



CONFLICT OF INTEREST PREVENTION POLICY

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Conflict of Interest Prevention Policy

Vanachai Group Public Company Limited and Subsidiaries

Vanachai Group Public Company Limited and its subsidiaries (the “Company”) are committed to conducting business with ethics, transparency, and accountability. The Company recognizes that conflicts of interest may compromise fairness in decision-making and damage the Company’s reputation. Proper prevention and management of such conflicts are a fundamental aspect of good corporate governance.

This policy has been developed to ensure that directors, executives, and employees at all levels clearly understand and adhere to the principles of integrity, transparency, and fairness. Its purpose is to establish controls and preventive measures against situations where personal interests may conflict, directly or indirectly, with the interests of the Company, while ensuring full compliance with relevant laws and regulatory requirements.

The policy also extends to managing relationships with business partners, shareholders, customers, stakeholders, and government agencies, to ensure that the Company’s operations remain transparent, auditable, and consistent with its Code of Business Conduct.

1) Objectives

This policy sets forth clear guidelines to prevent, control, and manage conflicts of interest fairly and transparently, in order to strengthen confidence in the Company’s corporate governance. The objectives include:

- **Ensure To promote understanding of conflicts of interest:** Ensure that directors, executives, and employees at all levels understand the nature and consequences of conflicts of interest to support sound, ethical decision-making aligned with corporate values.
- **To prevent the misuse of position or insider information for personal gain:** Strictly prohibit the use of one’s position or access to internal information for personal benefit or the benefit of others, including transactions that may present a conflict with the Company’s interests.
- **To promote transparency and accountability in business operations:** Ensure that all decisions and business conduct are based on accurate, transparent, and verifiable information to build trust among shareholders and stakeholders.
- **To establish systems for disclosure and reporting of personal interests:** Require comprehensive and timely reporting and disclosure of personal interests and potential

conflicts by directors, executives, and related persons, in accordance with stock exchange and regulatory requirements.

- To foster a culture of integrity and fairness: Build an organizational culture that values honesty, accountability, and fair decision-making, prioritizing the interests of the Company and its shareholders.
- To prevent and mitigate ethical and reputational risks: Integrate conflict of interest prevention into the Company's Enterprise Risk Management (ERM) framework to reduce the risk of ethical violations, legal non-compliance, and reputational harm.

2) Policy Alignment and International Standards

This policy is developed in alignment with principles of Good Corporate Governance and international standards on transparency and ethical business conduct, with reference to the following frameworks:

- **GRI Standards:** GRI 205-3 – Confirmed Incidents of Corruption and Actions Taken: Addresses the handling of incidents involving potential conflicts of interest or unethical behavior, and encourages transparent disclosure through the Company's sustainability reporting.
- **OECD Guidelines for Multinational Enterprises:** Emphasizes transparency and the avoidance of conflicts between personal and organizational interests, including the prohibition of misuse of one's position for personal gain.
- **Thai Corporate Governance Code (CG Code 2021):** Encourages directors and executives to manage interests fairly, ensure transparency in disclosures, and refrain from using their authority in ways that may lead to conflicts of interest, in order to build long-term trust among shareholders and stakeholders.
- **UN Sustainable Development Goals (SDGs):**
 - **SDG 16.5:** Substantially reduce corruption and bribery in all their forms.
 - **SDG 16.6:** Develop effective, accountable, and transparent institutions at all levels.
- **FTSE Russell ESG Indicators:**
 - **GCG07 – Ethical Standards:** Requires the establishment of policies and practices that guide directors, executives, and employees to act with honesty, transparency, and accountability.
 - **GCG08 – Related Party Transactions:** Requires disclosure and control of transactions that may involve conflicts of interest, in line with stock exchange regulations.

