



VOLUNTEER

COMMUNITY and SOCIAL ENGAGEMENT POLICY

Version 2/2026 VNG-SOC-CSE-PL-02
Effective Date: 25 February 2026



Community and Social Engagement Policy

Vanachai Group Public Company Limited and Subsidiaries

Vanachai Group Public Company Limited and its subsidiaries (“the Company”) are committed to operating with social responsibility and contributing to the sustainable development of communities and society, alongside the sustainable growth of both the organization and the nation. The Company recognizes that the well-being of communities is the foundation of long-term business success. Accordingly, the Company prioritizes inclusive growth, mutual respect, and the creation of shared value with all stakeholders.

This policy serves as a strategic framework for promoting positive social outcomes. The Company emphasizes the creation of shared value between business and communities, operating under the principles of good governance, supporting local economic development, encouraging transparent participation, and fostering inclusive growth. Through this approach, the Company aims to ensure that its corporate growth progresses in harmony with Thailand’s sustainable future—contributing to a stable and resilient society.

1) Objectives

- Promote sustainable community development and enhance the quality of life of communities surrounding all company operations.
- Build trust, collaboration, and transparent communication between the Company and local communities.
- Encourage employee volunteerism, community participation, and social responsibility at all organizational levels.
- Support education, health, environmental stewardship, and community self-reliance in alignment with Thailand’s sustainable development direction.
- Integrate community engagement into the Company’s sustainability strategy, corporate governance, and disclosure framework.

2) Policy Alignment and International Standards

- **GRI Standards:**
 - GRI 2: General Disclosures 2021, including policy commitments, embedding policy commitments, remediation processes and stakeholder engagement
 - GRI 3: Material Topics 2021, including material topic determination and management of material topics
 - GRI 413: Local Communities 2016, including community engagement, impact assessments, development programs and operations with significant actual or potential negative impacts on local communities

- GRI 203: Indirect Economic Impacts 2016, including infrastructure investments, services supported and significant indirect economic impacts
- GRI 414: Supplier Social Assessment 2016, where supplier social risk assessment, screening, monitoring and corrective actions are material
- GRI 408: Child Labor 2016 and GRI 409: Forced or Compulsory Labor 2016, where child labor and forced labor risks are relevant to operations or business relationships
- GRI 404: Training and Education 2016, where the Company reports employee training related to community engagement, human rights, supplier engagement and ESG implementation
- **United Nations Sustainable Development Goals (SDGs):**
 - Goal 8 – Decent Work and Economic Growth
 - Goal 10 – Reduced Inequalities
 - Goal 11 – Sustainable Cities and Communities
 - Goal 17 – Partnerships for the Goals
- **FTSE Russell ESG Criteria:**
 - **Human Rights & Community:** including relevant SHR indicators for human rights commitment, community investment principles, children’s rights, local employment and procurement, community outcomes, employee volunteering, grievance mechanisms, remedy and human rights incident disclosure
 - **Supply Chain: Social,** including relevant SSC indicators for supplier social requirements, child labor, forced labor, non-discrimination, health and safety, supplier communication, social risk assessment, monitoring and corrective action
 - **Labor Standards:** including relevant SLS indicators where employee training, workforce participation or labor-related implementation is addressed
 - **Governance Pillar: Risk Management,** including relevant GRM indicators where community and social risks are integrated into the Company’s ERM, Board oversight, internal control and reporting processes
- **ISO 26000:**
 - Guidance on Social Responsibility and Community Involvement**
- **Thailand’s National Strategy:**
 - Strategy on Creating Opportunities and Social Equality, and Sustainable and Inclusive Economic Development
- **Vanachai Group Sustainability Framework (2023–2024 Edition)**

3) Scope

This policy applies to:

- All operations of the Company and joint ventures under the Company's operational control.
- Employees, contractors, suppliers, and business partners involved in community and social activities on behalf of the Company.
- All business locations, including factories, offices, and surrounding communities within the Company's areas of operation.

