



Sustainability Committee Charter

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Sustainability Committee Charter

Vanachai Group Public Company Limited and Subsidiaries

Vanachai Group Public Company Limited and its subsidiaries ("the Company" or "Vanachai Group") recognize that sustainability governance is a critical foundation for long-term business resilience, responsible growth, stakeholder trust, market access, investor confidence, and sustainable value creation.

As a leading company in the wood-based panel, substitute wood, and value-added building material industry, Vanachai Group operates in a business context that is closely connected to responsible sourcing, resource efficiency, energy management, circular manufacturing, product quality, climate transition, nature and biodiversity, community relationships, supply chain resilience, human rights, labor practices, occupational health and safety, innovation, customer confidence, and transparent ESG disclosure.

The Board of Directors has therefore established the Sustainability Committee ("the Committee") to support the Board and management in overseeing sustainability strategy, ESG priorities, sustainability-related risks and opportunities, climate and Net Zero transition, responsible resource use, nature-positive value creation, stakeholder engagement, sustainability performance, ESG data quality, sustainability reporting, and alignment with relevant standards and investor expectations.

The Committee shall perform its duties with accountability, transparency, due care, forward-looking judgment, and consideration of the Company's long-term strategy, business model, value chain, risk profile, shareholder interests, stakeholder expectations, and sustainability framework: FOREST | FUTURE | TOGETHER.

This Charter sets out the purpose, composition, qualifications, term of office, authority, duties, responsibilities, meetings, reporting, performance evaluation, and review process of the Sustainability Committee. It also supports alignment with Vanachai Group's policy architecture, sustainability framework, enterprise risk management system, V-IMRA process, FTSE Russell ESG indicators, GRI Standards, IFRS S1 / IFRS S2, TCFD recommendations, SET ESG expectations, and applicable laws and regulations.

1) Objectives

This Charter is established to:

- Define the role, authority, duties, and responsibilities of the Sustainability Committee.
- Support the Board of Directors in overseeing Vanachai Group's sustainability strategy, ESG direction, sustainability targets, implementation plans, performance monitoring, and sustainability disclosure.
- Ensure that sustainability priorities are integrated into business strategy, enterprise risk management, investment decisions, operational planning, supply chain

management, product development, stakeholder engagement, and long-term value creation.

- Guide the implementation of the FOREST | FUTURE | TOGETHER sustainability framework across the Company and its value chain.
- Oversee the Company's transition from sustainability commitment to measurable impact, including carbon reduction, circular manufacturing, biodiversity enhancement, climate resilience, shared value creation, and governance excellence.
- Support the Company's Net Zero transition, climate-related risk and opportunity management, energy transition, responsible resource use, and climate-related disclosure readiness.
- Oversee sustainability-related risks and opportunities arising from the Company's business model, raw material sourcing, manufacturing operations, export markets, product requirements, supply chain, communities, employees, customers, and regulatory expectations.
- Support the Vanachai Integrated Materiality and Risk Assessment: V-IMRA process to identify, assess, prioritize, and integrate sustainability impacts, risks, opportunities, and stakeholder concerns into strategy, ERM, reporting, and decision-making.
- Strengthen ESG data governance, internal coordination, evidence traceability, performance monitoring, and readiness for assurance or external assessment.
- Support public disclosure and traceability for relevant FTSE Russell ESG indicators, GRI Standards, SET ESG expectations, IFRS S1 / IFRS S2, TCFD recommendations, and other recognized sustainability and investor expectations.

2) Alignment with Relevant Policies, Standards, and Operating Frameworks

This Charter is aligned with the Company's governance, risk management, ethics, compliance, sustainability, environmental, social, and supply chain framework, including:

- Board of Directors Charter
- Risk Management and Corporate Governance Committee Charter
- Audit Committee Charter
- Nomination and Remuneration Committee Charter
- Executive Committee Charter
- Corporate Governance Policy
- Sustainable Development Policy
- Enterprise Risk Management Policy
- Corporate Code of Business Ethics
- Supplier Code of Conduct
- Anti-Corruption Policy
- Conflict of Interest Policy

- Information Disclosure Policy
- Confidentiality Policy
- Information Technology and Cybersecurity Policy
- Business Continuity Management Policy
- Climate Change Policy
- Environmental Policy
- Biodiversity Policy
- Water Management Policy, where applicable
- Waste and Resource Efficiency Policy, where applicable
- Sustainable Procurement Policy
- Supply Chain Management Policy
- Sustainable Wood Sourcing Policy
- Human Rights and Labor Policy
- Employment Policy
- Occupational Health, Safety and Working Environment Policy
- Stakeholder Engagement Policy
- Community Engagement and Development Policy
- Customer Responsibility and Consumer Protection Policy
- Product Quality and Safety Policy, where applicable
- Innovation and Value Creation Policy
- Tax Policy
- Whistleblowing and Complaint Handling Process
- Vanachai Sustainability Framework: FOREST | FUTURE | TOGETHER
- Vanachai Integrated Materiality and Risk Assessment: V-IMRA
- Net Zero Roadmap and climate transition plans
- Sustainability data management and ESG reporting processes

This Charter also supports alignment with relevant external standards and frameworks, including:

Relevant External Standards and Frameworks

- Public Limited Companies Act
- Securities and Exchange Act
- Requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission
- Principles of Good Corporate Governance for Listed Companies
- GRI Standards
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

- IFRS S2 Climate-related Disclosures
- TCFD Recommendations
- TNFD Recommendations, where applicable
- Greenhouse Gas Protocol
- ISO 14001 Environmental Management Systems
- ISO 14064 Greenhouse Gas Accounting and Verification
- ISO 50001 Energy Management Systems
- ISO 45001 Occupational Health and Safety Management Systems
- ISO 31000 Risk Management
- COSO Enterprise Risk Management Framework
- Science Based Targets initiative guidance, where applicable
- Thailand Taxonomy, where applicable
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
- United Nations Guiding Principles on Business and Human Rights
- United Nations Global Compact
- ILO Declaration on Fundamental Principles and Rights at Work
- Sustainable Development Goals

