

## 2024 Stakeholder Engagement Policy

### 1. Introduction, Goals and Outcomes

#### 1.1. Introduction

Our team members have prepared this Stakeholder Engagement Policy for the year 2024. The policy reflects the needs, interests and involvement of our current stakeholders across Nepal where our products are manufactured, and internationally where our customers are located.

Stakeholder engagement is the process used by a company or organization to engage relevant stakeholders for a clear purpose with the goal of working collaboratively to achieve positive economic, social and environmental outcomes.

Shah Hemp Stakeholders include our company's **team members, customers, suppliers, local community members, partner companies and organizations**, and **advisors** in accordance with the geographic scope and location of a particular project or initiative.

It is now also recognized as a fundamental accountability mechanism, since it requires a company or organization to:

1.1.1. Involve stakeholders in identifying, understanding and responding to governance, sustainability and impact issues, concerns, and;

1.1.2. To report, explain and answer to stakeholders with regards to the company or organization's decisions, actions and performance across a range of indicators, including those that are governance-based, financial, social, and environmental.

#### 1.2. Goals

1.2.1. Stakeholder involvement in the process of setting specific outcome objectives related to the economic, social and environmental performance of the company and its projects and initiatives.

1.2.2. Transparency and accountability related to the company's achievement of specific outcomes across its economic, social and environmental performance.

1.2.3. Stakeholder involvement in the process of Shah Hemp client and partnership-based projects substantiating progress according to Sustainable Development Goals and Indicators.

1.2.4. The ongoing development of an inclusive, fair and transparent corporate culture, that engages stakeholders in the identification of potential gaps and problem areas related to service delivery by Shah Hemp.

### **1.3. Outcomes**

Shah Hemp is dedicated to outlining specific outcomes as related to the positive social and environmental impact our Stakeholder Engagement initiatives are intended to create. Our process in realizing those outcomes involves:

1.3.1. Collaboratively creating project-specific stakeholder engagement plans;

1.3.2. Outlining specific impact metrics according to internationally-recognized standards, including, but not limited to, the Global Impact Investing Network's catalog of IRIS impact metrics;

1.3.3. Establishing clear methods of engagement, setting meeting dates and leading collaborative projects in accordance with each individual project-specific stakeholder engagement plans.

## **2. Governance and Decision-Making**

2.1. Shah Hemp Stakeholder Engagement Initiatives are governed by the company's Executive Board, and are influenced by feedback from Non-Executive Team Members, Partners and Advisors.

2.2. Our Executive Board establishes Stakeholder Engagement Policy, Plans, and Procedures, that are then presented to potential and current Stakeholder Board members, and become open for feedback from both the Stakeholder Board, and Stakeholders that are not officially engaged with Stakeholder Board initiatives, including, but not limited to: Shah Hemp Team Members, Customers and Beneficiaries related to our Customers' products and services.

2.3. Stakeholder Engagement practices and procedures may vary in accordance with Shah Hemp client and partner projects, in alignment with the needs, goals and objectives that relate to particular local stakeholder groups, including underrepresented groups that may vary. For example, definitions of underrepresentation may vary depending on ethnicity, race, religion, economic status, occupation, gender, political opinion and further determining factors.

### **3. Scope of Engagement**

The following are specific methods of engagement that relate to the scope of Stakeholder inclusion as part of Shah Hemp Governance:

**3.1. Stakeholder Boards** - Official corporate governing bodies that involve long-term representatives of stakeholder groups, including team members, customers, suppliers, local community members, partner companies and organizations, and advisors

**3.2. Collaborative Stakeholder Engagement Planning** - A project-based process that involves Stakeholders in the development of specific engagement plans that relate to a particular project or initiative.

### **4. Employee and Advisor Engagement**

**4.1.** Shah Hemp engages Employees and Advisors as part of our Stakeholder Engagement Planning processes. Team members engaged as part of our manufacturing, processing and construction teams are provided with formal onboarding training that includes skills development for their particular area of work, along with introductions to the company's overall scope of work in the hemp processing and sustainable development field.

