



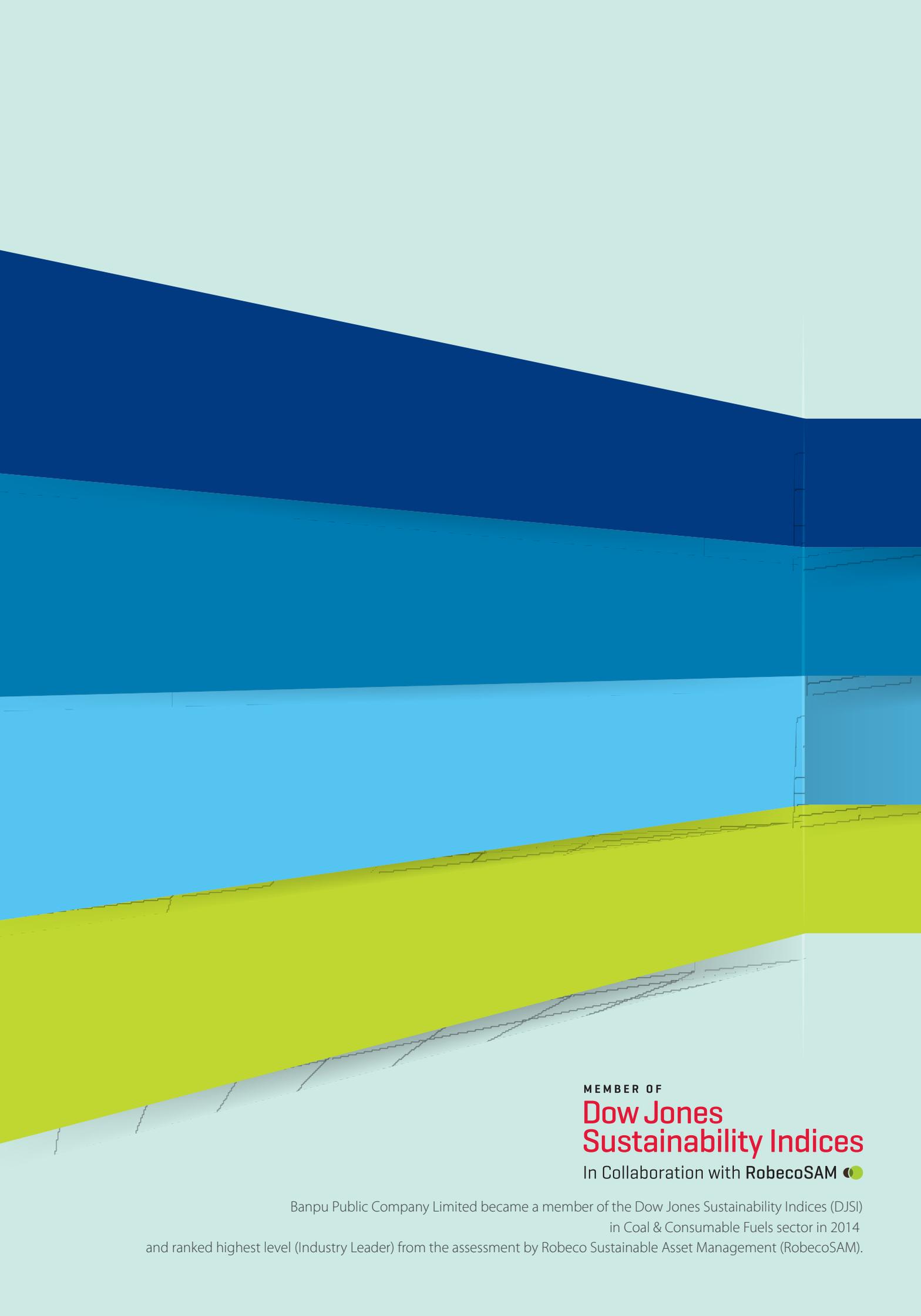
STRIVING TOWARDS SUSTAINABILITY

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM 

**BANPU**



MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM 

Banpu Public Company Limited became a member of the Dow Jones Sustainability Indices (DJSI) in Coal & Consumable Fuels sector in 2014 and ranked highest level (Industry Leader) from the assessment by Robeco Sustainable Asset Management (RobecoSAM).

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AT A GLANCE



Vision

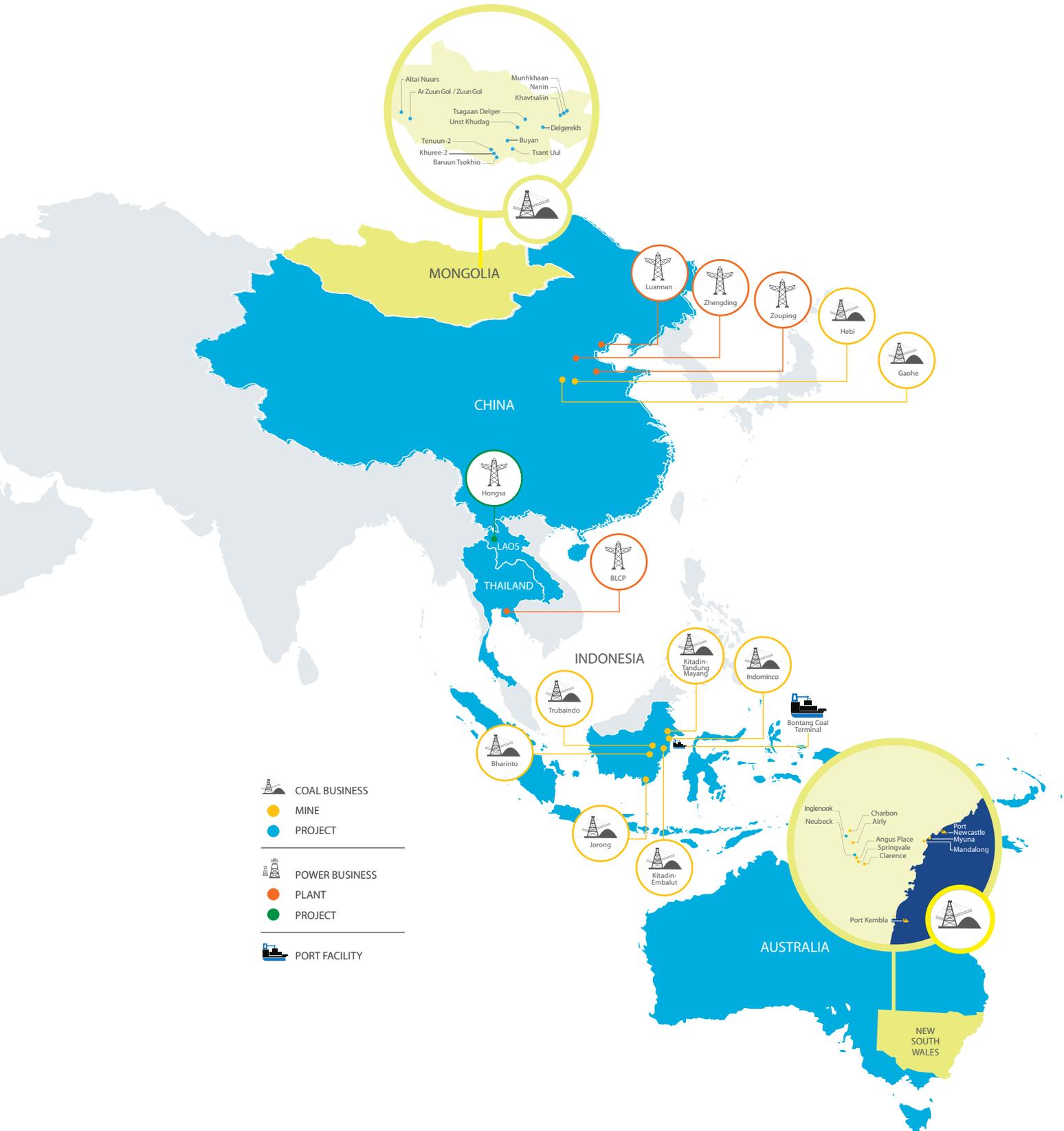
To be an energetic Asian energy provider of quality products & services and be recognized for its fairness, professionalism, and concerns for society and environment.



Mission

- To develop businesses in the fields of energy in pursuit of Asian leadership position.
- To diversify and invest in strategic businesses to enhance competitiveness.
- To provide a variety of quality products and services with commitment, reliability, and flexibility.
- To conduct business in a socially, ethically and environmentally responsible manner.
- To build sustainable value for shareholders, customers, business partners, employees, local communities, and to be a good citizen to host governments.

MAP OF OPERATIONS



ABOUT BANPU

Banpu, has over 30 years of accumulated experience in the domestic and international coal industry. The Company operates coal and coal-related businesses – ranging from investment, exploration and development, to production of both thermal and coking coals. Our expertise lies in open-pit and underground coal mining operations, as well as coal-fired power generation. At present, we have business based in Thailand, Indonesia, Australia, China, Laos, and Mongolia.

Our Business in Thailand

Although mining operations in Thailand are closed due to the depletion of coal reserves, Banpu has poured its expertise in coal exploration and production into business expansion and operations overseas. Being the pioneer of the private power plant development project in Thailand, at present, the Company holds a 50% share in BLCP Power Limited, a 1,434 MW coal-fired power plant in Map Ta Phut Industrial Estate, Rayong province.

Our Business in Indonesia

Banpu entered Indonesia's coal industry in 1991 and, with its continuous growth, Indonesia has become one of Banpu's significant production base. Currently, PT. Indo Tambangraya Megah Tbk (ITM), Banpu's subsidiary company listed on the Indonesia Stock Exchange, manage 6 coal mines in Kalimantan: Indominco, Trubaindo, Jorong, Kitadin-Tandung Mayang, Kitadin-Embalut, and Bharinto. These mines produce a range of bituminous and sub-bituminous thermal coals suitable for both export and domestic consumption, with a total annual production capacity of around 29 million tonnes and an annual port handling capacity of 21 million tonnes.

Our Business in Australia

To enhance growth, corporate value, and geographical diversification, Banpu wholly acquired Centennial Coal Company Limited (Centennial) in 2010. Centennial is a coal mining and marketing company, supplying thermal coal and coking coal to the domestic and export markets. It operates 7 coal mines, both underground and open-pit, in the North and the West of New South Wales: Airly, Angus Place, Charbon, Clarence, Mandalong, Myuna, and Springvale, with a total annual production capacity of around 15 million tonnes.

Our Business in China

Banpu expanded its coal business into China for more than 10 years, with its subsidiary, Banpu Investment (China) Company Limited (BIC), managing all operations. At present, the Company holds a 45% stake in Shanxi Gaohe Energy Company Limited, which operates the Gaohe underground mine in Shanxi Province. The Gaohe mine started its commercial production in late 2012, with a maximum capacity of 8 million tonnes per annum from 2013 onwards. In addition, Banpu holds a 40% stake in Hebi Zhong Tai Mining Co., Ltd. (HZTM), which operates the Hebi mine in Henan Province with an annual production capacity of 1.2 million tonnes.

In 2006, Banpu expanded its investment into China's power industry through BIC, which now operates and manages three Combined Heat and Power (CHP) plants in northern China: Luannan and Zhengding in Hebei Province, and Zouping in Shandong Province. The three plants have a total power capacity of 248 MW and a steam capacity of 775 tonnes per hour.

Our Business in Laos

The 'Hongsa Power Plant' project – a mine-mouth power plant in Hongsa District, Xayaburi Province in Lao PDR – is Banpu's latest power plant development project in cooperation with Ratchaburi Electricity Generating Holding Public Company Limited (RATCH) and Lao Holding State Enterprise (LHSE), a state-owned enterprise of Lao PDR. The 'Hongsa Power Plant' project is now under construction, with commercial operations scheduled to start in 2015.

Our Business in Mongolia

In late 2011, Banpu successfully acquired Hunnu Coal Limited, a specialized company in coal exploration and mine development with thermal and coking coal deposits in Mongolia. Currently, there are project developments as Tsant Uul to test the Coal to Coal Tar production, Unst Khudag to complete geological models and Altai Nuurs to complete drilling test for preliminary economic analysis.

In addition, according to its long-term corporate strategy, Banpu continues to study and explore alternative energy possibilities.

CEO MESSAGE



To Banpu, sustainability means not only the long-lasting existence of our business, but also the sustainable growth and development of our society, environment, and stakeholders.



Because of an excess supply in the global coal market, we have continued to implement various measures to achieve lower production costs, such as adjusting our mining plans in accordance with market conditions, increasing production efficiency for better long-term cost management in Indonesia and Australia, and creating a strategy to maximize the synergy of our assets based on thorough risk management. For the growth of Banpu in the future, we will place greater emphasis on power business in order to create a stable, long-term cash flow.

Human Resources preparation is a crucial aspect of business administration. To ensure the continuity of our operations and management, Banpu has developed succession plan for key management positions, which not only identifies the successors, but also the appropriate professional development plans. Furthermore, we focus on the synergy of ideas through knowledge exchange among production bases in different countries. For example, knowledge sharing between operation in China and Australia to learn about each other's production, machine maintenance, and occupational health and safety.

In the area of community development, we aim to prepare the communities to be able to sustain a good living condition once the mine is closed and no longer provides any support. These preparations are made before the final stage of mining and mainly focus on occupational development. Banpu also began to develop systematic cooperation with contractors to implement community development plans. This is to ensure those development plans are aligned, eliminate redundancy, truly respond to the needs of communities, and achieve utmost efficiency.

With such commitment in our operations, in 2014 Banpu was selected as a member of the Dow Jones Sustainability Indices, or DJSI, which feature only the top 10% companies per industry in sustainability assessment of listed companies around the world. In addition, Banpu was named an Industry Leader and received the Sustainability Award: Gold Class, having received the highest score in the Coal & Consumable Fuels category.

The fact that Banpu has been internationally recognized for its achievement in sustainable development is an evidence of how we conduct business in tandem with social and environmental responsibility. The recognition also offers us the motivation for further improvement in the future.

I would like to end this message by thanking all involved parties, from the employees to the partners, shareholders, government agencies as well as the communities, for their cooperation and support. Thank you for allowing Banpu to create value for society with responsibility and for joining us on our journey to sustainability.

A handwritten signature in black ink, appearing to read 'Chanin Vongkusolkrit'. The signature is fluid and cursive, with a prominent initial 'C'.

Chanin Vongkusolkrit
CEO and Chairman of the Sustainable Development Committee

ABOUT THIS REPORT



In this 2014 Sustainability Report, we chose to present more of material information by dividing this report into sections based on elements deemed vital for our sustainable growth and development. These elements comprise of Competitiveness, Localization and License to Operate. Other elements can be seen from the report index according to Global Reporting Initiatives (GRI) framework for ease of use. To gain wider accessibility, the report is prepared in two versions, Thai and English, which can be downloaded from our website. Those who prefer it in written format or in the form of CD, they can contact the Sustainable Development Division directly in which the contact information is at the back cover of this report.

This Sustainability Report is based primarily on the 4th generation of the Global Reporting Initiative (GRI). We consider our disclosure level as 'in accordance – core' which is the disclosure of at least one indicator per one material aspect.



Boundary

The boundary of 2014 Sustainability Report is the performance report concerning with the business that we hold more than 50 percent interest. Therefore, the 2014 Sustainability Report encompasses our coal business in Indonesia, Australia as well as our power business in China. Nonetheless, Hunnu coal mine project in Mongolia is in the process of identifying sustainability indicators according to Banpu's standards even though we own 100 percent stake of this coal mine. Hence, Hunnu's performance has not been included in this Banpu's sustainability report.

For those who are interested in studying the sustainability report of each business in particular, some of our subsidiaries have reported their sustainability development progress as well. Interested individuals can learn from their website, such

as Centennial Coal at www.centennialcoal.com.au and PT.Indo Tambangraya Megah Tbk at www.itmg.co.id which is our coal mine in Indonesia. As for other businesses in which we have either direct or indirect investment less than half, and does not directly participate in their management, but only supervise through these companies' Board of Directors; for example, coal business in China, BLCP Power Plant in Thailand and Hongsa Power Plant project in Laos, their performance will not be included in this report.

Next step

We are determined to continually improve the quality of our sustainability report, hoping to enhance information disclosure as well as to be able to assess its credibility by the third party in the future.

STAKEHOLDER ENGAGEMENT



We trust that business can be sustained only when the economic, environmental, and social drives are well balanced among stakeholders, both internal and external who create impact and may be impacted by our operations. We focus our sustainable development efforts on stakeholder engagement throughout our supply chain.

To gather the concern from stakeholders, we have implemented various methods according to appropriateness for each group, either by ourselves such as interviews with customers by our sales department and discussion with government agencies by management visit, or by external consultants such as perception survey with coal - mine surrounding communities and engagement survey with our employees. The expectations from various groups of stakeholders are shown in the table below.



Group of Stakeholders	Expectations	Engagement
Customers	<ul style="list-style-type: none"> Quality products at reasonable prices On time delivery of products in accordance with specified quality and quantity Other services that promote economic, social, and environmental development Business agreements that are fair to both parties 	<ul style="list-style-type: none"> Customer satisfaction surveys Channels for customer feedback on quality, quantity, and safety of products and services Customer visits Technical support on product utilization and services to enhance product effectiveness and ensure utmost benefits for customers Response to customers' requests for product information disclosure or reports Joint projects on environmental and social initiatives



Group of Stakeholders	Expectations	Engagement
Employees	<ul style="list-style-type: none"> • Performance-based pay in relation to targets set in annual action plans • Employee engagement • Appropriate remuneration and welfare in line with economic and social conditions • Safe working conditions • Fair treatment with respect to individual and dignity of human beings • Development of competency and skills required for assigned tasks and in line with their career path • Employees' commitment to "Banpu Spirit" 	<ul style="list-style-type: none"> • Employee engagement in performance evaluation in order to reach targets set in annual action plans • Employee engagement surveys • Communication channels between Human Resources and employees, such as e-newsletters and meetings with other departments, etc. • Improvement of Individual Development Program (IDP) and competency system • Communication on career development, such as job evaluation system, key performance indicator system, and competency system • Competitive remuneration system • Development of career succession plan and HR programs for Indonesian employees • Channels for complaints • Employee involvement in management of welfare and working conditions, such as Welfare Committee, Occupational Health and Safety Committee, etc. • "Banpu Spirit" behavioral surveys • "Banpu Spirit" campaigns • Support to employees' social activities, including sport clubs, volunteer clubs, etc.
Contractors	<ul style="list-style-type: none"> • Equal opportunity and fairness in contractor selection • Fair contract rates in line with economic and social conditions • Safe working conditions • Business agreements that are fair to both parties • Commitment to environmental, safety, and social development initiatives 	<ul style="list-style-type: none"> • Fair and transparent contractor selection and evaluation process • Regular meetings with contractors to track and improve production, safety, and environmental performances • Annual Executive Mine Contractor Meeting in Indonesia to inform contractors about policies, key issues, and concerns • Contractor Management System applied to Indonesian operations
Shareholders	<ul style="list-style-type: none"> • Short- and long-term returns on investments • Business growth and stability • Transparency in business management and engagement of minor shareholders 	<ul style="list-style-type: none"> • Annual General Meeting of Shareholders which enables shareholders to exercise voting rights and give comments or raise questions on equal basis • Annual Report and other reports, such as SEC 56-1 report, press releases, etc. • Channel for shareholder feedback



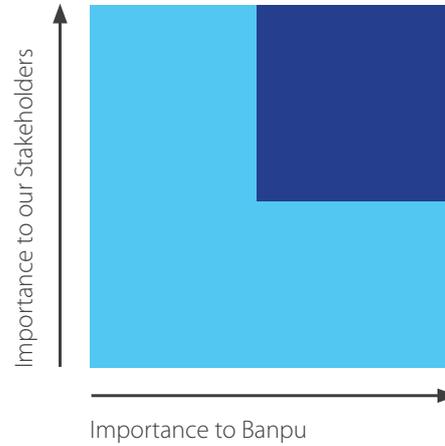
Group of Stakeholders	Expectations	Engagement
Business Partners	<ul style="list-style-type: none"> • Fair returns on investments for both parties • Commitment to agreements 	<ul style="list-style-type: none"> • Board meetings at subsidiary and associated companies at which business partners can voice opinions and exercise rights
Creditors	<ul style="list-style-type: none"> • Fair returns on loans and service fees • Ability to repay debts and punctual payment • Commitment to agreements 	<ul style="list-style-type: none"> • Road shows • Regular visits to provide performance and business updates
Capital Market	<ul style="list-style-type: none"> • Company performance • Corporate governance • Risk management and business strategies 	<ul style="list-style-type: none"> • Analyst meetings • Presentation on Opportunity Day organized by the Stock Exchange of Thailand • Road shows • Publication of annual reports and other reports • Exclusive executive interviews
Suppliers	<ul style="list-style-type: none"> • Fairness and equal opportunity in procurement process • Fair prices • Business agreements that are fair to both parties • Commitment to agreements 	<ul style="list-style-type: none"> • Transparent and accountable procurement process • On time payment policy
Communities	<ul style="list-style-type: none"> • Care for environment • Improvement quality of life • Positive economic and social contributions while preserving local traditions 	<ul style="list-style-type: none"> • Constant communication with community leaders about planning and progress of community development projects • Cooperation with local authorities to support development projects for utmost benefits of people and communities • Coordination with local educational institutions in reviewing development projects that are most suitable to particular communities • Perception surveys • Community visits on various occasions • Community development projects that engage Company, community representatives, and government agencies
Government	<ul style="list-style-type: none"> • Compliance with regulatory requirements • Care for environment • Technology transfer to local employees • Job creation • Tax payment • Certainty in and proper timing for issuing laws and regulations • Fair laws and regulations • Integrated operation based on engagement of major stakeholders, including local government agencies, local educational institutions, and mining contractors 	<ul style="list-style-type: none"> • Compliance with laws and regulations and timely reporting of such compliance • Payment of taxes, royalties, and other fees set by government • Support to governmental initiatives/ activities • Occasional visits to government agencies • Community development projects that engage Company, community representatives, and government agencies

MATERIALITY ASSESSMENT



Banpu conducted materiality assessment by applying GRI Reporting Guideline. The assessment considered 2 factors which are importance to the organization and to our stakeholders. The aspects identified as very important to both Banpu and our stakeholders were identified as Material Issues and then disclosed in the Sustainability Report.

The material aspects were grouped into 3 key sustainability elements which are Competitiveness, Localization and License to Operate with details as follows:



Element	Aspect	Material Issue
Competitiveness	People Development	Performance Management Human Capital Development Corporate Culture “Banpu Spirit”
	Operational Excellence	Operational Management Technology Development
Localization	Corporate Governance	Corporate Governance
License to Operate	Compliance	Compliance
	Occupational Health and Safety	Safety Occupational Health Supply Chain’s Occupational Health and Safety Management Business Continuity Management
	Environment	Climate Change Mine Rehabilitation and Biodiversity Air Quality Acid Mine Drainage (AMD) Supply Chain’s Environmental Management
	Community Development	Improvement of Community Development Work



PRODUCTS & SUPPLY CHAIN

Coals Business in Indonesia

Indonesia's Coal Market

Coal production in Indonesia grew continually despite a steep price fall in the global market. The 2014 production was at 505 million tonnes, or 5.7% increasing from the previous year. Last year, the Indonesian government tried to implement the mechanism for reducing coal demand in global market such as production cap, or Coal Exporter must obtain an export license. However, these measures are not able to reduce coal production volume and coal exports because several producers needed to increase their production in order to lower costs. In 2014, Indonesia's coal export was about 421 million tonnes, 4.3% increase compared to year 2013 while the coal demand in Indonesia kept rising to serve the new power plants under Indonesian government's Fast Track Program. The coal demand in Indonesia in 2014 was expected to utilize about 83 million tonnes, increasing 13% from the previous year. The rise was mostly a result of the country's increased electricity generation, which uses low quality coal in its operation.

