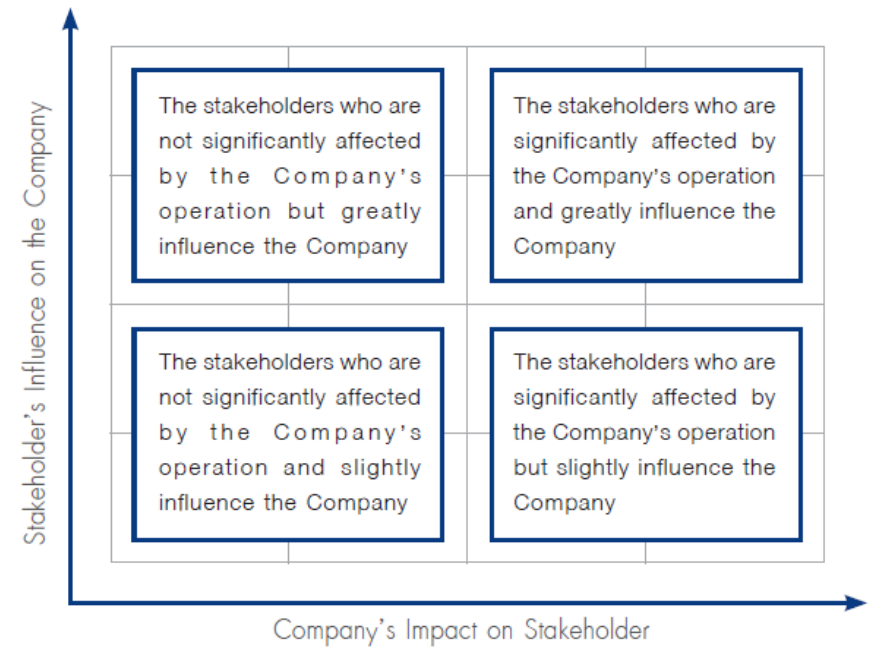
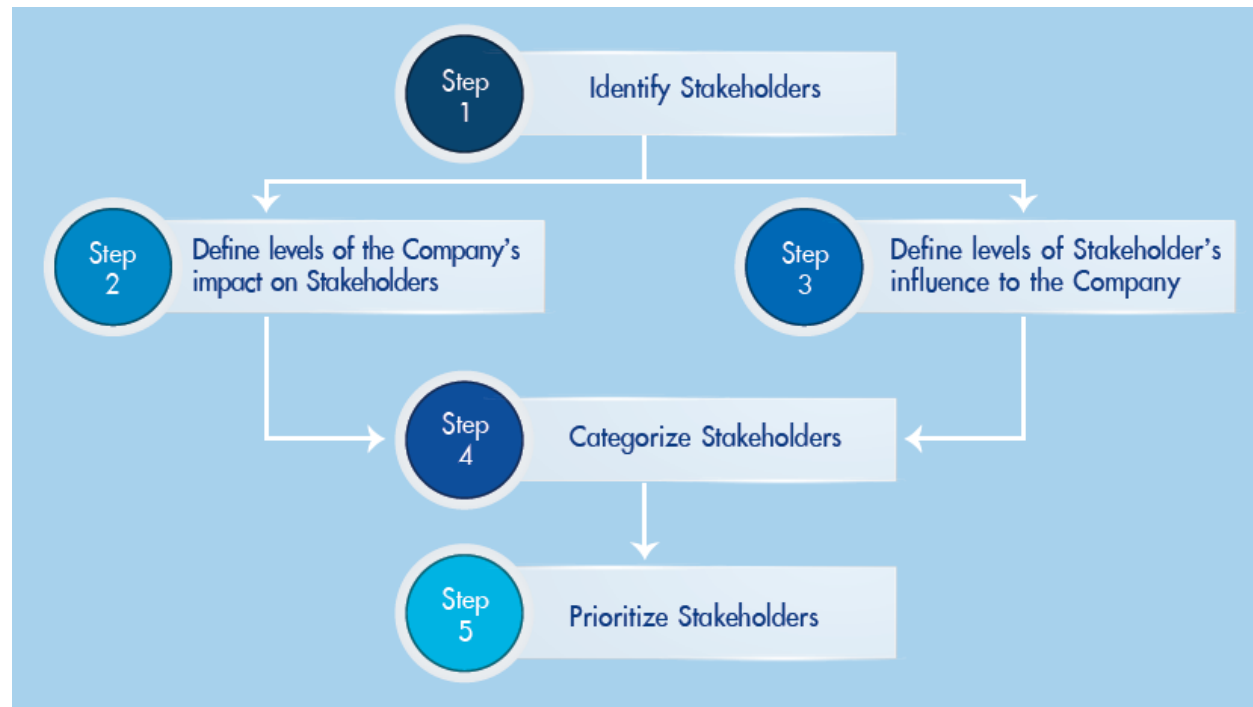
Established "Banpu Coal Company Limited"



Sustainability Practices

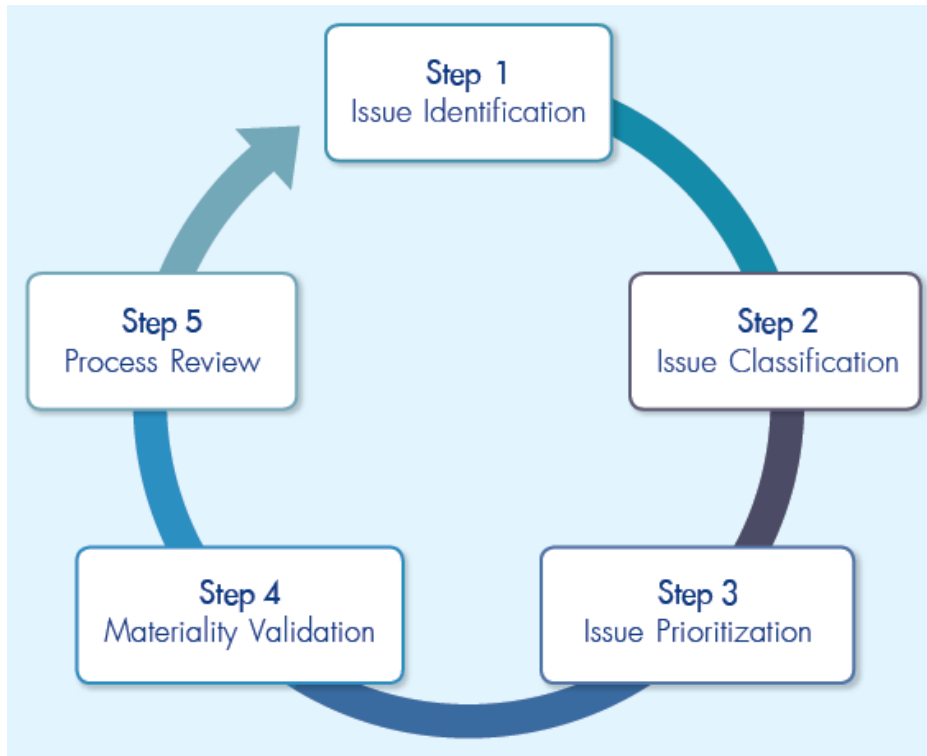
Stakeholder Engagement

- Stakeholder engagement framework is developed based on international standard (AA1000SES)
- Classified stakeholders into 4 groups, based on the levels of impact and levels of influence