(Aligned with FTSE Russell GCG07–GCG08, GRI 205-3, OECD Guidelines, CG Code 2021, and SDG 16.5–16.6)

3) Scope

This policy applies to:

- **Board of Directors:** Must act in the best interest of the Company and its shareholders, and avoid decision-making in situations involving potential conflicts of interest.
- **All levels of management:** Must conduct business transactions and manage relationships transparently and free from personal interest or gain.
- **All employees:** Must avoid actions or decisions that could create a conflict between personal interests and the interests of the Company.
- **External advisors and service providers:** Are expected to comply with this policy and avoid any shared interests that could affect their independence or judgment.
- **Subsidiaries and business partners:** Must apply the principles of this policy in a manner suitable to their operations, ensuring that conflict of interest prevention becomes a shared standard within the Vanachai Group.
- **All organizational activities:** Encompasses all domestic and international business activities of the Company, including transactions involving suppliers, distributors, customers, shareholders, and government agencies, to ensure all business decisions are free from personal influence.

(Aligned with FTSE Russell GCG07–GCG08, GRI 205-3, OECD Guidelines, CG Code 2021, and SDG 16.6)

4) Definitions and References

- **Conflict of Interest:** A situation in which an individual has a personal interest, whether directly or indirectly, that may influence their decision-making or performance of duties as a director, executive, or employee of the Company, thereby compromising the fair protection of the Company's interests.
- **Related Party:** An individual or legal entity with a business, managerial, or ownership relationship with the Company that may result in a conflict of interest in transactions.
- **Insider Information:** Non-public information related to the Company's business, finances, or operations that may affect the price of securities or investment decisions.
- **Disclosure:** The act of reporting or notifying relevant parties or the Board of Directors about personal interests, related party transactions, or situations that may lead to conflicts of interest, for the purpose of transparent evaluation.
- **Business Ethics:** Conduct based on integrity, transparency, and responsibility, with consideration for the best interests of the Company and its stakeholders.
- **Related Party Transaction:** Any transaction between the Company and a related party that must be disclosed and approved according to specified regulations to prevent conflicts of interest.

- **Misuse of Company Information:** The unauthorized use or disclosure of the Company's internal information for personal benefit or to third parties, which may cause harm to the Company.
- **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.

(Aligned with FTSE Russell GCG07–GCG08, GRI 205, OECD Guidelines, Thai CG Code 2021, and SDG 16.5–16.6)

5) Governance and Accountability

- **Board of Directors:** Holds the highest level of oversight in managing conflicts of interest. Responsible for approving and reviewing this policy at least every two years or when significant changes occur. The Board ensures the Company operates free from conflicts of interest that could negatively impact shareholders or stakeholders, with special emphasis on the independence of independent directors and transparent public disclosure.
- **Audit Committee:** Responsible for reviewing transactions that may involve conflicts of interest to ensure compliance with this policy and stock exchange regulations. The Committee must regularly report its findings to the Board and recommend preventive or corrective measures where risks or deficiencies are identified.
- **Executive Committee:** Charged with implementing this policy across the organization, allocating necessary resources and personnel to manage and prevent conflicts of interest, monitoring performance, and reporting risk-related incidents to the Audit Committee.
- **Executives and Line Managers:** Must proactively manage and prevent conflicts of interest within their departments. This includes avoiding situations such as biased procurement, unfair partner selection, or any business decision-making that may result in personal gain. They are required to report any potential conflicts that may compromise operational impartiality.
- **All Employees:** Must conduct their duties with honesty and transparency, avoiding any actions that may result in conflicts of interest—such as accepting gifts or benefits from vendors, engaging in external employment that contradicts the Company's interests, or failing to disclose potential conflicts in a timely manner.
- **Internal Audit Function:** Responsible for assessing compliance with this policy and evaluating the effectiveness of internal controls related to conflict of interest

management. Findings are reported to the Audit Committee along with recommendations for strengthening governance and control systems.

(Aligned with FTSE Russell GCG07–GCG08, GRI 102-29, 102-30, 102-33, 205-3, and SDG 16.5, 16.6)

6) Commitments and Principles

The Company is committed to operating with transparency, fairness, and strong ethics. It places great importance on the prevention and proper management of conflicts of interest in order to maintain trust with shareholders, investors, business partners, and all stakeholders. The following key commitments and principles are established:

6.1 Integrity and Transparency in Operations *(FTSE Russell GCG07, GRI 205-3, SDG 16.6):*

The Company upholds integrity, transparency, and accountability in all operations. Directors, executives, and employees are prohibited from using their positions, information, or company resources for personal or third-party gain. All business decisions must be based on accurate, complete, and fair information.

