



# POLICY AND GUIDELINE FOR STAKEHOLDER ENGAGEMENT

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## **Policy and Guidelines for Stakeholder Engagement Vanachai Group Public Company Limited and Subsidiaries**

Vanachai Group Public Company Limited and its subsidiaries (“the Company”) recognize that effective engagement and relationship management with stakeholders is a vital component of sustainable business operations.

The Company conducts its business with integrity, transparency, and accountability to all stakeholder groups, including shareholders, employees, customers, consumers, business partners, suppliers, creditors, government agencies, local communities, and industry peers.

The Company is committed to maintaining a balance between business objectives and stakeholder expectations to foster trust, collaboration, and the creation of shared value that supports the long-term growth of the organization, society, and the environment.

This Policy serves as a strategic framework for managing and communicating with stakeholders in a systematic, transparent, and verifiable manner. It aligns with international ESG standards and reflects the Company’s sustainability vision, “**Forest | Future | Together – for a Sustainable Living**” – representing the shared growth of the organization, people, and nature.

### **1) Objectives**

- To establish a structured framework for the Company’s stakeholder management, covering identification, assessment, communication, response, and performance review processes.
- To foster positive and constructive relationships with all stakeholder groups based on understanding, trust, and mutual respect.
- To promote stakeholder participation in shaping the Company’s sustainable development direction and strategy.
- To ensure that the Company conducts its business responsibly, transparently, and in a manner that appropriately responds to stakeholder expectations.
- To align the Company’s objectives with national and global sustainable development goals, in accordance with ESG principles and the United Nations Sustainable Development Goals (SDGs).

### **2) Policy Alignment and International Standards**

- **Global Reporting Initiative (GRI):**
  - **GRI 2: General Disclosures 2021** - Main standard for governance, reporting practices, stakeholder identification, stakeholder engagement, communication channels, grievance mechanisms and transparency.

- **GRI 3: Material Topics 2021** - Main standard for determining material topics, stakeholder input into materiality assessment, management of material topics and disclosure of how stakeholder concerns are integrated into strategy and risk management.
- **GRI 413: Local Communities 2016** - Applied where stakeholder engagement involves local communities, community impact assessment, community development, grievance channels and operations with actual or potential impacts on local communities.
- **GRI 204: Procurement Practices 2016** - Applied where the policy addresses local procurement, local suppliers and shared value creation through sourcing practices.
- **GRI 308: Supplier Environmental Assessment 2016** and **GRI 414: Supplier Social Assessment 2016** - Applied where supplier engagement, ESG screening, supplier audits, monitoring, corrective actions and capacity building are material.
- **FTSE Russell ESG Indicators:**
  - **Human Rights & Community (SHR)** - Applied where stakeholder engagement covers communities, human rights, children’s rights, local employment or sourcing, community outcomes, grievance mechanisms and remedy.
  - **Supply Chain: Social (SSC)** - Applied where stakeholder engagement covers supplier labour standards, human rights, health and safety, supplier communication, supplier social risk assessment, monitoring, corrective actions and capacity building.
  - **Supply Chain: Environment (ESC)** - Applied where stakeholder engagement covers supplier environmental requirements, sustainable sourcing, environmental risk assessment, supplier monitoring and supplier environmental performance improvement.
  - **Risk Management (GRM)** - Applied where stakeholder risks, grievances, non-compliance, ESG risk oversight, ERM integration, Board oversight and internal control processes are addressed.
- **Relevant International Frameworks:**
  - UN Global Compact: Principle 10 – Anti-Corruption and Responsible Communication
  - ISO 26000: Social Responsibility (Stakeholder Involvement)
  - OECD Guidelines for Multinational Enterprises
- **United Nations Sustainable Development Goals (UN SDGs):**
  - SDG 8: Decent Work and Economic Growth
  - SDG 12: Responsible Consumption and Production
  - SDG 16: Peace, Justice and Strong Institutions
  - SDG 17: Partnerships for the Goals
- **Vanachai Sustainability Framework 2025:** This Policy is an integral part of the “Together” pillar under the concept **“Forest | Future | Together – for a Sustainable**

**Living”**, emphasizing active stakeholder participation, collaborative partnership networks, and sustainable shared growth among the organization, its people, and society.