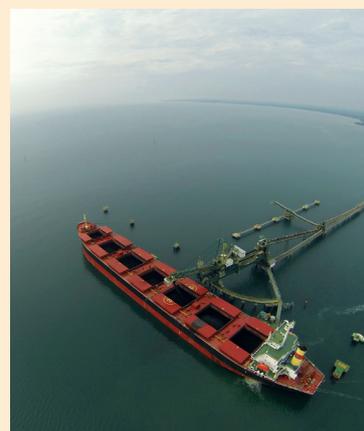
ITM's Product

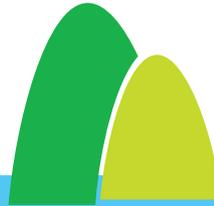
In 2014, PT. Indo Tambangraya Megah Tbk (ITM), our subsidiary in Indonesia produced 29 million tonnes of coal from our six mines located in different parts of Indonesia. Some coal was shipped directly from a particular mine to customers, while some coal from several sources was blended before shipping to match the quality specified by an individual customer. Our coal products can be classified as per quality into 5 main categories as follows:

- **HCV (High Calorific Value)** is the highest quality rank from our Indonesia operations. It has high heating value of approximately 6,700 kcal/kg on an air dried basis while sulfur content is lower than 1%. In addition, its ash and moisture content is also low, making it popular for market demand.
- **MCV (Medium Calorific Value)** is also of a high rank coal and our main product. MCV has heating value of approximately 6,250-6,500 kcal/kg on an air dried basis, sulfur content of less than 1% as well as low ash and moisture content. It is suitable for use in power plants and cement factories, where coal is supplied from Indominco, Trubaindo and Bharinto mines. Moreover, some of this product is blended from other mines in order to meet the quality requirements.
- **High Sulphur** is a high sulphur coal. Products from this category is very diverse in terms of heating value, ranging from 6,000 to 6,700 kcal/kg on an air dried basis, and sulfur content of 1.2-2.2%. Coal of this category is normally sold to the cement industry and power plants that are equipped with flue gas desulfurization system.
- **J-1** is a sub-bituminous coal, produced at Jorong mine. It has high moisture and low heating value. However, Its strong point is of very low sulfur content.
- **Embalut** belongs to the high rank coal variant. Produced at Kitadin-Embalut mine, it has medium heating value but its ash content is suitable for supply in the metal industry.

ITM's Market

Our primary customers are large power plants with demand for high coal volume to generate electricity. These customers are located in many parts of the world, namely Japan, South Korea, Taiwan, China, India, Malaysia, Philippines, Indonesia, and several countries in Europe. Most of them are government enterprises or large public companies that require reliability and consistency of fuel supply; they opt to purchase coal from producers who provide high reliability. Last year, we sold 85% of our Indonesia coal to this power market. The rest is sold to the cement, petrochemical, paper, plastic and chemical industries.



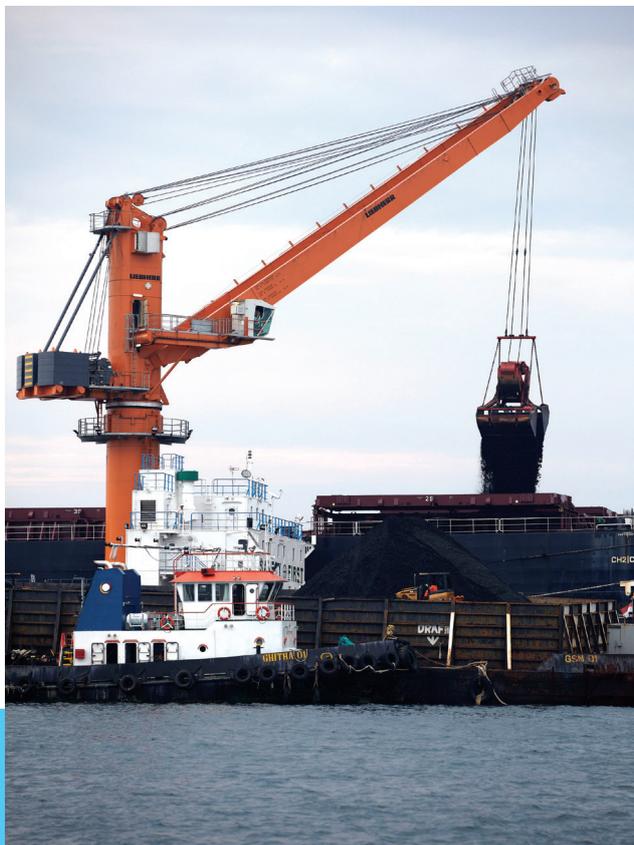


Coals Business in Australia

Australia's Coal Market

Coal is abundant in Australia, especially across the eastern seaboard states of New South Wales and Queensland where high sub-bituminous and bituminous quality black coal is prevalent. A recent Australian Energy Resource Assessment (AERA) notes that there are over 120 operating mines, with several new mines and expansions proposed or in various stages of development in Australia. Furthermore, the AERA notes that Australia:

- is the world's fourth largest coal producer;
- is the world's second largest coal exporter, being the largest coking coal exporter and second largest thermal coal exporter; and
- possesses the world's fourth largest coal resource (with approximately 76.4 billion tonnes) and reserves



Centennial's Market

Financial strength and viability are at the center of business sustainability, and accordingly, Centennial, our subsidiary in Australia seeks to maintain a balanced sales portfolio between domestic and export markets.

Coal contracts with domestic generators tend to be for the longer-term, with volumes and prices negotiated and settled in advance. This provides Centennial with a high degree of business certainty for a substantial portion of its output. Domestic sales are primarily delivered to mine mouth power stations, for which Centennial has extensive delivery infrastructure, including private hauling roads and belt conveyor. This avoids a reliance on transporting coal via public roads, which is a significant environmental, social and cost advantage.

As the nature of some of the long established domestic markets in the western coalfields is changing, Centennial has boosted its export infrastructure, with the full commissioning of an upgraded Lidsdale Siding train loading facility in mid-2014. The upgrade provided state-of-the-art technology and increased access for our western mines to export markets. The upgraded facility also has the added benefit of improving Centennial's environmental footprint.

The balance of Centennial's production is largely sold into Asia's premium export markets (Japan, Taiwan and Korea) where higher quality Australian coals are blended with coal sourced from elsewhere, providing the customers with the ability to achieve a blended price and quality. Coal is transported via rail to Port Kembla Coal Terminal (PKCT) or Newcastle Coal Infrastructure Group (NCIG) for export.

Centennial's infrastructure, approach and geographic locations seek to maximize synergies between our operations and provide reliable high quality coal supplies to our customers.

Power Business in China

China's Power Business

Our power business in China enjoyed a continual growth thanks to growing demand from both the industrial sector and domestic consumption. Here are the growth rates of electricity consumption in China:

	Unit	2012	2013	2014
Growth Rate of Total Consumption	%	5.5	7.5	3.8
Growth Rate of Industrial Sector Consumption	%	3.9	7.0	3.7
Total Production Capacity	MW	1,143,060	1,250,000	1,360,000

Due to effects on air quality from the industrial sector, the Chinese government has laid several stringent policies on energy efficiency and pollution control. Nevertheless, since our combined heat and power plants possess higher efficiency and better pollution control, they receive more support from the Chinese government. The list of benefits includes guaranteed power purchase agreements with local power authorities and an exclusive right to sell steam and heat in designated districts.

Production wise, we manage our business to be in line with market opportunities. In winter when demand for steam is high, we dedicate our full capacity to producing and distributing electricity and steam. During other times when the need for both power and steam is low, we would shift our focus to production efficiency to reduce production costs. This strategy allows us to manage our costs and sales effectively. The competitiveness is also attained through the achievement of production and sales targets.

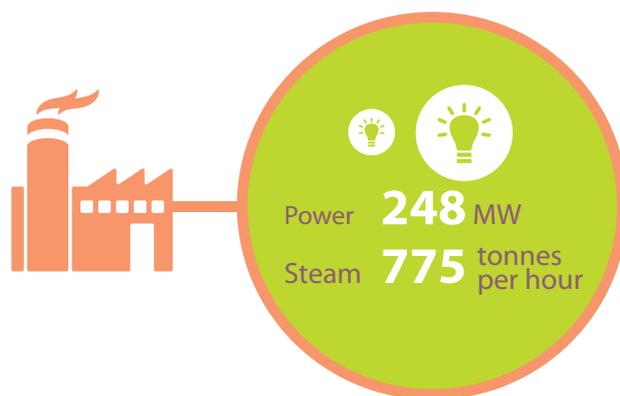
We remain strong on our commitment to comply with the new Chinese Government emission standards, which already take effect in July 2014. In 2013, we put our additional investment in flue-gas desulfurization, NO_x controlling system and electrostatic precipitator at our power plants. This is to ensure that our combined cycle power plants operate in compliance with the new environmental standard.

BIC's Product

At present, Banpu Investment (China) Company Limited (BIC), our subsidiary in China operates three combined heat and power plants located in northern China, with net generating capacity of 248 MW of electricity and net generating capacity 775 tonnes per hour of steam and hot water.

BIC's Market

Main products from these combined heat and power plants are electricity and heat. The electricity transmitted directly to national grid which was operated by the government. The latter is distributed in the forms of steam and hot water for industrial and household customers by both underground and surface pipelines.



Power Plant	Location	Fuel	Net Power Generating Capacity (MW)	Net Steam Generating Capacity (Tonnes/hr)
Luannan	Hebei Province	Coal	100	128
Zhengding	Hebei Province	Coal	48	197
Zouping	Shandong Province	Coal	100	450



Customer Relationship Management

Coal Business

The Company concerns our customer satisfaction in terms of quality, price, and our responsibility for all products and services by integrating customer relationship management which we defines customer group based on geographic location, provides Sale support representatives taking care each group closely. The Company also sets up customer relation management division whose responsibility is to explore and analyze their costumers' needs and expectations, conduct satisfaction surveys, and handle customer complaints. Data gathers from customer survey are actively utilized in product and service improvement to meet the different needs of our customers. With updated database and market intelligence from the customer site visits, we are able to provide our customers with excellent after sales services. Yet, we continue our effort to improve our services by listening to customers' voices. We provide both direct and online channels to receive their complaints to respond to the customer's changing needs.

- **An inquiry and complaint tracking system**

To ensure that all feedbacks from customers are taken care of, we provide channels for customer opinions via direct customer service representatives or our website on which name, email address, and phone numbers of our customer service representatives are provided. Upon receiving complaints from customers, we have a system for recording such complaints, assigned person to handle the complaints, and tracking system to ensure that all complaints are taken care of in the timely manner.

- **Quarterly operational performance report to customers and stakeholders**

We provide our customers with quarterly operational performance reports to give them confidence that our production and delivery are in line with the agreements and that we can meet the needs of our customers in the long run.

- **Communication channels with customers**

Our communication with customers is done regularly via e-mails, telephone calls and faxes. Also, our marketing team frequently visits customers to maintain good relationship and to update them with our information to ensure that we are capable of producing and delivering coals as promised.

- **Customer visits**

Apart from our sales representatives, we also assign our staff from production and quality control department to visit customers to listen to customers' feedback and concerns for further product and service improvement. Moreover, we organize management visits, by our top management to meet our customers' management, to exchange opinion, listen to customer's feedbacks, and strengthen relationship.

- **Technical visits**

We regularly assign coal utilization experts to visit customers to advise and assist them in optimizing coal utilization, which will reduce customers' cost and environmental impact.



Power Business

We pay close attention to quality of our products and services. Readiness and stability in the production and sales of both power and steam is key to our customer satisfaction. Maintaining good customer relationship through honesty and mutual benefits enables us to gain trust and confidence from customers. Meanwhile, contracts signed with industrial steam customers allow us to adjust selling prices in case where fuel prices exceed the rates stated in the contracts. This helps us better manage increasing fuel costs.

In conducting business with the government sector, relationships with local authorities are created based on the mutual goal of providing fundamental utilities and building trust with local communities. Our consistent support on community development programs brings us trust and acceptance. In return, when affected by external factors, we receive helpful support from local authorities to alleviate the negative impact to our operations, for example, in terms of financial support or permissions to increase steam prices.

Customer Privacy

We realize the security of the customer privacy information who buy the company's products is important, therefore, we launched/implemented our policy and security practices to protect and maintain the information privacy of customers in order to build trust and confidence. Information related to the Company's customers will be used only for the purposes of operation of the Company.

The purpose is to provide the best services and be used to improve products and special offers which meet the needs of the customer. Customer information will not be used, collected, or retained if the Company has no intention of doing the above.

For customer privacy, we insist on protecting customer's confidential information from loss, theft, misuse, unauthorized disclosure, modification, and unauthorized destruction. Our track records in 2014 have proven that there were no complaints regarding the mentioned issues.



Products Responsibility

The Company recognizes the importance of the safety of products and services. The adoption of computer systems called Shipment Demand Pull is implemented through entire coal production process and supply chain system, including coal quality control, water and air quality monitoring which followed to regulation requirements to ensure that the production process, transport, and coal stockpile, will not effect on health, safety and environment. Those systems can equip to increase efficiency and reduce waste in the production process. They are also able to monitor product quality throughout the production process, to ensure that the products delivered to customers meet quality requirements and pose no harm to users.

Supply Chain Management

Regarding company's business, as the primary energy provider for other businesses, our coal customers are mainly large power plants. For power business, products from our combined heat and power plants include electricity which is sold to the government and heat distributed in the form of steam and hot water for industrial and household customers. Concerning the importance of our customers and partners in the supply chain, Banpu has a procurement policy and management standard in place for every business operations

To better understand our supply chain and to improve our supply chain management approach, the map of supply chain was developed in electronic with linkage to the internal production management system to ensure the sustainable achievement in both environmental and social performances.

Information of Product Safety

Given the specific characteristics of coal products, and our customers' wealthy knowledge and expertise of coal; it is unnecessary to have product packaging or label. However, we have prepared Material Safety Data Sheet, MSDS in case our customers should request to comply with global standard regulations.

Moreover, since our customers are large scale manufacturers who are under strict government regulations regardless of where they are located, one can be assured that their uses of our products are in compliance with each country's regulations and, hence, will cause the least effect on environment and community.

To maximize our value of products and services to customers, the Company has promoted a better understanding for the products and services through meetings, and regular customer visits.

In 2014, there were neither reports of the dangers or harms caused by using our products, from either community's complaints or government's warning especially on environmental and community issues.



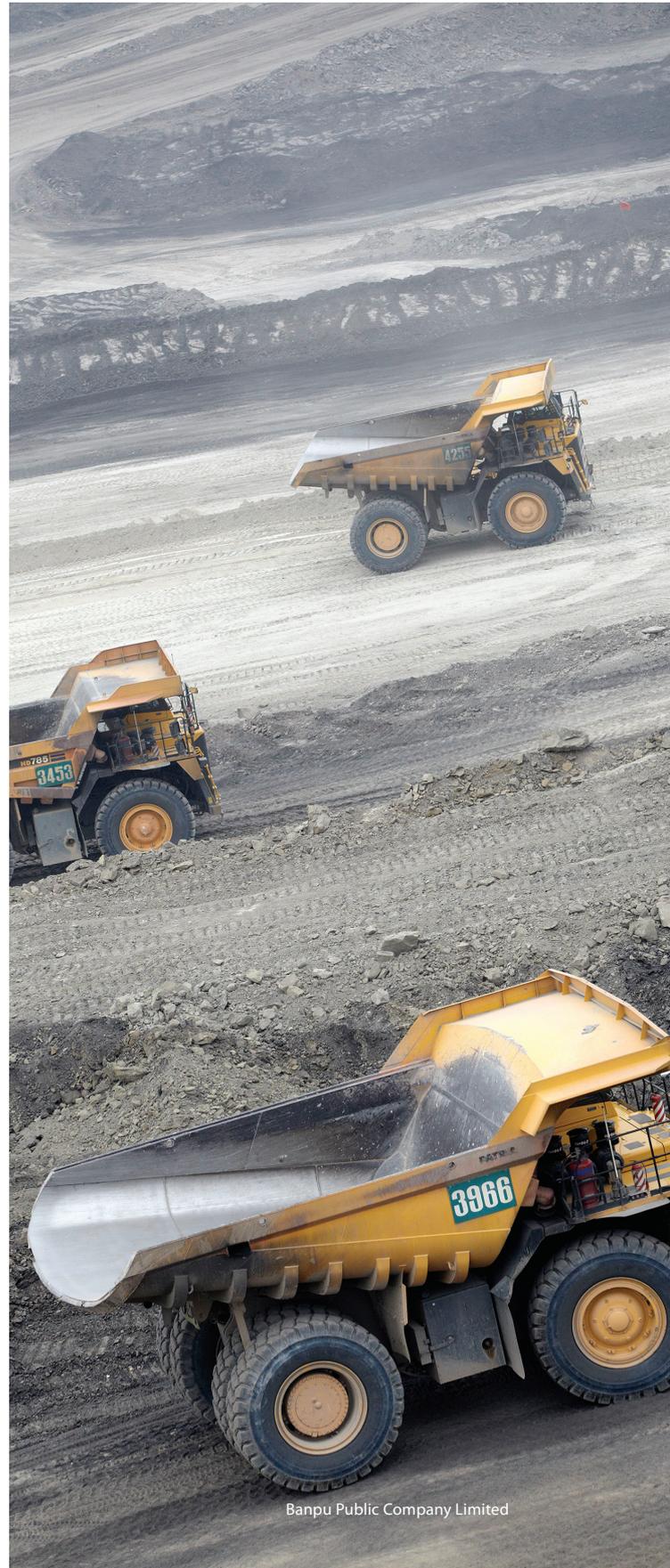
COMPETITIVENESS



In managing the business of commodity products like ours, product prices mostly vary according to demand and supply of the global market which is beyond our control. Therefore, various factors are required for us to bring good business performance. These factors include the development of product quality, customer satisfaction, and effective management of production cost. We, then, develop 2 elements in competitiveness: People Development and Operational excellence.

People Development is concerned with preparing employees in terms of skills, capabilities and quantity to suit our long-term strategies. People development also means initiating people management system that leads to employer of choice in the labor market.

Operational Excellence consists of two parts: Operational Management by the appropriate management tools with continuous improvement and Technology Development by applying state-of-the-art technology to leapfrog the production efficiency.



PEOPLE DEVELOPMENT

G4-19 Material Issues

- ★ Performance Management
- ★ Human Capital Development
- ★ Corporate Culture "Banpu Spirit"

Management

Human resource management is a major driving force for the stability and sustainability of an organization. Banpu puts importance on creating a human resource management and development system that can respond to business change of adhering to the three key principles, namely Equity, Performance and Competency.

The Company's human resource management is based on the idea that "people" is a valuable asset and that the success of an organization depends on the competency and behavior of its people. Providing equal opportunities to the employees regardless of race, language and gender and fair employee treatment in every processes of human resource management with a focus on sharing a common goal are crucial and require continuity.

In addition, to further enhance its growth and sustainability, Banpu has developed and implemented the "Banpu Spirit", core values consisting of Innovation, Integrity, Care and Synergy, for all employees to adhere to and apply in both their working and personal life.

The economic fluctuation in 2014 offered Banpu an excellent opportunity to pay more attention to its human resource management and improve its practices in order to prepare its personnel for future business conditions, particularly strengthening its standards by applying basic tools and principles in human resource management.

The Company reviewed and applied the material issues in human resource management to the planning of organizational and management strategies. These issues, some of which were also specified in the previous year, are:

- Performance Management
- Human Capital Development
- Corporate Culture "Banpu Spirit"

Performance Management

To achieve business strategic goal, the target is set and deployed to every business activities through business units in the organization. The performance indicators are vital for driving an organization toward success and those effective indicators must be fair, standardized and reflect actual performance. This year, the company managed performance system as follows;

- Improved the performance management systems by revising the Key Performance Indicators (KPIs). Employees set their own main activities and target which must be in line with the Corporate annual plan and strategic plans.
- Improved the overall performance evaluation standard by setting up an indicator to correspond to at least one of the following criteria:
 - Quantity
 - Progress and Time
 - Cost
 - Accuracy and Quality
- Established indicators beyond the job-related KPIs. For example, the Company has established the Leadership KPI to evaluate manager level and above on the management of their subordinates. A manager must realize that apart from focusing at the result, he has to pay attention to his subordinates as this will be one of the major factor to improve the performance of the unit.

To strengthen effectiveness of the performance management system, the aforementioned improvements were completed at the offices in Thailand, Indonesia, China, Mongolia and Singapore and were clearly communicated to the employees through meetings.





Communication on revised KPI management system to all employees

Human Capital Development

During the sluggishness of the coal business that affected Banpu in many ways, the company continued to prepare its personnel to be ready for change, which was crucial for bringing sustainability to the organization. The company reviewed the key issues of the human capital development, which can be categorized into the following topics:

Succession Management

- Established the Succession Planning Committee to identify key positions and manage the succession of these positions.
- Identified and selected the potential successors, then monitoring and evaluating those successors' Individual Development Plan (IDP) by Human Resources and top management.
- Created development plans for the selected successors in order to enhance their competency.

Career Development

- Managed on Career Management System
Banpu began to introduce the Career Management System to each Business unit. The system enables employees at all levels to identify their own career planning, both within and across their lines of work. In addition, the employees will be aware of the required competencies so that they can plan their training and development. At the same time, supervisors can also use this system to plan the career

management of their subordinates.

- Applied the Career Management System to major human resource management activities, such as proposals for promotion and the development of Individual Development Plans. Moreover, the system is expected to be introduced to Banpu's oversea subsidiaries, which can create more opportunities for career advancement across lines of work and at the same time increases the capacity of the human resource development of the Company.
- Continue to provide development programs for management and employees, the company has started to hold BANPU Leadership Development Program (BLDP) for Vice President since 2006, and hold BANPU Senior Leadership Development Program (BSDP) for Senior Vice President and above level and also BANPU Manager Development Program (BMDP) for Division Manager since 2009. Moreover, the Company has initiated BANPU Section Manager Development Program (BSMDP) for Section Manager since 2013. Those training programs have been provided to improve their competency and prepared them for career advancement. Currently, these have been more than 200 Managements and 90 Section Mangers who completed those programs. The results of each training program in this year are shown in the table;

Programs	Outcomes
BANPU Senior Leadership Development Program (BSDP)	<ul style="list-style-type: none"> • One executive participated in the “Enhancing the Competitiveness of Thai Listed Companies” – Leadership Development Program organized by the Thai Listed Companies Association. • Two executives participated in the Executive Development Program organized by the Thai Listed Companies Association. • One executive participated in the Top Executive Program organized by the Capital Market Academy. • One executive participated in the Berkeley Executive Coaching Institute (BECI) Certificate Program.
BANPU Leadership Development Program (BLDP)	<ul style="list-style-type: none"> • 48 executives have already completed this program.
BANPU Manager Development Program (BMDP)	<ul style="list-style-type: none"> • 20 division managers from 4 countries, Thailand, Indonesia, China and Mongolia, participated in this program and evaluated its succession rate at over 80%. The program was organized for the 6 years consecutively.
BANPU Section Manager Development Program (BSMDP)	<ul style="list-style-type: none"> • 70 section managers completed this program. Together, they developed the following 18 projects as part of the course for submission to the management: <ol style="list-style-type: none"> 1) How to Align Company Strategy to Individual Performance 2) Sufficiency Economy Community 3) Guidelines for Intercultural Communication at BANPU 4) Environmental CSR @Ayutthaya Coal Center 5) Preparation for Retirement Plan 6) Office Syndrome Management Program 7) Banpu English Club 8) Meditation Nurture to Enhance Working Efficiency 9) How to Mitigate Risks on Document Execution 10) Power Saving Program at Bangkok Office 11) Stop Flu Transmission in Banpu Head Office 12) Cholesterol Beat Program 13) A Pilot Project to Create Good Disciplinary & Environment in Office 14) Social Media for Internal Communication 15) From Lotus Note to Google 16) BANPU Alumni Program 17) Effective Utilization of Meeting Room 18) Document Control Management at Sub Sri Thai for BANPU BKK



BANPU Section Manager Development Program (BSMDP)

In addition to the aforementioned development programs, Banpu has also established the Competency Profiles and Individual Development Plans from the position level of section manager, Division Manager, Vice President and Senior Vice President and above. The result of Competency assessment are 59%, 40%, 23%, and 24% of the number of employees in each level respectively. The results achieved in the implementation of the Individual Development Plan, representing 52%, 32%, 23%, and 18% of the number of employees in each level respectively.