GRI Relevant GRI Standards

- GRI 2-9 – Governance structure and composition
- GRI 2-12 – Role of the highest governance body in overseeing the management of impacts
- GRI 2-13 – Delegation of responsibility for managing impacts
- GRI 2-14 – Role of the highest governance body in sustainability reporting
- GRI 2-16 – Communication of critical concerns
- GRI 2-23 – Policy commitments
- GRI 2-24 – Embedding policy commitments
- GRI 2-25 – Processes to remediate negative impacts
- GRI 2-26 – Mechanisms for seeking advice and raising concerns
- GRI 2-27 – Compliance with laws and regulations
- GRI 3-1 / 3-2 / 3-3 – Process to determine material topics, list of material topics, and management of material topics
- GRI 201-2 – Financial implications and other risks and opportunities due to climate change
- GRI 203-1 / 203-2 – Infrastructure investments, services supported, and significant indirect economic impacts
- GRI 204-1 – Proportion of spending on local suppliers
- GRI 205-1 / 205-2 / 205-3 – Anti-corruption risk assessment, communication and training, and confirmed incidents

- GRI 301 – Materials
- GRI 302 – Energy
- GRI 303 – Water and effluents
- GRI 304 – Biodiversity
- GRI 305 – Emissions
- GRI 306 – Waste
- GRI 308-1 / 308-2 – Supplier environmental assessment
- GRI 401 – Employment
- GRI 403 – Occupational health and safety
- GRI 404 – Training and education
- GRI 405 – Diversity and equal opportunity
- GRI 406 – Non-discrimination
- GRI 407 – Freedom of association and collective bargaining
- GRI 408 – Child labor
- GRI 409 – Forced or compulsory labor
- GRI 413 – Local communities
- GRI 414-1 / 414-2 – Supplier social assessment
- GRI 416 – Customer health and safety
- GRI 417 – Marketing and labeling, where applicable

Relevant FTSE Russell ESG Indicators

The following FTSE Russell ESG indicators are included as a traceability reference for this Charter. The Company should claim or refer to each indicator only where the related content is publicly disclosed and applicable to the Company's FTSE Russell assessment scope.

Sustainability Governance, Committee Disclosure, and ESG Risk Oversight

- GCG09 – Disclosure of Board Committees and their charters, terms of reference, or equivalent documents
- GCG10 – Disclosure of the number of Board and committee meetings per annum
- GCG11 – Disclosure of attendance rates of Board and committee members
- GRM05 – Board oversight of the Code of Conduct / Code of Ethics or equivalent and ESG risks
- GRM07 – Company codes, charters, or policies describe the risk management framework and specifically cover ESG risk
- GRM08 – Corporate-wide approach to non-compliance, including investigation, follow-up, and reporting of substantiated incidents

- GRM20 – Confidential or anonymous whistleblowing mechanism for breaches of Company codes or policies by staff and external stakeholders

Climate Change, Energy, and Net Zero

- ECC08 – Board or Board Committee oversight of climate change, including oversight of climate-related risk management and named Board-level responsibility
- ECC39 – Long-term quantitative targets to reduce GHG emissions
- ECC41 – Independent verification of operational GHG emissions data
- ECC42 – Independent verification of operational energy consumption data
- ECC50 – Climate-related risk management procedures integrated into company-wide risk management or a specific climate-related risk management process
- ECC73 – Involvement in organizations dedicated specifically to climate-related issues, where applicable and publicly disclosed
- ECC75 – Senior executive remuneration incorporates climate change performance, where adopted and publicly disclosed by the Company

Pollution, Resources, Circular Manufacturing, and Environmental Management

- EPR11 – Disclosure of three years of raw material use
- EPR12 – Independent verification of operational environmental data
- EPR13 – Disclosure of working with others to reduce pollution, waste, or resource use
- EPR15 – Financial quantification of pollution, waste, or resource use, including costs, shadow costing, or investment in R&D
- EPR16 – Use of Life Cycle Analysis in product or system design
- EPR18 / EPR19 / EPR21 – Disclosure of NOx, SOx, and VOC emissions where applicable
- EPR24 / EPR25 / EPR26 – Disclosure of hazardous waste, non-recycled waste, and recycled waste
- EPR27 – Total costs of environmental fines and penalties during the financial year
- EPR28 – Percentage of sites covered by recognized environmental management systems such as ISO 14001 or EMAS

Water Security

- EWT13 – Policy or commitment on water use reduction, including commitment to reduce water use or improve efficiency
- EWT24 – Water management plan, including water recycling systems and site-level coverage where disclosed

- EWT06 – Actions taken to reduce water withdrawal or consumption
- EWT25 – Engagement with stakeholders at water-stressed sites
- EWT08 – Collaboration with stakeholders to reduce water withdrawal or consumption
- EWT26 – Identification and disclosure of operations in water-stressed or water-scarce regions, where applicable

Biodiversity and Nature

- EBD17 – Biodiversity policy or commitment that addresses the issue and includes commitment to reduce or avoid impacts
- EBD02 – Time-specific targets or commitment to net positive biodiversity impact at critical sites, where applicable
- EBD05 – Biodiversity risk assessment for potential new operations or projects and existing operations or projects
- EBD06 – Disclosure of biodiverse habitats within or adjacent to business operations, or protected or restored by the Company
- EBD08 – Disclosure of engagement with governments, regulators, organizations, or NGOs to reduce biodiversity loss
- EBD09 – Disclosure of Biodiversity Action Plan audits at relevant sites
- EBD14 – Participation in biodiversity-related certification schemes, where applicable