### 3) Scope

This policy applies to:

- **All employees of the Company:** Including permanent, contract, daily, and trainee employees across all levels.
- **All business units and operational sites:** Covering factories, headquarters, distribution centers, and subsidiary operations both domestically and internationally.
- **All stakeholder groups directly or indirectly connected to the Company’s business activities:** Including shareholders, employees, customers, consumers, business partners, suppliers, creditors, government agencies, local communities, and industry peers.
- **All Company activities that may affect stakeholders:** Encompassing economic, social, and environmental dimensions.
- **The management of stakeholder relationships, communications, and responses to material topics of stakeholder interest.**

*(Aligned with Aligned with **GRI 2: General Disclosures 2021**, particularly stakeholder engagement disclosure, and **GRI 3: Material Topics 2021**, where stakeholder inputs are used in determining and managing material topics. Also aligned with FTSE Russell **Risk Management (GRM)** and **Human Rights & Community (SHR)**, where stakeholder concerns relate to ESG risks, community impacts, grievance mechanisms, or remedy.)*

### 4) Definitions and References

- **Stakeholder:** Individuals, groups, or organizations that are affected by, or have an interest in, the Company’s operations—either directly or indirectly.
- **Stakeholder Engagement:** A systematic process of identifying, communicating, listening, and collaborating with stakeholders to build mutual understanding and promote sustainable development.
- **Material Issues:** Topics that significantly influence the Company’s success or are of substantial importance to stakeholders in economic, social, or environmental aspects.
- **Stakeholder Response:** Actions or communications undertaken by the Company to address, clarify, or resolve stakeholder concerns appropriately and transparently.
- **Stakeholder Assessment:** The analysis and prioritization of stakeholder groups based on their level of influence and expectations, used as a basis for developing engagement strategies.

- **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:**
  - GRI 2: General Disclosures 2021
  - GRI 3: Material Topics 2021
  - GRI 413: Local Communities 2016, where community engagement and community impacts are material
  - GRI 204: Procurement Practices 2016, where local procurement is material
  - GRI 308: Supplier Environmental Assessment 2016 and GRI 414: Supplier Social Assessment 2016, where supplier screening, assessment, monitoring, corrective actions, or supplier engagement are material
  - FTSE Russell ESG Indicators: Human Rights & Community (SHR), Supply Chain: Social (SSC), Supply Chain: Environment (ESC), and Risk Management (GRM), where applicable
  - ISO 26000: Social Responsibility, including stakeholder involvement
  - OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
  - United Nations Sustainable Development Goals: SDG 8, SDG 12, SDG 16 and SDG 17
  - Vanachai Sustainability Framework 2025

## 5) Governance and Accountability

- **Board of Directors:** Approves and oversees the implementation of the Stakeholder Management Policy, setting the overall direction, strategy, and key measures to foster positive stakeholder relationships and mitigate risks related to material social issues.
- **Sustainability Committee:** Serves as the Policy Owner, reporting directly to the Board of Directors and the Managing Director. The Committee is responsible for integrating this policy into the Company's strategic framework and ensuring that all departments operate in accordance with international standards.
- **Sustainability Development Working Team:** Responsible for implementing the Stakeholder Engagement Process, which consists of the following steps:
  - **Identification:** Identify all stakeholder groups relevant to the Company's operations.
  - **Assessment:** Analyze each group's level of influence, expectations, and materiality.
  - **Engagement:** Establish communication channels, conduct meetings, surveys, and collaborative activities with stakeholders.

- **Response:** Review feedback and key issues to determine appropriate actions or improvements.
- **Review:** Monitor and evaluate the effectiveness of stakeholder engagement, adjusting strategies to align with evolving business and social contexts.
- **Department Heads and Line Managers:** Integrate stakeholder management practices into departmental work plans and regularly report performance outcomes to the Sustainability Committee within the prescribed timeframe.
- **All Employees:** Comply with this policy and actively promote a culture of respect, collaboration, and transparent communication with stakeholders at all levels.  
*(Aligned with GRI 2: General Disclosures 2021, GRI 3: Material Topics 2021, and FTSE Russell Risk Management (GRM), where stakeholder engagement, stakeholder-related risks, Board oversight, internal reporting, ESG risk governance, and ERM integration are addressed.)*

## 6) Commitments and Principles

The Company is committed to fostering transparent and equitable relationships with all stakeholder groups through an ongoing process of identification, analysis, and response to stakeholder expectations.

This commitment aims to build trust, strengthen collaboration, and create long-term shared value between the Company and its stakeholders.

The Company establishes clear commitments and engagement principles for all 10 stakeholder groups as follows:

### 6.1 Shareholders / Investors (GRI 2, GRI 3, GRM):

- The Company prioritizes fair returns, transparent business operations, and comprehensive disclosure of information in line with good corporate governance principles. It promotes continuous communication and shareholder participation in strategic decision-making to foster confidence and sustainable organizational growth.

