



Human Resource Management Policy

Banpu Public Company Limited

The policy to manage human resources is designated under the concept that employees are the most valuable resources and our great energy driving the company business. The success of organization is dependent upon employees' ability and good behavior conduct

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Introduction

Policy Statement

The policy to manage human resources is designated under the concept that employees are the most valuable resource. The success of organization is dependent upon employees' ability and good behavior conduct. The opportunity is equally granted to all employees regardless of race, language and gender. The good governance without prejudice to all employees is a key to success in managing the human resources. The clear policy and operational goal in all aspects are also very important and need to be continuously observed.

The Company always believes in “Banpu Heart” and recognizes good management system and development of human resources, and the three most important principles in human resource management are;

- 1) Equitability
- 2) Performance-based management
- 3) Competency-based management

Objective

To manage the human resource for Banpu Public Company Limited and its subsidiaries with the same direction in order to promote and support the Human Resource Management to achieve its efficiency and be in conformance with the Company's established business goals.

Scope of Policy

1. The Human Resource Management Policy is applied to Banpu Public Company Limited and its subsidiaries.
2. Any managerial action related to the Human Resource Management must follow and be in line with the Company Delegation of Authority (DOA) and other Rules and Regulations of the Company.

Review and Approval Policy

Banpu Public Company Limited reserves the right to review, amend, adjust, or revoke any of the Human Resource Management Policy as deem appropriate.

To implement, review, amend, adjust, or revoke this “Human Resource Management Policy” must be authorized and approved by Chief Executive Officer.

Implementation of the Policy

To ensure that all relevant departments follow the Company’s Human Resource Management Policy, the internal audit will be conducted on regular basis following the established schedule.

Human Rights Policy

Policy Statement

At Banpu, we respect on human rights as integral part of our sustainability. In line with the Universal Declaration of Human Rights (UDHR), United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labor Organization Declaration on Fundamental Principles and Rights at Work (ILO) and local regulations, we avoid causing or contributing on adverse human rights impacts through our activities and seek to prevent and mitigate such impact. Our respect implements through the corporate shared value “Banpu Heart”.

Policy Guideline

- Comply with all applicable laws and respect internationally recognized for human rights in every location where we conduct our business;
- Avoid causing or contributing directly or indirectly on adverse human rights impacts through our activities to all stakeholders;
- Regularly identify and assess human rights risks and its impacts in all business activities throughout the business value chain along with the guidelines for monitoring, auditing and managing appropriately. Investigate allegations and pursue actions to mitigate any human rights impacts.
- Support and promote human rights to all stakeholders in form of participation, paying respect and comply with human right principle;
- Communicate, disseminate, educate all stakeholders as well as supporting business partners and business associates to participate in business operations with respect and treat everyone in accordance with the principles of human rights according to this policy guideline.
- Oversee the application according to the principles of human rights, not neglect or ignore when witnessing acts that violate human rights by reporting to superior or notifying through the specified channel (Whistleblowing).

Non-Discrimination and Anti-Harassment Policy

Policy Statement

The company recognizes and value difference in thinking, skills, and experience of employees to create the power to move the company forward sustainably. The company encourages building “respect for people” working environment and be able to live together on individual differences with no discrimination and harassment. The company therefore determines the non-discrimination and anti-harassment policy to foster smooth working operations and environment.

This policy is the supplement of Human Rights Policy. This policy is also conformed to the company's Code of Conduct and comply to the law including any declarations and standards which company adheres.

The company shall protect employees at all levels not to be discriminated and harassed in any form including sexual harassment in order to build safe and happy workplace. The Company will do a fair investigation in any discrimination and harassment cases incurred.

Definitions

Discrimination means any different treatment or discrimination or special treatment to an individual or group of people based on personal characteristic on race, nationality, ethic, color, prototype, religion, social status, gender, age, physical features or disability, political belief including marital status or any others information that caused discrimination.

Harassment/abuse means behaviors which are considered unwelcome, offensive, discriminated, threatening and hostile which unreasonably disrupt another person in his/her work. The behaviors may not be intentionally done by harasser, but it has impact on the harassed employee's physically and mentally. It also covers sexual harassment.

The sexual harassment can be related to an individual gender or sexuality. The non-sexual harassment can be related to individual personality or status, such as, race, religion, age, ethic, intelligence, physical features or disability.

