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## Policy

### *Innovation*

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Effective Date	2021-04-30
Process Owner	Health, Safety, Environment and Community Engagement

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Approval Record		
<u>Approver</u>	<u>Job title</u>	<u>Date</u>
Somruedee Chaimongkol	Chief Executive Officer	2021-05-10
Kirana Limpaphayom	Chief Executive Officer - BANPU Power	2021-05-10
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Issara Niropas	Vice President - Asset Management	2021-05-10

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***Introduction:***

Innovation is one among key elements to support business growth. It requires company-wide endeavour which is a set of collaborating practices and processes to structure, organize, and encourage it. Establishing an innovative organizational culture, the company must have a shared vision for innovation and anticipate future trends and develop an idea, product, service, process or tools that bring business to meet future demand rapidly and effectively.

***Objective:***

Innovation is a company vision that drives all the businesses of the group and all the activities it carries out. The principles must be consistent among all business units and across a group of companies, and they must also be harmonized throughout the innovation process life cycle.

This policy aims to provide a baseline for the common understanding of innovation practices, capabilities, and clarifies how to foster innovation culture into the company. In addition, ensure innovation mechanisms are contributing to business' sustainable growth and efficiently manage resources.

***Scope:***

This policy indicates the innovation mechanism which shall be applied to all Banpu Power employees in all operating countries and the group of companies.

***Definitions:***

**Banpu Power Management**

The working team consists of Chief Executive Officer and Group Senior Vice President of Banpu Power

**Functional Head**

Department Head of Banpu Power

**Innovation**

The process and the outcome of a value-added novelty in economic and social spheres; renewal and enlargement of products, services, and markets development of new methods of production; and an establishment of new Management systems.

**Wow Idea**

The transformative process from idea generation to innovation.

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***Policy Statement / Principles:***

Innovation is one value of Banpu Heart, the company gives importance to innovation by building a cross functional team and encouraging knowledge sharing throughout the business. Once the creativity, knowledge, and idea are emerged and accepted, there are process steps from registering as "Wow Idea" till rewarding innovations. These are required to, develop, implement, share, and transfer both internally and between countries. This mechanism will create further development to become best practices and will strengthen business operation. Innovation is a constant and a crucial; company constructs the path to builds the right mind set of "Can Do" attitude by focusing on knowledge and technology management to ensure the sustainability of Banpu Power's long-term value creation.

Innovation principles are as follows:

1. Establishment of an infrastructure that enables and encourages all people in the organization to propose potential improvements to the organization's processes and technologies
2. Set up Innovation Committee who reviews the emerging innovations and trends for the potential application of the Company.
3. Promote innovation activities, focusing on efficiency aimed at the ongoing optimization of the company
4. Practice the innovation culture throughout the company and creates motivating work environments that favor and reward the generation of ideas and innovative practice by recognizing creative contributions.
5. Create training course or specific programs to develop skills relating to creativity and incorporate innovation into relevance training subjects.
6. Implement an innovation management system that includes the establishment of Annual targets and goals as part of an ongoing improvement process, managing the Company's human and intellectual capital as an effective support for the entire creative and innovative process.
7. Promote a mechanism of technological monitoring and prospecting to identify opportunities and challenges for the businesses and detect the need for innovation in processes or services to allow it to act in advance of technological/behavioral changes.
8. Foster cooperation and alliances with the relative industrial group and with other interested parties by means of links that make it possible to benchmark the innovative capacity.
9. Broadcast knowledge and best practices applicable to company's activity in the search for efficiency and effectiveness in the processes.
10. Protect the results of the innovation process, managing intellectual and industrial property suitably and ethically, which shall in every case entail respect for the intellectual and industrial property of third parties.
11. Support innovations that provide added value for users and boost the satisfaction of shareholders, customers, employees, and other stakeholders.

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***Responsibility:***

1. Banpu Power Management: Policy Maker, allocate resources that support Innovation Implementation and monitor and evaluate results on Innovation programs.
2. Functional Head: Keep teams fully engaged Innovation programs or activities, Focus Teams on willingness and deliver results, provide teams with needed resources.
3. Innovation Committee: Develop Company's Innovation methodology and facilitate innovation by promoting and inviting employees to participate in Innovation activities.
4. Human Resources: Encourage employees' innovative behaviors and activities and develop Innovation skills for all employees.
5. Banpu Power employee: a person or a team who work at Banpu Power.

***References:***

- Banpu's Innovation Policy 2017