### 6.2 Employees (GRI 2, GRI 3, SHR, GRM):

- The Company is committed to delivering high-quality, safe, and environmentally friendly products and services that meet customer expectations. It values transparent communication, actively seeks feedback, and continuously enhances customer satisfaction to strengthen brand trust and long-term relationships.

### 6.3 Customers (GRI 2, GRI 3, GRM):

- The Company is committed to delivering high-quality, safe, and environmentally friendly products and services that meet customer expectations. It values transparent communication, actively seeks feedback, and continuously enhances customer satisfaction to strengthen brand trust and long-term relationships.

**6.4 Consumers (GRI 2, GRI 3, GRM):**

- The Company provides accurate, clear, and verifiable product information, complies with consumer protection laws, and takes responsibility for the impacts of product use. It also promotes responsible and sustainable consumption practices.

**6.5 Business Partners (GRI 2, GRI 3, SSC, ESC, GRM):**

- The Company promotes fair and transparent collaboration grounded in ethical business conduct and fair competition. It encourages partners to uphold ESG and human rights principles, aiming to create shared value across the supply chain.

**6.6 Suppliers (GRI 204, GRI 308, GRI 414, SSC, ESC):**

- The Company promotes sustainable procurement practices, particularly **responsible wood sourcing** from legal and environmentally responsible origins. It also works collaboratively with local farmers and communities to strengthen sustainable supply relationships.

**6.7 Creditors (GRI 2, GRI 3, GRM):**

- The Company adheres to all financial obligations with integrity and transparency, ensuring timely repayment and prudent financial risk management to maintain the trust of financial institutions and investors.

**6.8 Regulators and Government Agencies (GRI 2, GRI 3, GRM):**

- The Company cooperates transparently with government authorities, fully complying with all applicable laws, regulations, and national policies. It supports sustainable economic and environmental development initiatives in alignment with national priorities.

**6.9 Communities (GRI 413, SHR, GRM):**

- The Company operates with consideration for community well-being, supporting inclusive local economic, social, and environmental development. It promotes volunteer activities, local employment, and community-based value creation to enhance mutual prosperity.

**6.10 Competitors (GRI 2, GRI 3, GAC, GRM):**

- The Company conducts business based on fair competition, upholding integrity, respecting trade regulations, and avoiding unethical practices. It seeks to advance constructive and sustainable competition within the industry.

*Note:* Implementation of the above commitments shall be monitored and evaluated through the Stakeholder Engagement Process, which includes Identification → Assessment → Engagement → Response → Review, to ensure continuous improvement and balance between corporate interests and those of all stakeholders.

*(Aligned with GRI 2: General Disclosures 2021, GRI 3: Material Topics 2021, GRI 413: Local Communities 2016 where community impacts are material, and FTSE*

*Russell ESG Indicators, particularly Human Rights & Community (SHR), Supply Chain: Social (SSC), Supply Chain: Environment (ESC), Risk Management (GRM), and Anti-Corruption (GAC), where applicable.)*

## 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.
- **Risk Identification and Assessment** (*GRI 3, GRM, SHR where community or human rights issues are material*): The Company identifies and assesses potential risks arising from its operations that may affect various stakeholder groups – such as unclear communication, conflicts of interest, or failure to respond to stakeholder expectations. A structured Stakeholder Assessment process is used to evaluate and prioritize these risks based on their significance and impact, ensuring effective and responsive stakeholder management.
- **Impact Management** (*FTSE SRS08, GRI 102-44, ISO 26000, SDG 8 & SDG 12*): The Company establishes preventive, mitigative, and monitoring measures to manage operational impacts while promoting positive initiatives that generate Shared Value for all stakeholders. These efforts aim to maintain a balance between business growth and long-term social and environmental sustainability.
- **Dependency Management** (*FTSE SRS07, GRI 102-43, SDG 8, 11 & SDG 17*): The Company recognizes the interdependence between the organization and its stakeholders throughout the value chain – including relationships with suppliers, local communities, and government agencies. These dependencies are essential to sustaining business continuity, corporate reputation, and mutual trust.
- **Integration into Enterprise Risk Management** (*ERM: FTSE SRS09, GRI 102-43, ISO 31000, SDG 16*): Findings from stakeholder-related risk assessments and monitoring are incorporated into the Company's Enterprise Risk Management (ERM) framework, linking stakeholder considerations with sustainability, governance, and supply chain management strategies to ensure a holistic risk management approach.
- **Monitoring and Reporting** (*FTSE SRS08–SRS09, GRI 102-44, SDG 17*): The Company continuously monitors stakeholder-related risks and impacts and submits performance reports to the Sustainability Committee at least once a year. The results are used to review and improve strategies and operational practices for ongoing enhancement of stakeholder engagement and organizational resilience.

