

POLICY				
Sustainable Supply Chain				
Document Number: BP-HSEC-PO-003	Revision: 00	Date: 5 Dec 2018	Page 1 of 3	Authorized by: Somruedee Chaimongkol Chief Executive Officer
Department: Health, Safety, Environment and Community Development				

Introduction:

Supply chain sustainability is the management of environmental, social and economic impacts and the encouragement of good governance practices, throughout the supply chain of goods and services. This provides companies to meet long-term value creation, in economic, social, ethical and environmental terms. In addition, this make confidence to ensure compliance with law and regulations and support international principles for sustainable business conduct, for instance, the United Nations Global Compacts (UNGC).

Policy Objective:

This policy aims to provide a framework of supply chain management for Banpu and its subsidiaries in order to create sustainable value to all stakeholders.

Policy Scope:

This policy shall be integrated and applied to Banpu and its subsidiaries which Banpu has management control. Moreover, this policy should be promoted to our joint ventures and throughout supply chain.

Definitions:

- Procurement means activities of acquiring goods or services from suppliers, including sourcing, purchasing, negotiating and acquisition.
- Supplier means organization or person that provides a product or service used in the supply chain of the Company; for example, vendor, contractor, subcontractor, consultant, manufacturer, primary producer, and broker.
- Supplier Code of Conduct is the basic commitments that the Company requires from its suppliers.
- Supplier Due Diligence is the process which the Company proactively identify, assess, prevent, mitigate and account for how its suppliers address their actual and potential adverse impact. The supplier due diligence is also a part of decision-making and risk management process.

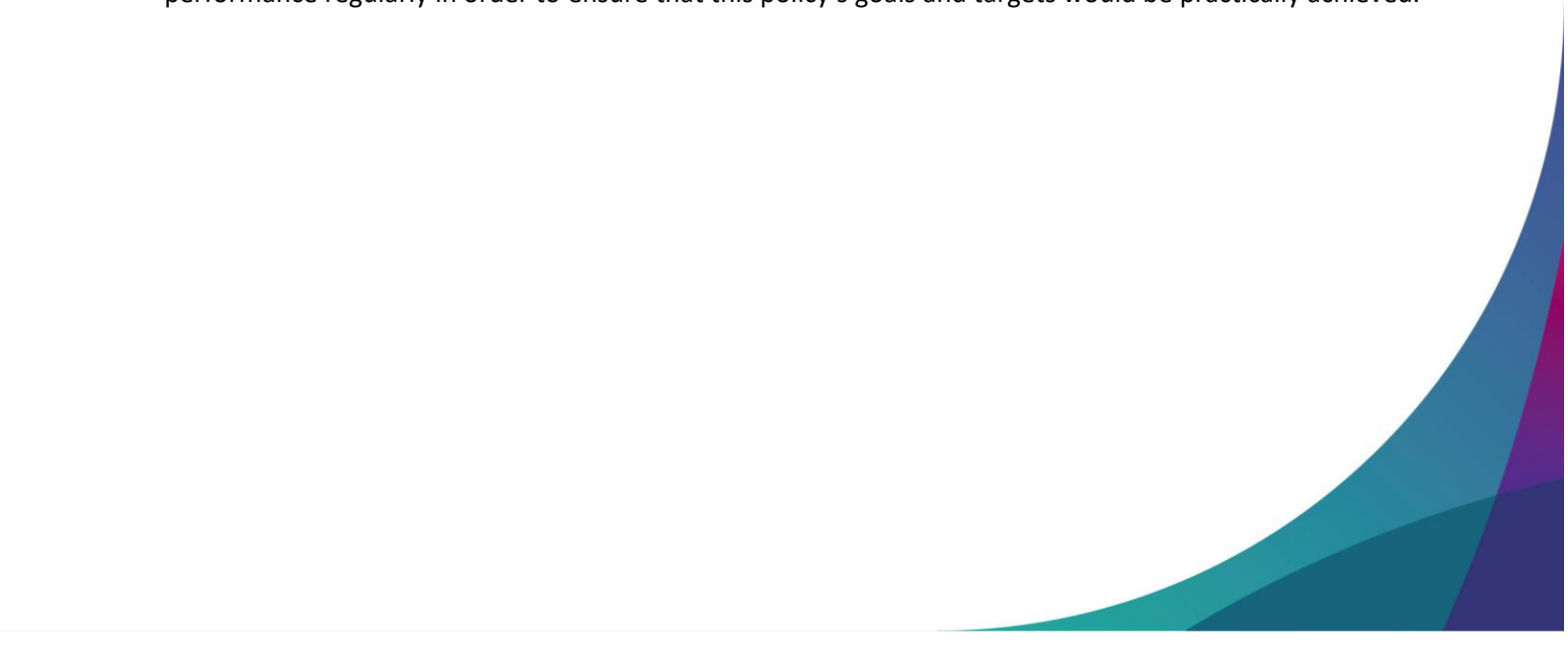
POLICY				
Sustainable Supply Chain				
Document Number: BP-HSEC-PO-003	Revision: 00	Date: 5 Dec 2018	Page 2 of 3	Authorized by: Somruedee Chaimongkol Chief Executive Officer
Department: Health, Safety, Environment and Community Development				

Policy Statement:

At Banpu, we commit to creating long-term sustainable value to all stakeholders, with emphasis on care for environmental and society. To achieve our missions, we reinforce sustainability across the supply chain as follows:

- Integrate environmental, social and governance (ESG) objectives into our supply chain strategy and other supply chain related policies to leverage opportunities and mitigate risks arising throughout our supply chain;
- Conduct Supplier ESG Due Diligence to ensure that sustainability risks in the supply chain are identified and properly managed;
- Conduct procurement transparently in accordance with Banpu’s Code of Conduct;
- Engage with supplier who conduct business adhering to ethical, social and environmental responsibility, with the respect for human rights, and being aligned with our Supplier Code of Conduct and other related policies;
- Ensure that our suppliers are complied with all local regulatory requirements as well as international labor standards (where applicable);
- Support local procurement in every country where we operate;
- Encourage our suppliers to extend our sustainability practices across their supply chain through continuous improvement and process innovation; and
- Publicly disclose sustainability performance of our supply chain on a regular basis to related stakeholders.

In implementing this policy, Banpu shall establish measurable key performance indicators and then monitor performance regularly in order to ensure that this policy’s goals and targets would be practically achieved.



POLICY				
Sustainable Supply Chain				
Document Number: BP-HSEC-PO-003	Revision: 00	Date: 5 Dec 2018	Page 3 of 3	Authorized by: Somruedee Chaimongkol Chief Executive Officer
Department: Health, Safety, Environment and Community Development				

Responsibility:

- Management in all levels must hold accountability and take leadership in deploying this policy.
- Management in each country shall review/develop local related policy to ensure its alignment with this corporate policy.
- Every function related to the activities of acquiring goods or services shall review/develop local related standards or procedures to ensure its compliance with this corporate policy.
- Every employee is expected to extend the awareness of this policy to our business partners across the supply chain.

Reference:

- Banpu Sustainable Development Policy (2016)
- GRI Standards 2016
- ISO 20400: 2017 (Sustainable Procurement – Guidance)
- Supply Chain Sustainability (UNGC, 2015)