Centennial's Young Achiever

Joining Centennial Coal (Centennial) in 2009, Richard Gelson's career has gone from strength to strength, with Richard was recently recognized as the industry's Young Achiever of the Year, at the NSW Minerals Council's 2014 Industry and Supplier Awards, in Australia.

The Young Achiever Award recognizes an inspirational young professional between the ages of 18 and 35 who is building a successful career in mining. Richard is certainly that and at the tender age of 28 was promoted to Production Manager at Centennial's Springvale Colliery. In this role, Richard is responsible for the planning, coordination and control of the coal production processes. Prior to this, Richard was promoted to Undermanager

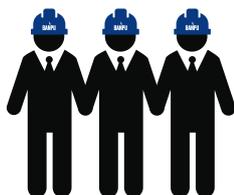
and Technical Services Manager at the ages of 25 and 26 respectively. These roles allowed Richard to demonstrate strong leadership potential whilst providing broad exposure to the technical and operational aspects of the business and workplace culture.



Richard recognized the industry's Young Achiever of the Year, at the NSW Minerals Council's 2014 Industry and Supplier Awards

Corporate Culture "Banpu Spirit"

In addition to having a good management policy with an efficient management structure and working system, people within an organization need to believe in shared values and have a common attitude to develop missions that will help achieve the organization's goals. In order for Banpu People to work together harmoniously without discrimination on the grounds of gender, race and religion, the "Banpu Spirit" core values, which consist of Innovation, Integrity, Care and Synergy, are an integral part of the Company. To further develop and enhance the corporate culture with concrete practice, the Company continued to make improvements including:



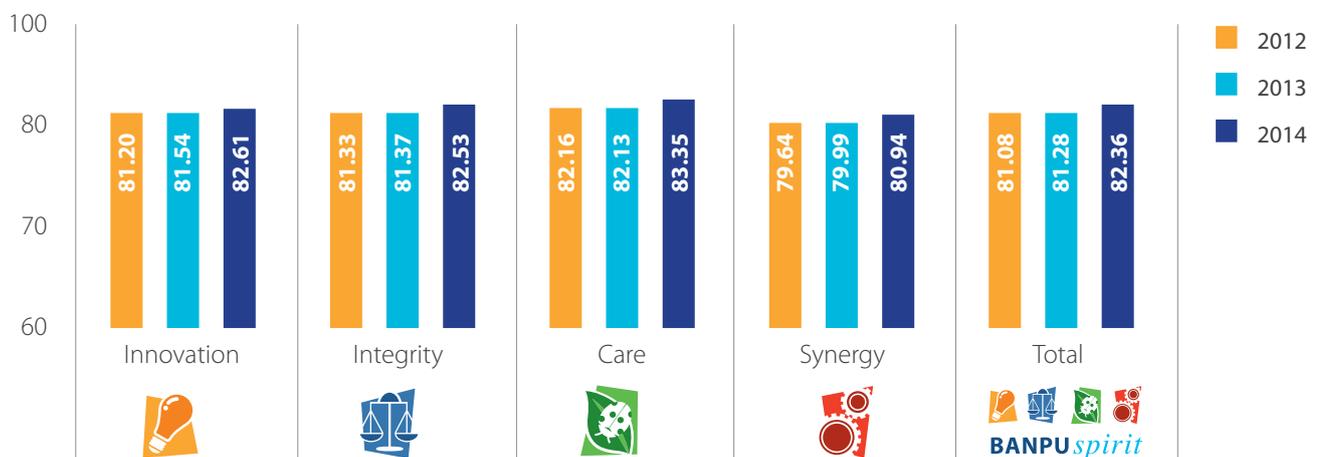
BANPU *spirit*

- Established a working group called the BCL or the BANPU Change Leader, which is a group of employees who create activities for all levels of staff. The BCL consists of volunteers from different divisions who are committed to the "Banpu Spirit".
- Designed the Inner View Test for the recruitment of new employees in order to see if and how much the personality and behavior of each applicant fits with the "Banpu Spirit". After receiving the test results, the characteristic of the applicants will be rechecked again with a behavioral-based interview to recruit those who really match the needs of the

Company.

- Organized orientation on the “Banpu Spirit” and the “BANPU SPIRIT in Action” activities for new employees so that they understand the background and rationale of the “Banpu Spirit” and are able to apply the corporate culture at work and in their daily life.
- Evaluated the performance of the “Banpu Spirit”, which contributes to 30% of overall performance evaluation, with expectations that behaviors in line with the “Banpu Spirit” core values will be adopted with continuity.
- Annually surveyed the employees’ opinion on the “Banpu Spirit” in Thailand, Indonesia and China to review the strength of the corporate culture and the success of activities aimed at promoting the “Banpu Spirit”. In 2014, the overall score remained above 80% while increase from 81.28% in the previous year to 82.36%, suggesting that the “Banpu Spirit” was part of the practices of the Banpu People. Synergy is the highest increase among the four core values.

Evaluation of “Banpu Spirit” Core Values



- Promoted innovation in all levels to bring sustainable growth to the Company by organizing the BANPU Innovation Convention, which featured outstanding innovation projects from each country and knowledge sharing and recognition. The conference’s judging committee consisted of Banpu’s Chief Executive Officer and top management. Organized to encourage the employees to develop innovations or work processes for higher effectiveness and efficiency, the activity accepted 9 project proposals in 2014, 2 of which came from Thailand, 4 from Indonesia and 3 from China with a case study from Australia.



Winners of BANPU Innovation Convention

Participation and Membership

Organization	Status	Role	Country
Human Capital Management Club	Committee	To exchange knowledge, information related to human resource management at the association of companies in the Stock Exchange of Thailand	Thailand
HR Power Network	Member	To exchange knowledge, information related to human resource management at the association of companies in the power business in Thailand	Thailand
Indonesia HR Meeting	Member	To exchange knowledge, information, and problem solutions related to human resource management at the association of companies in the mining and mining service businesses in Indonesia	Indonesia
HR Association	Member	To exchange knowledge, information, and problem solutions related to human resource management at the association of companies in China	China
Australian Association of Graduate Employers (AAGE)	Member	To have meetings, workshops and submission at the Australian Association of Graduate Employers (AAGE) is the peak industry body representing organizations that recruit and develop Australian graduates.	Australia
Australian Institute of Management (AIM)	Member	To have meetings, workshops and submission at AIM which invests in the creation of education products, alternative education distribution channels and learning support materials and promote the advancement of education and learning in the field of management and leadership for commerce, industry and government.	Australia
NSW Minerals Council - Women in Mining	Member	To have meetings, workshops and submission at the association which is aimed to tackle the shortage of women employed in non-traditional roles such as engineers, geologists, surveyors and trades.	Australia

OPERATIONAL EXCELLENCE

G4-19 Material Issues

Operational Management

Technology Development

Operational Excellence is a crucial factor for the growth and sustainability. Since the natural resources are limited, the use of those resources efficiently and effectively is the company's focus. To enhance competitiveness of the company, Banpu and our stakeholders focused on the following key issues;

- Operational Management
- Technology Development

Operational Management

According to Banpu's risk management policy, any risk that threatens the company's business objectives shall be managed in a systematic manner in order to protect the company from such risks. Concerning our risk matrix, one of the key risks was the increase of operating cost from both external factor which is beyond our control and internal factor such as operational management.

Optimizing operational processes to their greatest efficiency and thereby increasing productivity performance is a critical factor in managing our operations. Since our operations are located in various locations, approaches we used are different from one to another.

In Indonesia, the company has deployed the Total Productive Maintenance (TPM) which is the system emphasizing on continuous improvement to reduce production cost and production inefficiency as well as the loss from machinery. In Australia, the company has developed the productivity program named Step Change Productivity (SCP) that focuses on continual improvement as well.

Kitadin-Tandung Mayang Mine achieved TPM³ Excellence Award

Kitadin-Tandung Mayang Mine (TDM) achieved Level 5 from 5-level milestone of TPM³ Excellence Award from CTPM Australasia.

The TPM³ approach is an enhanced Australian version of Lean developed by CTPM, which involves the engagement from all of people on site to find problems at the earliest time and follow the structured process to identify the root causes.

TDM has showed outstanding key focus of Level 5 Verification Assessment as:

- **Sustainability:** Continuous improvement is an ongoing effort to improve products, services, and processes.
- **Consistency:** Everyone is striving for the same goals using a standardized approach.
- **People Development Driven:** Everyone is involved in a cross-functional and area based team.



Since the commencement of TPM implementation in 2006, the site achieved great success in improving its operational efficiency for example, a 2% reduction of fuel consumption for heavy equipment while the production rate was 18% increased.

The on-site assessment has been completed since December 2014 and the Level 5 certificate will be official awarded at CTPM's annual forum in 2015.



Step Change Productivity Project at Centennial

Building on the success of the Step Change and Next Step safety program which, delivered behavior-based safety improvements and developed safety leaders across the Group, Centennial has initiated a Step Change Productivity (SCP) project in 2014. This initiative followed a productivity review conducted in 2013 which identified opportunities for process and productivity improvement.

A Project Steering Committee and Project Team have been established and two dedicated Project Managers appointed to ensure the project has adequate direction, focus and resources. At each mine site, the Production Manager and Engineering Manager were appointed as project ambassadors and were tasked with driving the program at site level.

The SCP program incorporates a 'six pillar' strategy to underpin a 'Step Change' in productivity across the Companies' mining processes.

- Process Monitoring;
- Process Review and Reporting;
- Process Mapping;
- Cutting Rate;
- Utilization; and
- Engineering for Process.

Each pillar includes a focus on the variables of people, plant, process and operations which has resulted in the development of a minimum standard of productivity. This minimum standard is the Company benchmark and each site is now identifying where they are situated in

accordance with the Standard and will develop strategic plans to achieve each Standard.

The STP program's objective is to ensure existing mining processes are highly efficient. The key components to the success of the SCP initiatives and ultimately the productivity gains are;

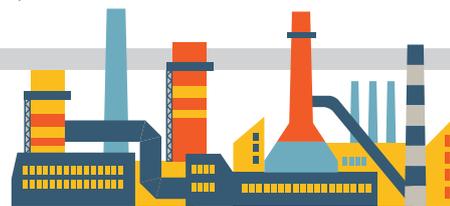
- Productivity gains through workforce engagement, motivation and monitoring to promote accountability for team productivity performance;
- Improve productivity through innovation and process improvement;
- Use of technologically advanced equipment, systems and materials to benchmark productivity standards;
- Maximize the utilization of major assets;
- Development and use of Process Mapping to promote work equity and front line planning and consistency; and
- Engineering programs to improve operational reliability.

These elements will deliver an improvement in productivity through innovation and process improvement, and will be supported by employee engagement and motivation. A key success of this project will be a highly engaged workforce, responding to company and site leaders, who will take responsibility and ownership of their tasks to deliver productivity improvements. The SCP will continue in 2015.

The benefits of this paradigm shift or 'Step Change' approach to improving productivity is integral to the Company remaining a viable, competitive and sustainable mining company in the future.

Technology Development

In addition to the aforementioned process improvement programs, Banpu has also emphasized on applying state-of-the-art technology in our production process to leapfrog towards Operational Excellence. The key projects developed in 2014 included coal facility upgrade project at Lidsdale in Australia and Shipment Demand Pull Project at ITM in Indonesia.



Lidsdale Siding Coal Facility Upgrade

Centennial's Lidsdale Siding is the facility where coal is transported, via a dedicated overland conveyor, for processing and loading onto trains for transport to Port Kembla for export. This facility has been continually used as a coal storage and rail loading facility since the mid seventies.

After a few years of planning, the upgrade project was formally approved in May 2013 with construction commencing in June 2013. The upgraded facility was operated in early July 2014. During the 13 months of construction, there was approximately 150,000 man hours worked with no Lost Time Injuries recorded. A number of principal contractors worked cooperatively to deliver a safe working environment and high standard of construction, supported by local sub-contractors.

The upgraded facility provides a range of benefits:

- Automation of loading trains has increased efficiency and reduced site noise
- A small extension to the track accommodates longer trains
- More accurate loading maximizing tonnes while remaining compliant
- Improved air quality as a result of significantly reduced stockpile surface area and reduction in vehicle movements
- Greater market flexibility

The sites upgraded capacity is now 6.3 million tonnes per annum (mtpa) and approximately 5 trains per day from its original capacity at 2 mtpa which is approximately 2 trains per day. The upgrade of Lidsdale Siding represents a 40 million Australian dollar investment in the existing facility to increase its capacity, improve its environmental performance and to provide Centennial with future market flexibility.



Shipment Demand Pull Project at ITM

In 2014 ITM, our subsidiary in Indonesia succeeded in concreting the Shipment Demand Pull project (SDP). The project resulted in the improvements in our supply chain management from coal stock yard to the ship to the customers. With the deployment of integrated production plan in every mine, quality control and mine planning were more precise. The implementation was done through the Optimization System to ensure that the production was effectively planned in accordance with the customer's requirements. With such approach, ITM can meet customer's requirement in both quality and quantity. The benefits also include the reduction in demurrage charge and other penalty.

In addition, the SDP also provides the monitoring system of coal production and coal transportation to ensure the effectiveness of internal communication. In the recent years, SDP plays a key role in building the cooperation among production and sales to cope with any problems raised, such as fluctuation of the coal price.

Participation and Membership

Organization	Status	Role	Country
CTPM Australasia	Member	Meetings, workshops	Australia
NSW Freight Advisory Council	Member	Meetings, workshops, submissions	Australia
Newcastle Coal Infrastructure Group (NCIG)	Director	Meetings	Australia
NCIG Holdings Pty Limited	Director	Meetings	Australia
Port Kembla Coal Terminal Limited	Director	Meetings	Australia
Hunter Valley Coal Chain Coordinator (HVCCC)	Director	Meetings	Australia
Engineers Australia Organization	Member, Assessor	Meetings	Australia
Mine Managers Association of Australia	Vice-President	Meetings	Australia
Chinese water conservancy and Electric Power Quality Management Association	Member	Meetings	China

Awards and Recognitions

Site	Awards/Recognitions	By
Luannan Power Plant	3in1 Quality Safety Environmental Management System certifications	The International Certification Network: IQNET and China Quality Certification Center: CQC
Zhengding Power plant	3in1 Quality Safety Environmental Management System certifications	The International Certification Network: IQNET and China Quality Certification Center: CQC
Zouping Power Plant	3in1 Quality Safety Environmental Management System certifications	The International Certification Network: IQNET and China Quality Certification Center: CQC
Kitadin-Tandung Mayang Mine	ISO 9001:2008	SGS United Kingdom
	Gold Award	Union of Japanese Scientists and Engineers (JUPE)
	TPM3 Excellence Award - Level 5	CTPM Australasia
Indominco Mine	ISO 9001:2008	SGS United Kingdom
	TPM3 Excellence Award - Level 4	CTPM Australasia
Jorong Mine	ISO 9001:2008	SGS United Kingdom
Trubaindo Mine	ISO 9001:2008	SAI GLOBAL
Bharinto Mine	ISO 9001:2008	BSI Indonesia
ITM	Excellence Award	International Convention on Quality Concept Circle (ICQCC)
ITM	Gold Medal Award	Indonesia Quality Management Association (IQMA)

LOCALIZATION



Localization means being a partnership with society which includes being part of social development and being a model of compliance with laws and regulations. For more than 30 years in the business, regarding our mission “To build sustainable value for shareholders, customers, business partners, employees and local communities, and to be a good citizen to host governments”, the Company strongly believes that doing business in a systematic and good corporate governance is a key driver in bringing success. With such belief, the Company has conducted business in accordance with laws, rules and regulations, both local and national level. In addition, the Company also intends to advance its governance to international best practices to safeguard interests of all stakeholders.



CORPORATE GOVERNANCE

Structure of the Board of Directors

The structure of the Board of Directors is one-tier system and there are twelve Board members. Six of them are independent directors, three are non-executive directors and the remaining three are executive directors. The Chairman of the Board is one of the six independent directors. To carry out specific functions on their behalf, the Board has appointed 3 sub-committees namely the Audit Committee, the Corporate Governance and Nomination Committee and the Compensation Committee. The board resolved in the board meeting that all members of the sub-committees are non-executive directors, each director will be a member of not more than 2 sub-committees and the Chairman of the Board has no seat in any sub-committee.

Roles and Responsibilities

The board has formulated "The Practices of the Board of Directors of Banpu Public Company Limited" in 2009 as a guideline for the board performance. The guidelines cover definitions, composition and criteria of the board, directors' qualifications, terms of office and vacancies, duties and responsibilities of the board as well as meetings and voting procedures. It was reviewed and amended in 2011 and 2012 to reflect changing in its responsibilities and business conditions.

In 2014, the Board of Directors has improved the Corporate Governance of the Board allowing the service term of an independent director to be no longer than 9 years or no more than 3 consecutive terms, appointed director shall not hold a director of more than 5 listed companies in the Stock Exchange of Thailand and the resolution of the Board of Directors meetings shall have a quorum of at least 2 out of 3 of board of directors.

To be accountable for stakeholders' benefits, the board has monitored and supervised Banpu management so that the firm has achieved its goals as well as shareholders' interests. The board is fully aware that Banpu's business must comply with the CG Policy and the Code of Conduct while interests of all stakeholders are considered. The board delegates its power to the Chief Executive Officer to manage day to day operation where the authority, powers and duties of the Chief Executive Officer and the Board of Directors are clearly separated.

The board defines the Audit Committee Charter, Corporate Governance and Nominating Committee Charter, and Compensation Committee Charter to serve as performance guidelines of such sub-committees.

Performance Review Guidelines for the Board of Directors

The Board of Directors sets an annual target and evaluates the performance of the Chief Executive Officer accordingly. The Chief Executive Officer respectively, evaluates the performances of the senior management under his direct command. The criteria for appraisal are linked to the strategic plan and annual plans. Assessment result is a crucial factor to determine their remuneration and incentives. (Further details are provided in the 56-1 form regarding authority of the Chief Executive Officer).

In order to monitor outcome of management performance regarding the company goals, the board has set a monthly performance report as an agenda in the regular monthly board meetings to evaluate the monthly results against the targets. The report also includes an analysis of opportunities and risks in economic, environmental and social circumstances. An outlook for the next period and year on year outlook is also discussed. In case the goal deviates from the plan, the management is required to explain the causes. Then, the board may provide comments or recommendations for improvement and the management will report the result in the next period.

Compensation Management

The Board appoints the Compensation Committee to be responsible to set up compensation structure and system for the board and the management, including consideration of budget for salary, annual bonus and other employee benefits. Compensation committee will present its consideration to the Board for consideration. However, the remuneration package for the board members must be approved by shareholders in the Annual General Meeting.

In determining the compensation package, the Compensation Committee has integrated many factors into its criteria:

- Regarding the 2009 Compensation Committee Charter, the Committee will take the opinions of both internal and external stakeholders including management, labor unions, and other stakeholders into its consideration. The Committee will also seek a market practice and information e.g. the compensation survey conducted by the Thai Institute of Directors (IOD), local market and international market surveys conducted by human resources consultants, etc.
- Engaging independent consultant specialized in the rewarding system to provide advisory services to the Committee.

Board of Directors Performance Assessment

The Board of Directors appoints the Corporate Governance and Nomination Committee, to be responsible for performance assessment of the board as a group as well as the performance of all sub-committees on an annual basis. The results of which are, then, reported in the board meeting for further improvements.

The Board of Directors is evaluated on the following five areas:

1. Structure and component of the Board
2. Roles, duties and responsibilities of the Board
 - Strategy identification and strategic planning
 - Evaluation of performance, setting of remuneration and succession plan of senior executives
 - Internal control and risk management
 - Conflict of interest
 - Corporate governance policy and Code of Conduct
 - Information disclosure
3. Nomination of directors
4. Remuneration of directors
5. Board of Directors' Meeting and its performances

The Board of Directors has approved to start the evaluation of each individual board member performance from 2014 onwards.

CEO Performance Assessment

Board of Directors works together with Chief Executive Officer (CEO) to set CEO's Key Performance Indicators (KPI) covering business goals, social and environmental indicators under Corporate Sustainable Development which aligns with Dow Jones Sustainability Index (DJSI). CEO's KPI is set up in January or February of each year. The CEO's performance is measured against those KPIs, and all directors will evaluate his performance by using the performance appraisal form designed by Strategy & Business Development Department. The collective result of the CEO's performance is proposed to the Compensation Committee and the Board of Directors respectively.

Sub-Committee of the Board of Directors

At present, the Board of Directors has appointed 3 Board Committees: the Audit Committee, the Compensation Committee and the Corporate Governance and Nomination Committee. The details of each working group are available in Annual Report 2014.

The Audit Committee

The Audit Committee consists of at least 3 independent directors with one independent director serving as its chairman. Their roles and responsibilities are to:

- Review the Company's financial reports.
- Assess adequacy of internal control and risk management system as well as related regulatory compliance.
- Select, nominate and propose fees for the external auditor
- Consider the disclosure of company and business information in case of conflict or redundant transactions and make such contrast into accurate, complete and transparent reports.
- Monitor and review critical risk management policies on a regular basis as reported by the Risk Management Committee.
- Give suggestion about operating plans, performance results, and budgets, along with the manpower management of the Internal Audit Office.

The Compensation Committee

The Compensation Committee consists of at least 3 directors with 1 independent director serving as its chairman. Their roles and responsibilities are to:

- Suggest compensation policy, guidelines, procedures and other benefits for the members of the Board of Directors, sub-committee members, the CEO and senior management.
- Determine performance measurement criteria and evaluate performance of the CEO and senior management.
- Monitor and review compensation structure, mechanism, and package management for the Board of Directors and senior management. This is to make sure it reflects their roles and responsibilities and complies with the Company's performance and market situation.

The Corporate Governance and

Nomination Committee

The Corporate Governance and Nomination Committee consists of at least 3 directors with 1 independent director serving as its chairman. Their roles and responsibilities are to:

- Determine the Company's Corporate Governance policy and the Code of Conduct. Monitor compliance with such code of practices.
- Screen and select personnel eligible to serve as members of the Board of Directors and the CEO upon their term completion or availability. Screen and select other credibility for senior managements positions as requested by the Board of Directors.
- Secure appropriate succession plans for the CEO and other senior managements.

Conflict of Interest

The Company's policy for business is based on integrity, transparency, value maximization and being fair to all those involved and not involved in any activities that may pose a conflict of interest. It is already stated in the Code of Conducts that Directors, management and employees are not allowed to exploit information obtained from being in such positions; the director, management or employees of the Company seeking their own benefits.

Anti-Corruption

Since 2009, the Thai Institute of Directors Association (IOD) has started a campaign to combat corruption led by private sector. Banpu has been in the first group and joined this campaign since November 2010 to declare our determination towards anti-corruption. The company has kept up with the practices and procedures declared by the IOD, and provided consistent support for the IOD events for meetings, trainings, and seminars on the relevant subjects.