## 8) Targets and Metrics

### **Short-Term Goals** (FTSE SRS07–SRS08, GRI 102-43, SDG 16):

- Develop a comprehensive Stakeholder Mapping Database covering the identification and prioritization of all stakeholder groups.
- Conduct at least one Stakeholder Engagement Survey annually to collect insights and feedback from stakeholders.
- Develop and communicate accessible communication and grievance channels for all stakeholder groups.
- Achieve a minimum 95% response rate to stakeholder feedback and grievance submissions.

### **Medium- and Long-Term Goals** (FTSE SRS09, GRI 102-44, SDG 8, SDG 16, SDG 17):

- Achieve no less than 95% satisfaction among key stakeholder groups by 2030.
- Integrate results from Stakeholder Materiality Analysis into the Company's strategic planning process.
- Publish a Stakeholder Engagement Report as part of the Company's annual Vanachai Sustainability Move Report.
- Develop proactive stakeholder engagement approaches to create shared value on key issues such as environment, labor, and community development.
- Integrate stakeholder engagement targets into the Company's ESG performance metrics and evaluation framework.

## 9) Supply Chain and Partner Responsibility

- **Compliance with the Company's Business Code of Conduct for Business Partners** (UNGPs, ISO 26000, FTSE SRS07, GRI 308-1, GRI 414-1, SDG 12 & SDG 16): All suppliers, contractors, and business partners are required to sign and comply with the Company's Business Code of Conduct for Business Partners, which covers human rights, labor practices, environmental protection, and corporate governance.
- **ESG Clauses in Contracts** (ILO Conventions 29/87/98/100/105/111/138/182, FTSE SRS07, GRI 409/407/403, SDG 8 & 12): All procurement and service contracts must include clear ESG requirements, such as prohibitions on child and forced labor, respect for freedom of association, workplace safety standards, and responsible sourcing of materials, including the Company's right to conduct audits and compliance checks.
- **Supplier Assessment and Screening** (UNGPs Due Diligence, FTSE SRS08, GRI 308-1/414-1, ISO 31000, SDG 16 & 17): The Company conducts environmental, social, and governance (ESG) risk screening for all new suppliers and periodic reviews of existing ones using a materiality and risk-based approach to prioritize monitoring and engagement.
- **Audit and Corrective Action Process** (FTSE SRS09, GRI 308-2/414-2, ISO 19011, SDG 12 & SDG 16): Suppliers are subject to on-site or remote audits according to their risk level. Corrective Action Plans (CAPs) with defined timelines must be implemented and

monitored. Suppliers failing to meet improvement criteria may face suspension or termination of business relationships.

- **Supplier Development and Capacity Building** (*FTSE SRS07–SRS08, GRI 404, SDG 12 & SDG 17*): The Company supports capacity building for suppliers by providing training and knowledge-sharing programs on safety, human rights, circular economy principles, resource efficiency, and sustainable sourcing practices to raise their ESG performance standards.
- **Promotion of Local Procurement and Shared Value Creation** (*GRI 204-1, FTSE SRS05/SCL01–SCL05, SDG 8, 11, 12 & 15*): The Company prioritizes local suppliers, smallholders, and community-based producers—particularly in wood and related materials—to promote income generation, reduce carbon emissions from transportation, and foster long-term shared value creation.
- **Traceability and Transparency** (*ISO 38200 Chain of Custody, GRI 204/308, FTSE SRS08, SDG 12 & SDG15*): The Company develops and maintains traceability systems and documentation to verify the legal origin, authenticity, and sustainability of raw materials (e.g., wood and wood residues). Relevant results are disclosed annually in the Vanachai Sustainability Move Report.
- **Grievance and Remedy Mechanism** (*UNGPs Pillar III, FTSE SRS07–SRS09, GRI 102-17/102-44, SDG 16*): An accessible, confidential, and secure grievance mechanism is provided for all stakeholders across the supply chain, enabling them to report concerns related to human rights or ESG violations. The Company ensures systematic investigation, remediation, and prevention of recurrence.
- **Integration with Other Key Policies** (*Vanachai Sustainability Framework 2025, FTSE SRS07–SRS09, SDG 12/13/15/17*): This policy aligns with and supports the Sustainable Wood Procurement Policy, Human Rights Policy, Occupational Health, Safety, and Working Environment Policy, and the Business Code of Conduct, ensuring coherence and consistency across the organization and its value chain..

