



# ESG GLOSSARY

Banpu Public Company Limited

# ESG Glossary



This glossary provides clear and concise definitions of key terms related to Environmental, Social, and Governance (ESG) principles. Understanding these terms is essential for organizations and stakeholders committed to sustainable and responsible business practices. The following table outlines important concepts and standards that guide ESG initiatives, ensuring transparency, accountability, and positive impact across various sectors.

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## Environment

- Air Emissions
- Biodiversity
- Business-As-Usual (BAU)
- Carbon Disclosure Project (CDP)
- Energy
- GHG Emission
- ISO 14001
- Mine Subsidence
- Science Based Targets Initiative (SBTI)
- Scope 1 Emissions
- Scope 2 Emissions
- Scope 3 Emissions
- Taskforce on Climate-related Financial Disclosures (TCFD)
- Taskforce on Nature-Related Financial Disclosures (TNFD)
- Waste
- Water

## Social

- Community
- Community Engagement
- Contractor
- Customer
- Customer Management
- Employee Engagement
- Human Capital Development
- Human Rights
- ISO 26000
- ISO 45001
- Mine Closure
- Occupational Health & Safety

## Governance

- Business Continuity
- Business Ethics
- Compliance
- Compliance Obligations List (COL)
- Data Privacy & Cybersecurity
- Digital Transformation
- Economic Distribution
- Global Information Security Officer (GISO)
- ISO 20400
- ISO 22301
- ISO 37301
- ISO/IEC 27001
- Reliability of Power Plants
- Risk Management
- Securities and Exchange Commission (SEC)
- Supplier
- Supplier Management
- Sustainability Management

## General

- AA1000 Accountability Principles Standard (AA1000APS)
- Academic Institution
- Business Partner
- Financial Capital Provider
- Full-Time Equivalent (FTE)
- Global Reporting Initiative (GRI)
- Government & Regulator
- International Sustainability Standards Board (ISSB)
- Investment Analyst
- Investor
- London Benchmarking Group (LBG)
- Media
- Non-Governmental Organizations (NGOs)
- Shareholder
- Social Return on Investment (SROI)
- Sustainability Accounting Standards Board (SASB)
- Sustainable Development Goals (SDGs)
- SDG 6: Clean water and sanitation
- SDG 7: Affordable and clean energy
- SDG 8: Decent work and economic growth
- SDG 12: Responsible consumption and production
- SDG 13: Climate action
- SDG 15: Life on land
- SDG 17: Partnerships for the goals
- United Nations Sustainable Development Goals (UNSDGs)

## A

### AA1000 Accountability Principles Standard (AA1000APS)

An internationally recognized framework for managing sustainability performance. It guides organizations in identifying, prioritizing, and responding to sustainability challenges, focusing on inclusivity, materiality, responsiveness, and impact.

### Academic Institution

An organization or entity who is in collaborative relationships with the Company in knowledge and experience sharing for the purpose of creating a better living of people.

### Air Emissions

Air pollutants, particularly from thermal power operations, pose significant risks to human health and the environment. In response to more stringent updates in laws and regulations, the Company is committed to applying state-of-the-art air pollution control technologies across operations to ensure that business growth does not compromise the well-being of the community and society.

## B

### Biodiversity

Recognizing the environmental challenges posed by operations like open-pit mining, the Company places a high priority on managing and mitigating impacts on ecosystems and biodiversity. The Company commits to achieving a net positive impact on biodiversity at the end of closure stage.

### Business Continuity

In volatile business environment, the Company may experience the disruptions stemming from natural disasters, technological failures, man-made threats, or other unforeseen crises. By embedding business continuity management into the strategic planning and operational practices, the Company aims to not only minimize potential losses during disruptions but also ensure the swift recovery and continued resilience of the business operations.

### Business Ethics

Business ethics stands at the heart of stakeholder interest. Operating the business by adhering to ethical practices is not just for the Company's reputation but also the very foundation of stakeholder trust. Thus, upholding business ethics is not an optional but the cornerstone of any business operation.

### Business Partner

An organization or entity who formally engaged with the Company in a joint venture agreement with the intention of collaborating for a business purpose.

### Business-As-Usual (BAU)

Refers to the normal, day-to-day operations of a business, as opposed to activities related to projects or changes

## C

### Carbon Disclosure Project (CDP)

CDP solicits primarily climate-related information from companies annually by sending Climate Change, Water, and Forest Questionnaires. Companies that disclose information to CDP are assigned grades and are regularly benchmarked against their peers.