Form of Harassment

- Verbal: saying sarcastically, bully, joking, jesting, teasing, satirical, contemptuous, instigate, incite, slander, wrong accusation, verbally assaulting words, unwelcome courtship, the use of words which suggest sexual behaviors
- Non-Verbal / gesture: staring, leering, impolite hand gesturing, whistling
- Physical or behavior that physically harmful: hair pulling, pinching, pushing or pulling, beating, punching, unnecessarily patting/ touching other's body, showing pornographic or inappropriate materials (picture, sound or any other things), sending threaten messages, any execution which the harassed employees to be ashamed, lose face, discriminated.

Working Place means

- Office, Site office, Regional office
- Company's activity site
- Assigned working place
- Meeting and Training place

It includes

- During business trip
- During business telephone conversation
- During using of electronic device for business, etc.

Policy Guideline

To prevent discrimination and harassment, the Company has set guideline as follows;

Recruitment and Selection

- No discriminated wording in job vacancy advertisement.
- Recruitment and Selection shall not discriminate on age, gender, race, nationality, disability, religion, and language. It should be only on qualifications required by the job vacancy.
- The offering salary, welfare and working condition must be fair to all candidates on the same standard of the position.

- Application and supporting document must be kept confidential, not disclosed to unrelated persons and the data controller and protection officer and user of documents must be identified. The control and protection shall be applied follow the related law requirement.
- Any psychometric test and pre-employment medical check-up must be related to working requirement.

Training and Development

- Development program must be equally arranged and not discriminated for all staff depending on their training needs at current position and for career progression.
- Approval for training must be no discrimination.

Performance Management

- Performance appraisal guideline must be clear, transparent, based on actual performance including behavior against company's core value. The appraisal should be done face to face meeting in order to mutually understand the appraisal result.

Employees' Compensation

- Compensation and promotion must be based on company's policy with the same standard, clear and transparent.

Transfer/Exit

- Transfer process must be equally fair in career progression and no discrimination.
- Dismissal from company must be on ground of poor performance or disciplinary action or health problems based on medical doctor diagnosis, or any other reasons which are not viewed as discrimination.

Guideline when encounterd discrimination and harassment incidents

1. The harassed employee speaks to harasser to stop the unwanted behavior.
2. If the harasser continues, the harassed employee reports to his/her direct supervisor or supervisor's boss or Human Resource Manager.

3. Related executive or Human Resources (VP level and above) investigates and gathers information from harasser and the harassed employee and witness (if any) within 7 days from report date.
4. Related executive or Human Resources (VP level and above) sets up investigation committee follow the establishment of investigation committee announcement.
5. The investigation committee impose disciplinary action to wrongdoer or false accusation reporter based on investigation committee's decision.
6. If it is a criminal case and involves lawsuit, legal department must be involved.
7. The harassed employee who reports the incident will be protected and will not get negative impact due to the reporting.

Recruitment and Selection Policy

Policy Statement

This policy is a complementation to the Human Rights Policy and Non-Discrimination and Anti-Harassment Policy

The Company and its subsidiaries do respect and strictly follow the applicable local laws, customs, practices and state rules and regulations on the recruitment policy.

The Company will ensure that the efficiency and fairness systems are engaged in recruiting and selecting employees who are skillful and capable suitable to the positions and having qualifications that fits to our “Banpu Heart” culture. Equal opportunity is open to every applicant regardless of race, nationality, language, religion, or gender.

The applicant's data will be kept confidentially throughout the recruitment and selection process.

Policy Guideline

Workforce sources

1. Searching for candidate is conducted both internal and external. All candidates should hold knowledge, ability, skill, experience, efficiency, and qualification that meet the requirement of the vacant position. Regardless of gender, age, race and religion, and meet the mandatory of local labor laws of all countries.
2. The searching procedures can be done in various approaches, depending upon the need and appropriateness in order to hire a personnel required by the requiring function within the given time frame. Such procedures will be carried out without prejudice nor with any special consideration given to any educational institutions of the candidates. Any communication to the public should be made carefully by taking into consideration the image and identity of the Company.
3. The Human Resource Department retains records of all candidates in the database in order to respond at all times to the requirements by different departments.

Screening and Selection

1. The selection of candidates from either internal or external source will be handled in conformance with the Recruitment and Selection Policy and Procedures. All candidates will be treated equally and in the same standard.