In 2012, there was an establishment of Private Sector Collective Action Coalition Council, (CAC) with IOD acting as a secretary to determine process and procedure for private sector to adopt and ensure organization a corruption-free and the self-evaluation to use as a guideline for anti-corruption. Banpu conducted a self-assessment on our practices towards anti-corruption and presented the result to the Audit Committee, Corporate Governance and Nominating Committee, and the Board of Directors. In practice, our Code of Conducts ensures that anti-corruption guidelines have been thoroughly addressed and defined. In 2014, the Company has been assessed on the Anti-Corruption progress indicator, the results of this assessment was ranked in level 2 (Declared) from the Securities and Exchange Commission.



In addition, the company has set a policy of grievances and the protection of the complainant. (Whistleblower Policy) and communicated to all employees in the organization. There are not only assessment on the risk of corruption and protection measures but also the risk assessment on the business operation, those 2 mechanisms were embedded into standard guidelines and implemented at the organization. The regulations specified in the Code of Conduct is also the key mechanism in developing Anti-Corruption Policy, which will be announced and entered into the CAC certification process within 2015.

In declaration of our intention on anti-corruption, we have set forth in Section 3.4 of the Code of Conduct about giving and receiving bribes as follow:

- Executives and staff are prohibited from demanding or receiving any benefit from trading parties, contractors, suppliers, advisors and those with whom the Company is doing business.
- Executives and staff are strictly prohibited from offering any benefit to government officers, customers, labour unions or any other external parties in any attempt to persuade them to commit a fraudulent action.

For the gifts, gratuities and business entertainment, we set forth in Section 3.5 of the Code of Conduct as follows:

Executives and staff should refrain from giving gifts or gratuities to, or receiving them from any trading partner or others with whom the Company is doing business. Gifts given or received during festive occasions are excluded from this requirement provided they have an appropriate value and are not related to any business commitment. (The company appoints Gift Committee to determine the type and value of gift for festive seasons such as New Year to be applied across organization as well as followed to the Code of Conduct)



Communication Channels

Banpu has set up communication channels to provide accurate and transparent information on our performance regarding economic, social and environmental issues to stakeholders as well as to receive opinions, concerns, and suggestions. Our various channels can be elaborated as follows:

- Shareholders Annual General Meeting is organized to provide an opportunity for shareholders to lodge their opinions, ask questions and vote to elect the board of Directors.
- In 2014, the Board of Directors has approved the revised Corporate Governance policy and Code of Conduct which are updated to reflect the current situation and also be complied with the changed rules of the Stock Exchange of Thailand and the Office of Securities and Exchange Commission which covered global standards practice. The Policy and Code of Conduct are reference to be implemented by Directors, Managements and employees.
- Corporate Governance is periodically communicated to stakeholders through annual reports and to employees via internal journal 'Banpu Insight' in column 'CG of the Month'.
- Seminars and employee orientations on CG Policy are conducted for both current and new employees. CG issues can be accessed through company's portal. Furthermore, many CG internal events are held regularly, for instance, 'CG Voice' and 'CG Day'.
- Stakeholders are provided with channels to voice their complaints to the board via company website and portal. The complaints will be forwarded to the Secretary of the Corporate Governance and Nomination Committee for further action. The complaint management reports are provided to the Corporate Governance and Nomination Committee on quarterly basis and to the Board of Directors on annual basis respectively.
- Investor Relations department is established to serve as direct communication channel for both domestic and international investors.
- Analyst meeting is organized quarterly to provide operating and business performance results to investors and analysts.
- Company and subsidiaries site visits, e.g. overseas mines and BLCP power plant site visit, for shareholders, customers, community members, media and academic.

“If you tell the truth,
you don’t have to
remember anything.”

Mark Twain

Introducing PT. Indo Tambangraya Megah Tbk (ITM), Banpu Subsidiary, Transparency Center

ITM employees are committed to ‘Integrity’ as one of the company’s core values and ‘Transparency’ as one of the good corporate governance principles. Both are regulated in ITM’s Good Corporate Governance Policy and Code of Conduct. Furthermore, with the anti-corruption movement gaining influence across the globe, ITM also recognizes the importance of transparent work practices, encouraging every staff to apply these transparency principles to their own daily work.

To make it easier for all ITM members to practice these values in real life, the Company established a communication channel called the ‘Transparency Center’ that is used to monitor the activities of giving/receiving gifts, gratuities and entertainment as well as potential conflict of interest.



With regard to gifts, gratuities and entertainment, the Code of Conduct clearly states that “We are doing our business with integrity. We will not accept or give gifts or gratuities or unusual lavish entertainment from or to any parties.” However, ITM still recognizes the exchange of business courtesies, such as gifts and meals within appropriate values (not including cash or cash equivalents). This is considered common practice for enhancing business relations. The value

of the gifts, meal or entertainment must comply with accepted business practices and not intended to influence the decision-making of the person involved. The ‘reasonable’ threshold adopted by ITM is no greater than USD 200 per gift/entertainment per person per one event. This threshold is regulated in the SOP Anti-Bribery and Corruption.

ITM’s Transparency Center is a user friendly reporting system in the Lotus Notes software that can be used to report incidents of gift giving or receiving, gratuities and entertainment. In addition, the Transparency Center can also be used to report any situation that might lead to a Conflict of Interest. The example is the situation where a family member of an ITM employee becomes a director, partner, advisor or other related party of a business partner which is likely to be in conflict with the business of the Company or with his/her major responsibility to the Company. Conflict of Interest has been prohibited by the Company for a long time. However, previously, there was no method to monitor the potential occurrence. With the Transparency Center, employees can report any situation that may lead to Conflict of Interest, which will help prevent any intervention in the future. Since the launching of the Transparency Center, the system has received more than 50 reports from employees across all locations.

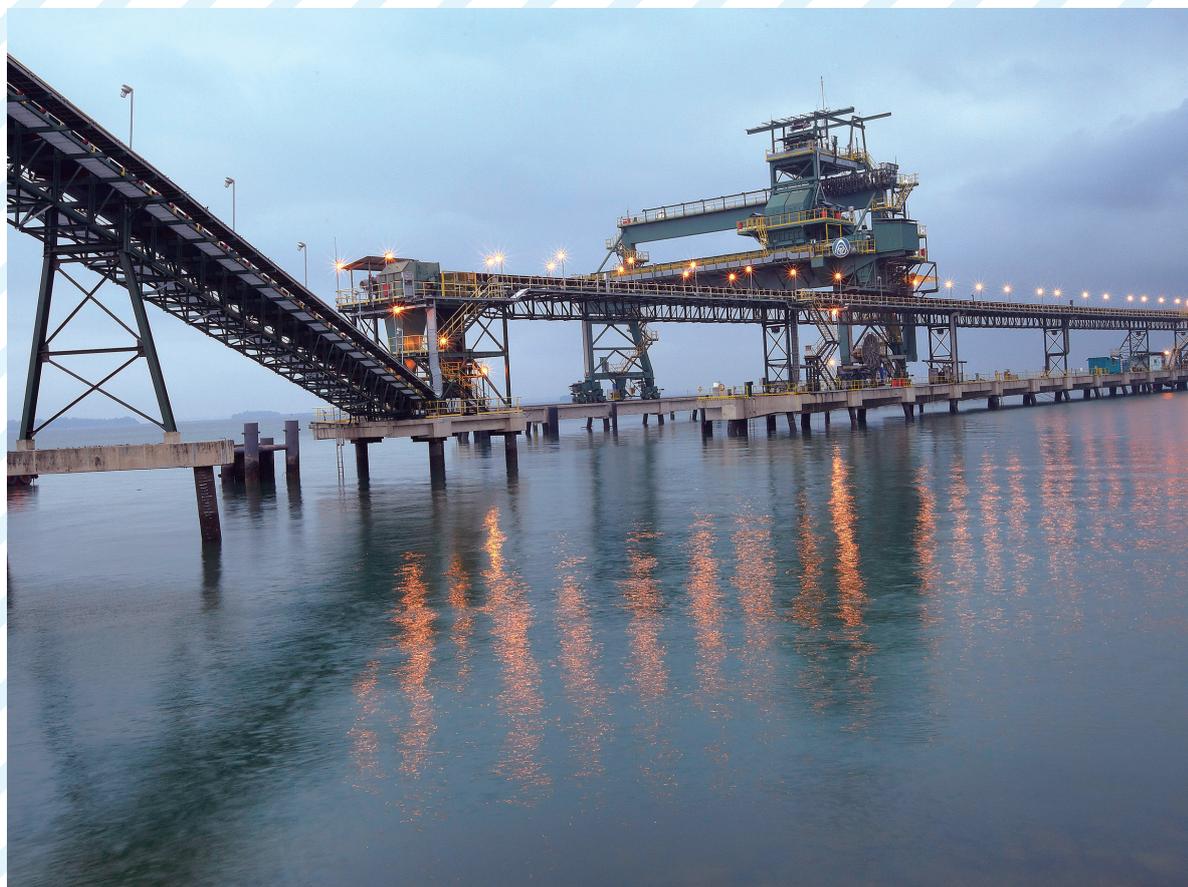
In addition, ITM has formulated a Transparency Committee to look after the Transparency Center System in Jakarta and Balikpapan offices as well as the mines.

Participation and Membership

Organization	Status	Role	Country
Thai Listed Companies Association (TLCA)	Chief Advisor of the Chairman of the Thai Listed Companies Association	Giving advices to the Chairman of the Association in formulating policies that benefit members of the association, for instance, competency enhancement, training programs for executives of listed companies, coordinating with government agencies in laws and regulations amendment as well as giving opinion and raising issues of business sector to the government for the betterment and benefits of all related parties i.e. government, private, and general public as a whole.	Thailand
Federation of Thai Capital Market Organizations (FETCO)	Advisor of FETCO	Serving as one of the Thai capital market experts who give advices to develop the entire Thailand's capital market to contribute to the nation and all levels of investors in a sustainable manner. One of the major functions is to help initiate the policy formulation of Thai capital market development, voicing opinion regarding obstructions removal. This would eventually make Thai capital market an efficient and internationally standardized source of fund raising, as well as supporting Thai business development in all sectors as a whole.	Thailand
Thailand Development Research Institute (TDRI)		Serving as an expert from private sector to propose and comment on research management, administration covering policy initiatives, strategic direction, and financial management particularly on the country's highly impactful key sectors i.e. economic, social, environment, information technology, science & technology. All of these research substances especially on the recommendations are helpfully contributed to knowledge gathering and paving ways to shape Thailand's development goals, strategies, and all significant short and long term development measures. TDRI's outputs have always been publicized to general public which will help strengthen the knowledge foundation for Thai people as well as the competitiveness of the country.	Thailand
Coal Industry Advisory Board (CIAB)	Member of CIAB	Serving as expert representative from Thailand which is one of Asian 3 countries from 18 countries worldwide. These experts' recommendations are utilized by International Energy Agency(IEA) to systematize the global coal related industry management especially on the production, transportation, trading, utilization, and future direction of coal industry. It is therefore viable to Thailand to have a better opportunity to use all constructive and up-to-date coal information to upgrade the Asian nations' energy development as well as to raise the country's potential in this world class organization.	France

Awards and Recognitions

Site	Awards/Recognitions	By
Banpu	The Industry Leader, in Coal & Consumable Fuels, Gold Class distinction for its excellent sustainability performance	RobecoSAM
	Member of Dow Jones Sustainability Indices (DJSI)	RobecoSAM
	CSR Awards 2014 and CSR Recognition	The Stock Exchange of Thailand
	Top 50 of ASEAN CG Scorecard 2013/2014	The Stock Exchange of Thailand
ITM	The 3 rd place, "Best Booth" in CSR Category at the Environment Week and CSR Expo	Ministry of Environment of Indonesia
	MNC Business Award, "The Best Listed Company in Mining and Quarrying Sector"	MNC Business magazine of Indonesia
	2 nd Rank, One of Indonesian Most Admired Companies 2014	Fortune Indonesia magazine



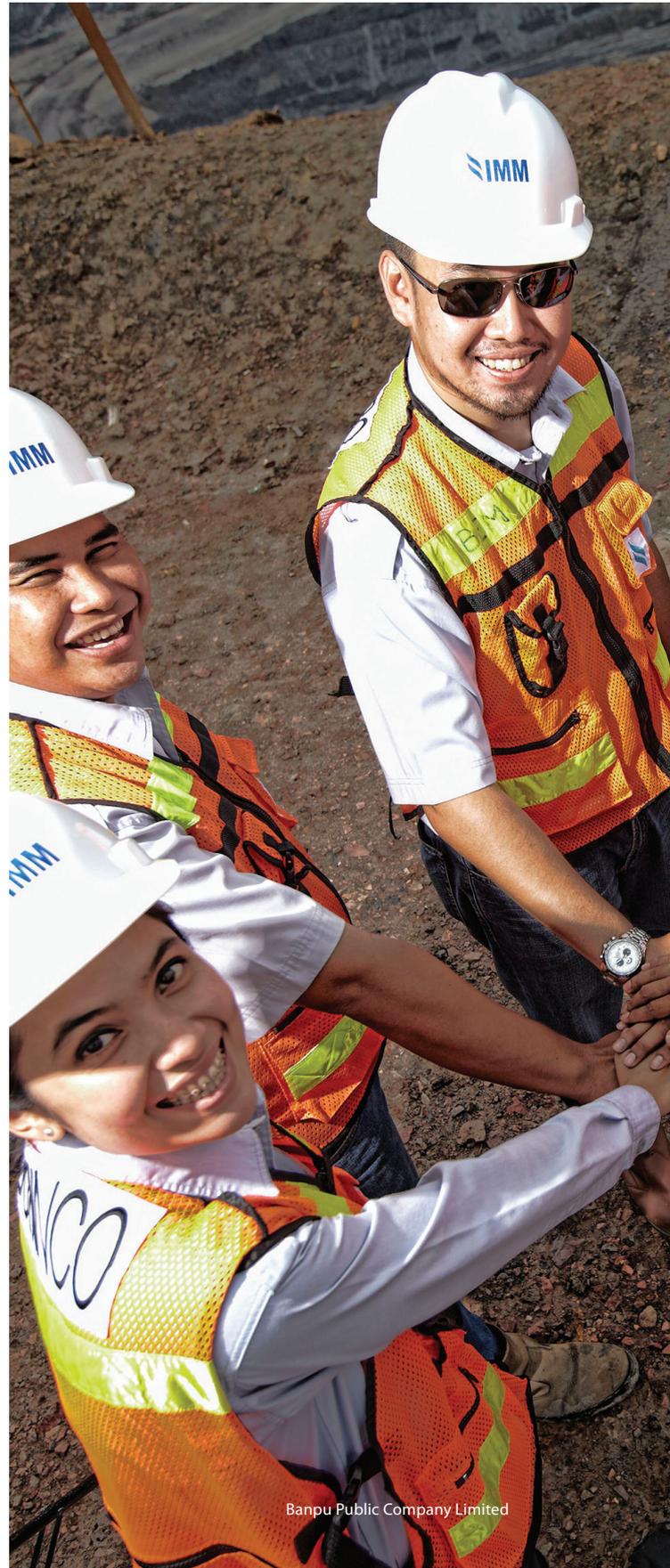
LICENSE TO OPERATE



An important element of our growth and sustainability is the recognition from community and society. In order to gain that recognition, we must improve our business operational practices as well as showing our responsibility and strong commitment to society and environment.

We identify 4 main issues regarding the license to operate as follows:

- Compliance with laws and regulations indicates our recognition from the government.
- Occupational health and safety concerns reflect our sincere care and full responsibility for all employees and contractors.
- Environmental responsibility represents our value and commitment to the community surrounding our coal mines. Furthermore, environmental conservation will definitely benefit our future generations.
- Community Development, inevitably, coal mining business might have some negative impacts on people's lives as well as communities surrounding our coal mines. Therefore, we initiate various projects for community development, including their way of living



COMPLIANCE

Besides the excellent strategic planning and employees' commitment which are a crucial part for every organization continued success and sustainable growth, compliance with laws and regulations is fundamental to ensure organizations' steady future as well as to be highly competitive in the global arena. At present, an over-arching consideration for most organizations is, and will always be the compliance with laws and regulations. Apart from its direct benefit which is the continuation of business support from the government sector, the organization also gains indirect benefits, including social recognition, reputation and most importantly the organization's positive image. This, in turn, encourages every organization to be able to compete in the long run.

At Banpu, we also emphasize on our business operation to comply with relevant laws and regulations. With coal mines and power plants as our major assets in various countries, there are complexity and degree of differences in terms of laws and regulatory requirements among those countries. It is our mission to fully understand and comply with laws and regulations in each country. We are determined not to violate any laws or regulations which may bring negative image to our organization. We have developed policies and operational guidelines to administer business procedures which are compatible with the laws and regulations requirements at every level in every country. We strongly believe that strict compliance with laws and regulations represents our responsibility and commitment for the society which, in turn, helps us build a solid growth and a sustainable development.

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Compliance

Throughout our business management, it is very essential to comply with laws and regulations. In practice, we actively identify measures to manage our business operation in alignment with each country's regulatory requirements. These measures can be classified into 2 steps as follows:

- **To establish the foundation of business operations**

We recognize the significance of solid foundation for every business unit that aligns with laws and regulations. Therefore, in the first step, we carefully study applicable laws concerning a particular operational procedure. Next step, we apply the content of that law in laying out our management standards including work procedures of every single business unit in our organization.

Nevertheless, work procedures for the same type of business, but in different countries may not be necessary to have the same setting, due to the difference in laws and regulations of those particular countries, especially the air emissions.

- **To conduct an operational audit**

In order to ensure that our business operations comply with laws and regulations, management foundation as well as routine operational audits are put in place. We have established operational audit procedures for every single business unit which consists of audits by both internal unit and external auditor. Those ensure that we are able to achieve our goals and shareholders' interests are maximized.

Operational Audit by the Internal Unit

Operational audit by our internal unit is vital to our confidence since it helps to reveal whether our current performance and efficiency align with existing missions and policies. Recognizing the importance of this matter, we have established 3 processes to evaluate our operations as follows:

Corporate Compliance

Ensure the governance of risk, operational transparency by observing both company specific and statutory regulations

Internal Audit

Ensure the adequacy of effective internal control which cover the establishment, maintain and implementation

Quality Assurance Review

A Process oriented to guarantee that the quality of the outputs meets some predetermined quality standard



• Quality Assurance Review (QAR)

It is our policy that every unit under the division of Corporate Services comprising Health, Safety, Environment and Community Development Department, Human Resources Department, Information Technology Department, Legal and Compliance Department, Procurement and General Administration Department and Business Process Management Department must conduct self-assessment in terms of its performance efficiency and whether it is aligned with management standards and work procedures. The results from this self-assessment will be used for further improvement and development of each unit.

QAR will be executed at corporate, country and site levels. Each country is responsible for conducting QAR at site level on an annual basis. Then, the site level QAR results will be verified and validated by QAR representative from corporate to ensure the compliance. Each year, QAR at country level will be arranged after QAR at all sites are completed.

At present, all Banpu's subsidiaries in Thailand, Indonesia and China have adopted QAR policy from the corporate. Whereas, business units in Mongolia and Australia will address and implement QAR concept in the near future.



• Internal Audit

The company emphasizes continually on the importance of internal control. By focusing on the internal control system covered all activities sufficiently and appropriately to the business in order to increase the efficiency and effectiveness of operations including resource utilization, property maintenance, financial and managerial accounting reports, and other reports to be accurate and reliable, strictly compliance with laws and regulations relating to the business. The company has adopted COSO standard as internal control framework which is divided into 5 areas: Internal control, Risk Assessment, Operating Control, Information and Communication Technology system, and Monitoring systems. The company has set up a separate Internal audit Function in the organization and the Audit Committee who is responsible to review the Company's internal control system while the internal audit function is responsible to evaluate the adequacy and effectiveness of internal control systems and activities implemented in the organization.

• Corporate Compliance

To ensure that our business operations comply with laws and regulations, we have established Corporate Compliance function under the Legal and Compliance Department at corporate level. At present, the Corporate Compliance function performs its audit in three major countries namely Thailand, Indonesia and China.

For Thailand, the Corporate Compliance function has developed and provided checklist to every business unit for their self-audit. Second step, to ensure that every business unit has complied with all relevant laws and regulations, Corporate Compliance has to visit and conduct its audit of every business unit.

Our subsidiaries in Indonesia had established Country Compliance function at country level. The primary roles of Country Compliance include developing checklist and checking that all activities in every business unit in the country have complied with laws and regulations. At business unit level, Compliance Coordinators of every mine sites have been appointed by Country Compliance. The major responsibility of Compliance Coordinator is to regularly conduct self-audit, report and follow-up the progress of non compliance issues to Compliance Country. However, to certify that Country Compliance function operates according to our procedures and practices, the Corporate Compliance function will supervise the Country's Compliance on an annual basis.

The Legal Department of our subsidiaries in China had appointed a Legal Compliance Coordinator. His/her major responsibility is to contact, coordinate and facilitate the follow-up of compliance procedures between Corporate Compliance function and every business unit in China. Each year, Corporate Compliance with Compliance Coordinator will supervise and check that all business units in China have operated in line with relevant laws and regulations.

Operational Audit by a Third Party

Apart from the operational audit internally, third parties such as government agencies or certified body also perform operational audit for our businesses. The benefit of using the third party is a higher degree of credibility of our operation compliance with laws and regulations. Details of the third party audit are as follows:

- **Operational Audit by Government Agencies**

It is essential that our business operations in every country must be regularly inspected by government agencies. The main purpose of the audit is to ensure that our operations comply with applicable laws, regulations and other requirements of that particular country. Any violations will be subjected to punishment; for example, penalty fees and license cancellation.

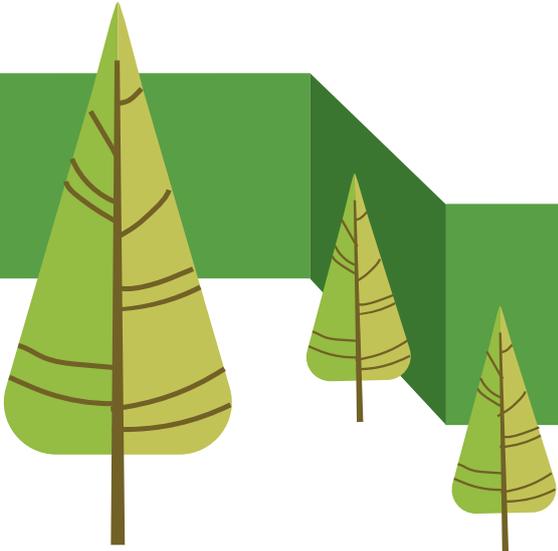
As for our coal mine business in Indonesia, the law designates government agencies to inspect the operations in every location on a monthly basis. Key audit areas which government agencies focus on include occupational health, safety, and environment. The audit results in 2014 shown that all of our six mines have operated in compliance with Indonesia's laws and regulations.

Other business in other countries such as coal mines in Thailand and power plants in China will be randomly inspected in terms of occupational health, safety, and environment by government agencies. Therefore, every business unit must ensure its compliance with laws and regulations at all times so as to be well prepared for the audit.

Besides random audit of our power plants in China, Chinese government has issued the legal framework which enforces every coal-fired power plants to install Continuous Emission Monitoring equipment (CEM) to monitor air quality and to report the online monitoring results to government agencies. At present, our coal-fired power plants have successfully installed the equipment and already reported the results to relevant government agencies. In 2014, every power plants in China met the air quality standards under the regulation.

- **Operational Audit by the International Certified body**

Most of our business units have already been certified with international standards, consisting of Quality Management System (ISO 9001), Environmental Management System (ISO 14001) and Occupational Health and Safety Management System (OHSAS 18001) from a certified body situated in that country. The operations of certified body will be re-inspected for compliance with laws and regulations to emphasize their credibility. The following table shows our business units that are already certified.



Therefore, in 2014, we were not penalized from any violations of laws and regulations.