### Community

Group of people who live adjacent to the Company's operational areas, which might get positive or negative impact, from the Company's activities.

### Community Engagement

To create sustainable values and build stakeholder trust as mentioned in the mission statement, the Company places a high priority on stakeholder engagement, particularly, with the local communities, who are one of the Company's stakeholders.

### Compliance

The Company operates within a regulatory framework that includes various permits, licenses, laws, and regulations. A failure to comply with such requirements could lead to substantial fines, non-monetary sanctions, or loss of license to operate. Monitoring compliance is therefore part of day-to-day business operations.

### Compliance Obligations List (COL)

A comprehensive list of legal requirements and other obligations that an organization must adhere to, including laws, regulations, industry standards, contractual commitments, and agreements with community groups.

### Contractor

An individual, organization, or entity who has a formal engagement to supply service to the Company for developing product and delivering service to the Company's customers. All kind of services, including but not limited to consulting, auditing, and digital advertising, shall be considered.

### Customer

An individual, organization, or entity who purchases products or services from the Company. Customers can be both end-users and intermediaries in the distribution chain.

### Customer Management

The Company places the utmost importance on understanding and fulfilling customers' needs, firmly believing that the key to long-term success lies in maximizing customer satisfaction through products and services. This customer-centric approach is not just about meeting expectations but also about exceeding them, ensuring that every interaction is positive and value-driven.

## D

### Data Privacy & Cybersecurity

The Company employs digital technology under the vision of Digital Business Enablement Focus, which underpins the dedication to ESG principles and fosters sustainability throughout the business. By leveraging cutting-edge technologies such as Artificial Intelligence (AI), Internet of Things (IoT), and Data Analytics, the Company is streamlining and automating operations as well as enhancing its ability to make data-driven decisions. The prioritization of data protection is integral to the strategy alongside modern processes to ensure business continuity and alignment with future business directions.

### Digital Transformation

Digital transformation is a significant commitment to the Company, since it provides the fundamental shifts and key enablers in continual productivity improvement, operational efficiency, and digital business initiatives across the operations. Despite the challenges involved, the potential benefits i.e. enhanced competitiveness, improved customer experiences, and sustainable growth to stakeholders—make it a compelling imperative for businesses in today's digital age.

## E

### Economic Distribution

The Company believes that business should focus not only on profitability, but also consider how to distribute economic values among related stakeholders. Economic distribution is therefore important for the Company at the heart of sustainability.

### Employee Engagement

Human capital is at the heart of sharpening the Company's competitive advantage. The engagement of employee directly mirrors in their work efficiency and achievements. Moreover, navigating workforce diversity presents a unique challenge since several languages, races, religions, and cultures exist. The Company believes that a robust corporate culture is key to managing these diversities effectively, strengthening employee engagement, and ultimately enhancing productivity.

## Energy

Energy is a critical driver of global economic growth. Currently, energy markets worldwide face significant challenges in balancing supply with the rapidly increasing demand. This imbalance resulted in fluctuations in operating costs across various industries as well as the Company's operations. Therefore, the Company emphasizes optimizing energy management efficiency to navigate these challenges effectively.

## F

### Financial Capital Provider

An organization or entity who provides financial support to the Company with a formal agreement for the purpose of financial return along with interest or additional fees. All kind of financial support, including but not limited to funds, bonds, and credits, shall be considered.

## Full-Time Equivalent (FTE)

A unit of measurement that represents the total number of hours worked by worker, standardized to the hours of a full-time worker.

## G

### GHG Emission

Climate change presents a significant concern for all stakeholders. Collaboration across countries to prevent further increases in the average global temperature by controlling GHG emissions through rigorously strict regulations in each country is thus the global agenda. As an energy producer and provider, the Company is committed to increasing clean energy in the portfolio and reducing GHG emissions intensity.

### Global Information Security Officer (GISO)

Responsible for overseeing and managing an organization's information security strategy on a global scale. Ensures data and information systems are protected against unauthorized access, breaches, and cyber threats.

### Global Reporting Initiative (GRI)

An independent international organization that has been involved in sustainability reporting since 1997. GRI is the most widely used and most extensive voluntary reporting framework for ESG and sustainability topics. The latest version of GRI Standards was published in 2021.