2. The Human Resources Department performs a preliminary resume screening based on the minimum requirements, qualification and skills defined in the position description and forward eligible candidates to a requiring function for interview process.
3. The Company uses the “Competency-based Interview” method to select candidate whose competency and qualification meet the requirement of the vacant position. The interview committee consists of a representative from Human Resource Department and Head of the requiring function. The interviewers must be well prepared for the interview and able to explain to the interviewed candidates the job duties and responsibilities.
4. Prior to interview session, the eligible candidates are required to take recruitment tests following the Company established standard including foreign language, attitude, mind set and specific job related skills.
5. The Human Resource Department is solely responsible for contacting and communicating to candidates throughout the recruitment and selection process.
6. In case of filling the important position which requires specific skills, is limited in the labor market and the candidates must be most qualified to such position, the Company may consider re-hiring former employee who voluntarily resigned with constantly good behavior and working records. The former employee must be treated through the recruitment and selection process same as other candidates.
7. The former employee whose contract was terminated due to mine closure and received compensation, or end of overseas assignment and the company unable to place to other functions, or voluntary resignation the Company reserves the right to refrain the re-hiring for 5 years starting from the employment termination date. The re-hiring shall be under consideration and approval from the Chief Executive Officer together with Head of Human Resources and the highest executives of respective department.
8. For transparency and fairness in the Human Resource Management, the Company avoids hiring any personnel from the same blood family or legally bound such as; father, mother, marital spouse, siblings, children and their spouses to work in the same unit or assume a role as supervisory/subordinate relationship.

Hiring

1. All correspondences and appointments either by verbal or in writing with candidates related to the hiring falls under the responsibility of the Human Resource Department.
2. Prior to determining the compensation package, the Human Resource Department must compare profile of the current employee with the selected candidate in the same position, group and value of the job,

including market pay for the sake of fairness and preventing any complaint on the compensation management.

3. The Human Resource Department must verify the work history and criminal records of the selected candidate and arrange medical check based on the established standard of the Company. In case it is found out later that information provided to the Company is fraud and result from the medical check does not comply with the Company's standard, termination of the contract will be done immediately.
4. The Employment Contract must be signed to accept the employment condition and must be completed before the start working date.
5. Probationary period should be determined either following the labour law or the terms and conditions described on the employment contract to ensure the selected candidate has sufficient skills and capabilities following the Company's requirements.

Orientation and Mentoring

1. The Company organizes an orientation to new employees in order to prepare and provide the necessary and basic information about the Company before starting work in the Department.
2. Line Managers must provide adequate information on the job duties and responsibilities together with support and advice to the new employees during the adjusting time to new working environment.
3. Arrangement of the mentoring system is under the responsibility of the requiring function. Such system is intended to accommodate, support and advise the new employees in terms of adjusting himself to the new working environment and culture of the Company during the first 3-4 months.

Placement

1. The new employee who has passed the probationary period according to the law requirement or terms and conditions stated on the employment contract will become a full-time employee and entitled to the welfare and benefits of the Company.
2. The Company has no policy of salary adjustment after passing the probationary period.

Compensation policy

Policy Statement

The Company manages the compensation policy based upon fairness and equality within the Company and stay competitive to other business firms as well as upon the job achievement.

The Company implements its compensation policy by applying the international standard of compensation management system and based upon the Corporate Governance Policy. To ensure transparency throughout the compensation management process, the Company's Compensation Committee and Job Evaluation Committee were established.

Employee's Salary information and compensation is considered confidential. Disclosure of such information is regarded as severe misconduct.

Policy Guideline

Job Evaluation

1. To manage the human resources efficiently and fairly, the Company will apply the same standard of "Job Evaluation System" throughout the organization. Thus, job will systematically be prioritized according to its accountability and complexity which related to the other jobs in the organization.
2. For transparency and fairness, the job evaluation will be performed by the Job Evaluation Committee of each country using the same standard of Job Evaluation System. Human Resource Department of each country will prepare and support the relevant information for job evaluation activity.
3. Job Evaluation of the Management Positions of every country will be performed by the Corporate Job Evaluation Committee as described in the Company's Delegation of Authority
4. The job evaluation will be reviewed in the case of significant change which reflects the value of job.

Performance Management

1. The Company conducted fair and transparent Performance Management System by having employees participate in setting up goals, following up and evaluating the performance along with their superiors to be in line with the corporate goals and strategic plan of the organization.
2. Employee's performance will be assessed on the performance and behavior conduct. Evaluation of the performance is based on the Key Performance Indicator (KPI) mutually set by the employees and

superiors. As regards the behavior conduct, the assessment will be based on the 3 values of “Banpu Heart” which are Passionate, Innovative and Committed.