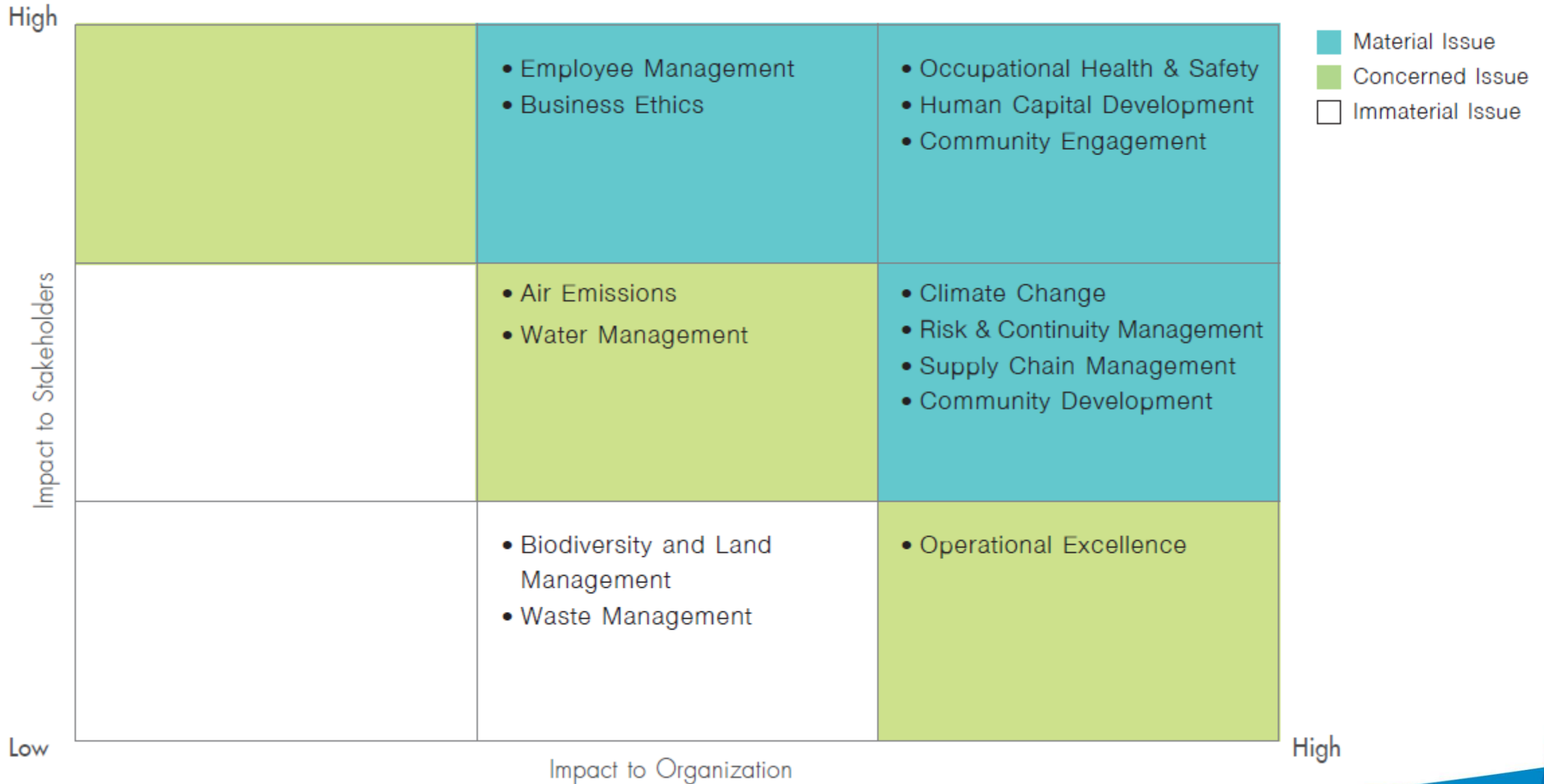
Materiality Assessment

- Materiality assessment framework is developed based on international standard (GRI & AA1000APS)
- Categorized sustainability issues into 3 levels, based on the levels of impact to organization and to stakeholders



High	<ul style="list-style-type: none"> • Employee Management • Business Ethics 	<ul style="list-style-type: none"> • Occupational Health & Safety • Human Capital Development • Community Engagement
Impact to Stakeholders	<ul style="list-style-type: none"> • Air Emissions • Water Management 	<ul style="list-style-type: none"> • Climate Change • Risk & Continuity Management • Supply Chain Management • Community Development
Low	<ul style="list-style-type: none"> • Biodiversity and Land Management • Waste Management 	<ul style="list-style-type: none"> • Operational Excellence
	Impact to Organization	High

Materiality Matrix (2016)



Banpu and Sustainable Development Goals (SDGs)

- Set business goals to be in line with the SDGs



United Nations		Banpu		
Goals	Targets	Sustainable Issues	Goals	Driving Tools
Goal 7 	7.2 Increase substantially the share of renewable energy in the global energy mix 7.a Enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in clean energy	Operational Excellence Development	By 2025 - Increase power generation capacity to 4,000 MW by 2025 by using the High Efficiency, Low Emissions (HELE) technology with more than 20 percent of renewable energy	- The operational excellence policy - The 5-year strategic plan

Emerging Risks

- **Climate Change:** Global concern on alternative use of energy with lower GHG emissions significantly affect the company as the conventional energy provider.
- **Disruptive Technology:** Transformation of energy technology may cause sudden shift in energy consumption patterns including related laws & regulations.

Emerging Risk Management

Climate Change:

- Reduce GHG emissions*
 - Mining Business: 25% by 2020
 - Power Business: 15% by 2020
- *base year 2012
- All new investments will be in high-efficiency, low-emissions (HELE) plants and renewable energy
 - Renewable energy investment
 - 20% Renewable energy from total power portfolio by 2025
 - Increase the power generation from solar rooftop 300 MW by 2022

Disruptive Technology :

- Study the development of digital transformation to strengthen our competitive advantage.
- Research & development in new energy technology.
- Set up BANPU INFENERGY LTD. with the vision of becoming a leader in the turnkey electricity business in Thailand.