### Government & Regulator

An organization or entity who has an official responsibility in controlling or managing to ensure that the Company complies with relevant laws and regulations.

## H

### Human Capital Development

Employee is the Company's most valuable asset. Attracting and retaining talents through human capital development plans is thus a cornerstone of the Company's strategy, enhancing the Company's competitive advantage along with the propulsion of business amid a complicated and fast-paced business environment.

### Human Rights

Human rights impacts can create severe adverse consequences for the Company's reputation and business operations. Throughout the Company, it is essential to respect human rights, freedom, and equality by disclosing how the Company addresses potential impacts on human rights, including how the Company prevents and mitigates such impacts.

## I

## International Sustainability Standards Board (ISSB)

Announced by the IFRS (International Financial Reporting Standards), these standards provide a global baseline for sustainability standards, proposing high-quality disclosure on climate and sustainability issues to investors and capital market participants.

## Investment Analyst

An individual, organization, or entity who specializes in analyzing financial and investing information in order to provide investment recommendations to investors or other interested parties.

## Investor

An individual, organization, or entity who is interested in owning the Company's share for a financial return.

## ISO 14001

International standard for environmental management systems (EMS), providing a framework for organizations to improve their environmental performance

## ISO 20400

International standard providing guidance on sustainable procurement, helping organizations integrate sustainability into their procurement processes.

## ISO 22301

International standard for business continuity management systems (BCMS), helping organizations prepare for, respond to, and recover from disruptive incidents.

## ISO 26000

The ISO publishes many different operational standards for companies, with ISO 26000 covering "socially responsible" processes that companies may implement and report.

## ISO 37301

International standard for compliance management systems, providing guidelines for establishing, developing, implementing, evaluating, maintaining, and improving compliance management within organizations.

## ISO 45001

International standard for occupational health and safety (OH&S) management systems, aimed at reducing workplace injuries and illnesses.

## ISO 27001

International standard for information security management systems (ISMS), providing a framework to manage and protect sensitive information.

## J

## K

## L

### London Benchmarking Group (LBG)

A global standard for measuring corporate community investment. The LBG framework helps organizations classify, measure, communicate, and share information on their social initiatives, enhancing transparency and understanding.

## M

### Media

An organization or entity who communicates with large numbers of people about the Company's activities in shaping public perception of the Company's reputation.

### Mine Closure

It is a normal characteristic of the mining business that the mineral reserves will finally be depleted in every mining operation. The Company, therefore places an emphasis upon the need to prepare for a mine closure plan since the beginning of the project and carries on throughout the asset life to anticipate potential environmental impacts, including impacts on local communities and their livelihoods. This ensures the Company's commitment to responsible mining practices with the acceptance from related stakeholders.

### Mine Subsidence

Subsidence is common over underground mines. Inefficient subsidence management may lead to fatal injury of miners, while surface subsidence may affect the environment in several ways, such as alteration of land morphology, interruptions to the hydrologic environment as well as damage to infrastructures and surrounding residences. This issue is recognized and prioritized as a top significant aspect of the Company. To address and mitigate these risks, the Company has committed to the exploration and implementation of appropriated technologies designed specifically for subsidence management.

## N

### Non-Governmental Organizations (NGOs)

Private entity who established to serve a social goal and address environmental, social and governance issues regarding the Company's activities.

## O

### Occupational Health & Safety

The importance of robust Occupational Health and Safety (OHS) management cannot be overstated, as failures in this area can have severe consequences not only on the health and well-being of employees and their families but also on the Company's reputation. In recognition of these potential risks, the Company is deeply committed to creating a work environment where the safety of all employees, including those who work for us, is paramount.

## P

## Q

## R

### Reliability of Power Plants

Ensuring the reliability of electricity and heat supply is paramount for the customers because of its critical role for industrial process and the well-being of people in the communities that the Company serves. Recognizing this, the Company places the utmost importance on maintaining the highest efficiency levels in the power plants as it directly influences the production cost and the affordability and reliability of the services.

### Risk Management

The business environment undergoes volatility and uncertainty situations. Paying close attention to effective risk management not only prevents any possible adverse impacts on the business but also enhances the business opportunities, leading to long-term value creation for the Company.

## S

### Science Based Targets Initiative (SBTI)

The collaboration between CDP, the UNGC, World Resources Institute, and the World Wide Fund for Nature that requests for companies to create and publish targets to reduce greenhouse gas emissions in line with the level of decarbonization required to keep global temperature increase below 2 degrees Celsius compared to pre-industrial temperatures.