Health, Safety, Human Rights, Labor, and People

- SHS03 – Board or Board Committee oversight of health and safety risks
- SHS04 – Health and safety risk assessment for potential new operations or projects and existing operations or projects
- SHS05 – Employee involvement in health and safety improvements
- SHS08 – Monitoring and management of health and safety performance
- SHS37 – Investigation, findings, and actions following health and safety incidents
- SHS39 – Commitment to continuous improvement and time-specific targets to reduce health and safety incidents
- SHR23 – Oversight responsibility and resources to ensure respect for human rights
- SHR24 – Embedding human rights commitments into corporate practice
- SHR25 – Human rights impact assessment and mitigation
- SHR26 – Grievance mechanisms and commitment to remedy for individuals and communities impacted by business activities
- SHR27 – Disclosure of human rights incidents and actions taken
- SLS13 – Labor risk assessment for potential new operations or projects and existing operations or projects

- SLS14 – Actions to address labor issues
- SLS21 – Disclosure and specific actions regarding labor standards non-compliance, where applicable

Sustainable Supply Chain

- ESC02 – Supplier or sourcing policy addressing energy use and climate change impact, including CO2 / GHG emissions
- ESC03 – Supplier or sourcing policy addressing water use and biodiversity impacts
- ESC04 – Supplier or sourcing policy addressing environmental issues and pollution
- ESC05 – Supplier or sourcing policy addressing waste reduction and resource use
- ESC08 – Integration of environmental policies with suppliers through communication and training
- ESC09 – Environmental risk assessment for potential new suppliers and existing high-risk suppliers
- ESC10 – Actions to manage suppliers' environmental impacts through reporting and impact reduction
- ESC11 – Monitoring of suppliers, including audits, proportion monitored, results, and actions on non-compliance
- ESC12 – Company involvement in initiatives or frameworks on environmental impacts in the supply chain
- SSC01 – Supplier policy addressing prevention of child labor
- SSC02 – Supplier policy addressing prevention of forced labor
- SSC03 – Supplier policy addressing non-discrimination or equal opportunity
- SSC04 – Supplier policy supporting freedom of association
- SSC05 – Supplier policy supporting collective bargaining
- SSC06 – Supplier policy addressing excessive working hours
- SSC07 – Supplier policy addressing minimum wage or living wage, where applicable
- SSC08 – Supplier policy addressing health and safety standards
- SSC09 – Communication of social requirements to suppliers
- SSC10 – Social risk assessment for potential new suppliers and existing high-risk suppliers
- SSC11 – Integration of social requirements into purchasing practices, contracts, or buyer training, where applicable
- SSC12 – Monitoring of suppliers for social issues
- SSC17 – Capacity building for suppliers on social issues
- SSC18 – Disclosure of findings from supplier monitoring and actions taken on non-compliance

Important note: This Charter supports governance and oversight of sustainability, ESG performance, climate, nature, people, communities, products, and supply chain. Several FTSE Russell indicators require public evidence beyond this Charter, including performance data, targets, verification statements, supplier audit results, risk assessments, corrective actions, committee meeting records, sustainability report disclosures, and evidence of implementation.

3) Scope

This Charter applies to:

- The Sustainability Committee
- The Board of Directors and relevant Board Committees
- Executives, senior management, department heads, sustainability owners, and ESG data owners
- Functions responsible for sustainability, environment, climate, energy, biodiversity, human resources, safety, procurement, supply chain, legal, compliance, risk management, finance, internal audit, operations, manufacturing, sales, marketing, customer responsibility, community engagement, information technology, and corporate communications
- Subsidiaries, business units, factories, offices, and operating sites of the Company
- Suppliers, contractors, service providers, logistics partners, agents, intermediaries, business partners, and other third parties where their activities create sustainability-related impacts, risks, opportunities, or disclosure obligations for the Company
- Processes relating to sustainability strategy, ESG materiality, V-IMRA, climate strategy, Net Zero transition, environmental management, circular manufacturing, biodiversity, responsible sourcing, human rights, labor, occupational health and safety, customer responsibility, community engagement, ESG data management, sustainability reporting, and external ESG assessments

4) Definitions

- **Committee** means the Sustainability Committee of Vanachai Group Public Company Limited.
- **Sustainability** means the Company's approach to creating long-term value by balancing economic performance, environmental stewardship, social responsibility, good governance, and stakeholder trust.
- **ESG** means environmental, social, and governance matters that may affect the Company's business performance, risk profile, stakeholders, reputation, market access, or long-term value.
- **Sustainability Framework** means Vanachai Group's FOREST | FUTURE | TOGETHER framework, which guides sustainability strategy, priorities, implementation, and reporting.

- **FOREST** refers to the Company's commitment to responsible resource use, environmental stewardship, climate action, circular manufacturing, responsible sourcing, biodiversity, and natural capital.
- **FUTURE** refers to the Company's commitment to long-term business resilience, innovation, product quality, low-carbon transition, operational excellence, digital transformation, and sustainable value creation.
- **TOGETHER** refers to the Company's commitment to shared value creation with employees, suppliers, customers, communities, shareholders, investors, regulators, and other stakeholders.
- **V-IMRA** means Vanachai Integrated Materiality and Risk Assessment, the Company's process for identifying, assessing, and prioritizing sustainability impacts, risks, opportunities, dependencies, and stakeholder concerns, and linking them to ERM, strategy, and reporting.
- **Material Sustainability Topic** means a topic that is significant to the Company's impacts, risks, opportunities, stakeholder expectations, financial effects, enterprise value, or long-term business resilience.
- **Climate-related Risk** means physical risk and transition risk arising from climate change, including impacts on operations, assets, supply chain, markets, costs, financing, regulation, and strategy.
- **Nature-related Risk** means risk arising from the Company's dependencies and impacts on natural capital, ecosystems, biodiversity, land use, water, raw materials, and ecological conditions.
- **Circular Manufacturing** means production and operational practices designed to improve resource efficiency, reduce waste, reuse or recover materials, extend value from inputs, and reduce environmental impacts across the value chain.
- **Responsible Sourcing** means procurement and sourcing practices that consider legality, traceability, environmental impact, human rights, labor standards, safety, ethics, and supplier sustainability performance.
- **Sustainability Data** means quantitative or qualitative information used for sustainability performance monitoring, internal decision-making, ESG assessment, regulatory reporting, public disclosure, or assurance.
- **Stakeholders** mean shareholders, investors, employees, customers, suppliers, contractors, business partners, creditors, regulators, communities, civil society, academia, and other persons or groups affected by, or able to affect, the Company's business.