Greener Smarter



Greener Smarter

JAPAN SOLAR : KATASHINA VILLAGE,
GUNMA PREFECTURE 2MW, 2015

JAPAN SOLAR : HITASHIOMIYA CITY,
IBARAKI PREFECTURE 2 MW, 2013

JAPAN SOLAR : HITASHIOMIYA CITY,
IBARAKI PREFECTURE 2 MW, 2015

JAPAN SOLAR : SAKURA CITY
TOCHIGI PREFECTURE 2 MW, 2015

JAPAN SOLAR : SAKURA CITY,
TOCHIGI PREFECTURE 2 MW, 2015

CHINA POWER : HAORYUAN SOLAR PLANTS
(20 MW) 2016

CHINA POWER : JINSHAN & HUI NENG
SOLAR PLANTS (30 MW) 2016

ADVANCED MOUNTING INSTALLATION TECHNIC
FISHERY SOLAR PV 2016

Greener Smarter



RENEWABLE ENERGY

WIND/ HYDRO/ BIOMASS/
HYDROELECTRIC/ SOLAR



SMART BUILDING

BUILDING-INTEGRATED
PHOTOVOLTAICS/
ENERGY MANAGEMENT SYSTEM



SMART HOME

ROOFTOP SOLAR/
ELECTRIC VEHICLE/ EV CHARGING



SMART ROAD

SMART LIGHT
INTELLIGENT & WEATHER
ADAPTIVE STREET LIGHTS



SMART VEHICLE

ELECTRIC VEHICLE/
EV CHARGING/ SMART PARKING



SMART TRANSIT

SOLAR HUB STATION/
INTELLIGENT RAILWAY



SMART GRID

ENERGY CONSUMPTION
MONITORING & MANAGEMENT

Business Targets

INDUSTRIAL



COMMERCIAL



RESIDENTIAL (SMART GRID)



GOVERNMENT/ ESTATE ENTERPRISE



Integrated Energy Provider



BANPU
INFINERGY



ให้คำปรึกษาการ
วางระบบ



สำรวจพื้นที่



ประเมินและคำนวณ
แผนการลงทุน



ออกแบบระบบและ
วางแผนการติดตั้ง



จัดเตรียมและยื่น
เอกสารขออนุญาต



เตรียมอุปกรณ์
และติดตั้ง ทดสอบระบบ



ติดตามการทำงาน
ของระบบ



ตรวจเช็คระบบและ
แก้ปัญหา



รับประกันสินค้าและ
บริการหลังการขาย

SALE PACKAGES	SIGNATURE INFINERGY	SMART INFINERGY	SIMPLE INFINERGY
ค่าใช้จ่าย			
เงินลงทุนติดตั้ง	ฟรี	แบ่งชำระเป็นรายเดือน ในอัตราเท่ากันทุกเดือน	ประมาณ 45 บาท/ วัตต์ *
ระยะเวลาสัญญา	20-25 ปี	10 ปี	-
ผลประโยชน์ที่ได้รับ			
ผลประโยชน์ไฟ	ส่วนลดค่าไฟเริ่มต้นที่ 10% ของค่าไฟตามการไฟฟ้า **	ใช้ไฟฟรีจากระบบโซลาร์	ใช้ไฟฟรีจากระบบโซลาร์
กรรมสิทธิ์ในระบบโซลาร์	BANPU INFINERGY	BANPU INFINERGY	ลูกค้า
การโอนกรรมสิทธิ์โดยไม่มีค่าใช้จ่ายเพิ่ม	กรรมสิทธิ์เป็นของลูกค้าเมื่อครบสัญญา	กรรมสิทธิ์เป็นของลูกค้าเมื่อครบสัญญา	กรรมสิทธิ์เป็นของลูกค้าเมื่อติดตั้งเสร็จ
ค่าดูแลรักษาหลังการติดตั้ง	ฟรีตลอดอายุสัญญา	ฟรีตลอดอายุสัญญา	ฟรี 2 ปีแรก (ปีที่ 3 เป็นต้นไปมีค่าบริการซ่อมบำรุง)
การรับประกันอุปกรณ์	รับประกันตลอดอายุสัญญา	รับประกันตลอดอายุสัญญา	ขึ้นอยู่กับชนิดอุปกรณ์ ***
ค่าประกันภัยอุปกรณ์	ฟรีตลอดอายุสัญญา	ฟรีตลอดอายุสัญญา	-

หมายเหตุ:

* ขึ้นกับเงื่อนไขแต่ละโครงการ

** ส่วนลดค่าไฟ เฉพาะในส่วนที่ผลิตได้จากระบบโซลาร์

** การรับประกันอุปกรณ์ แผงโซลาร์ 10 ปี และอินเวอร์เตอร์ 5 ปี

ข้อมูลข้างต้นใช้อ้างอิงสำหรับปี 2017 อาจมีการเปลี่ยนแปลงในอนาคต กรุณาสอบถาม BANPU INFINERGY CALL CENTER 0-2095-6599



Sustainability Performance 2016

**GREENER
TOGETHER**

Material Issues (1) - Climate Change

Rationale : Climate Change poses both risks and opportunities for the Company as an energy provider.



Indicator

- GHG emissions intensity



Target

- 25% GHG reduction in coal business by 2020 from the 2012 baseline
- 15% GHG reduction in power business by 2020 from the 2012 baseline



Management Approach

- Managing in line with Banpu's Environmental Policy and Carbon Policy to achieve the targets



Performance

- Reduction of GHG emissions intensity by 6.53% in coal business in 2016 from the 2012 baseline.
- Increasing of GHG emissions intensity by 13.59% in power business in 2016 from the 2012 baseline.



Material Issues (2) - Occupational Health & Safety

Rationale : Employees are the most valuable asset the Company



Indicator

- The number of work-related fatalities of employees, contractors and subcontractors
- Injury Frequency Rate (IFR) of employees, contractors and subcontractors



Short-term Target

- Zero Fatalities
- Reduce IFR from previous year



Long-term Target

- Zero Injuries



Management Approach

- Management in accordance with the Occupational Health and Safety Policy



Performance

- 1 contractor fatality in Indonesia
- Injury Frequency Rate (IFR) is 0.51 person per million working hours



Material Issues (3) - Human Capital Development

Rationale : Human capital development not only helps minimize the risk occurring when the employees are unable to embrace change in business expansion but also increases the Company's competitiveness.