### Scope 1 Emissions

Scope 1 emissions refer to direct greenhouse gas (GHG) emissions that occur from sources owned or controlled by an organization. These emissions include those generated from on-site combustion of fossil fuels, such as emissions from company-owned vehicles or equipment, as well as emissions from industrial processes.

## Scope 2 Emissions

Scope 2 emissions refer to indirect greenhouse gas emissions that result from the consumption of purchased electricity, heat, or steam by an organization. These emissions occur outside the organization's boundaries but are associated with its activities. Scope 2 emissions are typically generated by external sources, such as power plants that supply electricity to the organization.

## Scope 3 Emissions

Greenhouse gas emissions that occur indirectly from the activities of an organization but are a consequence of its operations. Scope 3 emissions include all emissions from sources not owned or directly controlled by the organization, such as those from purchased goods and services, transportation, and waste disposal.

## Securities and Exchange Commission (SEC)

An independent U.S. federal agency responsible for regulating the securities markets and protecting investors from fraud and unfair practices.

## Shareholder

An individual, organization, or entity who owns the Company's share(s).

## Social Return on Investment (SROI)

A method for measuring extra-financial value, such as environmental or social value, by assigning monetary values to the social, economic, and environmental impacts generated by an organization's activities.

## Supplier

An individual, organization, or entity who has a formal engagement to supply material to the Company for developing products and delivering service to the Company's customers. Any kind of material, both physical and non-physical inputs, including but not limited to coal, solar panel, battery, software, and data, shall be considered.

## Supplier Management

Supply chain management plays an important role in driving the Company forward, as efficient supplier management not only reduces the risks of business interruption but also enhances operational efficiency. Promoting ESG principles across the supply chain is thus one of the Company's missions.

## Sustainability Accounting Standards Board (SASB)

Industry-specific voluntary reporting frameworks for material ESG and sustainability topics released in 2018. SASB encourages companies to disclose "material" ESG and sustainability information on identified topics in annual financial reports.

## Sustainable Development Goals (SDGs)

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all

countries - developed and developing - in a global partnership. Also known as United Nations Sustainable Development Goals (UNSDGs).

### SDG 6: Clean water and sanitation

Move towards a circular economy by minimizing direct disposal waste to zero

### SDG 7: Affordable and clean energy

Support Just Transition by ensuring the benefits of sustainable energy are shared

### SDG 8: Decent work and economic growth

Respect and uphold human rights as defined by UN Guiding Principles

### SDG 12: Responsible consumption and production

Ensure sustainable consumption with responsible use of natural resources

### SDG 13: Climate action

Proactive on climate-related initiatives to reduce GHG emissions at all business units

### SDG 15: Life on land

Partner with stakeholders to ensure net gains for biodiversity at the end of project lifetime

### SDG 17: Partnerships for the goals

Collaborate with stakeholders for achieving all other Sustainable Development Goals

## Sustainability Management

The Company believes that good governance is an important basis for any business operations. Integrating environmental, social, and governance (ESG) strategies into organizational operations and management will eventually drive sustainable business growth.

## T

### Taskforce on Climate-related Financial Disclosures (TCFD)

The TCFD published international recommendations for companies to disclose climate-related financial and physical risks and opportunities in 2017, which call for companies to undertake climate scenario analysis and report on their findings. The TCFD recommendations have been integrated into many of the other ESG and sustainability reporting frameworks, but companies have also published standalone TCFD reports.

### Taskforce on Nature-Related Financial Disclosures (TNFD)

This an international initiative that builds on a model developed by the TCFD. Its mission is to provide a framework for how organizations can address environmental risks and opportunities with the ultimate goal of channeling capital flows into positive action.

## U

### United Nations Sustainable Development Goals (UNSDGs)

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## V

## W

### Waste

Waste management, especially hazardous waste is a significant issue for the Company due to the potential risks it poses to the environment, employee health, and the Company's reputation as well as its license to operate. Recognizing the importance of responsible waste management, the Company is committed to strict compliance with each country's laws and regulations.

### Water

Limited water resources are of utmost concern to all stakeholders as water is essential to human life and one of the key resources for industries. Inefficient water management poses significant risks to both water availability and quality. The water crisis could escalate into conflicts with local communities and finally impact credibility of the Company.

## X

## Y

## Z