Composition of the Committee

5.1 Appointment

The Sustainability Committee shall be appointed by the Board of Directors or by the authorized body designated by the Board of Directors. The Board of Directors shall appoint the Committee members, the Chairperson of the Committee, and any replacement members as appropriate.

5.2 Number of Members

The Committee shall consist of at least three members appointed by the Board of Directors or the authorized body designated by the Board.

Members may include directors, independent directors, executives, senior management, or qualified persons with relevant expertise, as considered appropriate to the Company's sustainability strategy and governance structure.

5.3 Composition and Expertise

The composition of the Committee should collectively provide appropriate knowledge, experience, authority, and cross-functional representation in areas relevant to Vanachai Group's sustainability priorities, including:

- Corporate strategy and long-term value creation
- Sustainability and ESG governance
- Enterprise risk management and V-IMRA
- Climate change, Net Zero transition, and GHG management
- Energy efficiency, renewable energy, biomass, and solar energy
- Environmental management and pollution control
- Water, waste, resource efficiency, and circular manufacturing
- Biodiversity, nature-related risks, and ecosystem restoration
- Responsible wood sourcing and raw material traceability
- Sustainable procurement and supplier ESG management
- Manufacturing operations and product innovation
- Human rights, labor, employee engagement, and human capital
- Occupational health and safety
- Community engagement and shared value creation
- Customer responsibility, product quality, and product safety
- ESG data management, sustainability reporting, and assurance readiness
- Investor relations, ESG ratings, and external stakeholder expectations

5.4 Chairperson of the Committee

- The Board of Directors or authorized body shall appoint one Committee member as Chairperson of the Committee.
- The Chairperson should have sufficient authority, leadership capability, sustainability understanding, business knowledge, and ability to coordinate

across functions. The Chairperson is responsible for leading Committee meetings, setting the direction of Committee discussions, ensuring effective consideration of agenda items, and reporting key matters to the Board of Directors or relevant Board Committees.

5.5 Secretary of the Committee

- The Committee may appoint a Committee Secretary or assign the Sustainability function, Company Secretary, Corporate Governance function, Risk Management function, or other relevant function to serve as the Committee Secretary.
- The Committee Secretary shall support meeting arrangements, agenda preparation, circulation of meeting materials, preparation of minutes of meeting, follow-up of resolutions, recordkeeping, sustainability data coordination, ESG evidence collection, disclosure coordination, and coordination with relevant functions.
- The Committee Secretary may also support sustainability performance dashboards, V-IMRA documentation, ESG rating evidence, stakeholder engagement records, sustainability report preparation, and follow-up of action plans, as assigned by the Committee.

6. Qualifications of Committee Members

Committee members should have the following qualifications:

- Knowledge, understanding, or experience in sustainability, ESG, strategy, risk management, governance, finance, operations, environment, climate change, supply chain, human resources, safety, community engagement, reporting, or other relevant areas
- Understanding of Vanachai Group's business, products, production process, value chain, raw material sourcing, export markets, supply chain structure, industry context, and key stakeholders
- Ability to consider sustainability impacts, risks, opportunities, dependencies, stakeholder expectations, and long-term value creation in relation to the Company's business strategy
- Understanding of climate change, energy transition, resource efficiency, circular manufacturing, biodiversity, human rights, labor, safety, supply chain, product responsibility, and ESG disclosure expectations
- Ability to review sustainability targets, action plans, KPIs, performance results, ESG data quality, and external assessment requirements
- Integrity, accountability, cross-functional collaboration capability, confidentiality, and ability to provide objective and constructive recommendations

- Ability to devote sufficient time to meetings, review of materials, follow-up actions, and other responsibilities assigned by the Board of Directors or the Committee

7) Term of Office and Vacation of Office

7.1 Term of Office

Committee members shall hold office for a term of three years, or for the period determined by the Board of Directors or authorized body. Committee members may be reappointed if the Board of Directors or authorized body considers that they continue to possess appropriate qualifications, experience, authority, and suitability.

7.2 Vacation of Office

A Committee member shall vacate office upon:

- Completion of term
- Death
- Resignation
- Vacation of directorship or executive position, where the member has been appointed in such capacity
- Removal by resolution of the Board of Directors or authorized body
- Loss of qualification or occurrence of any circumstance that makes the member unsuitable or unable to perform duties appropriately

7.3 Replacement

If a Committee position becomes vacant before the end of the term, the Board of Directors or authorized body may appoint a qualified person as replacement within an appropriate period. The replacement member shall hold office for the remaining term of the member replaced, unless otherwise determined by the Board of Directors or authorized body.

8) Duties and Responsibilities

The Sustainability Committee shall have the following duties and responsibilities.

8.1 Sustainability Strategy and Framework

8.1.1 Sustainability Direction

Review, provide opinions, and make recommendations on the Company's sustainability direction, sustainability strategy, strategic framework, sustainability priorities, and long-term sustainability ambitions.

8.1.2 FOREST | FUTURE | TOGETHER Framework

Oversee and support implementation of the FOREST | FUTURE | TOGETHER framework across the Company's strategy, operations, value chain, reporting, and stakeholder engagement.

8.1.3 Sustainability Development Plan

Review the Sustainability Development Plan, annual sustainability roadmap, targets, action plans, resource requirements, accountable owners, and expected outcomes.

8.1.4 Integration with Business Strategy

Support integration of sustainability priorities into business strategy, investment decisions, product development, raw material planning, energy management, procurement, manufacturing, customer engagement, and market positioning.

8.1.5 Long-Term Value Creation

Oversee sustainability initiatives that strengthen long-term value creation, business resilience, market access, operational efficiency, investor confidence, customer trust, community acceptance, and stakeholder relationships.

