The Origin of the Coal Business

Going back 40 years to 1983, Banpu was founded by three members of two families: Mr. Metee and Mr. Ongart Auapinyakul, and Mr. Chanin Vongkusolkit. The three men had been close friends since their school years in the United States. After returning to Thailand, Mr. Metee and Mr. Ongart intended to work in their family's tobacco business in Phrae Province, while Mr. Chanin, with a financial background, had started a career at United Finance Corporation Co., Ltd. in Bangkok.

Since 1982, the government had adopted a stricter policy on forest conservation, and thus, sourcing firewood for tobacco curing became more difficult. The situation prompted the Auapinyakul family to find alternative sources of fuel, which turned out to be an unexpected business opportunity.

> “ Back then, my father had realized that firewood would be scarce and expensive, and decided to look for an alternative fuel source. **A contractor that supplied us firewood accidentally discovered coal deposits** at Ban Maeteeb, Ngao District, Lampang Province. He was chopping firewood and placing them into a pile, when suddenly a fire broke out. It was thought to be spontaneous combustion due to the firewood pile being left for too long and heating up. Charred rocks were found in that area, which we later discovered was coal, which can be used as fuel. Our family then had the idea of using it as fuel for tobacco curing. ”
>
> **Mr. Ongart Auapinyakul**
> One of the Company's Founders (Member of the Board of Directors)

“ The problem was that every year, a tobacco curing operator in the North would need about 400,000 to 500,000 cubic meters of firewood, which was a significant amount. There was not enough firewood coming from the forest concession areas, so some resorted to illegal logging. My father talked with the government, expressing his concern about deforestation. **The government then decided to grant a mining concession at Maeteeb, Ngao District. The coal was then used as fuel for curing tobacco, as an alternative to firewood.** ”

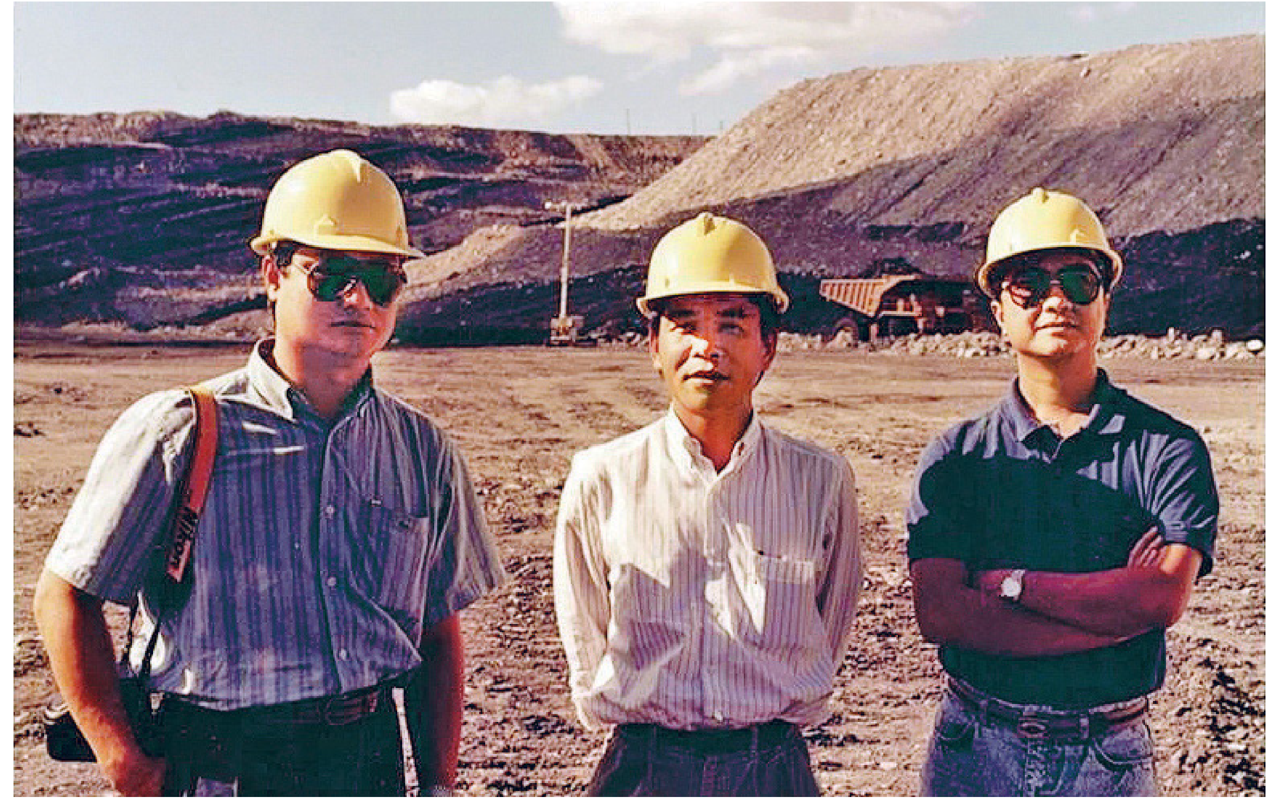
Mr. Metee Auapinyakul
One of the Company's Founders (Member of the Board of Directors)