3. It is the responsibility of the superiors to support and advise the goal setting, follow up and evaluation of the performance as well as impartially provides feedback to subordinates in accordance with the process and time determined by the Company.
4. Results of the performance and behavioral appraisal will be taken to consideration the annual salary increase, promotion and career development of the employees.

Salary Structure

1. The Company uses a single salary structure in managing employees' salary. The salary structure is determined in line with the value of each job and affordability of the Company and at the same time remains competitive and support its future growth.
2. The Salary Structure is established pursuant to the Company's Pay Policy. The Pay Policy Line comparing with the local overall market rate is as follows:
 - Job grade 18 and below at market median
 - Job grade 19 and 20 progressively moving from market median towards 3rd Quartile
 - Job grade 21 and above at market 3rd Quartile

This Pay Policy may be adjusted as appropriate according to affordability of the Company and at the same time remains competitive and support its future growth.

3. The salary structure of each job grade consists of the minimum, middle, and maximum. The company has established a grade range of +/- 10% to 25% around the middle value. The range from the middle to minimum value is – 10% to 25% and from the middle to maximum value is +10% to 25%
4. The Company will periodically benchmark its salary of each job grade with the market and may revise the salary structure following the Pay Policy if the current structure is found not compatible or not competed with the market.
5. It is the responsibility of the Human Resource Department to properly manage the employee's salary according to the salary structure in a fairly and transparently manner on every process and to every level of employees.

6. The Company's salary structure is confidential. Only Senior Management and staff involved in payroll and administration of the salary are allowed to access to the salary structure.

Annual Salary Increase

1. The Company annually reviews the budget for salary increase by taking into consideration the economic indicator, competition situation in the employment market, the survey of salary increase by external organizations and affordability of the Company. The budget must be approved by the Approval Authority prior to the implementation.
2. Budget allocation for annual salary increase is based upon Performance-Based Pay Principle. Setting up clear, transparent, and fair process of the annual salary increase will motivate employees in improving their performance to the organization.
3. Line managers have responsibility for notifying the annual salary increase to subordinates under their supervision while the Human Resource Department provides assistance, advice and accurate and adequate information.

Annual Bonus Payment

There are two types of Annual Bonus Payment to employees. At country level, the payment form is depending on local policy

1. Fixed Bonus: the guaranteed bonus payable to employees in accordance with terms and conditions determined by the Company without any association with the Company's performance.
2. Variable Bonus: an amount payable once a year to employees pursuant to the Company's performance and based upon the established scheme and performance basis.
3. The Company considers the variable bonus budget based on the Company's performance and the established scheme of variable bonus payment.
4. In case the Company's performance is not profitable, the variable bonus payment may be exempted for all employees including employees working for Banpu's subsidiaries.
5. The Human Resource Department is in charge of notifying the variable bonus payment to employees.

Welfare and Benefits Management

1. The Company provides employees with basic welfare and benefit according to the requirement by law. The Company may however consider additional provision of welfare and benefits as deem appropriate

in each location in order to augment the better living condition, stability, security, proper working environment and moral support to employees.

2. Providing welfare and benefits exceeding from the requirement by law must be in line with the conditions defined in the DOA and approved by the authorized person (see DOA) on case by case basis. It is the Company's right to adjust, amend or revoke it with prior notice to all employees.

Employee Relations Policy

Policy Statement

The Company policy is to respect and follow the applicable law, rules, order custom and local practice in every Company's business premises. Furthermore, the Company will treat all employees in due respect to the individualism and human dignity

Respecting the law, rules, order, custom, local practice and Company's rules and regulations is the basic practice of all employees.

The Company will provide accurate information and communicate with the employees in all levels appropriately and accurately in order to create good understanding and relationship between the Company and Employees.

Policy Guideline

Rules and Regulations of the Company

1. The Company's rules and regulations are issued in conformance with the law covering disciplinary actions.
2. It is the duty and responsibility of the employees to acknowledge, understand and strictly follow the rules and regulations of the Company.
3. The Line managers should be good role models in maintaining and following the rules and regulations of the Company and should monitor and encourage subordinates under their supervision to strictly do so.
4. The Human Resource Department is in charge of conveying the Company's rules and regulations to employees and ensuring that they acknowledge, comprehend and are able to bring those rules and regulations into practice. The Human Resource Department should treat all levels of employees under the Company's rules and regulations in the equal and fair manner.
5. The Company provides formal grievance to employees including the process of problem or conflict settlement which might occur either between the company and the employees, superior and subordinate or among the employees.