8.2 Materiality, V-IMRA, and Stakeholder Engagement**8.2.1 V-IMRA Process**

Oversee and support the Vanachai Integrated Materiality and Risk Assessment: V-IMRA process to identify, assess, prioritize, and validate sustainability impacts, risks, opportunities, dependencies, and stakeholder concerns.

8.2.2 Double Materiality

Support consideration of both impact materiality and financial materiality, including the Company's impacts on people, environment, communities, and society, and the potential effects of sustainability matters on enterprise value, financial performance, cost of capital, market access, and business resilience.

8.2.3 Linkage with ERM

Coordinate with the Risk Management and Corporate Governance Committee and relevant functions to ensure that material sustainability-related risks and opportunities are linked to the Enterprise Risk Register, risk appetite, mitigation plans, key risk indicators, and Board reporting where appropriate.

8.2.4 Stakeholder Engagement

Review the Company's stakeholder engagement approach, key stakeholder groups, engagement outcomes, stakeholder concerns, and how such concerns are reflected in sustainability priorities, risk management, strategy, and reporting.

8.2.5 Material Topic Review

Review material sustainability topics at least annually, or when there are significant changes in business strategy, regulatory expectations, stakeholder

concerns, operations, value chain, market requirements, or external ESG standards.

8.3 Climate Change, Net Zero, Energy, and Resilience

8.3.1 Climate Governance

Oversee the Company's climate change strategy, climate governance structure, climate-related targets, transition plan, and progress toward Net Zero or other climate-related commitments.

8.3.2 Greenhouse Gas Management

Review the Company's GHG inventory, Scope 1, Scope 2, and relevant Scope 3 emissions, data quality, calculation approach, emission reduction initiatives, and verification readiness.

8.3.3 Energy Transition

Review initiatives relating to energy efficiency, renewable energy, biomass utilization, solar energy, fuel management, energy intensity reduction, and cost-efficient decarbonization.

8.3.4 Climate-related Risks and Opportunities

Support identification and assessment of climate-related physical risks and transition risks, including potential impacts on operations, assets, supply chain, raw material availability, energy cost, regulatory compliance, export markets, customers, financing, and long-term strategy.

8.3.5 Climate Scenario and Resilience

Support the development of climate scenario analysis, climate sensitivity assessment, adaptation measures, business continuity planning, and resilience measures where relevant to the Company's operations and value chain.

8.3.6 Climate Disclosure

Support management in strengthening climate-related disclosure readiness under relevant frameworks such as TCFD, IFRS S2, GHG Protocol, SET expectations, and investor requirements.

8.4 Environmental Management, Resource Efficiency, and Circular Manufacturing

8.4.1 Environmental Management

Review the Company's environmental management approach, environmental targets, environmental compliance, environmental risk controls, monitoring systems, and improvement plans.

8.4.2 Resource Efficiency

Oversee initiatives to improve resource efficiency, reduce raw material loss, optimize material utilization, improve production yield, and reduce environmental impacts from manufacturing.

8.4.3 Circular Manufacturing

Support circular manufacturing initiatives, including reuse, recycling, waste recovery, by-product utilization, waste-to-value practices, process optimization, and innovation to reduce waste and environmental footprint.

8.4.4 Pollution Prevention

Review actions to prevent and reduce air emissions, wastewater impacts, waste generation, hazardous materials, and other pollution-related impacts relevant to the Company's operations.

8.4.5 Water Management

Review water use, water efficiency, wastewater treatment, water recycling, water-related risks, site-level water management plans, and water-stressed area considerations where applicable.

8.4.6 Environmental Compliance and Incidents

Review significant environmental incidents, environmental complaints, fines, penalties, non-compliance, corrective actions, and recurrence prevention measures.

8.5 Biodiversity, Nature, and Responsible Resource Use**8.5.1 Biodiversity Strategy**

Review the Company's biodiversity strategy, biodiversity policy commitments, nature-related priorities, biodiversity risk assessment, and action plans where relevant to the Company's business and value chain.

8.5.2 Nature-related Risks and Dependencies

Support identification of nature-related dependencies, impacts, risks, and opportunities relating to raw material sourcing, water, land use, ecosystems, biodiversity, and natural capital.

8.5.3 Responsible Wood Sourcing

Oversee sustainability-related aspects of responsible wood sourcing, raw material traceability, legal compliance, supplier engagement, and transition toward more resilient and responsible raw material sources.

8.5.4 Ecosystem Restoration and Nature-Positive Value

Support initiatives that contribute to ecosystem restoration, biodiversity enhancement, responsible resource use, community participation, and nature-positive value creation where applicable.

8.5.5 Biodiversity Disclosure

Review biodiversity-related disclosures, including risk assessment, action plans, restoration initiatives, stakeholder engagement, and relevant performance indicators where publicly reported.

8.6 Sustainable Products, Innovation, and Customer Responsibility

8.6.1 Sustainable Product Development

Review sustainability-related opportunities in product development, product design, low-emission products, safer materials, durability, quality, and customer value.

8.6.2 Life Cycle Thinking

Support the use of life cycle thinking, life cycle assessment, environmental product information, and product footprint analysis where relevant to product strategy, customer requirements, and market access.

8.6.3 Product Quality and Safety

Oversee sustainability-related aspects of product quality, product safety, customer health and safety, customer claims, product compliance, and transparent product communication.

8.6.4 Market and Customer Expectations

Review sustainability requirements from customers, export markets, regulators, green building expectations, ESG-linked procurement requirements, and product-related environmental standards.

8.6.5 Innovation for Sustainable Value

Support innovation initiatives that reduce environmental impact, enhance resource efficiency, improve product performance, strengthen customer confidence, and create long-term business value.

8.7 Human Rights, Labor, Occupational Health and Safety, and Human Capital

8.7.1 Human Rights Governance

Oversee the Company's human rights commitments, human rights due diligence approach, salient human rights issues, grievance mechanisms, and remediation processes.