Indicator

- Percentage of the employees attending trainings according to HR development plan



Target

- More than 80% of employees attending trainings according to HR development plan



Management approach

- Capacity assessment for all job positions in the organization
- Training Roadmap



Performance

- 100% of employees attending trainings according to HR development plan in 2016



Material Issues (4) - Employee Management

Rationale : To achieve the operating results in accordance with the Company's vision, mission and strategic plan, effective "human resources management" plays a pivotal role in the mitigation of risk from business operations



Indicator

- Result of employee engagement survey



Target

- Result of employee engagement survey is over 60%



Management approach

- Compliance with laws and international frameworks
- Fair employment, remuneration and performance management system
- Improvement of employees' quality of life



Performance

- According to the employee engagement surveys, the percentages of employee engagement were 57%, 78% and 97% in Thailand, Indonesia and China, respectively.



Material Issues (5) - Community Engagement

Rationale : The Company firmly believes that its relationship with the communities which is built upon mutual engagement and acceptance will lead to greater business opportunities of the Company and the sustainable growth of the communities.



Indicator

- Percentage of the complaints from local communities classified as significant are handled



Target

- 100% of the complaints from local communities classified as significant are handled



Management Approach

- Observing the Human Rights Policy, the Management Framework: Stakeholder Analysis, and the Management Standard: Stakeholder Engagement



Performance

- In 2016, no complaints were classified as significant.



Material Issues (6) - Community Development

Rationale : With principle: “An industry would be vigorous only when it is developed in tandem with social and environmental responsibility”, Banpu has managed its community development by underlining “collaboration” between the Company, the local communities, and the government sector.



Indicator

- The proportion of the mines in Indonesia where the Stakeholder Satisfaction Survey on community development was conducted



Target

- For the mines in Indonesia, the Stakeholder Satisfaction Survey on community development was conducted 100% within five years (2015-2019).



Management Approach

- Performing the operation in accordance with Community Development Policy and related management standards



Performance

- For the mines in Indonesia, the Stakeholder Satisfaction Survey on community development was conducted 60%.



Material Issues (7) - Business Ethics

Rationale : Strong corporate ethics can reduce risks of business damages, and extend the business opportunities from cultivation of trust among investors, as well as maximize benefit for the stakeholders.



Indicator

- The proportion of significant CG complaints being considered.
- The proportion of CG complaints considered as significance to be resolved



Target

- All of significant CG complaints being considered
- All of CG complaints considered as significance to be resolved



Management Approach

- Managing in accordance with Banpu's sustainable framework regarding Banpu's Code of Conduct



Performance

- None of CG complaint was filed in 2016



Material Issues (8) - Risk & Continuity Management

Rationale : The excellent risk management will provide the company with possibilities to maximize profit to benefit both the Company and stakeholders.



Indicator

- Knowledge and involvement of employees in Banpu's risk management
- Early Warning System to assess and monitor risks



Target

- Every project, business and supportive unit conduct risk assessment and have plans for managing long-term and short-term risks
- Leverage Banpu's risk management in order to reduce the likelihood of risks, mitigate their associated consequences and gain business opportunities



Management Approach

- Banpu's Risk Management Policy & Manual
- Integrating risk management into Banpu's 5-year strategic plan
- Integrating risk management with CEO's and senior management's key performance indicator (KPI)



Material Issues (9) - Supply Chain Management

Rationale : With awareness of responsibility, derived from supply chain's activities, the Company recognized its supply chain's performance as parts of our records.



Short-term Target

- Zero work-related fatality at all activities managed by contractors and subcontractors



Long-term Target

- Zero Injury at all activities managed by contractors and subcontractors



Management Approach

- Managing in compliance with Contractor Management System (CMS)



Performance

- In 2016, there was 1 fatality in Indonesia



A close-up photograph of two hands clasped together. The hand on the left is a darker skin tone, and the hand on the right is a lighter skin tone. The hand on the right is wearing a white long-sleeved shirt with a visible cuff and button. The background is a soft, out-of-focus green. The text "GO GREEN TOGETHER" is overlaid in white, bold, sans-serif capital letters across the center of the hands.

GO GREEN TOGETHER

Community Development



Community Development Policy



Community Development Policy

At Banpu, our vision is to be "The Asian Energy Company at the heart of innovation, technology, and sustainability". To accomplish this, we have built our value called "Banpu Spirit" and this is a framework for us to operate. We believe that community development are the foundation of corporate responsibility and being a responsible and contributing good corporate citizen is necessary to the development of community where we operate and is therefore a key component of the company's business strategy.

In order to empower the communities through partnership cooperation and sustainable community development initiatives toward self-reliance in combination with the strengthening of Community Development units in Banpu, the Community Development Policy is formulated in integration with "Banpu Spirit", "Do by Heart" and "Can Do Attitude" as described below:

Integrity: Community development follows the Banpu Corporate Governance practice, aiming to achieve Operational Excellence while complying with rules and regulations where we operates. Banpu is committed to the obligation and responsibility to society from the inception to completion.

Innovation: Good quality of life and well-being of the communities are our key priority. The programs are initiated to suit with the needs and to develop grassroots innovations at its own level.

Care: Banpu respects human rights through conducting all community development activities with honour and respectfulness to all related stakeholders. Community Development units will support each other with racial, ethnic and gender equality. Proactive two-way communication with communities and stakeholders where we operate.

Synergy: Banpu believes that cooperation and collaboration of all stakeholders in community development activities will lead to sustainable and peaceful society.

This is to ensure an effective and sustainable participation of the community in its own development based on the sustainable utilization of available resources. The policy promotes the community development in relation to our guiding frameworks as Economic, Education, Environmental, Health, Basic Infrastructure, and Social & Cultural. Banpu community development commitments are executed around the following principles:

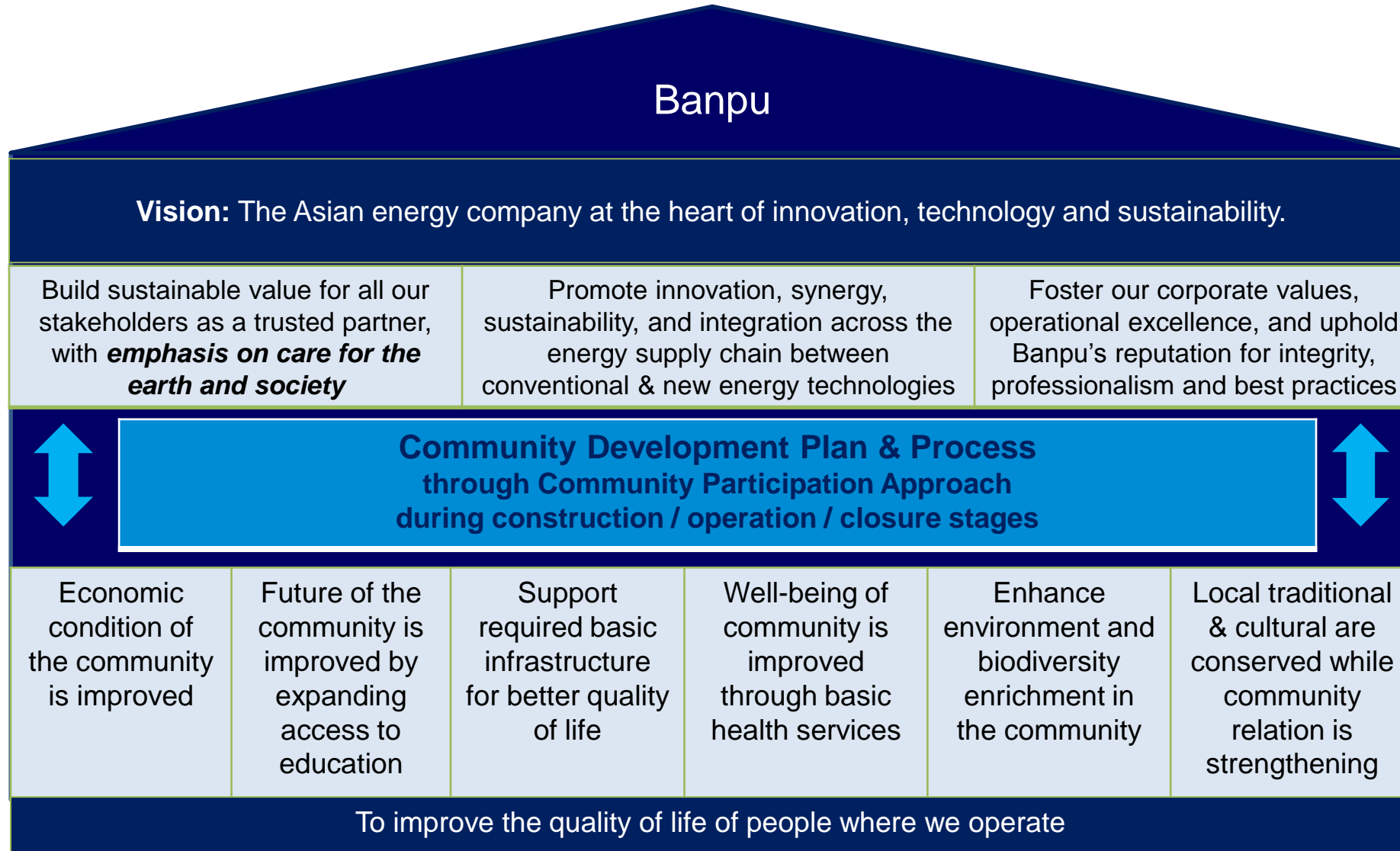
- **Community participation:** Local communities, indigenous peoples and vulnerable groups hold the key to sustainable development. They have the capacity to take charge of their own development and hence their effective participation is indispensable. We respect their interests and rights and encourage open as well as constructive dialogue and interaction with them.
- **Common benefit:** Community development should focus at projects which are productive and beneficial to public and contribute to the improvement of local well-being.
- **Enhancing a culture of transparency and accountability:** The policy promotes accountability among community members to active oversight of all development programs by themselves.
- **Employee Involvement:** All employees are encouraged to participate in community development works. With the available resources and diverse expertise, Banpu promotes employee's assistance to community to uplift their quality of life.

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Revision: 01	
Date: 1 May 2017	

Community Development Policy aims at:

- Encouraging community participation
- Focusing on common benefit
- Enhancing a culture of transparency and accountability
- Promoting employee involvement with "**Banpu Spirit**", "**Do by Heart**" and "**Can Do Attitude**" manner

Community Sustainability



Framework



ECONOMIC DEVELOPMENT



EDUCATION



HEALTH



ENVIRONMENT



SOCIAL & CULTURE



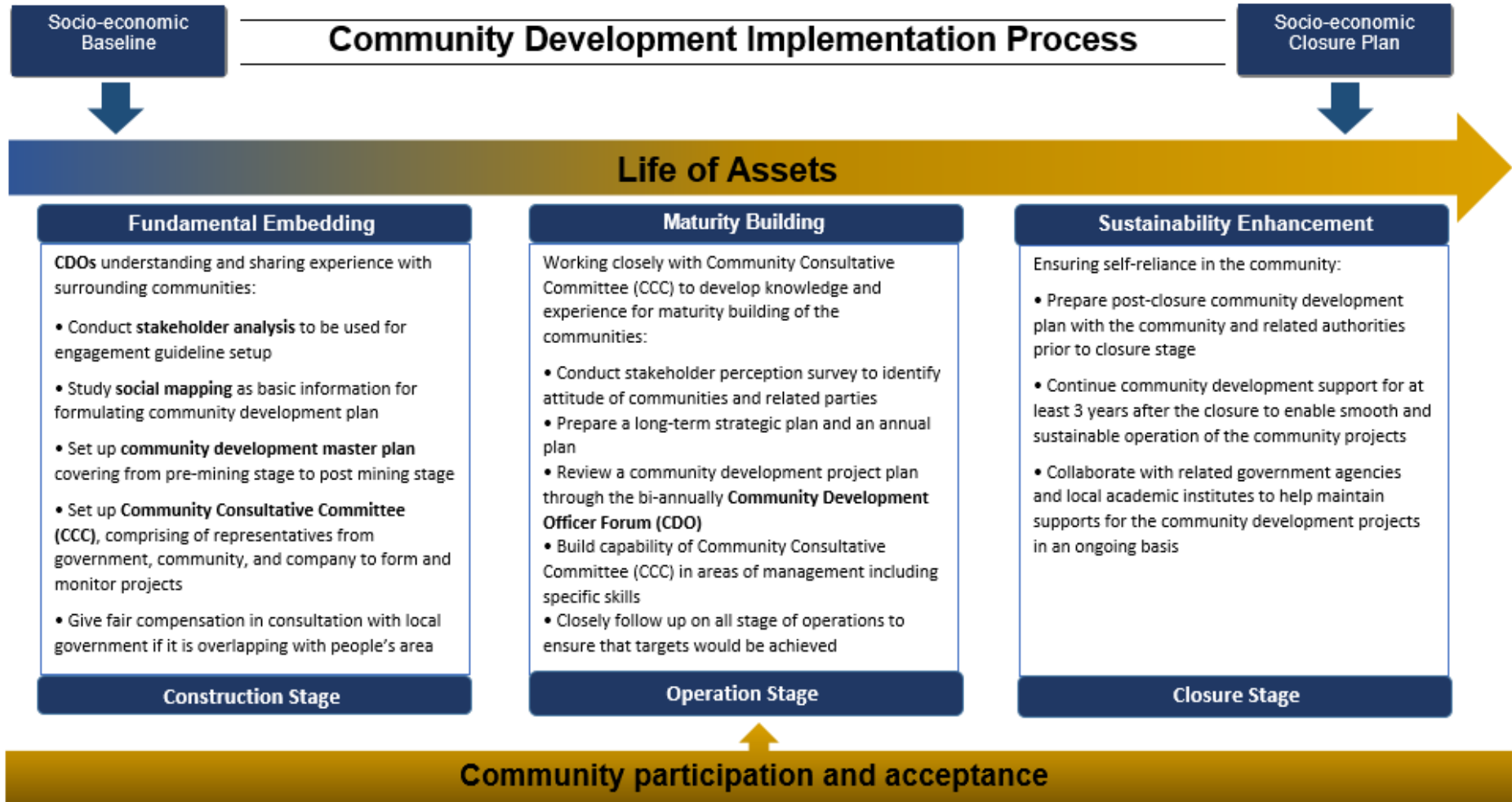
INFRASTRUCTURE

Implementation Process



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Community Development Implementation Process