That was the origin of the new business, namely the coal mining business. It was also considered to be a pivotal point for the industry. The world was facing an oil crisis with the price of oil increasing tenfold during 1971-1982. Thailand, which imported nearly 100 percent of its oil demand, was badly hit. Therefore, an alternative energy source to oil was the hope for domestic energy security.

Hence, Mr. Ongart and Mr. Metee saw an opportunity to start a business and decided to ask Mr. Chanin to join the team. From then on, the three of them began surveying areas for a mine in Phrae Province. They formed a company under the name United Coal Co., Ltd. to subcontract the mining work, while the concession rights to the mine were held by the Auapinyakul family company.

“ In fact, my friends had asked me three times before I finally said yes, as I knew nothing about coal. You might ask why I then decided to come onboard. **It was because I saw the business potential. If you don't know enough about something, you find someone who does, to help.** I talked to a lot of people, friends, seniors, and university professors. In the end, we got an advisor on geology and mining, and another from the Electricity Generating Authority of Thailand working with us. I remember discussing the matter with them every Saturday, learning and collaborating together. ”

Mr. Chanin Vongkusolkit
One of the Company's Founders (Chairman of the Board of Directors)



Mr. Ongart Auapinyakul, Mr. Chanin Vongkusolkit, and Mr. Metee Auapinyakul

We began mining operations in 1983 at Banpu Mine, Li Subdistrict, Li District, Lamphun Province, the concession of which was granted by the National Energy Administration. Back then, there was not even a market for coal since no one had used it before. We had to find a new market, spanning selling coal to tobacco curing operators, in three to four provinces in the North. However, there was demand for coal only during the tobacco curing season, posing a challenge for our sales and costs. But we gradually managed those issues and got through the difficult times.

Nonetheless, Banpu's very first step would not have been taken if the Company Founders had not shared the same goal, or had not had complementary business elements.

“ The Company Founders' respective expertise complemented each other. **For me, it was the best combination.** Mr. Chanin was good at finance, while Mr. Metee was good at relationship building, external communications, making connections, and government relations. With an engineering background, I was responsible for laying the foundation of the production side from the start. ”

Mr. Ongart Auapinyakul
One of the Company's Founders
(Member of the Board of Directors)

The Origin of the Name "Banpu"

Many may wonder why a large international corporation, with more than 6,000 employees, chose to adopt the simple Thai name, **"Banpu"**. Yet it has become a household name in the energy industry, both in Thailand and internationally, successfully operating through thick and thin for the past 40 years.

Banpu's website briefly mentions that **"Banpu Public Company Limited"** was established on 16 May 1983 as "Ban Pu Coal Company Limited", with a registered capital THB 25 million, by members of the Vongkusolkit and Auapinyakul families, to subcontract the mining operations at Banpu Mine (BP-1), Li District, Lamphun Province.

Few would know that the name **"Banpu"**, which has remained unchanged from day one, originated from the Company Founders' wish to recognize and honor the land on which our first business venture started.