Country	Site	International Standard		
		ISO 9001	ISO 14001	OHSAS 18001
Indonesia	Indominco Mine	✓	✓	✓
	Kitadin-Tandung Mayang Mine	✓	✓	✓
	Jorong Mine	✓	✓	✓
	Trubaindo Mine	✓		
	Bharinto Mine	✓		
China	Zouping Power Plant	✓	✓	✓
	Zhengding Power Plant	✓	✓	✓
	Luannan Power Plant	✓	✓	✓

The Outcome of Complying with Laws and Regulations

According to our routine operational audits by both internal and external parties, including inspection of the government agencies, the outcome in 2014 indicates that every business unit has fully complied with laws and regulations of each country. Therefore, in 2014, we were not penalized from any violations of laws and regulations.



Ministry of Environmental Protection Inspection Team Visits Zhengding Plant

On December 26, 2013, an inspection team led by Mr. Liu Bingjiang, Director-General of the Department of Total Pollutant Control, Ministry of Environmental Protection of China, carried out a random spot check at Zhengding Plant. Accompanying the inspection team were Mr. Chen Guoying, Director - Bureau of Environmental Protection, Hebei Province, Mr. Zhang Guoliang, Deputy Mayor of Shijiazhuang City and other related officials.

On this occasion, Mr. Jia Yuchang, General Manager of the Plant, reported on the environmental protection philosophy, energy saving and emission reduction work, along with the power generation indices of heat supply, coal consumption, and limestone consumption. The visitors tested all three CEMS sets (Continuous Emission Monitoring System) as well as the desulphurization distribution monitoring and control system in the control room. After this inspection, the plant was highly recognized by the State inspection team as a model on environmental protection for other power plants.



OCCUPATIONAL HEALTH & SAFETY

As our people are a valuable asset of the organization, we place occupational health and safety on top of our priorities. Banpu strives to create a safe working environment for all employees and makes occupational health and safety an integral part of our business operations to create a sustainable future.

In all aspects of our business, we are fundamentally committed to required regulations on occupational health and safety, focusing on the efficiency and effectiveness of our performance in this area. A good example of our strict compliance with the legal framework is the establishment of the Occupational Health and Safety Committee at the Bangkok headquarters, consisting of representatives from the staff and management. The committee convenes at least once a month to relay safety information to the

employees, receive suggestions on solutions to safety issues, follow up on safety operations, and make future safety plans. In addition, inspection and evaluation is also made into our working environment to measure heat, noise and lighting in the workplace so as to ensure that our employees operate in a safe, appropriate environment. In addition, to prepare for unexpected events that may happen, the Company organizes a fire drill every year to make sure that in case of an emergency, the employees can evacuate to a safe location quickly and in due time.

In 2014, the occupational health and safety issues that the Company and its stakeholders paid attention to:

- Safety
- Occupational health
- Supply chain's occupational health and safety management
- Business continuity management

G4-19 Material Issues

 Safety

 Occupational Health

 Supply Chain's Occupational Health and Safety Management

 Business Continuity Management



Safety

With a commitment to sustainable development, Banpu has established the Safety Policy that consists of three principles:

- Zero Incident – by preventing and correcting unsafe behavior or working conditions.
- Zero Repeat – by taking all necessary steps to prevent the recurrence of incidents.
- Zero Compromise – by adopting non-negotiable safety standards and regulations throughout all operations.

Zero

- ✓ Zero Repeat
- ✓ Zero Incident
- ✓ Zero Compromise



As preventive measures towards our goal, we annually conducted a corporate strategic meeting on Health, Safety, Environment and Community Development issues called HSEC Summit. This summit is a meeting of all business units, both operational and supporting functions about how to continually improve our HSEC performance for not just to secure our License to Operate, but to ensure the efficiency and effectiveness of our business. The most recent HSEC Summit was conducted in October 2014 with a discussion about safety during work time and also the commuting period.

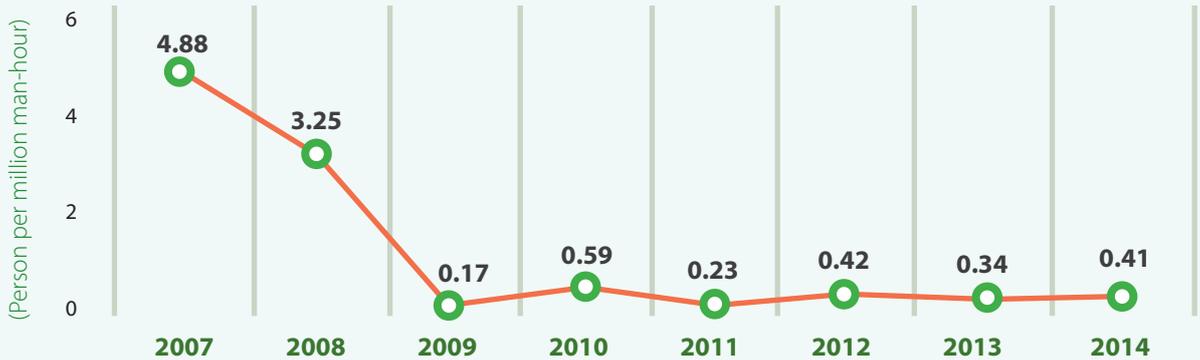
To create confidence for all stakeholders regarding our safety, the Company has developed a reporting tool for nearmiss to prevent unplanned events that can result in damage or injury. To ensure the effectiveness of our safety operations and maintain the zero-incident principle, we set a clear goal for our safety performance every year and employ a reporting system that compares our

performance against our goals. As a result, the injury frequency rate (IFR) of our employees and contractors significantly dropped between 2007 and 2009 and then continuously declined until present. By the end of 2014, our injury frequency rate stood at 0.41.

Nevertheless, in 2014, one of our contractors had a fatal road accident. Even though it was not an operational incident, the Company was not unconcerned by the event. An investigation was made to identify the root cause to prevent the same accident from repeating. Also, the operation related to the incident was reviewed and improved and risk assessment was intensified to create a culture of safety and prevent future mishaps.

Since our operations are located in various locations, our approaches are different from one location to another.

Injury Frequency Rate (IFR)





Coal Business in Indonesia

The coal business in Indonesia conducts safety training for mine workers every year to build confidence and raise safety awareness both for operational staff and their supervisors. Training topics include accident analysis and investigation, which offers the workers general understanding and analysis methods for root cause identification, helping them find solutions to prevent repeat accidents; and workplace health management, which promotes occupational health.



To improve the efficiency of their operations, Banpu's coal mines in Indonesia have developed their own occupational health, environmental and safety management systems. For example, the Kitadin-Tandung Mayang Mine introduced its Safety and Environmental Management System Tandung Mayang, or SEMESTA, which was developed based on OHSAS 18001 occupational health and safety standard, ISO 14001 environmental management standard, and local regulations. Since the introduction of SEMESTA in 2012, the system has been highly successful and is still in use today.

In addition, to create confidence in standards and build cooperation within the organization, Banpu has launched a safety benchmark project between the coal businesses in Indonesia and Australia. The employees in Indonesia visit and learned about underground mining operations in Australia. The team got to familiarize themselves with the safety measures and standards of their Australian counterparts that have resulted in zero accidents so that they could apply the knowledge to their mines in Indonesia.

Coal Business in Australia

Since 2009, Banpu's coal business in Australia has been conducting a project called "Step Change" to build a culture of safety. The project has made great success in changing the mindset of its employees, allowing them to recognize that safety is a personal matter that requires consistency and continuity and should be maintained at all times even without regulation and enforcement. It also develops and promotes supervisors' safety leadership and a positive attitude for all employees and encourages them to voice their opinions regarding safety issues.

Moving towards sustainability, Centennial annually holds the sustainability conference. This conference provides

an opportunity for each mine to present ideas and build network across Centennial's operations. Moreover, it is also the platform for showcases of innovative health, safety, environment and community activities

To further strengthen its safety culture, Centennial has planned to survey and evaluate safety performance at all of its mines across Australia and ensure that their operations align with the same direction for the sustainability of the organization.





Power Business in China

In regards to the best safety record for many years, power business in China maintained the safety performance by regularly conducting various safety training courses.

Synergy between Chinese and Australian Operations

The team from the Shanxi Gaohe underground mine, a joint venture of Banpu in China, visited and learned underground mining practices in Australia. The main objectives were to understand the differences in working culture, establish means for information exchange and share work experience that both parties could apply to their operations.

Work safety systems were also a topic for the knowledge exchange between the two units. Some of the safety systems for mining discussed were the emergency stop, danger zone, ergonomics in the workplace, safe lifting, ventilation, and risk management. Both country teams exchanged views on these topics, identified and evaluated risks as well as came up with solutions together.

This project was highly successful. The Chinese and Australian teams learned their different working cultures and were able to apply acquired knowledge to improve their operations to achieve the zero incident and zero injury.



Occupational Health

The Company recognizes the impact of health on the safety and happiness of its employees at work. To collect and monitor the employees' health data, Banpu organizes an annual medical checkup for all of its staff and regularly promotes health news at the offices.

Last year, in addition to the normal monitoring of seasonal communicable diseases, such as malaria and dengue fever, the Company also watched out for worrying global ones, such as Ebola and the bird flu, to make sure none of its staff would be affected by the diseases.



In addition, the Company measures air quality at every operational site to ensure a suitable working environment for its employees. In case an operational site poses risks, appropriate personal protective equipment is provided. Even though Banpu has never experienced occupational health incidents, the Company continues to implement strict risk management.

Innovation on Safety & Occupational Health from Centennial

Centennial Coal's staff together with Blundstone, an Australian shoe maker, made the new underground mining boots with innovative technologies specially designed to handle the underground mining environment. This new boots received the Innovation Award from the 2014 NSW Minerals Council Health and Safety Innovation Awards.

The boots started out as a simple project of Centennial's procurement staff. She undertook a review of the company's personal protective equipment and found that footwear is the major issue. The cooperation with Blundstone, a shoes maker company, commenced with target to improve the mining boots for underground workers.

This project started with some workers as focus group. For more that 12 months of development, this new boots offered a better impact absorption, thinner and more durable than the traditional ones. They protected the miners' feet from any danger.

The boots are made of a special leather that is used in hiking boots which is soft, pliable and waterproof. Rather than



laces which can tear after getting wet, or zippers which accumulate too much mud, Blundstone have utilized the Boa system which evenly tightens around the foot for a personalized fit. The laces are also made from aviation steel so the chance of snapping is minimal, while inside the boots they have a waterproof booty and another lining which is stitched in for extra support and comfort.

Centennial and Blundstone also received the CIPSA (Chartered Institute for Procurement and Supply-Australasia) award for Best Supplier Partnership for this underground mining boots, in October 2014. The CIPSA award recognizes partnerships between suppliers and companies.

Supply Chain's Occupational Health and Safety Management



For a sustainable future, our concern is not limited to only our people, but also covering all people and stakeholders in our supply chain. The occupational health and safety management in our supply chain firstly focused on the contractor.

We recognize and value the contribution of our contractors on the safety performance. Contractor Management System (CMS) has been established with the aim to ensure that our contractors perform in accordance with what we commit. To achieve our goal, the guidelines for managing Health Safety and Environmental risks through the establishment of relevant HSE requirements within the framework of CMS have been developed. It is expected that by implementing CMS, any risks associated with occupational health, safety and environmental aspects of all contracted business activities will be mitigated.

The framework of CMS covers two phases as follows:

- **Contractor Engagement**

When identifying the scope of work, the occupational health, safety and environmental hazards associated with the contractual work must be identified, and their respective impacts must be determined. Then, the proper

HSE risk mitigations must be reviewed with clear goals, targets, and performance measures. Such risk mitigations are incorporated as part of contractor selection process and also as part of the contract.

- **Contractor Management**

Before the contractor starts working, contractor's HSE management plan must be established and submitted. This includes targets, control measures, and also the emergency response plans. Then, during contractor operation, the contractor's performance is periodically evaluated.

This means that any HSE related risks are identified and proper mitigation plans are reviewed since the beginning of the contracts. Moreover, to ensure the effectiveness of the CMS implementation, the assurance process was developed and has been implemented every year since 2010.

By focusing on the incident analysis that most of the fatality incident comes from activities operated by our sub-contractors, we extended the scope of our contractor management system to also cover sub-contractors.

Performance Improvement Meeting with Major Contractors

During June 25 and 26, PT. Indo Tambangraya Megah Tbk. (ITM) arranged a Mine Contractor Meeting in Bogor, the capital of West Java, to discuss performance improvement and enhance cooperation between the company and the mining contractors. In this meeting both parties proposed joint efforts to boost performance amidst recent volatile coal price movements in global market. The meeting was attended by key mining contractors, mine technical heads, including ITM management.

In this meeting, President Director of ITM stressed that the recent downturn in the global coal market has reinforced the need for coal producers to manage their businesses more efficiently. He also emphasized the importance of corporate social responsibility and occupational safety in mining operational activities.

In order to enhance contractors' performance, a special session was arranged during the meeting to give awards to those who were acknowledged as successful in implementing the "Contractor Management System". Moreover, it was announced that community development would also be included in the assessment criteria for evaluation of the success of the contractor management system in order to support sustainable business operation into the future.



Business Continuity Management

Amid changes and uncertainties, various disasters, both natural and man-made, can happen at any time. If a crisis were to strike an organization and cripple its usual operations, the organization would face several negative consequences, such as the loss of ability to respond to customer needs and damage to its financial status, reputation, and credibility. Therefore, Banpu puts importance on its capability to continue its business in a time of disaster.

The concept of business continuity management has been adopted by Banpu since 2005 with the aim of ensuring that major business activities can continue smoothly in a time of crisis, whether it is a natural disaster (such as a storm, a flood, or an earthquake) or a man-made one (such as a fire, a chemical leak, a protest, or a riot). In 2006, the Company began developing its business continuity, emergency response, and recovery plans as well as other necessary programs, including the establishment of operational and executive emergency teams together with their roles and responsibilities in a crisis. Annual business continuity drills have been conducted at the Bangkok headquarters in conjunction with other programs since 2010.

To further improve its capacity for business continuity management, the Company began to apply international standards, such as the ISO 22301 Business Continuity Management System, in 2013, starting at the headquarters. It is Banpu's commitment to be certified with the ISO 22301 in the near future before introducing the standard to all business units in other countries.



Oil Spill Drill in Indonesia

Last year, the Trubaindo and Indominco mines organized their first oil spill drill, simulating situations including oil spill in the river and explosions at an oil storage facility. Their emergency response teams responded to these situations using prepared equipment. The purpose of the drill was to equip the staff with knowledge and skills necessary for emergency response and prevention of damage to life, property, communities, and the environment. Not only did the drill offer the staff important know-how, but it was also an opportunity to review emergency plans.



Participation and Membership

Organization	Status	Role	Country
University of Indonesia (Jakarta)	Member	Guest speaker	Indonesia
National Rescue Team Association - Bananas Indonesia	Member	Meetings, workshops, submissions	Indonesia
Indonesian OHSAS Association Forum	Member	Meetings, workshops, submissions	Indonesia
Indonesia Mining Association (IMA) and Indonesian Coal Mining Association (ICMA)	Board of Environment, Health and Safety Committee	Meetings	Indonesia
Executive Committee NSW Minerals Council	Member	Meetings, workshops, submissions	Australia
NSW Minerals Council Board	Director	Director	Australia
Coal Services Pty Limited - Finance and Investment Committee - Audit and Risk Management Committee	Board Member Member Member		Australia
Australian Coal Association Limited Project (ACARP) - Underground Committee - Research Committee	Director Member Member	Meetings, workshops, submissions	Australia
MCA OHS Committee	Member	Meetings, workshops, submissions	Australia
NSW Minerals Council OHS Committee	Member	Meetings, workshops, submissions	Australia



Awards and Recognitions

Site	Awards/Recognitions	By
Luannan Power Plant	3in1 Quality Safety Environmental Management System certifications	The International Certification Network: IQNET and China Quality Certification Center: CQC
Zhengding Power Plant	3in1 Quality Safety Environmental Management System certifications	The International Certification Network: IQNET and China Quality Certification Center: CQC
	Advanced units of production safety	Province Government
Zouping Power Plant	3in1 Quality Safety Environmental Management System certifications	The International Certification Network: IQNET and China Quality Certification Center: CQC
	Advanced Enterprise on All County Safe Production	Zouping County People's Government Safety Production Committee
Kitadin-Tandung Mayang Mine	OHSAS 18001:2007	SAI GLOBAL Certification Services
	Zero Accident Award	East Kutai Regent
	Bronze Level - Mine Safety Award	Ministry of Energy and Mineral Resources Republic Indonesia - Directorate General of Mineral and Coal
Kitadin-Embalut Mine	Zero Accident Award	East Kalimantan Governor
	Bronze Level - Mine Safety Award	Ministry of Energy and Mineral Resources Republic Indonesia - Directorate General of Mineral and Coal
Indominco Mine	OHSAS 18001:2007	SGS Indonesia
	Zero Accident Award	Ministry of Manpower and Transmigration of the Republic of Indonesia
	Bronze Level - Mine Safety Award	Ministry of Energy and Mineral Resources Republic Indonesia - Directorate General of Mineral and Coal
Jorong Mine	Bronze Level - Mine Safety Award	Ministry of Energy and Mineral Resources Republic Indonesia - Directorate General of Mineral and Coal
Bharinto Mine	OHSAS 18001:2007	BSI Indonesia
	Zero Accident Award	West Kutai Regent
	Bronze Level - Mine Safety Award	Ministry of Energy and Mineral Resources Republic Indonesia - Directorate General of Mineral and Coal
Centennial	Health and Safety Innovation	NSW Minerals Council
	Best Supplier Partnership	Chartered Institute for Procurement and Supply Australasia (CIPSA)
Newstan Colliery	Health and Safety Innovation - Highly Commended	NSW Minerals Council

ENVIRONMENT



For over three decades, Banpu has adhered to its business credo that says: “An industry will be strong only when it is developed in tandem with social and environmental responsibility.” Therefore, Banpu focuses on a considered balance between sustainable business growth and integrated environmental development and always begins each project with a study of environmental impacts so that we can design short, medium, and long-term plans with minimal impact and resource utilization efficiency. A rehabilitation program will also be put in place in order to return natural biodiversity to a particular site and its community at the end of a project.

Since our coal and power businesses are operated in several countries, with each site having its own strengths and limitations, Banpu has established comprehensive standards for consistent operations and management across all production units. Also, we have introduced an environmental management system, which functions as a key mechanism for the promotion of

collective consciousness and employee engagement and the development of innovations for optimized resource allocation and environmental preservation.

To minimize environmental risks and bring about continual development, Banpu has established an internal control system requiring regular reviews and reports of internal risks. In addition, our production is audited by internally and externally independent agencies on a regular basis. This is to ensure each project has and implements a proper environmental management program that is in line with legal requirements and international standards throughout its operation and that the site and its biodiversity is replenished once the project ends.



G4-19

Material Issues



Climate Change



Mine Rehabilitation and Biodiversity



Air Quality



Acid Mine Drainage (AMD)



Supply Chain's Environmental Management

To achieve this vision, Banpu committed to:

- **Full compliance with laws, regulations, and standards**

Banpu fully and strictly complies with local laws and regulations and environmental standards and constantly monitors possible changes in the regulations.

- **Management of environmental impacts**

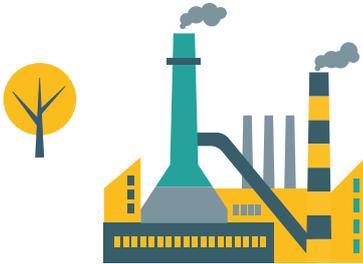
Banpu always makes an assessment of environmental impacts and risks before starting any projects to ensure that it makes a good investment by considering its economic value and social and environmental impacts. Also, we put in place effective environmental protection and risk mitigation plans, both for the short-and long-terms.

- **Natural resource conservation**

Banpu is well aware that natural resources are not only an important cost of production, but also an estate to be left behind for the use of the younger generations. Banpu, therefore, places great emphasis on the conservation, allocation, and responsible consumption of resources for utmost benefits, particularly focusing on our three most important resources: energy, water, and land.

- **Continual improvement**

Banpu encourages work process improvement, establishment of operational standards, adoption of environmental innovations and technologies, and implementation of environmental management systems at all of its production units with the aim of systematically achieving improvement of its environmental performance.



In the past year, the key environmental issues Banpu and our stakeholders focused on included:

- Climate Change
- Mine Rehabilitation and Biodiversity
- Air Quality
- Acid Mine Drainage (AMD)
- Supply Chain's Environmental Management



Climate Change

Climate change is a crucial environmental issue which our stakeholders, particularly investors emphasize. As climate change related natural disasters have become more widespread and frequent. The unpredictability of natural disasters is a risk that needs to be managed to an acceptable level with a proper risk management measure. At present, customers pay a great deal of attention to carbon tax and expect their business partners to lower greenhouse gas emissions. Governments and nonprofit organizations also make the same expectation, asking businesses to help mitigate the impact of climate change and show their social responsibility. However, in July 2014, Australia decided to abolish its carbon tax, which was set at US\$22.6 per tonne of CO₂ emitted and had long been criticized for its ineffectiveness and rising energy bills. The Australian Government has instead founded the Coal Innovations NSW Fund, motivating the industrial sector to use cleaner energy by paying compensations.

Banpu's businesses, namely coal mining and power & heat production, all depend on energy in their production processes and inevitably release greenhouse gas into the environment. The main activities causing greenhouse gas emissions include the use of coal for power plants and the use of diesel in heavy machinery and haul truck for mining activities, while methane



is also released from coal beds and stockpiles. As a result, our stakeholders give attention to the greenhouse gas emission reduction program, which is part of our social responsibility commitment. Coal is an important energy source for power production for a few reasons. It has a reliable supply, high reserves and offers price competitiveness for power production when compared to other energy sources such as solar and wind energy, which is all natural energy but cannot be relied on throughout the year. The nuclear energy was also abandoned due to its risk during a natural disaster.

Banpu recognizes both the challenges and opportunities brought by climate change and integrates this issue into its Sustainable Development Policy, supervised by the Sustainable Development Committee. In 2014, our main businesses in three countries, namely the coal business in Indonesia, the coal business in Australia, and the power business in China, each emitted approximately the same amount of greenhouse gas at about 31-35% of the total greenhouse gas emitted.



Policy and Goals

Banpu's Carbon Policy has been implemented across the organization since 2010. Its goal is to lower the greenhouse gas emissions of the coal business in Indonesia by 5% per unit of production by 2015, using the 2010 emission figure as the baseline. Focus is placed on effective energy consumption and management.

Disclosure

Banpu joined the Carbon Disclosure Project (CDP) in 2006, which requires the Company to disclose information on its greenhouse gas emissions and strategies so that the stakeholders, particularly the investors, can find out our emission-related data through this project. Banpu has set its reporting scopes for both direct and indirect emissions (Scope 1 and Scope 2) for businesses that it has operational control.

Reduction of Greenhouse Gas Emissions

Banpu focuses on developing proper strategies and plans in order to increase efficiency and reduce energy consumption, such as integrated mine planning, and employees' motivation to introduce innovations on process improvement. Some of the projects include the studies to lower the amount of explosives used in the overburden removal process, the methane reduction program for underground mines, and the studies on alternative fuels for machinery.

Management of Climate Change Risks

Banpu regularly evaluates and analyzes the risks and impacts from climate change on our operations in terms of economic impact, marketing activities, and legal requirements, as well as the risks from natural disasters and reports the data to the Risk Management Committee every quarter. We have also put in place the Business Continuity Management system to reduce risks and impacts that may affect our operations in different areas.