Employee Relations Management

1. The Company is committed to regularly support and create good understanding between the Company and employees, including the Labor Union, through the channel as per required by the law or via the appropriate formal or informal facilities established by the Company.
2. The Company is committed to fairly review and adjust the compensation, welfare and benefits, arrange working environment and living conditions suitable for performing their duties for all levels of employees and in due course before receiving requests from the employee or the Labor Union.
3. The Company has no policy to support the establishment of the Labor Union or other interest groups with the same or similar principle as the current Labor Union. However, any locations of the Company in which the Labor Union or other interest groups have been established or are being formed, the Company will not interfere such activity and strictly handle it in accordance with the relevant law, rules and regulations.

Training and Development Policy

Policy Statement

The Company is committed and established the training and development policy to strengthen employee's knowledge, ability and skills sufficient for performing task. In addition, the training and development policy still plays a major role in preparing the employees to efficiently handle further strategic plans and growth of the Company.

The Company always recognizes that every employee is an important resource having potential for further development. As such, the opportunity is opened to employees to develop and expand their capabilities to maximum strength either through the on-the-job training or, coaching, or other training approaches. The Company will support and encourage all levels of employees to participate in all aspects of developments.

To become a more flexible and agile workplace, the company will always adjust the learning and development channel as needed in response to the social environment and trends. In order to support the long-term growth of Banpu's business, the company supports self-learning through an online channel as well as raising the level of comprehensive human resource development in each country by focusing on the development of every important business process. From establishing a pool of potential employees to support an international organization grow (Banpu Global Talent Pool) to developing a systematic workforce strategy for the entire group of companies. Customized Learning Solution Design a holistic learning process to support each business and each position in key positions for the development of individual potential (Personalized Learning). And lift learning and development measurement will ensure the quality of learning outcomes and business impact.

Policy Guideline

Competency-based Management

1. The Training and Development Policy is based on the competency-based management so it will be implemented in the same direction ensuring that the employees are knowledgeable corresponding to the need of the positions, departments and of the Company.
2. The competency model consists of 3 sections as followings;
 - 2.1 Core Competency or “Banpu Heart” is the common competency required for all employees
 - 2.2 Leadership Competency is a skill required for all level at different expectations
 - 2.3 Functional Competency is specific competency in each professional level identified differently in each function grouping by similarity on skills, knowledge and abilities.
3. The Human Resource Department is in charge of setting up a Competency Profile for employees at all levels divided into 2 groups
 - **Managerial Group** specified set of Leadership competencies with expected competence level
 - **Operational Group** specified set of Leadership Competencies and Functional Competencies categorized by similar job characteristics (Job Family) with expected competence level
4. Superiors hold the responsibility to perform the Competency Assessment with their subordinates in accordance with Competency Profile of each position, the outcome of which will be taken to design the Individual Development Plan or IDP.

Training Roadmap

1. The Human Resource Development is in charge of preparing the Training Roadmap as a clear guideline and gearing toward the same direction in Job Training and Development provided to each employee’s level.
2. The Training Roadmap is the basic training and development plan for every level of employees in order to strengthen their capabilities in performing tasks more efficiently and meeting the position’s requirements and the Company’s expectations.

Plan and Budget Preparation

1. The Company allocates 5 percent of a total salary of employees as a budget for Training and Development.
2. The allocation of budget for employee's training and development is divided into 3 categories as:
 - 2.1 In-house Training
 - 2.2 Outside Training
 - 2.3 Funding Short Course education in Business Management or other professional degrees depending on the needs and appropriateness of each individual business unit.
3. To enlarge the employee's knowledge and capability, the Human Resource Department is responsible for preparing the annual Training and Development Plan and budget and the medium Term plan (Two years) as follows:
 - 2.4 As required by law
 - 2.5 As described in Quality, Safety, and Environmental (QSE) Management Standards
 - 2.6 The Company provides training and development as well as other activities to employees as clear guidance to perform tasks and conduct themselves in line with the Company culture "Banpu Heart"
 - 2.7 As stated on the Competency Profile.
 - 2.8 Following the Training Roadmap
4. The Human Resource Department has responsibility in arranging, handling, monitoring, evaluating and recording the outcome of employees' training and development following the determined process and system to reach the most effectiveness of training and development plan at the best value of the budget

Succession Management

1. The Company prepares a systematic Succession Plan for the essential positions and for the employees who are approaching their retirement period in order to prepare them for the new or higher positions and for the future growth of the Company's business.
2. The Company set up the Succession Plan Committee - SPC to determine the position requiring the succession plan, select the successor, consider the training and development plan, monitor and evaluate results and provide approval.