" Back then, the National Energy Administration, or the present-day Department of Alternative Energy Development and Efficiency, had an experimental mine at Li District, Lamphun Province. The National Energy Administration offered it to tobacco curing operators for bidding, on the condition that they form an association and **must have a minimum production capacity of 20,000 tons/year. When entering the bidding process, we were thinking of how to turn coal into a major source of energy for Thailand amid the energy crisis at the time.** "

Mr. Metee Auapinyakul
One of the Company's Founders
(Member of the Board of Directors)

" When the operations of Banpu Mine were taking off, **we had discussed among ourselves what we should name the Company. My father said that we should honor the local residents by naming it after the location of the mine. So, we decided on the name "Banpu".** In the early phase of operations, appropriate land alterations were required. However, we were also mindful of the need to preserve traditional ways of life. Any changes to be implemented must thus consider the concerns of local residents. In the end, they were quite happy with what we did, because we helped develop the area and improve their community. "

Mr. Ongart Auapinyakul
One of the Company's Founders
(Member of the Board of Directors)

" I'm saying this as a joke, **but there were times when we wanted a name change.** When making a restaurant reservation, sometimes it was mistaken as "Bang Pu", or something like that. But after the Company was listed on the stock market for a while and the stock price was doing well, the name has since become well-known and any idea of changing the Company name has never occurred again. "

Mr. Chanin Vongkusolkit
One of the Company's Founders
(Chairman of the Board of Directors)

Business Credo: "An Industry Will Be Strong Only When It Is Developed in Tandem with Social and Environmental Responsibility"

From the beginning, the Company's commitment to honor the local community by adopting the name **"Banpu"** reflects our approach of involving the community through mutual support as an important part of our business. Banpu has helped develop communities and preserve the environment, leading to acceptance and support from the community as a whole.

> " The idea of living with the community has been with us from the start. Back then, we did not think broadly like we do today. We just had the simple thought that, when we would build a mine, the communities around it would be affected by us. Excavating, hauling, and changing the landscape are examples of how our undertakings would affect them. **It was then that we thought, we would need to live harmoniously together so we would need to be "good".** And what constituted good in this sense? "
>
> **Mr. Chanin Vongkusolkit**
> Chairman of the Board of Directors

Banpu emphasized environmental management, in order to yield the highest benefits while reducing our impact on the environment, as well as looking after the well-being of affected communities. During the course of this, we had to move a village to a nearby location from where they were from, and we provided them with land preparation and produce to grow. If they were not successful in the first year, we also promised to continue our assistance, bearing in mind that this was our responsibility.

> " With such a commitment to the communities around us, **we have made it our mission to incorporate community development work in our undertakings at every site,** with proper management and clear plans. Meetings are held between our teams and villagers, community heads, or local governments to explore what they have in mind. We will go in and help with fundamental development in various fields such as their well-being; and basic infrastructure such as roads, education, religion, and health. These are the aspects we attach great importance to. "
>
> **Mr. Chanin Vongkusolkit**
> Chairman of the Board of Directors

40 years on, the aspiration mentioned by Mr. Chanin has become a crucial foundation for operating a business in accordance with sustainability, or Environmental, Social, and Governance (ESG) principles. Banpu's aspiration coincides seamlessly with global trends. The approach has been incorporated in the thinking and practice of the people of Banpu. At the same time, Banpu has always emphasized that our business must open up opportunities for employees' and communities' participation, respect for human rights, energy conservation, and the preservation of the environment.

Four Decades of Continued Growth

Banpu has stood the test of time for 40 years. We would like to share our milestones, transitions, and the factors behind all the successes that have led to our continuous growth.

The First Decade (1983-1992), the Decade of Laying Down the Foundation – Banpu's focus was on consolidating our mining business by exploring valuable resources and recruiting experts to join the team, while simultaneously developing efficient technical processes. We started with small mines in the North of Thailand, before expanding to Indonesia, in a quest to find high-quality coal. By this time, our mining business had gained significant enough potential that it could generate strong cash flows. Without this crucial first step, Banpu would not have been able to expand into other ventures in later decades.

The Second Decade (1993-2002), the Decade of Vertical Expansion into the Energy Business – Following the strong foundation laid in the first decade both in Thailand and abroad, Banpu explored opportunities to expand and diversify our energy business, especially in areas that created value in our supply chain. As a result, Banpu Power or BPP was established to reinforce Banpu's power generation. This coincided with the time when Thailand wanted to increase its electricity production capacity to accommodate economic growth, and generate energy security for the country. Banpu, which was new to the business, collaborated with experienced and expert partners to learn the ropes and acquire new knowledge. This, in turn, was the starting point in laying down the foundation for our power generation business, which has remained strong until today.

