

CORPORATE FRAMEWORK ON SOCIAL IMPACT MEASUREMENT

At Banpu, community engagement seeks to improve quality of life. Effective community engagement results in mutual benefit and shared responsibility among community members. Community engagement helps to build community capacity in order to address issues and take advantage of opportunities, find common ground and balance competing interests. This leads to the ultimate goal of Banpu's community engagement - sustainability.

Community Engagement Strategy:

The Company has a strong belief in strengthening and empowering the communities so that they become self-reliant in the long run. There are 6-Dimension of community engagement projects which consist of:

1. Economic Development and Income Generation
2. Educational Development
3. Basic Infrastructure Development
4. Health and Sanitation Development
5. Environmental Conservation
6. Social, Cultural Promotion and Community Relation

Programs and Initiatives:

Through community engagement strategy, Banpu implements a variety of programs and initiatives. The projects and initiatives are selected based on the objectives established in the strategy and the following principles:

Banpu emphasizes the importance of **community participation**, particularly involving local communities, indigenous peoples, and vulnerable groups in sustainable development. The company promotes open dialogue, cooperation, and equality across racial, ethnic, and gender lines, fostering proactive engagement with stakeholders.

Banpu prioritizes **community involvement in decision-making**, ensuring community representatives are part of key processes such as land acquisition, resettlement, and community initiatives. The company focuses on **creating shared value** by working with communities to address their needs, improve local well-being, provide employment, support local procurement, and enhance training opportunities. Additionally,

Banpu **fosters transparency** by sharing operational information and addressing community concerns through effective grievance mechanisms, building trust and enabling informed discussions. Banpu also encourages **employee participation** in community initiatives, leveraging their expertise and resources to strengthen relationships and contribute to sustainable outcomes.

Project Performance Evaluation Tools:

1. Project Performance Evaluation Indicators

Banpu has developed a set of performance evaluation indicators. The tool has been developed in alignment with community engagement framework and provided a template to guide the evaluation process. It is the responsibility of community engagement practitioners to implement the template and complete the process.

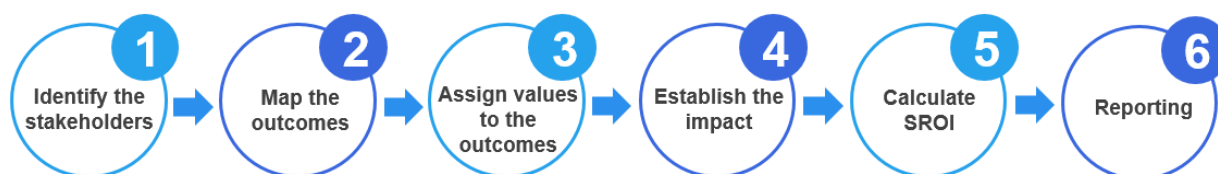


2. Social Return on Investment (SROI)

Social Return on Investment (SROI) is a framework for measuring and accounting for this much broader concept of value; it seeks to reduce inequality and environmental degradation and improve wellbeing by incorporating social, environmental, and economic costs and benefits.

SROI Assessment Process

The process of assessing the social return on investment involves 6 steps which are described below.



3. Community Engagement Data Management System (CEMS)

CEMS is an application that stores, manages, and retrieves impact data for community engagement projects, helping to monitor progress, review budgets, and assess social impact. It consists of three main steps: registration, implementation, and completion. Users register projects, update impact data during implementation, and finalize them by year-end.

Once projects are registered, social impact indicators are identified, and data is input into CEMS as projects progress or are completed. The application generates reports at four levels—village, site, country, and corporate—for users to communicate results with stakeholders.