4) Definitions and References

- **Community:** A group of individuals living or working within an area that is affected by, or interacts with, the Company's operations.
- **Stakeholder:** An individual or organization that is affected by, or has an interest in, the Company's social, economic, or environmental performance.
- **Social Impact:** Positive or negative outcomes of the Company's activities or operations on individuals, groups, or society as a whole.
- **Stakeholder Engagement:** A systematic process of identifying, communicating, and collaborating with individuals or groups related to the Company's operations to build mutual understanding and create shared value.
- **Local Economic Development:** Activities that promote employment, entrepreneurship, and income generation within local communities.
- **Corporate Social Responsibility (CSR):** The Company's commitment to contribute to sustainable development by enhancing the quality of life of employees, communities, and society while creating lasting benefits for both people and the environment.
- **Vanachai Integrated Materiality and Risk Assessment (V-IMRA):** An internal assessment framework used by the Company to identify, assess, and prioritize sustainability-related impacts, risks, and opportunities across its operations and value chain. V-IMRA integrates both impact materiality and financial materiality considerations and provides structured inputs to the Enterprise Risk Management (ERM) system, strategic planning, and management decision-making.
- **References:**
 - UN Sustainable Development Goals (UN SDGs);
 - GRI Standards 413 / 203 / 404;
 - ISO 26000 – Guidance on Social Responsibility;

- FTSE Russell ESG Indicators: Human Rights & Community (SHR), Supply Chain: Social (SSC), Labor Standards (SLS, where applicable), and Risk Management (GRM, where applicable);
- Thailand's National Strategy on Social Development;
- Vanachai Group Sustainability Framework 2025.

5) Governance and Accountability

- **Board of Directors:** Approves this policy and oversees the Company's social sustainability strategy.
- **Sustainability Committee:** Acts as the policy owner, reporting to the Board of Directors and the Managing Director. Responsible for policy integration, implementation oversight, and performance monitoring.
- **Sustainable Development Task Force:** Identifies community needs, assesses social impacts, and ensures alignment with international standards and best practices.
- **Directors, Managers and Department Heads:** Integrates social responsibility and community engagement objectives into departmental plans and budgets to ensure consistent implementation.
- **Senior Executive Accountability:** Senior executives are accountable for achieving community and social engagement targets, with related KPIs integrated into their performance evaluations.
- **Employees and Suppliers:** Must comply with this policy and actively support community development and social engagement initiatives on an ongoing basis.

6) Commitments and Principles

- 6.1 Legal Compliance and Human Rights** (*SHR21–SHR27, SHR11; GRI 2-23, 2-24, 2-25*):
- Comply with applicable laws, labor standards, and human rights principles at both national and international levels, upholding equality, non-discrimination, and respect for local culture and values.
- 6.2 Community Engagement and Communication** (*SHR03, SHR11; GRI 2-29, GRI 413-1, GRI 413-2*):
- Establish transparent two-way communication channels with communities to listen to their needs, concerns, and opportunities for collaboration.
 - Conduct community needs assessments and social impact evaluations prior to initiating new projects or major operational changes.
- 6.3 Local Economic Development** (*SHR05; GRI 203-1, GRI 203-2*):
- Support local entrepreneurs, employment, and sourcing from local suppliers where appropriate.

- Promote capacity building and skill development within communities to strengthen resilience and sustainable self-reliance.

6.4 Education, Health, and Social Well-being (*SHR03, SHR15, SHR16, SHR17; GRI 413-1; GRI 203 where economic impacts are material*):

- Promote access to education, vocational training, and health programs, particularly in rural and underprivileged areas.
- Encourage employee volunteerism and knowledge-sharing activities that contribute to community development.

6.5 Stakeholder Collaboration (*SHR11; GRI 2-29, GRI 3-1, GRI 413-1*):

- Collaborate with government agencies, civil society organizations, academic institutions, and community networks to jointly create positive social impact.
- Enable stakeholder participation in the design, implementation, and evaluation of community and social projects.