Climate Change and Coal Business

Activities that emit greenhouse gases include:

- Use of diesel for heavy machinery
- Use of diesel for haul trucks
- Use of diesel for sea transportation
- Use of diesel and coal in electricity generation for mining activities such as coal crushing and coal washing
- Electricity purchased for coal production
- Release of methane from coal beds
- Use of explosives for overburden removal process

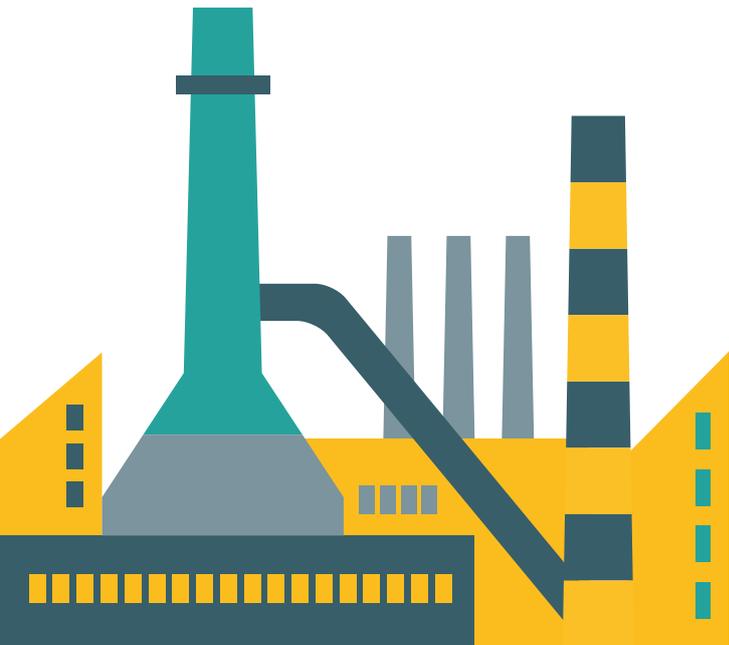
While open-pit mining means boring deeper into the earth and having longer distances for transportation as the operations process, Banpu commits to the goal of lowering the greenhouse gas emissions from its coal business in Indonesia by 5% by 2015 (using the figure in 2010 as baseline). In 2014, various initiatives to reduce greenhouse gas emissions were carried out as follows:

- Minimizing energy use in its coal production by making an effective mine planning, as well as efficient transportation and production. For example, a belt conveyor system was installed at Indominco Mine in order to reduce energy use for overburden transportation and also greenhouse gas emissions.
- Improving production processes, including a detailed geophysical survey to optimize amount of explosives used for overburden removal.
- Improving and maintaining the efficiency of machinery, trucks, and other vehicles based on the Total Productive Maintenance (TPM) concept.

- Reducing the release of greenhouse gas emissions from underground mining by installing the demonstration unit to convert methane to carbon dioxide, at the Mandalong Mine, whose methane release accounted for 64% of the total methane release from our coal mines in Australia.
- Developing the Shipment Demand Pull system to improve coal production planning and transportation for energy saving and also demurrage cost reduction.

In 2014, Banpu's coal business in Indonesia emitted approximately 1.82 million tonnes of CO₂, a slight decrease from the previous year. Meanwhile, the coal business in Australia emitted 1.77 million tonnes of CO₂ in 2013. (The figure for 2014 is still under review by a government agency).

Banpu made a success in reducing the emissions of greenhouse gas per product weight in 2014. Our coal business in Indonesia lowered the emissions of CO₂ to 0.0576 tonnes per tonne of finished coal, a 7% decrease from the 2010 baseline. The coal business in Australia also reduced the emissions of CO₂ to 0.1006 tonnes per tonne of finished coal, a 11% decrease from 2012.



“we aim to limit our greenhouse gas emissions per production unit to a minimum level”



Climate Change and Power Business

By adopting the operational control approach to report the greenhouse gas emissions, only three combined heat and power plants in China are included in this report. All of which use coal as fuel source for their power and heat production. Their greenhouse gas emissions accounted for 34% of our total emissions. Therefore, we aim to limit our greenhouse gas emissions per production unit to a minimum level. In recent years, Banpu continued to lower the emissions from its power business due to the process efficiency improvement and the optimization of electricity and heat ratio to suit the market situation.

Banpu achieved the target to lower greenhouse gas emissions from its power production. In 2014, the emission intensity dropped to 0.3570 kg CO₂/kWh.

VAM-RAB project at Centennial

In 2011, Centennial commenced a joint project with Coal Innovations NSW, to develop and test a demonstration scale regenerative thermal oxidizer to abate fugitive methane emissions from Mandalong mine. The Project partners with Newcastle-based technology company, Corky's Sustainable Energy, and seeks to demonstrate their Australian developed technology, known as VAM-RAB (Ventilation Air Methane Regenerative After Burner).

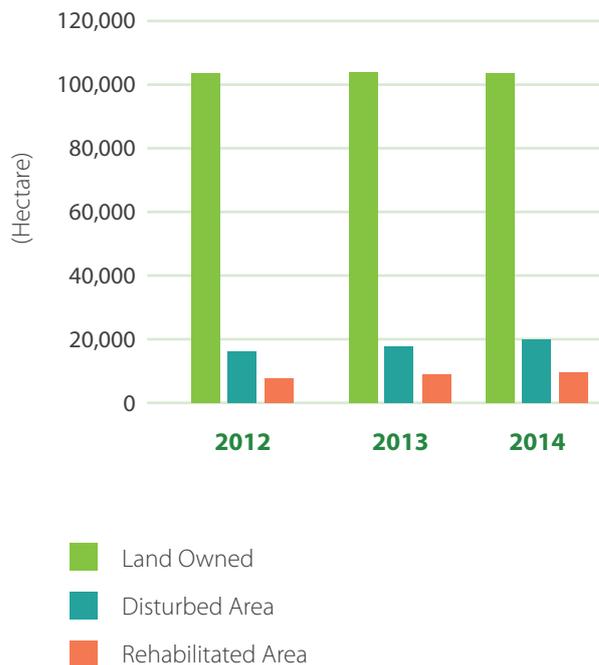
The VAM-RAB employs regenerative thermal oxidation technology to convert low concentration methane to the less greenhouse potent carbon dioxide, reducing the global warming potential from 21 to 1. During 2013, the main site construction and commissioning of the demonstration VAM-RAB unit was completed and commissioned. In January 2014, it entered an operational test phase with promising preliminary testing results.



Mine Rehabilitation and Biodiversity

Mining requires overburden removal for coal extraction. Since a mine can be located in a forest with significant ecological value, Banpu conducts a study on the environmental impacts of a mine, carefully considers the risks from mining activities, and designs a rehabilitation program before a project starts. Land use is planned and managed with utmost care to reduce possible harm on the ecological system, prevent a long-term negative impact, and preserve biodiversity in the area for the benefits of the local community.

Forest and biodiversity conservation has become a global environmental agenda now that forested areas have declined dramatically as a result of illegal deforestation, with the deterioration in some areas having gone beyond rehabilitation. All sectors now recognize the importance of the agenda on a global stage. Developed nations have established economic mechanisms and trade agreements that require products and services to be produced with clean processes without harm on forested areas and are pushing for concrete conservation of forests and biodiversity.



Our coal business in Australia uses limited and rather fixed space as we operate underground mining and the sites are not located in forested areas. The coal business in Indonesia, on the contrary, operates in Kalimantan, which is known for its abundant forests and biodiversity. Rare species of animals and plants included in the IUCN Red List of Threatened Species that are found in the mining areas include *Eusideroxylon Zwageri* (Borneo Ironwood), *Shorea Lamellata* (White Meranti) and *Pongo Pygmaeus* (Bornean Orangutan). The number of these species has declined because of habitat loss due to deforestation and illegal logging as well as the El Niño phenomena in the past decade and severe droughts and wildfire in 1983 and 1999. Therefore, rehabilitation of mining sites to return abundance to communities is a key program that reflects our commitment to social responsibility and sustainable development.



“The site will be immediately reconditioned for stability and rehabilitated by the planting of ground cover and local perennials”

To use land in a way that causes the least impact on the ecological system is an important challenge for open-pit mining. Therefore, Banpu conducts site exploration in an area before mining to collect initial physical and biodiversity data for mine planning and rehabilitation program that will revive the area's biodiversity and bring it closest to the original state. Areas that are habitats for threatened species with great value for the ecosystem are also avoided. This principle of land use not only helps keep the condition and ecosystem of the site closest to its original state, but also lowers the costs of mine rehabilitation after the project ends.

Overburden and waste rock are dumped back into mine pits as much and as soon as possible after a mine is closed down to minimize the void. Unless there is not enough space, these wastes will be disposed elsewhere as a last resort. Then, the site will be immediately reconditioned for stability and rehabilitated by the planting of ground cover and local perennials.

In 2014, our coal business owned 103,758 hectares of land, but only 19,561 hectares of which, or about 18.9% of the total land owned, was used for the actual mining. So far, 9,320 hectares of land, or about 47.6% of the total land use were rehabilitated. The rest of the land area is preserved as forests in order to preserve resources and biodiversity.

Banpu has set guidelines on mine rehabilitation and biodiversity conservation for use across the organization. At the beginning of a project, site exploration and master plans for mine rehabilitation are made with involvement of the local community for a sustainable future. Communities are invited to be involved during planning of community development programs so that they have a role in the rehabilitation process and can use forest resources sustainably. In addition, Banpu also checks the progress of the rehabilitation and reviews the plan regularly. Reports are submitted to related government agencies and the quality of the environment is inspected after the closing of a mine. This is to ensure that all production units can return the mining sites to the communities when mines are closed.





Bharinto Mine Receives Green Award in the category of biodiversity

Bharinto Mine received a Green Award in the category of biodiversity from La Tofi School of CSR. Bharinto was recognized for its initiative in preserving biodiversity in its concession area, and maintaining the natural biological cycles. This award event was supported by Indonesia's Ministry of Forestry, Ministry of Industry and the Regional Association for Sustainable Development. The Green Award is aimed at individual, corporate or institutions who have contributed to environmental conservation.

The Green Award was presented by the Minister of Industry, Bapak M.S. Hidayat, to Bapak Deddy Sugiharto, representing Bharinto management, on June 18 at the Kempinski Hotel, Jakarta.

The La Tofi School of CSR engages in education and community development and has organized the Green Awards for five consecutive years since 2009. The committee consisted of professors of prominent universities, government officials in forestry and environmental areas and experts in the community development field.



Air Quality

Air quality is an issue that government agencies in every country and all stakeholders pay close attention to as it directly affects the health of the workers and nearby communities. Without proper management, it can affect people's health both immediately and in the long run.

Due to the serious air pollution problem in Beijing, whose level of particulate matter (PM 2.5) often exceeds the safety level as a result of the burning of fuels at power plants and industrial factories and pollution from transportation and construction, the Chinese Government has launched rigorous air quality control measures, such as the Emission Standard of Air Pollutants for Thermal Power Plants (GB 13223-2011) in 2011, which is on par with the standards in the European Union and the United States; monetary rewards for cities that achieve the largest reductions in emissions; regulations on coal consumption; promotion of high-quality oil for vehicles; energy saving in construction; and use of environmental-friendly boilers. These measures are China's attempts to concretely improve its air quality after the air pollution has caused harm not only to its people but also the country's image. These changes are challenges that business organizations have to handle, particularly those in the industrial sector that use a high amount of fuel, such as producers of iron, cement and electricity. Plants that have been operated for a long time need to study and adopt new technologies to be able to meet new regulations once they become effective.

“budget of
US\$50 million

for the improvement of the air quality released from the chimneys of its power plants in China”

For three combined heat and power plants in China, Banpu aims to solve the pollution problem at its source by improving the efficiency of the plants and selecting high quality coal for use. Major pollutants released from the power plants include particulate matter, sulfur dioxide, and nitrogen oxides. Banpu has made a six-year plan (2013-2018) with a budget of US\$50 million for the improvement of the air quality released from the chimneys of its power plants in China. The goal is to meet the new air quality control standard, focusing on the three main pollutants. Between 2013 and 2014, a budget of US\$16.8 million was spent to replace the existing flue gas cleaning system with a higher technology one.

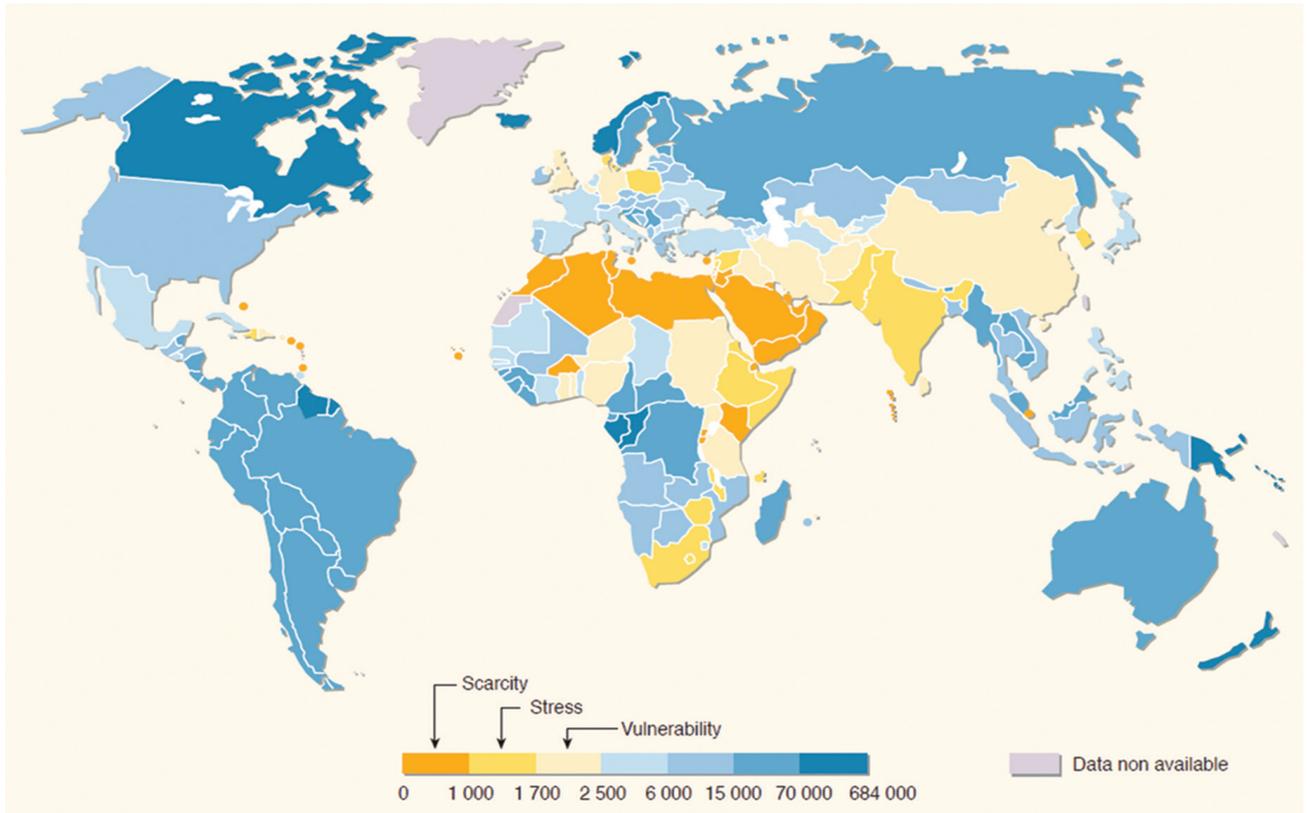
Mining activities, meanwhile, create only a small amount of large particles during transportation and self burning of coal. Even there is no effect to our employees and nearby communities; Banpu does not neglect this issue. The mitigation plan includes spraying water, avoiding mining in areas close to communities, and planting trees to form a wind shield.

Luannan Plant Kicks Off the Denitration Retrofit

In February, Luannan Plant launched the retrofit of its Denitration systems for Boiler No. 1 and No. 2, indicating that the Flue Gas Denitration project is now in full operation. The plant adopted the advanced Selective Catalytic Reduction (SCR) Denitration technology which helps achieving a low discharge of NO_x and ammonia by turning them into harmless nitrogen and water.

Initiated in 2012, the flue gas control project was completed at the end of 2014. The project comprises retrofits of the low NO_x burner and Denitration & Desulphurization system optimization. After being put into operation, it will not only minimize the impact on the environment, but also contribute to the sustainable and healthy development of the plant.





Freshwater Availability (m³ per person per year)
Source: UNEP/GRID-Arendel (2008)

Acid Mine Drainage (AMD)

Water is a necessity of life, an important component of the ecosystem. For this reason, countries around the world pay attention to how water can be managed in terms of quality and quantity to sustain living. Past studies show that the amount of clean water is decreasing worldwide due partly to an increase in population, industrial expansion, and water use in agriculture. Also, climate change and El Niño and La Niña phenomena often result in either droughts or flood.

Although our operations in Indonesia, Australia and China are not located in water-stressed areas as identified in UN World Water Development Report and consume small amount of water, mining requires overburden removal, which can lead to the problem of acid mine drainage (AMD). During such activity in mining, if some layers in the soil have the potential to generate acid when exposed to air and water for a long time, they can affect water quality and ecosystem in the area. Water is treated according to the surface water quality standards before returning the site to the community at the mine closure. Solving the issue of acid mine drainage at its source is a crucial measure for preventing acid mine drainage and minimizing possible treatment costs.

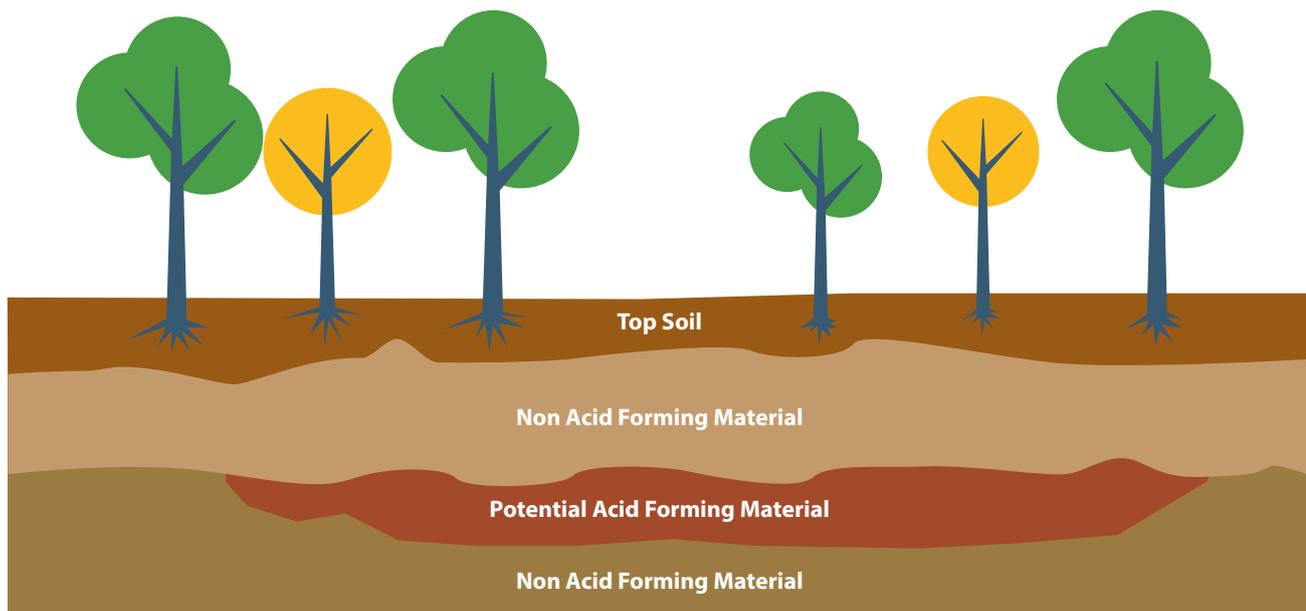
In 2014, our operations in Indonesia removed and managed over 295 million cubic meters of overburden. These are measures used to manage the environmental impacts including preservation of geological stability through proper mine planning and prevention of acidic water. To minimize the voids, overburden and waste rock are dumped back into mine pits as much and as soon as possible after a mine is closed. When there is not enough space, these wastes will be disposed elsewhere as a last resort.

In Australia, where our operations are underground mining, its geological conditions do not contain potential acid forming materials. With little rainfall in mining areas, acid mine drainage is not a problem for our operations.



Acid Mine Drainage Management

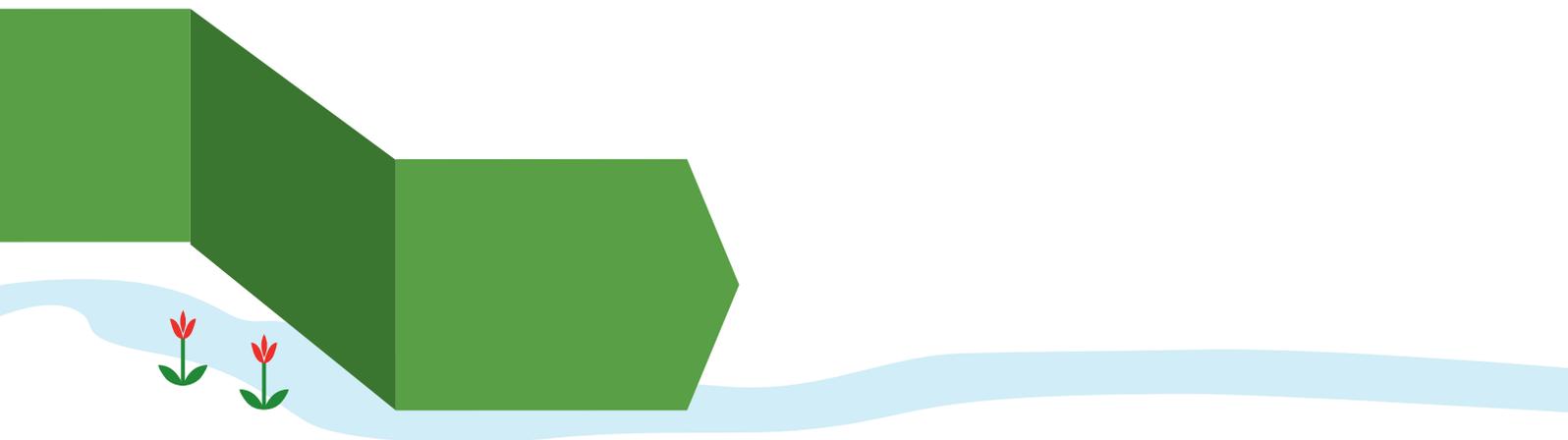
Banpu has set a standard on acid mine drainage prevention and management for application across all production units. A geophysical study is also conducted to collect data at each site for careful mine planning. This is to ensure that each project has proper mine planning and will yield good economic value. If potential acid forming material is found, the soil from that particular area will be buried at another site on top of non acid forming material. Then, it will be compacted by another layer of non acid forming material. Top soil is then laid on top where ground cover and local perennials are planted to prevent the potential acid forming material from being exposed to air and water that will cause acid mine drainage.



Tailings Management

Tailings and dirty coal are also waste materials requiring proper management as they are possible causes of acidic water. Since the tailings and dirty coal from our mining activities have been analyzed to be non-hazardous, they are disposed of in the same way as potential acid forming material.

In addition, water discharge from a mine is constantly inspected by internal and external agencies to ensure that it complies with required standards. In case the acidity level exceeds the standards, quicklime will be used as additional treatment, followed by precipitation. Banpu has also adopted a Successive Alkalinity Producing (SAP) system to replace the use of quicklime in some areas, thus reducing the cost of quicklime by half.



Supply Chain's Environmental Management

Regarding company's business, as the primary energy provider for other businesses, our coal customers are mainly large power plants. The rest is sold to customers in other industries such as cement, petrochemical and paper industries. For power business, products from our combined heat and power plants include electricity which sold to the government and heat distributed in the form of steam and hot water to industrial and household customers. The importance of environmental issues is not only limited to our operation, but also covering our partners in the supply chain.