The Third Decade (2003-2012), the Decade of International Expansion – During this decade, Banpu emphasized growth in both our mining and power generation businesses. Electricity demand was increasing, and this was an opportunity for Banpu to expand our investment into several countries with high-quality energy resources, especially those in the Asia-Pacific region. It was a crucial decade, which saw Banpu become an international versatile energy company. Banpu now operates in Thailand, Indonesia, China, Australia, Lao PDR, Mongolia, Japan, the U.S., and Vietnam.

The Fourth Decade (2013-2022), the Decade of Business Diversification – Banpu's diversification covers activities both upstream and downstream, allowing us to explore opportunities for businesses within the Banpu ecosystem to be of advantage to one another. Our approaches for diversification are as follows:

Business Development – Banpu has increased the proportion of greener and smarter energy in our portfolio through Banpu NEXT Company Limited, which is now a flagship company that drives our greener energy business, and creates energy technology solutions in response to global energy trends. Moreover, Banpu is exploring new investment opportunities both in energy and beyond, by establishing a Corporate Venture Capital (CVC) unit, to try adding new S-curves with the potential to grow our ecosystem.

Technology Development – Banpu has accelerated our digital transformation by setting up the Digital and Innovation Department, which aims to develop infrastructure, increase organizational digital capacity, and incubate technological ideas that will grow new businesses in the future. The Department seeks to equip the Company with technology and innovation across the supply chain, in order to provide sustainable energy in an efficient manner.

Human Capital Development – Banpu emphasizes the development of personnel in every country to increase our competitive advantage and accommodate our fast-growing businesses. Banpu has set up the Banpu Academy Department to equip Banpu's personnel with the knowledge they need to upskill, and pass on that knowledge and experience from generation to generation. We strongly believe that everyone possesses some knowledge to help drive our businesses.

" I am impressed that Banpu has also invested in developed countries like the U.S. It's normally very difficult. We connect developed markets with developing ones, expanding our investment into countries with good technological development, as well as countries that are in need of technology. **This way, we are continuously learning new things, and we can utilize and adapt such knowledge. Moreover, every country we've invested in has unique characteristics. Some of these countries are within the top five economies of the world,** such as the U.S., China, and Japan, which are sources of innovation and innovative products. While very few Thai businesses can reach this point, Banpu has done so. We have adapted to accommodate changes and be ready to be the leader in every industry we invest in. This is in Banpu's DNA. "

Mr. Akaraphong Dayananda
Banpu's Advisor

When it comes to foreign investment, foreign executives also have faith in Banpu. They believe that an important step that will help the Company to survive crises and continue to grow stems from the decisions of the high-level executives who act as team leaders.

" Banpu is very strong, and equipped with excellent strategies. They care about issues around them, including the environment. What is important is that **Banpu has quality personnel, with ethics and morality, and team members that are smart and adept. Banpu is therefore a large organization that has the potential to become one of the world's leading companies.** With over 40 years of experience, I am sure that Banpu can reach that point, and this excites me. I wish to praise the vision of the executives who have made Banpu great. "

Mr. Chris Kalnin
Chief Executive Officer - BKV Corporation

After 40 years, Banpu is still strong in its energy industry. This has not been easy amidst various crises.

" Banpu's resilience comes from the top. The Company's leadership is unmatched - they are veterans, seasoned industry professionals. Having successfully overcome many obstacles over the years, Banpu's leadership faces challenges with exemplary calm and confidence – always taking the long-view. **One other thing which is hugely impressive about Banpu's leadership is that they truly listen to others before making decisions, thinking through problems with immense depth before taking action.** This mindset has filtered down from the top, inspiring a strong antifragile spirit across the entire organization. "

Mr. Alexander Wood
Chief Executive Officer - AWR Lloyd Limited

" Along our path towards growth, we have encountered and overcome countless crises. This shows that **Banpu has been blessed with good and strong leaders, full of perseverance and tolerance.** Because of this, those who work with them will naturally want to fight along. "

Mr. Rawi Corsiri
Former member of the Board of Directors

The people of Banpu constitute a key element behind the success of Banpu, and with them, the Company will be able to advance together in a sustainable manner.

" Every executive emphasizes the development of potential and the quality of life of their employees. **If Banpu's employees are skillful, knowledgeable, and happy, they will work to their full potential. This will result in stronger teams, ready to forge forward amidst changes.** Together, we will be able to tackle even more challenging missions, and we will move closer towards sustainability. "

Mr. Voravudhi Linananda
Banpu's Advisor