6.6 Cultural Preservation and Local Identity:

- Respect and promote local wisdom, craftsmanship, and cultural heritage to foster community pride and preserve local identity.

6.7 Performance Measurement and Transparency (*SHR15, SHR17; GRI 3-3, GRI 413-1, GRI 413-2*):

- Establish measurable social performance indicators, such as community investment, participation rate, and satisfaction level.
- Disclose social performance results annually through the Vanachai Sustainability Move Report in accordance with GRI and FTSE frameworks.

7) Risk, Impact, and Dependency Management

The risks, impacts, and dependencies associated with the matters addressed in this policy are identified, analyzed, and prioritized through the Company's Vanachai Integrated Materiality and Risk Assessment (V-IMRA) process. V-IMRA is an internal assessment framework that considers both impact materiality and financial materiality across the value chain.

- **The results of V-IMRA** are integrated into the Enterprise Risk Management (ERM) system to support policy formulation, strategic decision-making, the setting of risk appetite, and the creation of long-term sustainable value.
- **Identification and Assessment of Social Risks:**
Identify and analyze potential social risks arising from the Company's operations, such as impacts on community well-being, human rights, job security, and the social environment in all operational areas.
- **Social Impact Assessment (SIA):**

Evaluate both positive and negative impacts resulting from the Company's activities or projects to develop measures that minimize adverse impacts and enhance positive outcomes for communities.

- **Management of Impacts and Dependencies:**

Implement preventive and mitigation measures to address potential social impacts from business operations, including community communication, compensation, local livelihood development, and infrastructure improvement.

Consider "social dependency" factors such as local employment, sourcing, and area-based service reliance.

- **Integration into Enterprise Risk Management (ERM):**

Integrate social risk and impact assessment results into the Company's Enterprise Risk Management (ERM) system to support strategic planning and investment decision-making.

- **Monitoring and Reporting:**

Continuously monitor the effectiveness of social risk management and report progress and improvement actions to the Corporate Sustainability Committee at least annually.

- **Stakeholder Participation:**

Encourage feedback and recommendations from stakeholders, including local communities, government agencies, and civil society to support ongoing policy improvement and review.

8) Targets and Metrics

- **Percentage of community development projects aligned with the Sustainable Development Goals (SDGs) (%):** Reflects the alignment of community projects with global economic, social, and environmental objectives.
- **Number of employee volunteer hours per year (hours/year):** Promotes a corporate culture of participation and volunteerism in community development.
- **Percentage of local suppliers and business partners participating in CSR/CSV activities (%):** Expands collaborative efforts across the supply chain and strengthens long-term social partnerships, while promoting a culture of engagement and shared responsibility.
- **Number of beneficiaries from education, health, and livelihood programs (persons/year):** Measures the positive impact of the Company's initiatives on the quality of life of people in local communities.
- **Community satisfaction score (%):** Reflects community trust, goodwill, and acceptance of the Company's operations.
- **Year-on-year improvement in social impact assessment results (%):** Demonstrates progress in minimizing social impacts and enhancing the long-term effectiveness of community projects.

9) Supply Chain and Partner Responsibility

- **Policy Compliance:** All suppliers, contractors, and business partners must comply with the Company's social, environmental, and governance (ESG) policies, as well as applicable labor laws, human rights principles, and relevant safety standards.
- **Social Requirements in Contracts:** The Company incorporates social clauses into procurement and service agreements, such as the prohibition of child or forced labor, respect for labor rights, and the commitment to fair business practices.
- **Supplier Evaluation and Development:** Conduct regular supplier assessments to evaluate compliance with social and human rights standards, while providing guidance and capacity-building support to promote continuous improvement in line with sustainability principles.
- **CSR/CSV Collaboration:** Encourage suppliers and local business partners to participate in social initiatives, including vocational development, education, and environmental conservation, to create shared value with communities and generate positive social outcomes across the supply chain.
- **Communication and Transparency:** Establish transparent communication channels between the Company and its suppliers to facilitate feedback, address issues, and strengthen cooperative partnerships.
- **Continuous Improvement:** Promote ongoing enhancement of suppliers' social performance to elevate the overall sustainability standards of the Thai supply chain to meet international benchmarks.