Community Development Officers (CDOs)

CDOs have the role of improving the quality of life for various groups in the target community. They work closely with community leaders and local authorities under Banpu's CD policy and framework.

Community Development Officer Forum

The CDO Forum is organized to give opportunity for every operation units to present their previous year performance, future community development plan, including knowledge and experience sharing.

During the forum, Company will provide external speakers to share knowledge in regard of community development. Therefore, the connectivity and engagement have been bonded among all CDOs.

Community Consultative Committee (CCC)

The purpose of a community consultative committee is to provide a forum for open discussion between representatives of the company, the community, the council and other stakeholders on issues directly relating to the operations, environmental performance and community relations, and to keep the community informed on relevant matters.

Socio-economic Baseline

Socio-economic Closure Plan

Fundamental Embedding

CDOs understanding and sharing experience with surrounding communities:

- Conduct **stakeholder analysis** to be used for engagement guideline setup
- Study **social mapping** as basic information for formulating community development plan
- Set up **community development master plan** covering from pre-mining stage to post mining stage
- Set up **Community Consultative Committee (CCC)**, comprising of representatives from government, community, and company to form and monitor projects
- Give fair compensation in consultation with local government if it is overlapping with people's area

Construction Stage

Maturity Building

Working closely with Community Consultative Committee (CCC) to develop knowledge and experience for maturity building of the communities:

- Conduct stakeholder perception survey to identify attitude of communities and related parties
- Prepare a long-term strategic plan and an annual plan
- Review a community development project plan through the bi-annually **Community Development Officer Forum (CDO)**
- Build capability of Community Consultative Committee (CCC) in areas of management including specific skills
- Closely follow up on all stage of operations to ensure that targets would be achieved

Operation Stage

Sustainability Enhancement

Ensuring self-reliance in the community:

- Prepare post-closure community development plan with the community and related authorities prior to closure stage
- Continue community development support for at least 3 years after the closure to enable smooth and sustainable operation of the community projects
- Collaborate with related government agencies and local academic institutes to help maintain supports for the community development projects in an ongoing basis

Closure Stage

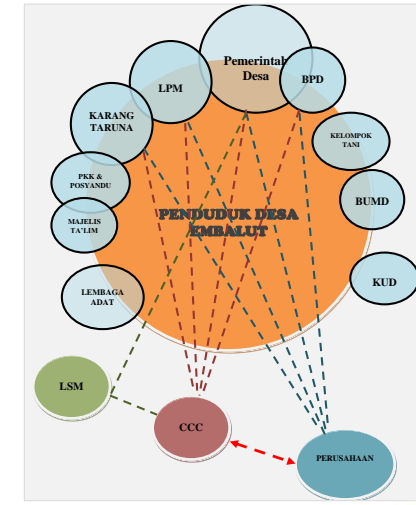
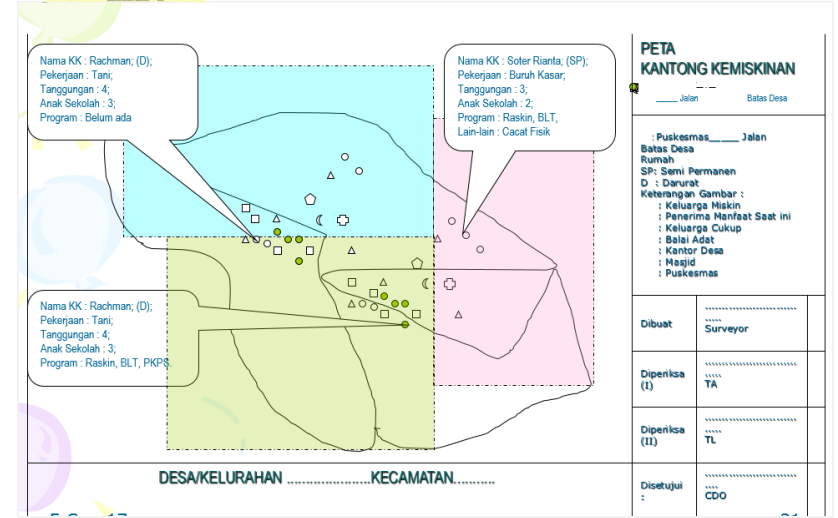
Community participation and acceptance

Community Needs Assessment



The Company is committed to the development of communities aiming to respond to “true community needs” where members of the community are able to “participate in” the enhancement of their well-being.

No	Indikator	Target	Uraian
1
2
3
4
5
6
7
8
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11
12
13
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15
16
17



1.7. ASPEK SOSIAL

a. Pola Kesehatan dan Budaya Masyarakat
 Terdapat 410 KK di Desa Kerta Buana yang berasal dari Bali. Pelbagai kegiatan keagamaan (Hindu) masih dijalankan dengan rutin. Hubungan dengan suku dan agama lain terjalin dengan baik.
 Lembaga adat yang terdapat di Desa Kerta Buana, yaitu:
 1. Ngesti Laris - Iawa
 2. Candar Kiranti - Bali
 3. Gema Rintani - Lombok

Organisasi	Jumlah Anggota
PKK & POSYANDU	66 orang
Karung Teruna	80 orang
Kelompok Tani	14 kelompok (623 orang)
LPM	7 orang
Kadaring	60 orang

b. Modal Sosial
 Dengan mayoritas penduduk berasal dari Bali yang beragama hindu, terdapat lembaga yang memiliki ikatan sosial yang cukup kuat, yaitu PHDI (Partisada Hindu Dharma Indonesia).
 Lembaga tersebut dalam menjalankan aktifitasnya tidak sebatas keagamaan namun menjalankan kegiatan di bidang pendidikan, ekonomi dan budaya.