8.7.2 Labor Practices

Review labor-related sustainability topics, including fair employment, non-discrimination, equal opportunity, prevention of child labor and forced labor, working hours, wages, freedom of association, collective bargaining, and employee voice.

8.7.3 Occupational Health and Safety

Review occupational health and safety performance, safety risk assessment, incident prevention, contractor safety, employee participation, safety targets, incident investigation, corrective actions, and continuous improvement.

8.7.4 Human Capital Development

Support initiatives relating to employee development, skills upgrading, leadership development, sustainability capability building, ESG awareness, employee engagement, and workforce readiness for business transformation.

8.7.5 Diversity, Inclusion, and Well-being

Review initiatives relating to diversity, inclusion, employee well-being, respectful workplace, and workplace culture aligned with the Company's values and sustainability commitments.

8.8 Sustainable Supply Chain and Responsible Procurement

8.8.1 Supplier ESG Requirements

Oversee sustainability-related requirements for suppliers, contractors, logistics providers, service providers, and other third parties, including environmental, social, governance, human rights, labor, safety, ethics, and legal compliance expectations.

8.8.2 Supplier Risk Assessment

Support risk-based assessment of suppliers, including potential new suppliers and existing high-risk suppliers, covering environmental, social, governance, human rights, labor, safety, corruption, and business continuity risks.

8.8.3 Supplier Monitoring and Corrective Actions

Review supplier monitoring, audit results, non-compliance findings, corrective action plans, follow-up status, capacity building, and termination or suspension measures where necessary.

8.8.4 Supplier Development

Support supplier engagement, training, awareness building, best practice sharing, and collaboration to improve supplier sustainability performance, especially among suppliers critical to Vanachai Group's raw material security and responsible sourcing priorities.

8.8.5 Supply Chain Resilience

Review sustainability-related supply chain risks, including raw material availability, legal sourcing, traceability, climate impact, environmental compliance, social compliance, supplier concentration, logistics disruption, and community supplier resilience.

8.9 Community Engagement and Shared Value Creation

8.9.1 Community Engagement

Review the Company's community engagement approach, community concerns, community development priorities, local supplier relationships, and social impact initiatives.

8.9.2 Shared Value Creation

Support initiatives that create shared value for communities, suppliers, employees, customers, and society, while strengthening the Company's long-term competitiveness and social license to operate.

8.9.3 Local Economic Contribution

Review sustainability initiatives that support local employment, local procurement, community income opportunities, supplier capability building, and responsible business relationships with local stakeholders.

8.9.4 Grievance and Remedy

Review community-related grievances, stakeholder concerns, response actions, remediation measures, and recurrence prevention where relevant to sustainability impacts.

8.10 Sustainability Data, Reporting, and Assurance Readiness**8.10.1 Sustainability Data Governance**

Oversee the Company's sustainability data governance, including data owners, data collection processes, calculation methods, documentation, internal review, evidence retention, and accountability.

8.10.2 ESG Performance Monitoring

Review sustainability KPIs, progress against targets, action plan status, data quality issues, performance gaps, and corrective actions.

8.10.3 Sustainability Reporting

Review the Company's sustainability report, sustainability disclosures, ESG performance tables, climate-related disclosures, material topic disclosures, and relevant content before submission to the Board of Directors or public disclosure where appropriate.

8.10.4 Assurance Readiness

Support readiness for internal review, external assurance, verification, or assessment of sustainability data, including GHG data, energy data, environmental data, safety data, supplier data, human rights data, and other material ESG information.

8.10.5 Evidence Traceability

Support the Company's ability to provide clear evidence, data sources, owners, approval records, and public disclosure locations for ESG ratings, FTSE Russell assessment, SET ESG assessment, sustainability reporting, and investor enquiries.

8.11 ESG Ratings, Investor Expectations, and External Assessments

8.11.1 ESG Assessment Oversight

Review ESG rating and assessment results, including FTSE Russell, SET ESG, CGR, and other assessments relevant to the Company.

8.11.2 Gap Analysis and Improvement Plans

Review ESG gap analysis, improvement plans, responsible owners, timelines, evidence requirements, and disclosure improvements.

8.11.3 Investor-grade Disclosure

Support the development of investor-grade sustainability disclosure that is clear, accurate, balanced, traceable, comparable, and aligned with recognized standards and public evidence requirements.

8.11.4 ESG Performance Communication

Review key messages and disclosure themes to ensure they reflect actual performance, measurable progress, governance accountability, and long-term value creation.

8.12 Policy Oversight and Implementation

8.12.1 Sustainability Policy Architecture

Review and provide recommendations on sustainability-related policies, including environmental, climate, biodiversity, human rights, labor, safety, supply chain, procurement, stakeholder engagement, customer responsibility, and community-related policies.

8.12.2 Policy Implementation

Monitor the implementation of sustainability-related policies and ensure that responsibilities, action plans, KPIs, communication, training, monitoring, and reporting are appropriately defined.

8.12.3 Training and Awareness

Support sustainability awareness, ESG training, climate capability building, human rights training, supplier engagement, and internal communication to embed sustainability commitments across the Company.

8.12.4 Non-Compliance and Corrective Actions

Review significant sustainability-related non-compliance, incidents, complaints, corrective actions, remediation measures, and prevention of recurrence where such matters are escalated to the Committee.

8.13 Other Responsibilities

The Committee shall also have the following responsibilities:

- Review and provide recommendations on sustainability-related matters assigned by the Board of Directors or relevant Board Committees.
- Request information, documents, ESG data, performance reports, risk assessments, audit results, verification evidence, stakeholder engagement records, supplier assessment results, or other relevant information from management and functions of the Company.
- Invite directors, executives, department heads, employees, advisors, experts, auditors, suppliers, or relevant persons to attend meetings to provide information, clarification, or opinions.
- Coordinate with the Risk Management and Corporate Governance Committee, Audit Committee, Nomination and Remuneration Committee, Executive Committee, and management where sustainability topics overlap with risk, internal control, remuneration, strategy, or disclosure.
- Consider engaging independent advisors, consultants, assurance providers, technical experts, or other professionals in accordance with the Company's procedures where specialized advice is necessary.
- Report the Committee's activities, key findings, recommendations, performance progress, and matters requiring attention to the Board of Directors or relevant Board Committees at least twice per year, or more frequently as appropriate.
- Perform any other duties assigned by the Board of Directors.