Environmental management in supply chain for coal business focuses on providing advice and assistance to clients in optimizing the coal utilization for ultimate result to minimize the environmental impact that may occur. The environmental risks of contractors working in our areas are protected and mitigated through the Contractor Management System (CMS).



For power business, the electricity produced does not directly impact on the environment. Environmental Management in the supply chains focuses on the Operations and Maintenance (O&M) of the contractor along with the implementation of contractor management system.



ITM Assists Cilacap Power Plant in Overcoming Air Pollution

PT. Indo Tambangraya Tbk (ITM). has received a letter of gratitude from Cilacap Coal Fired Steam Power Plant, situated in West Java's regency of Cilacap, as it helped the power company overcome the air pollution that disturbed the surrounding communities.

Dated April 15, the letter was signed by Cilacap Coal Fired Steam Power Plant General Manager Pak Irvan Rahmat, addressed to PT. Jorong Barutama Greston.

In the letter it was stated that the company expressed thankfulness to PT Jorong Barutama Greston that assisted in "preventing dust creation during coal unloading, providing additive chemical substance, as well as installing coal coating spray equipment in its coal unloading system."

Previously the power plant obtained complaints from the communities as the unloading process created lots of dust spreading to the people's settlement. As a consequence, people said, they suffered from respiratory illness. Such a people's discomfort then became local political issue after drawing high attention from local government, politicians, and NGOs.

Later Cilacap Coal Fired Power Plant asked Jorong to deal with this issue. The subsidiary of ITM then provided the technical advice which was then applied to the power plant process, resulting in effective dust decrease and no complaint from the communities.

To date, Cilacap Coal Fired Steam Power Plant is one of loyal customers of ITM that demands 25% of its coal requirement through PT. Jorong Barutama Greston.

Participation and Membership

Organization	Status	Role	Country
Environmental Engineering Association of Thailand	General Member	General Meetings	Thailand
Australian Coal Association Low Emissions Technology Pty Ltd. (ACALET)	Director	Director	Australia
Coal Mining Abatement Technology Support Package (CMATSP) - Project Oversight Committee	Member	Meetings, workshops, submissions	Australia
Executive Committee NSW Minerals Council	Member	Meetings, workshops, submissions	Australia
NSW Minerals Council Board	Director	Director	Australia
Coal Innovation NSW (CINSW)	Member	Meetings, workshops, submissions	Australia
Australian Coal Association Limited Project (ACARP) - Underground Committee - Research Committee	Director Member Member	Meetings, workshops, submissions	Australia
NSW Minerals Council Environment and Community Committee	Member	Meetings, workshops, submissions	Australia
University of Queensland Centre for Mined Land Rehabilitation Advisory Board	Member	Meetings, workshops, submissions	Australia
MCA Climate Change Committee	Member	Meetings, workshops, submissions	Australia



Awards and Recognitions

Site	Awards/Recognitions	By
Luannan Power Plant	3in1 Quality Safety Environmental Management System certifications	The International Certification Network: IQNET and China Quality Certification Center: CQC
	Advanced Group on Water Saving in Tangshan	The People's Government of Tangshan City
Zhengding Power Plant	3in1 Quality Safety Environmental Management System certifications	The International Certification Network: IQNET and China Quality Certification Center: CQC
Zouping Power Plant	3in1 Quality Safety Environmental Management System certifications	The International Certification Network: IQNET and China Quality Certification Center: CQC
Kitadin-Tandung Mayang Mine	ISO 14001:2004	SAI GLOBAL
	Green Certificate - PROPER	East Kalimantan Governor
	Silver Level - Environmental Management Award	Ministry of Energy and Mineral Resources Republic Indonesia-Directorate General of Mineral and Coal
Bharinto Mine	Green Certificate - PROPER	East Kalimantan Governor
	ISO 14001:2004	BSI Indonesia
	Indonesia Green Awards 2014	The La Tofi School of CSR
Kitadin-Embalut Mine	Green Certificate - PROPER	East Kalimantan Governor
	Blue Level - PROPER	State Minister of Environment of the Republic of Indonesia
	Bronze Level - Environmental Management Award	Ministry of Energy and Mineral Resources Republic Indonesia-Directorate General of Mineral and Coal
Trubaindo Mine	Green Certificate-PROPER	East Kalimantan Governor
	Blue Level - PROPER	State Minister of Environment of the Republic of Indonesia
	Bronze Level - Environmental Management Award	Ministry of Energy and Mineral Resources Republic Indonesia-Directorate General of Mineral and Coal
Indominco Mine	ISO 14001:2004	SGS United Kingdom
	Green Certificate - PROPER	East Kalimantan Governor
	Blue Level - PROPER	State Minister of Environment of the Republic of Indonesia
	Silver Level - Environmental Management Award	Ministry of Energy and Mineral Resources Republic Indonesia - Directorate General of Mineral and Coal
Jorong Mine	Blue Level - PROPER	State Minister of Environment of the Republic of Indonesia



COMMUNITY DEVELOPMENT

Banpu has the vision and mission to be an organization which operates the business with ethical, social and environmental responsibility as well as creates sustainable value for all stakeholders and the local communities where it operates. With the intention to be a good corporate citizen, Banpu carries out community development projects in the areas surrounding the operational sites based on the principle of sustainable development. This is to strengthen and empower the communities so that they become self-reliant in the long run. In return, Banpu gains their trust and the “social license to operate” in order to conduct the business smoothly and sustainably.



G4-19

Material Issues



Improvement of
Community Development Work



Management of Community Development

Banpu employs a specific procedure to gain community insight, encourage community participation and build trust between the company and the communities to bring about sustainable development as a common benefit. A great emphasis is placed on the joint work with local authorities and our mining contractors on the community development work to respond to the needs of communities and bring utmost benefits.

Our community development management direction is as follows:

- Managing the community development work in 3 phases aligning with the mining stages, namely: 1) Fundamental Embedding in the pre-mining stage, 2) Maturity Building in the mining stage, and 3) Sustainability Enhancement in the mine closure stage.

- Strengthening local community engagement by setting up the Community Consultative Committee (CCC) in every fostered villages. The CCC consists of community leaders, company’s representatives, and local authorities. An annual meeting is held to jointly create a community development plan that responds to the real needs of the community and aligns with the local government’s development plans. In addition, the effectiveness of the program is reviewed and evaluated at the meeting while problems and alternative solutions are discussed for continuous improvement of the development plan.

- Assigning sufficient number of Community Development Officers (CDOs) to work in each area and communicate updated information between the Company and the communities. In addition, our CDOs cooperate with community representatives and local authorities to achieve the improved quality of life of the target group as planned.
- Organizing the Community Development Officer Forum (CDO Forum) annually for our CDOs to get together to review and evaluate effectiveness of the community development work as well as share community development knowledge among the mines.
- Establishing communication channels between the Company and the local communities. For example, Centennial Coal Co., Ltd. (Centennial) in Australia publishes its operation information and the progress of community projects in local monthly newspapers, such as the Lithgow Mercury, Mudgee Guardian and Lakes Mail and has established a website for easy access to information. PT. Indo Tambangraya Megah Tbk (ITM) in Indonesia publishes a bimonthly journal called Bubuhan Bulletin to disseminate information of ITM and updates the progress and completion of community development projects to all communities and local authorities in order to enhance knowledge sharing among the communities.



Improvement of Community Development Work

The Company aims to enhance the quality of life by increasing community engagement in revising and improving the existing projects. The company has conducted the following operations:

- Enhancing community participation to level up the quality of life improvement projects by being more responsive to the community's needs.
- Encouraging more CCC's involvement in developing community development project proposals.
- Establishing more occupational groups to increase project participants and the committee must work together with our staff from the planning to the implementation stage.
- Increasing the number of activities in each community development project. For example, a health development project which covers programs for the newborns up to the elderly and an educational development project extends from empowerment of students to strengthening of teaching skills of teachers.

Management of Community Development in Supply Chain

The Company has been working with our main contractors who are well-equipped with personnel and equipment and machine to operate several processes at the mines, namely mining, hauling and vehicle providing services. As our main contractors are required by law to conduct community development projects, the Company has initiated the joint program so-called the "Cooperation on Community Development with Contractors Program" to ensure the alignment and more effectiveness of all community development projects. This program results in a proper allocation of budget and resources from each party, and also an increase in number of projects and beneficiaries.

There are several main contractors involving in this program, including PAMA, Arkananta, Riung, YFD, BAS, LMA and Rentalindo. In 2014, the community development projects carried out in collaboration with the contractors included repairing of basic infrastructure, non-formal education, training on repairing of motorcycles and maintenance of heavy machine to the local communities. In addition, those who passed the training were given the priority to work with the contractors.

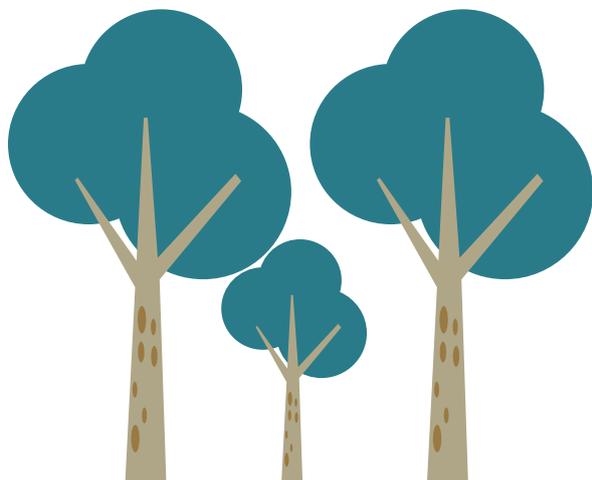
Our Performance

Our efforts to improve the quality of life of the communities cover 7 areas, namely Economic development and income generation, Basic infrastructure development, Educational development, Social and cultural promotion, Health and sanitation development, Environmental conservation, and community relations.

1. Economic Development and Income Generation

Banpu gives a prime importance to occupational development and income generation. We support various programs and activities at all the sites of our operations to create economic stability for communities in the long term.

- **Indominco Mine.** The mine supports the following community development activities:
 - Rice farming including a small rice mill for the farmers. In addition, the mine also sponsors the packages with printed logos and promotes sale distribution.
 - Planting. This includes growing vegetables, rubber trees, oil palm trees, and various kinds of fruits for local markets, and also a plant nursery to produce seedlings to the mine in the rehabilitation program.
 - Seaweed farming. More than 200 participants from 3 villages have joined this project.
 - Animal raising. This includes cattle, goats and fish.
 - Food processing. This project encourages the housewife groups to make a number of food products.
 - Dress-making. The mine orders the group to make uniforms for the mine staff.



In addition, Indominco Mine has promoted the service occupations such as;

- The mine works with the contractors to organize various training programs, such as maintenance of heavy machine and repairing of motorcycles so that the participants have more employment opportunities.
- The mine has also opened a retail shop in Bontang as another distribution channel for its members to sell their local products.

• **Kitadin-Embalut mine.** The mine supports the following community development activities:

- Farming. For rice farming, the mine provides support to 2 villages and has developed 8 farmers to produce a good variety rice seeds and supply to the government agencies for further distribution to other farmers. The mine also supports growing of other plants such as vegetables, sweet corn, oil palm trees, etc.
- Animal raising. For cattle, after success in promoting cattle raising, in this year, the mine received support in form of cattle breeds from the government agency and further distributed to farmers to increase the number of group members. Up to now, there are 8 farmer groups of cattle consisting of 117 members and 604 cows. For broiler chicken, there are 4 farmer groups consisting of 102 members and producing more than 165,000 chickens a year. For fish raising, there are 59 members with 1,495 floating cages. In addition, the mine supports raising of goats and earthworms for fishing bait.
- Food processing. The mine supports a housewife group to make processed food products and traditional sweets as additional income of their families.

- The Community Development Learning Center was established with great success in occupational promotion and community relations. It has become a visit place by the government agencies, other private companies, universities and farmers to learn best practices in community development work. In addition, it is a training place for a year-round internship of trainee students.

• **Trubaindo mine.** The mine supports the following community development activities:

- Farming. The mine supports growing of vegetables, watermelons and rubber trees.
- Animal raising. The mine supports floating-cage fish raising in 4 villages. In this year, some farmers are able expand their business and increase the number of floating cages by their own investment. There is also fish raising in plastic-lined ponds in another 2 villages, including raising of broiler chickens, layer chicken, and local species pigs which are very popular among local consumers.
- Handicrafts. The mine supports a group of housewives to make handicrafts to increase their income.



Supporting for cattle farm to community near Kitadin-Embalut mine



Supporting for rice farm to community near Kitadin-Embalut mine

• **Jorong mine.** The mine supports the following community development activities:

- Farming. The mine supports farming of oyster mushrooms, fruits, and rubber trees.
- Animal raising. The mine supports floating-cage fish raising in 1 village and fish farming in ponds in another 2 villages. It also offers training in making fish feed and provides equipment to the farmers. In addition, the mine also supports goat raising. In this year, the mine includes chicken raising in the community development plan, expecting to produce 15,000 chicken yearly.



- Food processing. The mine supports the housewife group to make a number of processed food products.
- Bio-fertilizer production. There are 4 groups with a total annual production of 300 tonnes.
- Batik sasirangan. The mine supports the house wife group to make this batik as a source of additional income.

2. Basic Infrastructure Development

In 2014, the company worked with our contractors and local authorities to develop the following basic infrastructure for the communities.

- Indominco Mine built a water supply plant at Santan Tengah Village, a ground water well for the Sepedis Bontang community, a mushola at Teluk Pandan Village, and a mosque at Suka Rahmat Village.
- Kitadin-Embalut Mine worked with the Bangun Rejo community to build a mosque and also a multi-purpose building for farmers. At Embalut Village, the mine built a mushola and renovated a football field. In addition, the mine also repaired a number of roads, bridges, and mosques.
- Trubaindo Mine built a water supply plant at Penarong Village, a bridge and a volleyball court at Besiq Village, and a football field at Muara Begai Village. The mine repaired a number of roads connecting villages and bridge as well as built a health care center at Penarong Village. Meanwhile, the Dayak Art and Cultural Center at Dilang Puti Village, which started the construction last year, has been completed more than 50%.



Supporting a new Building to a school near Hebi mine



Supporting for water purifier to a community near Kitadin-Embalut mine

3. Educational Development

In Indonesia, Banpu puts a great emphasis on educational development because it is one of the key drivers for community empowerment and sustainability.

- Over 700 scholarships are granted annually to students from primary school to undergraduate levels. Bharinto Mine has given the scholarships to 9 students to study at a nursing college and encourages them to work in their own community after graduation. In 2014, the mine also granted 5 scholarships to students from the community to study in the Faculty of Education at Mulawarman University in Samarinda.
- Every mine has provided educational supplies such as desks, chairs, cabinets, educational materials and books to the schools in the areas where it operates.
- Indominco Mine has organized the non-formal education program for people in 3 villages for 4 consecutive years and so far produced 429 graduates. In 2014, the program was expanded to 2 more villages and 284 more students were engaged. This non-formal education program gives more opportunity to those who are left out from school and increases their opportunities for employment and further study in university level. In addition, the mine organized training to improve teaching skills of teachers around the mine and sponsored transportation for around 200 students in the areas without public transportation.



- Kitadin-Embalut Mine organized a two-day workshop for 120 teachers to improve their teaching skills as well as to share views and alternative solutions to solve the problem that many primary school students did not have continue to the secondary school. The mine also sponsored year-round transportation for 120 students to facilitate their commuting to school and shoulder the burden of their parents.
- Trubaindo Mine hired 4 teachers for the child care center at Empas Village and organized training to improve their teaching skills.
- Jorong Mine organized a two-day workshop for 121 teachers to improve teaching skills.



Supporting for Child education to a community near Trubaindo mine



Supporting for Non-Formal education to a community near Indominco mine

4. Social and Cultural Promotion

- In Indonesia, every mine provides support to social, cultural, and religious activities, such as joining with the communities on religious days and at cultural festivals to conserve local culture and traditions.
- Trubaindo Mine supports the elderly of the Dayak ethnic group to make traditional costumes for local festivals, set up a costume rental business to generate more income for them, and encourage the elderly Dayak in different villages to teach their performing arts to young people in the communities for the sake of traditional conservation.



Supporting for traditional dress to indigenous people near Trubaindo mine



Supporting for health check up to communities near every mine

5. Health and Sanitation Development

In 2014, Banpu supported health and sanitation development programs, covering people at all ages, from newborns to elderly.

- Indominco, Kitadin-Embalut, Trubaindo, Bharinto, and Jorong Mines all organized training in maternal and child health care for women having children under school age and provided free supplementary foods to the children in every village.
- Trubaindo and Bharinto Mines organized mobile medical units for students at their schools. Information from the medical check-up was used to promote well-being and solve the students' health problems, such as a campaign to promote tooth brushing and dental care.

- Training was organized for healthcare officers and assistants at health care centers. Some 160 trainees joined the training at Indominco Mine and 40 at Trubaindo Mine. Bharinto Mine also organized training for healthcare officers and supplied computer sets to health care centers.
- Indominco, Kitadin-Embalut, Trubaindo, Jorong and Bharinto Mines organized mobile medical units to provide annual health check-up for people in 37 villages altogether.

6. Environmental Conservation

- Indominco Mine has been working with the local community on the mangrove protection in the area of 480 rai (77 hectares), focusing on community involvement and environmental awareness building.
- Indominco Mine also organized the Green School Project at Teluk Pandan School to raise environmental awareness and give knowledge on environmental protection.
- Kitadin-Embalut Mine worked with the local community on the management of garbage on sidewalks and community waste.



7. Community Relations

- In Indonesia , all the mines under the company have a reserve fund to be spent in times of crisis, such as fire and flood incidents. The fund is used to buy food and other necessities for distribution in the initial phase of a disaster and for home repairing afterwards.
- Trubaindo Mine organizes employee voluntary activities yearly with participation of a number of employees. These activities include tree planting, church and classroom painting, English and mathematic classes, building safety awareness of students, and cooking classes for housewives. Apart from strengthening relationships with the communities, these activities increase understanding of our employees in local livelihood and culture.
- Jorong Mine organized the employee voluntary activity to teach English to students in the surrounding communities.
- The Community Development Officers (CDOs) at every mine regularly participate in community activities such as religious rites, cultural activities and other activities to strengthen the relationship.



Supporting for a seminar on "Women's prominent issues" to community near Trubaindo mine



Supporting for cooking course training for housewives living near Trubaindo mine

Budget Allocation: The company allocated budget for developing the communities in the vicinity of the mines in Indonesia based on importance and necessity of the projects as follows:

Type of project	Percent (%)	Total (USD)
Basic infrastructure development	5	97,611
Economic and income development	20	387,880
Educational support	17	330,025
Health and sanitation development	8	150,357
Socail and cultural promotion	9	170,157
Environmental conservation	19	372,734
Community relations	22	427,371
Total	100	1,936,135

Indigenous Community Development

Trubaindo and Bharinto Mines are located in East Kalimantan where majority of the local communities are of Dayak Indigenous people. There are 23 Dayak villages in the area and the mines give employment opportunity for them to gain income for their families. In addition, the mines also conducted capability development training courses for the Dayaks, namely skill

development training for the youth and working-age adults, including repairing of trucks, heavy machine, small machine and motorcycles. Those who passed the training will have more opportunity for employment and higher payment. Moreover, they were given priority to work with our mining contractors.

Industry Accolades for Nathan Anderson

Nathan Anderson, an Indigenous Trainee Store person from Myuna Colliery, took out Young Achiever of the Year at the Australian Mining Prospect Awards, in November 2014.

The Australian Mining Prospect Awards aim to encourage, recognize and reward excellence in the Australian mining and minerals processing industry. Nathan is a motivated self starter and has also enrolled in a Certificate IV in Purchasing, beyond the requirements of his traineeship, to assist his goal of progressing into purchasing.

Nathan was recently recognized as the NSW Group Training Indigenous Trainee of the Year and was also a finalist in the National Indigenous Trainee of the Year. Group Training is a when trainee or apprentice is employed by a Registered Training Organization (RTO) and then placed with a host employer like Centennial Coal for the duration of the course. "As



an Indigenous Trainee, I intend to promote a positive image of Indigenous men in my community and inspire other young Koori and Murri men to strive for excellence in the workplace," Nathan said.

Participation and Membership

Organization	Status	Role	Country
CFCD (Corporate Forum for Community Development)	Member	Training	Indonesia



Awards and Recognitions

Site	Awards/Recognitions	By
Kitadin-Embalut Mine	The 1 st Best winner (4 th winner), the most achieved village which selected from 72,944 villages in Indonesia, the fostered village by Kitadin-Embalut	Ministry of Internal Affairs, Indonesia
Kitadin-Embalut Mine	Gold Award, in category of CD officer for Bapak Hirung from Kitadin-Embalut Mine	CFCD (Corporate Forum for Community Development) collaboration with Coordinating Ministry of Welfare
Kitadin-Embalut Mine	Gold Awards in Indonesia CSR Award for the Environment Category which sub category of environment protection through applied Integrated Farming System (IFS) in ex-mining area.	CFCD (Corporate Forum for Community Development) collaboration with Coordinating Ministry of Welfare
	The Best CDO of the year in Indonesia CSR Awards for Bambang Kawuryan	CFCD (Corporate Forum for Community Development) collaboration with Coordinating Ministry of Human Development
Bharinto Mine	The most collaborated company with Government Development Planning in West Kutai	La Tofi-school of CSR.
Jorong Mine	Gold Award in Gelar Karya Pemberdayaan Masyarakat or Community Empowerment Event	CFCD (Corporate Forum for Community Development) collaboration with Coordinating Ministry of Welfare



PERFORMANCE DATA

Economic Performance

Data	Unit	2012	2013 ⁵	2014
Revenues	USD thousand	3,774,745	3,350,891	3,144,931
Profit from Operation	USD thousand	628,000	283,326	294,866
Net Profit	USD thousand	271,683	78,025	82,246
Gross Profit Margin	%	38.22	31.33	31.99
Interest Coverage Ratio	Times	10.15	4.53	5.50
Net Debt to Equity Ratio	Times	0.79	1.10	1.17

⁵ Adjusted data

Tax Payment – by Country

Data	Unit	2012	2013	2014**
Indonesia				
• Net Profit before Tax	USD thousand	603	321	263
• Tax expense (from P&L)*	USD thousand	(150)	(61)	(62)
• Corporate Income Tax Rate	%	25	25	25
China				
• Net Profit before Tax	USD thousand	23	40	43
• Tax expense (from P&L)*	USD thousand	(8)	(13)	(13)
• Corporate Income Tax Rate	%	25	25	25
Banpu ^(a)				
• Net Profit before Tax	USD thousand	548	278	250
• Tax expense (from P&L)*	USD thousand	(226)	(90)	(94)
• Corporate Income Tax Rate	%	20-25	20-25	20-25

* Tax expense (from P&L) consisting of Corporate Income Tax, Withholding Tax and Deferred Tax.

** Extraordinary item: A reversal of deferred income tax asset for the Minerals Resource Rent Tax in Australia of \$24 million. The Minerals Resource Rent Tax Repeal and Other Measures Act ("the repeal of MRRT Act") was enacted on 5 September 2014. Therefore, the deferred tax asset net of income tax consequences for the Minerals Resource Rent Tax in Australia was written off. As a result, the Australian subsidiaries have no tax obligations in the future.