10) Integration with Corporate Strategy

- **Corporate Sustainability Framework – “Forest | Future | Together – for a Sustainable Living”:** This framework reflects the Company's commitment to operating a sustainable wood-based business that maintains balance among economic, social, and environmental dimensions to achieve long-term stable growth.
 - **Forest – Living in Harmony with Nature**
 - Support sourcing of raw materials from sustainable origins and minimize environmental impacts on surrounding communities.
 - Implement activities that enhance community well-being alongside natural resource conservation.
 - Support local initiatives that restore green areas and ecosystems in collaboration with local authorities and organizations.
 - **Future – Advancing Communities and Society toward a Sustainable Future**
 - Promote education, training, and vocational development within communities to strengthen capabilities and self-reliance.
 - Encourage the use of technology and innovation in social development projects to expand positive, long-term impacts.

- Align social objectives with local economic development plans and the United Nations Sustainable Development Goals (SDGs).
- **Together – Growing with Stakeholders**
 - Foster collaboration with government agencies, the private sector, academic institutions, and communities to jointly drive sustainable development.
 - Embed a culture of social responsibility across all employee levels.
 - Build networks of engagement among the Company, suppliers, and business partners to create shared value throughout the supply chain.

11) Implementation and Management Tools

- Integrate social and community policies into the Company’s corporate sustainability management system to ensure all business units operate under the ESG framework and align with the “Forest | Future | Together – for a Sustainable Living” approach.
- Provide training and raise awareness among employees, suppliers, and business partners on community engagement, social responsibility, and human rights.
- Allocate appropriate resources, including budget, personnel, and technology to support continuous social development programs and initiatives.
- Monitor and evaluate annual performance to improve operational processes and enhance positive outcomes for communities and stakeholders.

12) Monitoring, Reporting and Transparency

- Monitor community relations and social development projects across all operational areas.
- Disclose data on social investments, activities, and outcomes in the Vanachai Sustainability Move Report.
- Prepare quarterly progress reports for submission to the Sustainability Committee for review and continuous improvement.

13) Review and Continuous Improvement

- Review this policy every two years, or earlier if there are changes in laws, stakeholder expectations, or community context.
- The Company is committed to continuously improving its community engagement approach to align with FTSE Russell criteria, GRI Standards, and global best practices.
- Share knowledge and lessons learned from past projects to strengthen long-term relationships with communities.

14) Community and Social Engagement Policy Revision History

Version	Date	Policy Owner	Approved by	Key Changes / Comments
1.0	11 November 2024	Sustainable Development Task Force	Board of Directors	Developed the first Community and Social Engagement Policy, focusing on responsible community relations, stakeholder participation, and employee volunteer activities..
2.0	25 February 2026	Sustainability Committee	Board of Directors	Revised to align with the FTSE Russell ESG Data Model, particularly the Human Rights & Community theme (SHR), Supply Chain: Social theme (SSC), Labor Standards theme (SLS, where applicable), and Risk Management theme (GRM, where applicable). The revision also strengthens alignment with GRI 2: General Disclosures 2021, GRI 3: Material Topics 2021, GRI 413: Local Communities 2016, GRI 203: Indirect Economic Impacts 2016, GRI 414: Supplier Social Assessment 2016, GRI 408: Child Labor 2016, GRI 409: Forced or Compulsory Labor 2016, ISO 26000, the SDGs and the Vanachai Group Sustainability Framework 2025.

This policy is approved and issued for acknowledgement and implementation by all relevant parties.