9. Authority of the Committee

The Committee has authority, within the scope delegated by the Board of Directors or authorized body, to:

- Review and provide recommendations on sustainability strategy, ESG priorities, sustainability targets, action plans, sustainability policies, ESG performance, sustainability disclosures, and external ESG assessments.
- Request information, documents, data, evidence, reports, records, explanations, and access to relevant personnel, systems, sites, subsidiaries, suppliers, contractors, or third parties as necessary for the Committee's duties.
- Invite management, employees, advisors, experts, auditors, suppliers, or relevant persons to attend meetings or provide clarification.
- Provide recommendations to management on sustainability action plans, ESG data improvements, risk mitigation, policy implementation, disclosure improvements, corrective actions, and stakeholder engagement.

- Escalate significant sustainability matters, ESG risks, climate risks, environmental incidents, human rights concerns, supplier non-compliance, safety matters, disclosure concerns, or stakeholder issues to the Board of Directors or relevant Board Committees as appropriate.
- Seek independent professional advice where necessary, subject to the Company's procedures and approvals.
- Take any other necessary and appropriate action to fulfill the Committee's responsibilities under this Charter.

10. Meetings

10.1 Meeting Frequency

The Committee shall hold meetings at least twice per year. Additional meetings may be convened where necessary, particularly where there are significant sustainability strategy matters, climate or environmental issues, ESG rating issues, sustainability reporting matters, material stakeholder concerns, major ESG incidents, or matters requiring timely consideration.

10.2 Quorum

A quorum shall consist of at least one-half of the total number of Committee members.

10.3 Calling of Meetings

The Chairperson of the Committee shall call meetings of the Committee. If the Chairperson is unable to attend or perform duties, the attending Committee members may appoint one member to act as chairperson of the meeting.

10.4 Meeting Notice and Materials

The Committee Secretary or assigned function shall circulate the meeting notice, agenda, and supporting documents within a reasonable period before the meeting to allow Committee members sufficient time for review.

10.5 Voting

Resolutions of the Committee shall be passed by a majority vote of members attending the meeting and entitled to vote. Each member shall have one vote. In the event of a tie, the chairperson of the meeting shall have an additional casting vote.

10.6 Interested Members

A Committee member who has an interest in a matter under consideration shall disclose such interest and abstain from voting on that matter. Where appropriate, the interested member should not participate in the discussion.

10.7 Attendance of Relevant Persons

The Committee may invite directors, executives, department heads, employees, advisors, experts, auditors, suppliers, or other relevant persons to attend meetings to provide information, clarification, or opinions.

10.8 Minutes of Meeting

The Committee Secretary or assigned function shall prepare accurate and complete minutes of meeting, maintain records, and follow up on resolutions, action items, and recommendations of the Committee.

11. Reporting and Disclosure**11.1 Reporting to the Board of Directors**

The Committee shall report its activities, key findings, recommendations, sustainability performance, ESG risks, climate progress, material stakeholder concerns, sustainability reporting matters, ESG assessment matters, and other significant issues to the Board of Directors or relevant Board Committees at least twice per year, or more frequently as appropriate.

11.2 Reporting of Significant or Urgent Matters

If the Committee identifies significant or urgent matters relating to climate change, environmental compliance, biodiversity, human rights, labor, safety, supplier non-compliance, community concerns, ESG data integrity, disclosure risk, ESG rating risk, or any matter that may materially affect the Company, shareholders, investors, stakeholders, reputation, operations, strategy, financial condition, or legal compliance, the Committee or its Chairperson should report the matter to the Board of Directors or relevant Board Committees promptly.

11.3 Sustainability Committee Report

The Committee may prepare or review a Sustainability Committee report, or provide input to sustainability governance disclosure, for inclusion in the Annual Report, Form 56-1 One Report, Sustainability Report, website, or other public disclosure channels.

11.4 Public Disclosure

- The Company may disclose the role, responsibilities, composition, meeting frequency, attendance, key activities, Charter, sustainability governance structure, sustainability performance, and key progress of the Committee in the Annual Report, Sustainability Report, website, or other appropriate communication channels.
- Such disclosure shall consider accuracy, completeness, transparency, balance, relevance, confidentiality, personal data protection, and applicable laws and regulations.

12. Performance Evaluation of the Committee

The Committee shall arrange an evaluation of its performance at least once per year and report the evaluation results to the Board of Directors or the authorized body.

The evaluation may cover:

- Fulfillment of duties under this Charter
- Adequacy of Committee composition, authority, expertise, and cross-functional representation
- Effectiveness of meetings and participation of Committee members
- Quality of agenda, documents, discussion, and recommendations
- Effectiveness of sustainability strategy oversight
- Effectiveness of climate, Net Zero, environmental, biodiversity, human rights, safety, and supply chain oversight
- Effectiveness of V-IMRA and materiality oversight
- Effectiveness of ESG data governance and sustainability reporting oversight
- Effectiveness of ESG assessment and FTSE Russell evidence traceability support
- Follow-up of Committee resolutions and recommendations
- Quality and timeliness of reporting to the Board of Directors or relevant Board Committees
- Opportunities to improve the Committee's processes, governance role, and overall effectiveness

The results of the evaluation should be used to improve the Committee's performance, meeting process, reporting quality, sustainability governance, ESG data management, and oversight effectiveness.