## 10) Integration with Corporate Strategy

- **Forest** – Operate in harmony with nature by promoting sustainable wood sourcing and environmental management, while strengthening long-term relationships with farmers and local communities in wood procurement areas.
- **Future** – Enhance the capacity of employees and partners, support innovation, and drive the transition toward a low-carbon business, through collaboration and shared responsibility across all stakeholder groups.
- **Together** – Collaborate with the public sector, private sector, communities, and consumers to foster sustainable social and environmental development through active communication, engagement, and shared value creation across the value chain.
- This policy is integrated into:

- The Corporate Sustainability Strategy
- The Enterprise Risk Management (ERM) framework
- The strategic planning and decision-making processes of all business units

These integrations ensure that stakeholder management is embedded across all levels of business operations, fostering tangible positive impacts aligned with the Company's sustainability direction.

*(Reference: FTSE SRS01–SRS09, GRI 102-43, SDG 8, SDG 16, SDG 17)*

## 11) Implementation and Management Tools

- **Resource Allocation and Budgeting** (*FTSE SRS07, SDG 17*): The Company allocates sufficient financial and human resources to support stakeholder engagement initiatives, including surveys, communication programs, and the development of collaborative networks with communities and business partners.
- **Training and Awareness Building** (*FTSE SRS05, GRI 102-43, SDG 16*): Regular training sessions and awareness campaigns are organized for employees and management at all levels to enhance understanding of stakeholder engagement, business ethics, and transparent communication, fostering a culture of shared responsibility and accountability.
- **Stakeholder Information Management System** (*GRI 102-44, FTSE SRS08, SDG 17*): The Company maintains a Stakeholder Database to track, analyze, and report stakeholder relationships, engagement outcomes, and feedback, serving as a key tool for continuous improvement in communication and collaboration strategies.
- **Communication and Disclosure** (*GRI 102-44, SDG 16 & SDG 17*): The Company communicates stakeholder engagement outcomes transparently through its annual Vanachai Sustainability Move Report, corporate website, and outreach activities to strengthen understanding, trust, and long-term collaboration between the Company and all stakeholders.

## 12) Monitoring, Reporting and Transparency

- **Performance Monitoring**: The Company regularly monitors the effectiveness of stakeholder engagement and response actions through relevant Key Performance Indicators (KPIs) – including stakeholder satisfaction levels, the number of grievances received and resolved, and annual engagement survey results.
- **Internal Reporting**: Stakeholder management performance is reported to the Sustainability Committee at least once a year and disclosed in the Annual Vanachai Sustainability Move Report to ensure transparency in communicating outcomes, progress, and areas for improvement.
- **Transparency**: The Company discloses key information related to stakeholder engagement processes and material issues through multiple communication channels

such as the corporate website, annual reports, and community engagement activities. This ensures equal access to information and fosters stakeholder confidence and trust.  
(Reference: FTSE SRS08–SRS09, GRI 102-44, SDG 16 & 17)

### **13) Review and Continuous Improvement**

- This policy shall be reviewed **every two years**, or earlier if there are changes in laws, international standards, or stakeholder expectations.
- Feedback from stakeholders and results from annual monitoring will be used to **improve management approaches** for greater effectiveness and responsiveness.
- The Company continuously develops new **communication tools and mechanisms** to enhance engagement efficiency and responsiveness to emerging issues.
- Best practices and knowledge sharing will be encouraged with **business partners, communities, and government agencies** to strengthen ongoing stakeholder engagement processes.

(Reference: FTSE SRS09, GRI 102-44, SDG 17)

#### 14) Policy and Guidelines for Stakeholder Engagement Revision History

Version	Date	Policy Owner	Approved by	Key Changes / Comments
1.0	11 November 2024	Sustainability Development Task Force	Board of Directors	Developed the first edition of the Policy and Guidelines for Stakeholder Engagement to establish fundamental principles for managing relationships with all stakeholder groups, both internal and external to the organization.
2.0	25 February 2026	Sustainability Committee	Board of Directors	Revised the policy to align with international ESG standards, including FTSE Russell (SRS01–SRS09), GRI 102-40 to 102-44, and UN SDGs 8, 12, 16, and 17, while integrating the Stakeholder Engagement Process into the Company’s sustainability management system under the Vanachai Sustainability Framework 2025 – “Forest   Future   Together – for a Sustainable Living.”

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