Agama	Jumlah
Hindu	1705
Muslim	2604
Kristen	230
Katolik	100

Measuring the Impact



Economic Development

- # of local business supported
- # of trainees getting a new job
- # of money generated



Education

- # of scholarships awarded
- # of teachers trained
- # of students in supported programs



Health

- # of people with new/improves access to healthcare
- # of community members attending workshop
- # of children under 5 years receiving services
- # of local health workers trained



Measuring the Impact



Environment

- # of trees planted
- # mangrove rehabilitation areas
- # of CO2 emission



Social

- # of activities / events / exhibition / performances organized
- # of local people participated in activities
- # of local community cultural groups supported



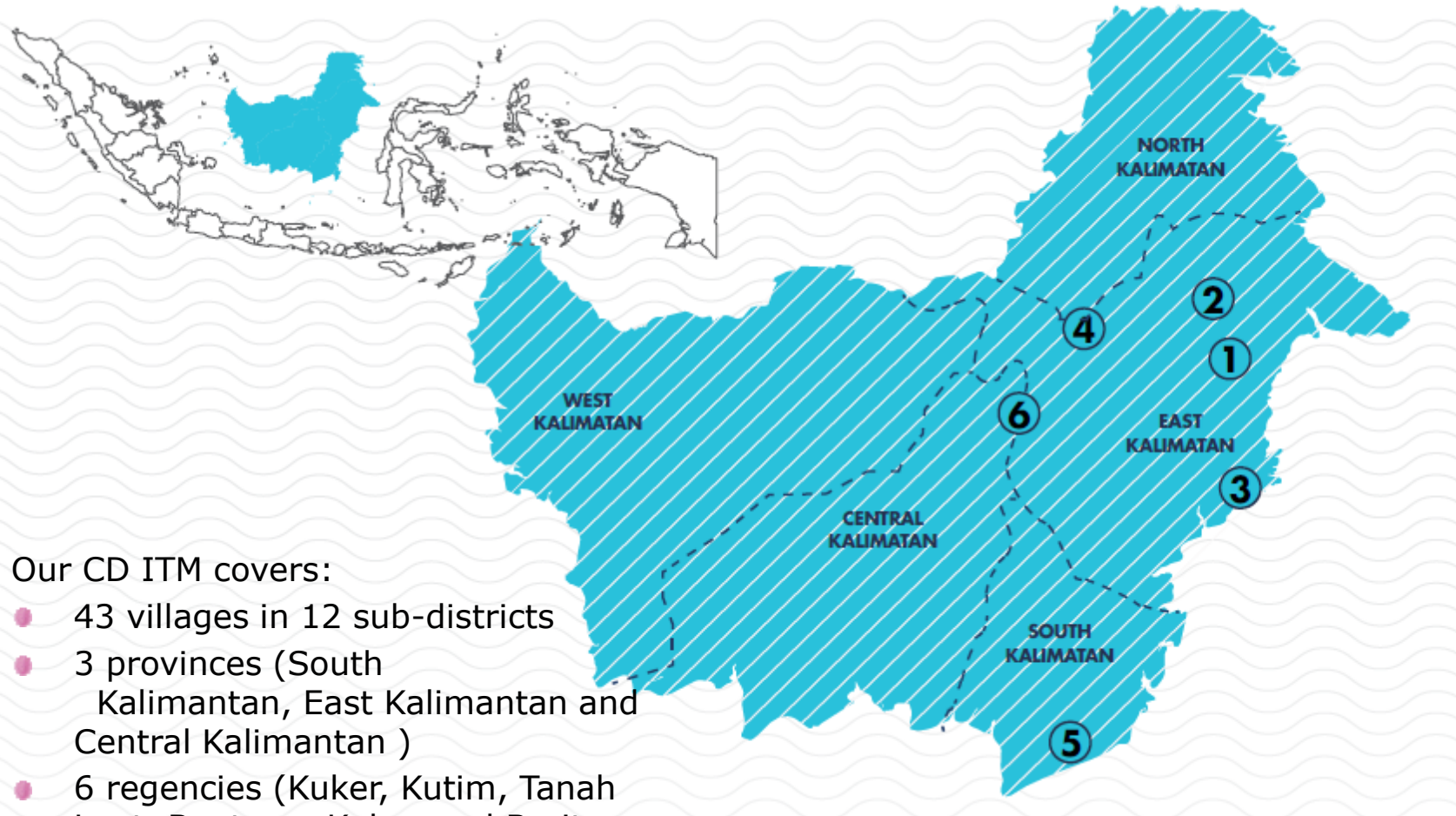
Infrastructure

- # of people benefited from the donation
- # of organizations benefited by the service supported by the company
- # Value of material donated
- # of money donated, raised, contributed to community initiatives



13/12/2016 11:00

Community Development Locations - INDONESIA



Our CD ITM covers:

- 43 villages in 12 sub-districts
- 3 provinces (South Kalimantan, East Kalimantan and Central Kalimantan)
- 6 regencies (Kuker, Kutim, Tanah Laut, Bontang, Kubar and Barito Utara)



INDOMINCO MANDIRI

East Kalimantan
Kutai Timur Regency, Kutai Kartanegara Regency, and Bontang Municipality (4 districts and 10 villages).



KITADIN TANDUNG MAYANG

East Kalimantan
Kutai Timur Regency, Kutai Kartanegara Regency, and Bontang Municipality (3 districts and 10 villages).



KITADIN EMBALUT

East Kalimantan
Kutai Kartanegara Regency (1 district and 4 villages).



TRUBAINDO COAL MINING

East Kalimantan
Kutai Barat Regency and Kutai Kartanegara Regency (4 districts and 20 villages).



JORONG BARUTAMA GRESTON

South Kalimantan
Tanah Laut Regency (1 district and 6 villages).



BHARINTO EKATAMA

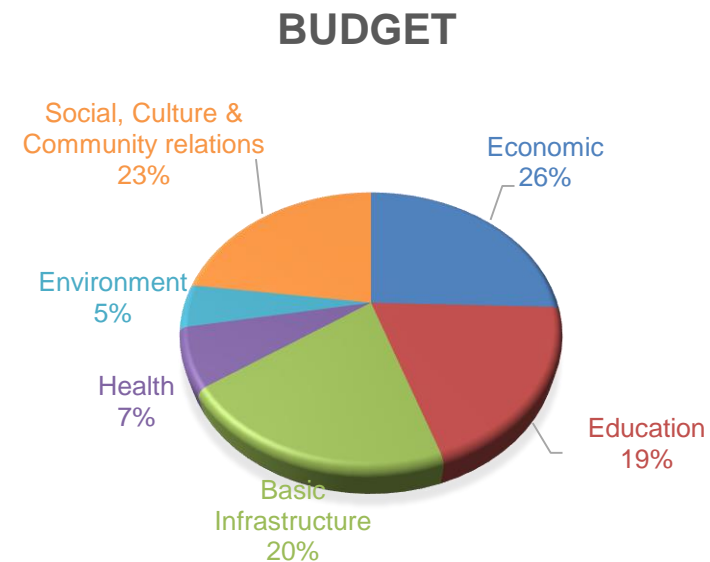
East Kalimantan and Central Kalimantan
Kutai Barat Regency and Barito Utara Regency (2 districts and 5 villages).