13. Targets and Performance Indicators

The Company may monitor the effectiveness of the Committee through the following indicators:

Category	Target / KPI	Monitoring Frequency	Responsible Unit
Committee meetings	Committee meetings are held at least twice per year	Annually	Committee Secretary
Committee attendance	Committee members attend meetings in accordance with Company expectations	Each meeting	Committee Secretary
Reporting to the Board	Committee activities and key matters are reported to the Board of Directors or relevant Board Committees	At least twice per year	Committee Chairperson / Committee Secretary

Category	Target / KPI	Monitoring Frequency	Responsible Unit
Sustainability strategy	Sustainability strategy and development plan are reviewed	At least annually	Sustainability Function / Management
FOREST FUTURE TOGETHER	Implementation progress under the sustainability framework is reviewed	At least annually	Sustainability Function / Relevant Functions
V-IMRA	Material sustainability topics, impacts, risks, and opportunities are reviewed	At least annually or when significant changes occur	Sustainability Function / Risk Management Function
Climate and Net Zero	GHG emissions, energy performance, transition initiatives, and Net Zero progress are reviewed	At least annually or as needed	Sustainability / Environment / Energy Functions
Climate risk	Climate-related risks and opportunities are reviewed and linked with ERM where material	At least annually	Sustainability / Risk Management Function
Environmental performance	Energy, water, waste, emissions, pollution, and environmental compliance are monitored	At least annually or as required	Environment / Operations
Biodiversity and nature	Biodiversity risks, responsible sourcing, and nature-related initiatives are reviewed where material	At least annually or as needed	Sustainability / Procurement / Operations
Sustainable products	Sustainability-related product quality, innovation, low-emission product, or customer requirement initiatives are reviewed	At least annually or as needed	Operations / R&D / Sales / Sustainability
Human rights and labor	Human rights, labor, employee engagement, and related grievance matters are reviewed where material	At least annually or as needed	Sustainability / Compliance

Category	Target / KPI	Monitoring Frequency	Responsible Unit
Health and safety	Safety performance, incidents, corrective actions, and targets are reviewed	At least annually or as needed	Safety / Operations
Supply chain ESG	Supplier ESG assessment, supplier monitoring, corrective actions, and capacity building are reviewed	At least annually or as needed	Procurement / Sustainability
Community engagement	Community engagement, shared value initiatives, and stakeholder concerns are reviewed	At least annually or as needed	Sustainability / Community Relations
ESG data quality	Sustainability data owners, evidence, internal review, and data quality issues are monitored	Annually or during reporting cycle	Sustainability / Data Owners
Sustainability reporting	Sustainability Report and key ESG disclosures are reviewed	Annually	Sustainability / Finance / Company Secretary
Assurance readiness	GHG, energy, environmental, safety, supplier, and other ESG data assurance readiness is reviewed	Annually or as needed	Audit / Data Owners
ESG assessments	FTSE Russell, SET ESG, CGR, and other relevant ESG assessment gaps and action plans are reviewed	Annually or as needed	Sustainability / Investor Relations / Company Secretary
Charter review	This Charter is reviewed and updated to align with laws, standards, risks, policies, and stakeholder expectations	At least every 2 years or when significant changes occur	Sustainability Committee / Company Secretary

14) Review and Continuous Improvement

This Charter shall be reviewed at least every 2 years, or earlier if there are material changes in laws, regulations, sustainability standards, ESG assessment methodologies, Board structure, business strategy, risk profile, sustainability priorities, climate expectations, stakeholder expectations, or Company policies.

The review shall consider:

- Results of Committee performance evaluation
- Changes in sustainability strategy, material topics, ESG risks, and stakeholder expectations
- Changes in climate, environmental, biodiversity, human rights, labor, safety, supply chain, customer, and community priorities
- Results of V-IMRA and linkage with ERM
- Sustainability performance results and progress against targets
- ESG rating results, FTSE Russell feedback, SET ESG feedback, investor expectations, and disclosure gaps
- Sustainability data quality issues and assurance readiness findings
- Internal audit findings, compliance issues, incidents, complaints, or non-compliance cases related to sustainability matters
- Changes in SET, SEC, FTSE Russell, GRI, IFRS S1 / S2, TCFD, TNFD, GHG Protocol, ISO standards, or other relevant expectations
- Changes in Vanachai Group's business model, raw material sourcing, operating sites, production processes, supply chain, export markets, customer requirements, or digital systems
- Feedback from directors, executives, employees, suppliers, customers, communities, shareholders, investors, regulators, and other stakeholders

Any amendment to this Charter shall be submitted to the Board of Directors, or the authorized approving body as determined by the Company, for approval and shall be communicated to relevant parties.

15) Revision History of the Sustainability Committee Charter

Version	Date	Charter Owner	Approved by	Key Changes / Important Notes
1.0	11 November 2024	Sustainability Committee / Company Secretary /	Board of Directors	Established and issued the first Sustainability Committee Charter to define the purpose, composition, qualifications, term of office, duties and responsibilities, authority, meetings, reporting, sustainability strategy oversight, sustainability performance monitoring, and Committee evaluation.
2.0	10 August 2026	Sustainability Committee / Company Secretary / Sustainability Function / Risk Management Function / Environment Function / Human Resources Function / Procurement Function / Finance Function	Board of Directors	Upgraded the Charter into an investor-grade sustainability governance document tailored to Vanachai Group's business and policy architecture. The revised version strengthens oversight of sustainability strategy, FOREST FUTURE TOGETHER framework, V-IMRA, ESG materiality, climate change, Net Zero transition, energy, GHG management, circular manufacturing, resource efficiency, water, waste, pollution, biodiversity, nature-positive value creation, responsible wood sourcing, sustainable products, human rights, labor, occupational health and safety, sustainable supply chain, community engagement, ESG data governance, sustainability reporting, assurance readiness, ESG rating improvement, SET ESG performance, and relevant FTSE Russell / GRI / IFRS S1-S2 / TCFD / TNFD expectations..

This Charter has been approved and issued for acknowledgement and implementation by the Sustainability Committee, the Board of Directors, management, Sustainability, Risk Management, Environment, Operations, Procurement, Human Resources, Finance, Internal Audit, Company Secretary, relevant functions, and all parties involved in the Company's sustainability governance, ESG performance, reporting, and long-term value creation processes.