**4.2.** The Shah Hemp team engages female Advisory Board members who have experienced barriers to employment or have been underemployed as part of our Stakeholder Engagement Planning processes

**4.3.** Plans and procedures are in development for the purpose of engaging minority and underrepresented groups.

### **5. Impact Measurement and Management**

Standards, resources, tools and methodology utilized for the purpose of impact measurement and management to substantiate and verify the achievement of economic, social and environmental impact outcomes include, but are not limited to:

5.1. Progress, program and policy development in alignment with B Corporation standards, at Shah Hemp and alongside its affiliates, clients and partners;

5.2. The Global Impact Investing Network catalog of IRIS Impact Outcomes;

5.3. Direct stakeholder involvement in impact report reviews and impact outcome verification;

5.4. Targets and Indicators in accordance with the Sustainable Development Goals.

## **6. Reporting and Transparency**

The levels of reporting within the company for the year 2024 are:

6.1. **Publicly transparent** reporting made available on the company's website at: <https://shahhempinnoventures.com/>;

6.2. Reporting to the **Executive Board** inclusive of **Team Member** representation;

6.3. Reporting to the **Stakeholder Board**;

6.4. Reporting to the **Advisory Board**;

6.5. Reporting to the Company's **Customers**;

6.6. Third-party verification and certification through the non-profit B Lab organization has been achieved as of 2024.

## **7. Company Accountability**

The formal accountability structure for the year 2024 is as follows:

Grievances and disciplinary issues are addressed directly by the CEO, Stakeholder Board Chair, or Advisory Board Chair or Working Group Leader.

Board members are provided with clear performance-based expectations, key performance indicators and milestones related to their work.

Accountability Level	Structure	Representation and Responsible Individuals	Procedures
Executive	Executive Board	Executive managers and advisors Team members including non-executive managers Board Chair: Nivedita Bansal <a href="mailto:nivedita@shahhempinnoventures.com">nivedita@shahhempinnoventures.com</a>	The Executive Board develops Stakeholder Engagement Policy and Procedures. The Executive Board leads the company’s scaling and growth strategy, the development of new and improved service offerings, programs, policies and procedures, along with the consistent implementation of sustainable development and impact management standards as part of the company’s operations.
Executive	Stakeholder Board	Representation includes Customers, Suppliers, Investees, Government Representatives and Investees.	The Stakeholder Board reviews and improves Stakeholder Engagement Policy and Procedures. The Stakeholder Board further reviews reports, impact data, and outcomes reported on and developed by the Advisory Board, and the Stakeholder Engagement Planning working group.
Leadership and Advisory	Advisory Board	Representation includes Customers, Suppliers, Investees, Impact Investors, and advisors selected for their commitment to sustainability, the realization of impact outcomes, and the development of the	The Advisory Board leads the company’s business development processes and implements clear sustainable development, impact measurement and management, and investment strategies. The Advisory Board

		regenerative economy.	further reviews company projects and initiatives, technological platforms, pricing and service structure, corporate policies and procedures.
Project-Based Engagement	Variable Structure Per-Project		Project-Based Engagement Group structure, representation and scope of work vary on a per-project basis and depend on the specific needs, and intended outcomes, related to collaborative work with Customers, Suppliers, Community Organizations, Team Members and further stakeholders.

## 2024 Stakeholder Engagement in Practice

Stakeholders	Method of Engagement	Company Initiatives
<b>Team Members and Advisors</b>	<ul style="list-style-type: none"> <li>- Weekly team meetings</li> <li>- Executive board meetings inclusive of non-executive team members</li> <li>- Employee surveys</li> <li>- Team member and advisor involvement in policy development, executive meetings with clients and partners</li> </ul>	<ul style="list-style-type: none"> <li>- Dedicated meetings once per week</li> <li>- Environment, Social and Governance policy development</li> <li>- Team member and advisor involvement as part of the Company's impact measurement and management strategy development</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>- Regular meetings in accordance with project goals and impact outcomes</li> <li>- Customer representation on Stakeholder Boards</li> <li>- Customer representation on Advisory boards</li> <li>- Customer feedback on company policy, communication, pricing, program development and stakeholder engagement policy and strategy</li> </ul>	<ul style="list-style-type: none"> <li>- Meetings once per week during active projects. Monthly Stakeholder Board and Advisory Board meetings.</li> <li>- Clear communication channels with identified team leaders</li> </ul>
<b>Suppliers and Partners</b>	<ul style="list-style-type: none"> <li>- Quarterly meetings</li> <li>- Supplier and Partner representation on stakeholder boards</li> <li>- Supplier and Partner representation on advisory boards</li> </ul>	<ul style="list-style-type: none"> <li>- Online and community meetings</li> <li>- Customized feedback mechanisms that address the unique needs of each Supplier and Partner</li> </ul>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>- Monthly meetings related to active projects and ongoing manufacturing processes</li> <li>- Community representation on the Shah Hemp Stakeholder Board and Advisory Board</li> </ul>	<ul style="list-style-type: none"> <li>- Customized feedback mechanisms that address the unique needs of each Community</li> <li>- The development of community-specific programs and initiatives, according to the regions within which members of this Stakeholder category operate</li> </ul>