CD programs: 2016 Indonesia Snapshot

ACTUAL BUDGET 2016

Type of Project	EMB	JBG	TCM	IMM	BEK	TDM	TRUST	TOTAL
Economic Development & Income Generation	106,463,584	87,921,500	1,557,000,000	4,617,386,676	157,990,000	288,000,000	12,750,000	6,820,511,760
Educational Development	151,943,800	345,474,750	1,292,900,000	1,989,332,523	312,931,000	154,254,000	936,001,280	5,182,837,353
Basic Infrastructure Development	402,462,120	72,340,000	1,770,000,000	3,110,934,412	64,500,000	-	-	5,420,236,532
Health & Sanitation Development	11,690,000	33,087,500	23,000,000	1,618,615,589	102,528,000	42,793,700	31,629,000	1,863,343,789
Environment Conservation & Natural Disaster	35,823,945	10,000,000	809,800,000	2,172,700,626	92,100,000	-	6,000,000	3,126,424,571
Social, Culture Promotion & Community Relation	284,570,000	436,981,000	934,700,000	3,974,967,847	279,917,000	-	199,037,485	6,110,173,332
TOTAL	992,953,449	985,804,750	6,387,400,000	17,483,937,673	1,009,966,000	478,047,700	1,185,417,765	28,523,527,337

Category	Budget (USD)	%
Economic	505,220	26
Education	383,900	19
Basic Infrastructure	401,500	20
Health & Sanitation	138,025	7
Environment	99,250	5
Social, Culture & Community Relations	452,605	23
Total	1,980,500	100



Economic



Local impacts:

- ✓ Improved community economic condition
- ✓ Increased income and provided alternative occupation
- ✓ Improved well-being of the people in community
- ✓ Enhanced **HAPPY** community & social



Education



Local impacts:

- ✓ Improved future of the community
- ✓ Expanded learning opportunities for disadvantaged
- ✓ Increased opportunities to access to formal education
- ✓ Equipped basic knowledge to villagers
- ✓ Enhanced **BRIGHTER** future for people



Health



Local impacts:

- ✓ Improved community well-being through healthcare service
- ✓ Increased opportunities to access to formal medical
- ✓ Equipped basic medical knowledge & disease prevention to villagers
- ✓ Enhanced **HEALTHY** community members



Environment



Local impacts:

- ✓ Improved better environment
- ✓ Enriched biodiversity in the community
- ✓ Increased forest areas & preserve water
- ✓ Supported global warming initiatives
- ✓ Enhanced **GREENERY** community



Social & Culture



Local impacts:

- ✓ Conserved local traditional & cultural
- ✓ Strengthened community relation
- ✓ Enhanced sense of belonging
- ✓ Provided people a connection to certain social values, beliefs, religions and customs
- ✓ Conserved **UNIQUENESS** of the community



Infrastructure



Local impacts:

- ✓ Improved quality of life
- ✓ Equipped basic infrastructure for better living
- ✓ Improved local economic benefits
- ✓ Provided work for community members
- ✓ Strengthened community relation
- ✓ Enhanced **BENEFITS** to community



The Show Case



Community Learning Center (Non-Formal Education Program) At Indominco Mandiri (IMM), Indonesia



The Show Case



Indominco Mandiri (IMM) awares the importance of education as its national agenda. As such, Community Learning Center (PKBM) was established to provide alternative education facilities focus on providing non-formal education (equivalent to elementary, junior high school and high school) combined with life skills and women’s empowerment.

The program was first launched in 2011 and the number of centers has significantly increased until 2016 with the establishment of the Salaka PKBM, which serves the people of Teluk Pandan Village and adjacent villages in East Kalimantan.

The educational services provided by the PKBM cover functional literacy, the A-B-C package (equivalent to elementary and junior high school levels), and life skills focused on the development of various local home industry and other career development. The PKBM also focus on women’s empowerment and entrepreneurship. In addition, they support the creation of healthy environments through greening programs and recycling, and have become role models for “Green Schools” and the teaching of life skills.

No. of participant 2011-2017										
Village name	Package									
	Illiteracy		Package A		Package B		Package C		Total	
	M	F	M	F	M	F	M	F	M	F
Bontang Lestari	45	42	28	20	50	44	57	23	180	129
Santan Ilir	10	10	12	13	32	27	41	24	95	74
Suka Damai	30	35	25	16	40	27	47	28	142	106
Danau Redan	25	40	16	17	25	19	34	25	100	101
Santan Ulu	15	10	9	11	27	30	25	29	76	80
Kandolo	13	23	12	16	35	27	47	27	107	93
Teluk Pandan	27	18	7	17	32	29	42	33	108	97
Sub-Total	165	178	109	110	241	203	293	189	808	680
Total									1,488	

The Show Case



Social Impacts

Question	Impacts	
How many persons continue to higher package?	891 persons or 60% out of 1,488 persons	Improved literacy rate
How many persons continue to higher education level (college and university)?	11 persons - 6 persons graduated and 5 persons are studying	Enhanced an access to education
How many persons get a job after graduated (in collaborate with contractor (PAMA & Kitadin)?	47 operators and mechanics 15 drivers	Increased family income
How many persons were promoted at work to higher level after graduated from CLC?	85 persons	Increased job promotion



BANPU

Banpu Champions for Change

Business Plan with Social Impact

Develop your social enterprise into a sustainable business creating long-term social changes

BANPU
Champions for Change
พลังเปลี่ยนแปลงเพื่อสังคม

7

Benefits

- Training courses and workshops on social enterprises
- A network of mentors and experts from various fields
- A network of like-minded people aiming to solve community issues
- Initial funding for the business development phase

f Banpu Champions for Change

BANPU CHAMPIONS FOR CHANGE'S JOURNEY



Social Impact from Banpu Champions for Change since 2011

SE FINALISTS

73

SOCIAL ENTERPRISES were selected to join the program with 56% of business survival rate



10

MILLION BAHT OF AN INITIAL FUNDING along with the knowledge and skills covering business and social impact management provided to SEs



6

SOCIAL ISSUES have been tackled by SEs including education, agriculture, health, social volunteering and environment

65

Communities and organizations getting social benefit from these SEs

120,000

people in Thailand having a better quality of life

Local alike

Local living, lasting impact.





BANPU