

BPP Unveils its Commitments to ESG Principles as a Key Driver to Business Sustainability

Sustainable development is more than just a trend, it is an important principle which the whole world is taking seriously and bringing to life. With the world facing changes and immense challenges to the environment, consumption, resource management, inequality, safety, and quality of life, and as the business sector deals with improving management processes, the development of sustainability guidelines for organizations based on environmental, social and governance (ESG) principles has become all the more important. It is, therefore, essential that people around the world help address these concerns while advancing the global economy.

Banpu Power Public Company Limited (BPP), a power generating company for a sustainable world with its Greener & Smarter strategy, is committed to operating in line with its sustainability guidelines since listing on the Stock Exchange of Thailand in 2016. The Company is on a path to increased sustainability based on its ESG principles which provide important guidance for the entire organization across a range of dimensions and are also in accordance with the United Nations Sustainable Development Goals (SDGs), a shared set of goals being pursued by countries around the world.

“Sustainable Development Goal (SDG) 7 (Affordable and Clean Energy) is directly relevant to the energy business. One of BPP’s business strategies is to drive growth in renewable energy and energy technology businesses which are affordable for all and respond to future energy trends. BPP also focuses on Industry, Innovation and Infrastructure (SDG 9), Responsible Consumption and Production (SDG 12), and Climate Action (SDG 13), and is investing in commercially operating projects with advanced environmentally friendly technologies that reduce emissions and help pave the way for net-zero carbon emissions which is the overarching objective of the parent company and subsidiaries within Banpu group. Moreover, BPP also prioritizes SDG 8 (Decent Work and



Economic Growth) and SDG 16 (Peace, Justice and Strong Institutions), to ensure the protection of labor rights, and positive and safe work environments which promote the work values and contribute to the economic long-term growth”

“We apply the same sustainability principles in each country where we have operations – Thailand, Lao PDR, China, Japan, Vietnam, Indonesia, Australia, and the United States, and adhere to all of the relevant laws, regulations and standards. In addition to the broader corporate level, we also run sustainability management initiatives based on the context of each country,” said **Mr. Kirana Limpaphayom, Chief Executive Officer of BPP.**

The delivery of continuous, energy-efficient power, and the impact of environmental issues are significantly related and indispensable to the power generation business. To better drive energy sustainability, BPP is expanding its power generation capacity (quality megawatts) while continuously building a balanced business portfolio from both thermal and renewable power businesses. The Company currently has total renewable power generation capacity of 403 MW in countries in the Asia-Pacific region and is ready to expand its renewable energy and energy technology businesses through investments from Banpu NEXT. This includes investments in large power plants that are already operating with environmentally friendly high-efficiency, low-emissions (HELE) production technology. One example is the Nakoso IGCC power plant in Fukushima Prefecture in Japan, which utilizes integrated gasification combined cycle (IGCC) technology where coal is converted into synthesized gas and combined with thermal energy resulting in more efficient combustion and reducing CO₂ by 15% compared to other power plants in the same area. This includes the use of ash generated from the production process in the construction industry.

Another important facility is the Temple I” CCGT power plant in the US state of Texas, which uses combined-cycled gas turbine (CCGT) technology combining the performance of both gas and turbines together with a near-zero waste water management system, making it a highly efficient and competitive power plant in the market of Electric Reliability Council of Texas (ERCOT), which



promotes the merchant power market. BPP's investments and operations in these large power plants results in increased efficiencies in power generation and uninterrupted delivery of electricity, while significantly reducing environmental impacts based on the regulations of each country - a top priority to BPP's businesses.

With its sustainability-focused operations so strongly linked to people and society, BPP pays particular attention to both internal and external stakeholders. Internal stakeholders include employees who are treated equally and fairly and provided with a positive working environment focused on their well-being. Additionally, BPP promotes diversity in the workplace among its personnel from diverse nationalities in the eight countries where it has operations. This includes building a solid corporate culture "Banpu Heart," along with a talent development plan for personnel to develop the new skills necessary to succeed in the future, and transparent and continuous succession planning in organizational management, all of which are pivotal in attracting a new-generation of talent to improve collectively as part of the organization.

External stakeholders include business partners, communities, local authorities and those involved across the supply chain. As a good corporate citizen, BPP and its subsidiaries and joint ventures remain committed to building strong relationships with local governments and communities. This has led to BPP taking part in the development of communities surrounding the Company's power plants, with a focus on improving the quality of life of residents. For example, the implementation of corporate social responsibility projects in China has positively benefited a cross-section of society including youth, senior citizens, and working age and vulnerable groups; a relief program supported individuals affected by disasters in Japan; while in Laos, a job creation program supported families impacted by the government's planned relocation due to the construction of an HPC power plant. These projects involved multidimensional planning covering a range of infrastructure developments and programs such as health care centers, schools, power systems, health promotion initiatives, and career development and employment support, all of which are vital in nurturing community



development while supporting the local traditions, culture, and way of life. These efforts have only strengthened BPP's recognition and commitment towards social development benefiting external stakeholders.

Strong internal management is crucial for BPP to reach its goal of generating the power for a sustainable world, which will ensure more efficient and transparent operations. 5 of 10 members of the Board of Directors are the independent directors, and strongly support policies that favor shareholders and oppose for the unfair actions. Their active participation helps drive efficiencies in management based on the interests of the Company's stakeholders. BPP also has a whistleblower program in place to report on fraud or misconduct, and has adopted written guidelines for good corporate governance and business ethics to promote high ethical standards company-wide. This will ensure that BPP continues to operate with the confidence of all stakeholders, with the 2021 satisfaction survey showing that 97.56 percent of external stakeholders indicated their satisfaction as "very good," while the remaining 2.44 percent gave a "good" score. This strong show of support has brought immense pride to the Company.

BPP recently received the SET Sustainability Excellence Award for the 2nd consecutive year and was placed on the Thailand Sustainability Investment (THSI) list by the Stock Exchange of Thailand for the 5th consecutive year. The Company also received a "Very High" assessment score on sustainability by S&P Global in early 2022, which is comparable to being listed on the Dow Jones Sustainability Indices (DJSI), widely recognized by international investors. In addition, BPP was included in the Sustainability Yearbook 2022, a testament to its achievements and recognition at the regional level.

"BPP operates under an effective and cross-dimensional ESG framework. We have clear guidelines and measurements in place and have been assessed by distinguished organizations. The awards that we have received are proof of the important work that we do, but also motivate us to strive to do better." added Mr. Kirana.



BPP is advancing on its path to sustainability by continuing to produce quality power for a sustainable world. This is to generate business growth and value for investors, while also giving back to society and creating a better quality of life for consumers, communities, and other groups of stakeholders.

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About BPP

Banpu Power Public Company Limited is a leader in power generation and distribution in the Asia-Pacific, including Thailand, Lao PDR, China, Japan, Vietnam, Indonesia, Australia and the U.S., with a position of “We ARE (Affordable, Reliable, and Eco-friendly) Power for the Sustainable World”. For more than two decades, BPP has been committed to operational excellence to achieve efficient power generation while deploying high-efficiency, low-emissions (HELE) technologies that are safe and environmentally sound in accordance with its Greener & Smarter strategy. The Company is continuously moving forward to reach a total equity-based power generation capacity of 5,300 MW within 2025.

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