^(a) Consolidated

Economic Distributions

Stakeholder	Unit	2012	2013	2014
Suppliers & Contractors ^(b)	USD thousand	1,775,009	1,763,849	1,563,932
Public Sector ^(c)	USD thousand	550,557	415,097	372,441
Shareholders ^(d)	USD thousand	185,167	123,439	96,120
Employee ^(e)	USD thousand	323,290	311,210	354,196
Financial Institutions ^(f)	USD thousand	122,272	126,694	131,541
Community, Society and Environment ^(g)	USD thousand	30,942	21,396	26,101

^(b) Estimated from Cost of Sales less Employee Expense, Depreciation and Amortization

^(c) Includes Royalty Fee, Corporate Income Tax, Local Maintenance Tax, Property Tax, Specific Business Tax and Other Taxes

^(d) Dividends Paid

^(e) Includes Salary, Wage, Welfare, Provident Fund Contribution and Employees Development Expense

^(f) Includes Interest Expense, Financial Expense

^(g) Includes Expense for Community Development, Environment and Land Compensation

People

Data	Unit	2012	2013	2014
Employee – Total	Person	6,459	6,268	6,167
Employee – by Country				
• Thailand	%	6.9	6.7	6.7
• Indonesia	%	50.1	48.7	51.2
• China	%	14.6	16.2	14.7
• Australia	%	28.5	28.4	25.3
• Mongolia ⁽ⁱ⁾	%	-	-	2.2
Employee – by Gender ⁽ⁱⁱ⁾				
• Male	%	84.2	87.7	86.6
• Female	%	15.8	12.3	13.4
Employee – by Nationality				
• Thai	%	6.9	6.7	6.6
• Indonesian	%	49.8	48.5	51.1
• Chinese	%	14.5	16.1	14.7
• Australian	%	28.6	28.5	25.4
• Mongolia ⁽ⁱ⁾	%	-	-	2.1
• Others	%	0.2	0.2	0.2
Employee – by Type ⁽ⁱⁱⁱ⁾				
• Permanent	%	91.1	93.5	95.9
• Temporary	%	8.9	6.5	4.1
Employee – by Level ^(iv)				
• Senior Management	%	0.6	0.7	0.8
• Middle Management	%	5.1	5.0	5.1
• Junior Management	%	17	24.9	27.8
• Staff and Supervisor	%	77.3	69.4	66.3
Turnover rate – by Country				
• Thailand	%	5.0	11.7	15.3
• Indonesia	%	7.2	9.6	6.7
• China	%	6.9	7.6	7.4
• Australia	%	10.0	6.0	16.7
• Mongolia ⁽ⁱ⁾	%	-	-	12.3
Average Hours of Training per Year – by Country ^(k)				
• Thailand	Hrs/Employee	39.2	28.8	62.8
• Indonesia	Hrs/Employee	24.0	22.1	33.4
• China	Hrs/Employee	42.4	32.0	33.4
• Australia	Hrs/Employee	-	-	-
• Mongolia	Hrs/Employee	-	-	-
Average Hours of Training per Year – by Level ^(k)				
• Senior Management	Hrs/Employee	26.4	19.7	54.4
• Middle Management	Hrs/Employee	36.8	35.8	41.4
• Junior Management	Hrs/Employee	34.1	37.0	53.6
• Staff and Supervisor	Hrs/Employee	20.8	22.4	32.2
Return to work after parental leave – by Country ^(l)				
• Thailand	%	-	89	75
• Indonesia	%	-	-	89
• China	%	-	100	92
• Australia	%	-	-	100
• Mongolia ⁽ⁱ⁾	%	-	-	100
Percentage of employees covered by collective bargaining agreements ^(m)	%	68.7	81.4	88.2

⁽ⁱ⁾ Starting to consolidate data from Mongolia since 2014

⁽ⁱⁱ⁾ Starting to consolidate data from Australia since 2013

⁽ⁱⁱⁱ⁾ Exclude data of Australia and Mongolia

^(iv) Starting to collect data since 2013

^(m) Exclude data of China

Occupational Health & Safety

Data	Unit	2012	2013	2014
Number of Fatal Injury	Person	2	3	1
Injury Frequency Rate (IFR) – Total ^(a)	Person/million man-hour	0.42	0.34	0.41
Injury Frequency Rate (IFR) – by Country				
• Thailand	Person/million man-hour	0	0	0
• Indonesia	Person/million man-hour	0.42	0.35	0.39
• China ^(a)	Person/million man-hour	0.55	0	1.03
• Australia ^(a)	Person/million	N/A	N/A	N/A
Lost Time Injury Frequency Rate (LTIFR) – Total ^(a)	Person/million man-hour	3.15	5.04	3.93
Lost Time Injury Frequency Rate (LTIFR) – by Country				
• Thailand	Person/million man-hour	0	0	0
• Indonesia	Person/million man-hour	1.70	5.13	2.90
• China ^(a)	Person/million man-hour	27.93	0	23.70
• Australia	Person/million man-hour	10.00	6.16	9.21

^(a) Starting to consolidate data from China since 2012

^(b) Not include data of Australia

^(c) Not applicable due to data under standardization

Environment

Data	Unit	2012	2013	2014
Production – Coal	Million Tonnes	41.58	42.80	44.45
Production – Electricity	GWh	1,437	1,496	1,371
Production – Steam	TJ	14,543	15,309	13,036
Energy Consumption	TJ	49,017	50,128 ^(f)	43,688 ^(x)
• Direct Energy	TJ	47,894	49,551 ^(f)	43,111 ^(x)
• Indirect Energy	TJ	1,123	577 ^(f)	577 ^(x)
Direct Energy – by Fuel Type				
• Diesel	%	35	33	33 ^(x)
• Coal	%	65	67	67 ^(x)
• Gasoline	%	0.01	0.03	0.04 ^(x)
Indirect Energy – by Source				
• Electricity	%	100	100	100 ^(x)
GHG Emissions	Million Tonnes CO ₂	5.85	5.74 ^(f)	4.37 ^(x)
• Direct GHG Emissions (Scope 1)	%	95	95 ^(f)	97 ^(x)
• Indirect GHG Emissions (Scope 2)	%	5	5 ^(f)	3 ^(x)
GHG Emissions Intensity				
• Indonesia	Tonnes CO ₂ /Tonnes	0.0705	0.0600	0.0576
• Australia	Tonnes CO ₂ /Tonnes	0.1130	0.1006 ^(f)	N/A ^(w)
• China	kg CO ₂ /kWh	0.3455	0.3526	0.3570

Data	Unit	2012	2013	2014
Water Consumption				
• Indonesia	Million m ³	21.36	15.34	21.21
• Australia	Million m ³	3.65	4.38	4.84
• China	Million m ³	8.94	9.25	7.76
Water Recycled/Reused				
• Indonesia	Million m ³	N/A	N/A	N/A
• Australia	Million m ³	0.64	0.29	0.33
• China	Million m ³	-	1.35	1.04
Water Discharge				
• Indonesia	Million m ³	N/A	N/A	N/A
• Australia	Million m ³	14.85	14.39	17.94
• China	Million m ³	0.43	0.45	7.76
Compliance Status – Effluents ^(u)				
• pH	%	100	100	100
• TSS	%	100	100	100
• Fe	%	100	100	100
• Mn	%	100	100	100
Compliance Status – Emissions ^(v)				
• SO _x	%	100	100	100
• NO _x	%	100	100	100
• Particulate	%	100	100	100
Air Quality ^(v) – SO _x				
• Average Concentration	mg/m ³	234	203	159
• Amount	kilotonnes	2.27	1.94	1.26
Air Quality ^(v) – NO _x				
• Average Concentration	mg/m ³	408	320	332
• Amount	kilotonnes	3.70	0.22	2.65
Air Quality ^(v) – Particulate				
• Average Concentration	mg/m ³	35	29	21
• Amount	kilotonnes	0.50	0.28	0.14
Mining Overburden	Million m ³	377.27	347.96	295.33
Hazardous Waste	Tonnes	N/A ^(s)	6,800	7,703
Hazardous Waste – Recycled	Tonnes	N/A ^(s)	5,233	5,492
Non-Hazardous Waste ^(t)	Tonnes	N/A ^(s)	5,293	5,278
Non-Hazardous Waste – Recycled	Tonnes	N/A ^(s)	2,536	2,169

Data	Unit	2012	2013	2014
Significant Spills				
• Number of Spill	Time	1	4	1
• Volume	Liter	439	1,210	158
Land Owned ^(u)	Hectare	103,953	103,953	103,758
Disturbed Area ^(u)				
• During the Year	Hectare	1,700	1,316	2,306
• Accumulate	Hectare	15,939	17,255	19,561
Rehabilitated Area ^(u)				
• During the Year	Hectare	963	1,137	812
• Accumulate	Hectare	7,371	8,508	9,320
Ratio of Disturbed Area to Land Owned	%	15.3	16.6	18.9
Ratio of Rehabilitated Area to Disturbed Area	%	46.2	49.3	47.6
Significant Fine for Non-Compliance in Environmental Aspects				
• Number of Fine	Time	0	0	0
• Amount of Fine	USD	0	0	0

⁽ⁱ⁾ Adjusted data of Australia to cover the whole year 2013 from the original of only January-June 2013

⁽ⁱⁱ⁾ Data not available since reporting standards are revised since January 2013

⁽ⁱⁱⁱ⁾ Excludes mining related materials such as tailings and waste rock

^(iv) Data only for coal business

^(v) Data only for power business

^(vi) Data not available since it is under the audit process by Australian Federal Government

^(vii) Data of Australia incorporated only audited data during January-June, not include data for July-December which are under the audit process by Australian Federal Government



GRI CONTENT INDEX



This Sustainability Report was prepared according to the GRI G4 Guidelines at in accordance - core level and completed the Materiality Disclosure Service by GRI.

Indicator	Description	Page		Note	External Assurance
		Sustainability Report	Annual Report		
GENERAL STANDARD DISCLOSURES					
Strategy and Analysis					
G4-1	Statement from the most senior decision-maker of the organization	9	7, 9-13		-
G4-2	Description of key impacts, risks, and opportunities	9, 22, 34, 42	42-53		-
Organizational Profile					
G4-3	Name of the organization	Cover			-
G4-4	Primary brands, products, and services	16-21			-
G4-5	Location of the organization's headquarters	Back Cover			-
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	6, 7			-
G4-7	Nature of ownership and legal form		18-20		-
G4-8	Markets served	16-21	27-41		-
G4-9	Scale of the organization	6, 7, 80	18-20, 41		-
G4-10	Total number of employees by type	81			-
G4-11	Percentage of total employees covered by collective bargaining agreements	81			-
G4-12	Describe the organization's supply chain	21, 53, 67, 72			-
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	10		No significant changes during the reporting period	-
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	19, 23, 30, 43, 48, 56, 70	42-53		-
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	37-38, 46-47			-
G4-16	Membership in associations	29, 33, 40, 55, 68, 79			-
Identified Material Aspects and Boundaries					
G4-17	All entities included in the organization's consolidated financial statements or equivalent documents	10	18-20		No
G4-18	Process for defining report boundaries and content	10			No
G4-19	Material Aspects identified in the process for defining report content	14, 23, 30, 43, 48, 56, 70			No
G4-20	For each material Aspect, report the Aspect Boundary within the organization	10			No
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	10			No
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	10		No restatement in 2014	No
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	10		No significant changes from previous reporting periods	No
Stakeholder Engagement					
G4-24	List of stakeholder groups engaged by the organization	11-13			No
G4-25	Basis for identification and selection of stakeholders with whom to engage	11-13			No
G4-26	Organization's approach to stakeholder engagement	11-13	62-63		No
G4-27	Key topics & concerns and how the organization has responded	11-13			No

Indicator	Description	Page		Note	External Assurance
		Sustainability Report	Annual Report		

Report Profile

G4-28	Reporting period for information provided			Calendar year (Jan-Dec)	-
G4-29	Date of most recent previous report			Sustainability Report 2013	-
G4-30	Reporting cycle			Annual	-
G4-31	Contact point for questions regarding the report or its contents	94			-
G4-32	a. 'in accordance' option the organization has chosen b. GRI Content Index c. Reference to the External Assurance Report	10, 86-93			-
G4-33	Organization's policy and current practice with regard to report assurance	10			-

Governance

G4-34	Governance structure of the organization	35	22-26		-
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	35-37	22		-
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	35-37	22		-
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	38	64		-
G4-38	Composition of the highest governance body and its committees	35	23-26		-
G4-39	Report whether the Chair of the highest governance body is also an executive officer	35	23-26		-
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	37	25		-
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	37, 44-45	65		-
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	35-36	66		-
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics		23-24		-
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics and Actions taken in response to the evaluation	35-36	67-68		-
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities	35-36	66		-
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	35	66		-
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	35	66		-
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	35		Chief Executive Officer (CEO) and Deputy Chief Executive Officer (DCEO)	-
G4-49	Process for communicating critical concerns to the highest governance body	35, 38	54, 55, 62, 66		-
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	35, 38			-
G4-51	Remuneration policies for the highest governance body and senior executives	35, 37	25		-
G4-52	Process for determining remuneration	35, 37	25		-
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration	35, 37	25		-
G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	-			-
G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	-			-

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Ethics and Integrity

G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	4-5, 27-28, 37-38	60-72	http://www.banpu.com/en_principle_practices.php	-
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity	38	60, 64, 65		-
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	38	60, 64, 65		-

SPECIFIC STANDARD DISCLOSURES

Economic

Economic Performance

G4-DMA	Disclosures on Management Approach		12, 13, 27		-
G4-EC1*	Direct economic value generated and distributed	80			-
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	57	50-51		-
G4-EC3	Coverage of the organization's defined benefit plan obligations			2014 Financial Statements, page127	-
G4-EC4	Financial assistance received from government	-			-

Market Presence

G4-DMA	Disclosures on Management Approach	23-29			-
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation			Entry level wage of Banpu is higher than local minimum wage at significant locations of operation with an equal opportunity to employees regardless of gender.	-
G4-EC6*	Proportion of senior management hired from the local community at significant locations of operation	-			-

Indirect Economic Impacts

G4-DMA	Disclosures on Management Approach	70-79			-
G4-EC7	Development and impact of infrastructure investments and services supported	70-79			-
G4-EC8	Significant indirect economic impacts, including the extent of impacts	70-79			-

Procurement Practices

G4-DMA	Disclosures on Management Approach	21			-
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	-			-

Environmental

Materials

G4-DMA	Disclosures on Management Approach	N/A		Not material for a commodity business	-
G4-EN1	Materials used by weight or volume	82-83			-
G4-EN2*	Percentage of materials used that are recycled input materials	N/A		As a producer of raw materials, we do not use recycled input materials.	-

Energy

G4-DMA	Disclosures on Management Approach	57-60		Management approach of Energy aspect is part of Climate Change.	-
G4-EN3	Energy consumption within the organization	82			-
G4-EN4	Energy consumption outside of the organization	-		Data are collected for logistics but they are not publicly reported.	-
G4-EN5	Energy intensity	82			-
G4-EN6	Reduction of energy consumption	82			-
G4-EN7	Reductions in energy requirements of products and services	19-21			-

Water

G4-DMA	Disclosures on Management Approach	65		Not material since all operations are not located in water-stressed areas as identified in UN World Water Development Report.	-
G4-EN8	Total water withdrawal by source	83			-
G4-EN9	Water sources significantly affected by withdrawal of water	65		There is no water sources significantly affected by withdrawal of water.	-
G4-EN10	Percentage and total volume of water recycled and reused	83			-

Indicator	Description	Page		Note	External Assurance
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Biodiversity					
G4-DMA	Disclosures on Management Approach	61-62			-
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	61-62			-
G4-EN12*	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	61-62			-
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	61, 84			-
G4-EN13*	Habitats protected or restored	63			-
G4-EN14	Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	61			-
MM2	Number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	61-62			-
Emissions					
G4-DMA	Disclosures on Management Approach	57-60, 64			-
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	82			-
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	82			-
G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3)	-			-
G4-EN18	Greenhouse gas (GHG) emissions intensity	82			-
G4-EN19	Reduction of greenhouse gas (GHG) emissions	59-60			-
G4-EN20	Emissions of ozone-depleting substances (ODS)	-			-
G4-EN21*	NO _x , SO _x , and other significant air emissions	83			-
Effluents and Waste					
G4-DMA	Disclosures on Management Approach	65-66			-
G4-EN22	Total water discharge by quality and destination	83			-
G4-EN23*	Total weight of waste by type and disposal method	83			-
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks	83			-
G4-EN24*	Total number and volume of significant spills	84			-
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel convention 2 annex i, ii, iii, and viii, and percentage of transported waste shipped internationally			There is no waste under the terms of the Basel convention2 annex i, ii, iii, and viii.	-
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff			There is no water bodies or related habitats significantly affected by the organization's discharges of water and runoff.	-
Products and Services					
G4-DMA	Disclosures on Management Approach	19-21			-
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	19-21			-
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	19-21			-
Compliance					
G4-DMA	Disclosures on Management Approach	43-47			-
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	47, 84			-
Transport					
G4-DMA	Disclosures on Management Approach	N/A		Not a material issue	-
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	-			-
Overall					
G4-DMA	Disclosures on Management Approach	56			-
G4-EN31	Total environmental protection expenditures and investments by type	80			-

Indicator	Description	Page		Note	External Assurance
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Supplier Environmental Assessment					
G4-DMA	Disclosures on Management Approach	67			-
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	-			-
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	67		There is no significant potential negative environmental impacts in the supply chain.	-
Environmental Grievance Mechanisms					
G4-DMA	Disclosures on Management Approach	56			-
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	-		There is no grievances about environmental impacts filed.	-
Social: Labor Practices and Decent Work					
Employment					
G4-DMA	Disclosures on Management Approach	23-24, 27-28			-
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	81			-
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operation	-			-
G4-LA3	Return to work and retention rates after parental leave, by gender	81			-
Labor/Management Relations					
G4-DMA	Disclosures on Management Approach	23-24, 27-28			-
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	-			-
MM4	Number of strikes and lock-outs exceeding one week's duration, by country			There is no strikes or lock-outs exceeding one week's duration.	-
Occupational Health and Safety					
G4-DMA	Disclosures on Management Approach	48, 49, 52			-
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	-			-
G4-LA6*	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	49, 82			-
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	-			-
G4-LA8	Health and safety topics covered in formal agreements with trade unions	-			-
Training and Education					
G4-DMA	Disclosures on Management Approach	24-26			-
G4-LA9	Average hours of training per year per employee by gender, and by employee category	81			-
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	24-27, 81			-
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	24-27, 81		100% regular performance reviewed	-
Diversity and Equal Opportunity					
G4-DMA	Disclosures on Management Approach	23, 27-28			-
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	81			-
Equal Remuneration for Women and Men					
G4-DMA	Disclosures on Management Approach	N/A		Not a material issue	-
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	-			-
Supplier Assessment for Labor Practices					
G4-DMA	Disclosures on Management Approach	N/A		Not a material issue	-
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	-			-
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken			There is no significant actual and potential negative impacts for labor practices in the supply chain.	-
Labor Practices Grievance Mechanisms					
G4-DMA	Disclosures on Management Approach	23, 27-28			-
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	-			-

Indicator	Description	Page		Note	External Assurance
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Social: Human Rights					
Investment					
G4-DMA	Disclosures on Management Approach		73		-
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening			All significant contractors are fully complied with the local labor laws and Code of Conduct.	-
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	-			-
Non-discrimination					
G4-DMA	Disclosures on Management Approach	23, 27-28			-
G4-HR3	Total number of incidents of discrimination and corrective actions taken			There is no incidents of discrimination.	-
Freedom of Association and Collective Bargaining					
G4-DMA	Disclosures on Management Approach		73		-
G4-HR4*	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights			The company will not interfere such activities and strictly handle it in accordance with the relevance law, rules and regulations.	-
Child Labor					
G4-DMA	Disclosures on Management Approach		73		-
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor			It is our policy to respect and comply with local laws, regulations and traditions of every place we conduct our business. We intend to treat employees with respect for dignity of human beings.	-
Forced or Compulsory Labor					
G4-DMA	Disclosures on Management Approach		73		-
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor			It is our policy to respect and comply with local laws, regulations and traditions of every place we conduct our business. We intend to treat employees with respect for dignity of human beings.	-
Security Practices					
G4-DMA	Disclosures on Management Approach	N/A		Not a material issue	-
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations			All operational employees including security personnel are trained as part of company regulations.	-
Indigenous Rights					
G4-DMA	Disclosures on Management Approach	78			-
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken			There is no incidents of violations involving rights of indigenous peoples.	-
MM5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities	78			-
Assessment					
G4-DMA	Disclosures on Management Approach		73		-
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	-			-
Supplier Human Rights Assessment					
G4-DMA	Disclosures on Management Approach		73		-
G4-HR10	Percentage of new suppliers that were screened using human rights criteria			All significant contractors are fully complied with the local labor laws.	-
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	-			-
Human Rights Grievance Mechanisms					
G4-DMA	Disclosures on Management Approach		73		-
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms			There is no grievances about human rights impacts filed.	-

Indicator	Description	Page		Note	External Assurance
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Social: Society					
Local Communities					
G4-DMA	Disclosures on Management Approach	70-71			-
G4-SO1*	Percentage of operations with implemented local community engagement, impact assessments, and development programs	70-71		100% of operations implemented local community engagement, impact assessments, and development programs.	-
G4-SO2	Operations with significant actual and potential negative impacts on local communities	-		There is no significant actual and potential negative impacts on local communities.	-
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous People	-		There is no significant disputes relating to land use, customary rights of local communities and Indigenous People.	-
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes	70-73			-
Artisanal and Small-scale Mining					
G4-DMA	Disclosures on Management Approach	N/A		Not a material issue	-
MM8	Number (and percentage) or company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks			There is no sites where artisanal and small-scale mining takes place on, or adjacent to.	-
Resettlement					
G4-DMA	Disclosures on Management Approach	N/A		Not a material issue	-
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process			There is no sites where resettlements took place.	-
Closure Planning					
G4-DMA	Disclosures on Management Approach	N/A		Not a material issue	-
MM10	Number and percentage of operations with closure plans			All mine sites have closure plans.	-
Anti-corruption					
G4-DMA	Disclosures on Management Approach	37-38			-
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	-			-
G4-SO4	Communication and training on anti-corruption policies and procedures	37-39			-
G4-SO5	Confirmed incidents of corruption and actions taken			There is no incidents of corruption.	-
Public Policy					
G4-DMA	Disclosures on Management Approach	N/A		Not a material issue	-
G4-SO6	Total value of political contributions by country and recipient/beneficiary	-			-
Anti-competitive Behavior					
G4-DMA	Disclosures on Management Approach			Code of Conduct, page 43 http://www.banpu.com/en_principle_practices.php	-
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	-			-
Compliance					
G4-DMA	Disclosures on Management Approach	43-47			-
G4-SO8*	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	47			-
Supplier Assessment for Impacts on Society					
G4-DMA	Disclosures on Management Approach	72			-
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	-			-
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken			There is no significant actual and potential negative impacts on society in the supply chain.	-
Grievance Mechanisms for Impacts on Society					
G4-DMA	Disclosures on Management Approach	70-71			-
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms			There is no grievances about impacts on society filed.	-

Indicator	Description	Page		Note	External Assurance
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Social: Product Responsibility					
Customer Health and Safety					
G4-DMA	Disclosures on Management Approach	21			-
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	21			-
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	21			-
Materials Stewardship					
G4-DMA	Disclosures on Management Approach	N/A		Not a material issue	-
MM11	Programs and progress relating to materials stewardship	-			-
Product and Service Labeling					
G4-DMA	Disclosures on Management Approach	21			-
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	21			-
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	21			-
G4-PR5	Results of surveys measuring customer satisfaction	19			-
Marketing Communications					
G4-DMA	Disclosures on Management Approach	N/A		Marketing communications are not material for a commodity business.	-
G4-PR6	Sale of banned or disputed products			None	-
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	N/A		Marketing communications are not material for a commodity business.	-
Customer Privacy					
G4-DMA	Disclosures on Management Approach	20			-
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	20			-
Compliance					
G4-DMA	Disclosures on Management Approach	43-47			-
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	47			-

* * Mining & Metals Sector Specific Commentary

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