6.2 Impartiality and Fair Decision-Making *(FTSE Russell GCG07, GRI 205-2, SDG 16.5):*

The Company promotes impartial decision-making free from bias, favoritism, or personal interests. All personnel must act in the Company's and shareholders' best interests while ensuring fairness in dealing with all stakeholders.

6.3 Disclosure and Reporting of Conflicts of Interest *(FTSE Russell GCG08, GRI 205-3, SDG 16.10):*

Directors, executives, and employees are required to disclose personal interests or situations that may lead to conflicts of interest to the relevant authority, in accordance with established procedures, to allow for proper and transparent assessment and handling.

6.4 Avoiding Participation in Conflicting Situations *(FTSE Russell GCG07–GCG08, GRI 205-3, SDG 16.6):*

Directors, executives, and employees must refrain from participating in any decision or activity that may result in a conflict of interest—such as vendor selection, transaction approvals, or business negotiations where they or close associates have a vested interest.

6.5 Management and Control of Related Party Transactions *(FTSE Russell GCG08, GRI 207-3, CG Code 2021, SDG 16.6):*

All related party transactions must be reviewed and approved in accordance with the guidelines set by the Audit Committee and the Board of Directors. Complete and transparent disclosure is required as per stock exchange and regulatory requirements.

6.6 Fostering a Culture of Ethics and Accountability *(FTSE Russell GCG07, GRI 205-2, SDG 4.7, SDG 16.6):*

The Company fosters continuous ethical awareness across all levels through internal communication, training, and awareness activities to embed conflict of interest prevention into the organizational culture.

- 6.7 Responsibility to Stakeholders and Society** (*FTSE Russell GCG07–GCG08, GRI 102-16, SDG 16.6, SDG 17.16*): The Company emphasizes transparent management of interests, upholding corporate governance and business ethics to build long-term trust with shareholders, investors, partners, regulators, and society at large.

7) Risk Management, Impacts, and Dependencies

The Company manages risks related to conflicts of interest in a systematic manner by integrating them into its enterprise risk management (ERM) framework, following COSO ERM principles and good corporate governance (CG Code). The objective is to ensure that personal or group interests do not influence business decision-making.

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:** The Company identifies potential conflict of interest situations across all organizational levels, including:
 - Business decisions involving personal interests:
 - Transactions with related parties
 - Use of insider information for personal gain
 - Receipt of gifts or benefits that may influence decisions
 All identified risks are recorded in the Risk Register for continuous monitoring and analysis.
- **Risk Assessment and Prioritization:** The Company assesses the impact and likelihood of risks arising from conflicts of interest using the principles of materiality and proportionality. This ensures alignment with the organization's defined risk appetite and facilitates prioritization of control measures.
- **Risk Management and Response:** Key measures to prevent and mitigate conflict of interest risks include:
 - Segregation of Duties to prevent biased decision-making
 - Clear procedures for disclosure and approval of related transactions
 - Whistleblowing mechanisms for reporting unethical behavior
 - Training and internal communication to raise awareness and understanding among all employees
- **Monitoring and Reporting:** The Internal Audit function and the Audit Committee regularly review reported and identified conflict of interest cases. Findings are

submitted to the Board of Directors at least once a year to ensure effective and transparent risk governance.

- **Impact and Dependency Management:** The Company recognizes that failure to manage conflicts of interest can damage its reputation, credibility, and stakeholder relationships. Therefore, it prioritizes building a transparent governance system and fairness as the foundation for long-term sustainability and societal trust.

(Aligned with FTSE Russell GCG07–GCG08, COSO ERM Principles 3, 6, 9, 10, 16, CG Code 2021, GRI 102-30, GRI 205-2, GRI 205-3, and SDG 16.5, 16.6)

8) Targets and Metrics

The Company sets clear targets and performance indicators to assess the effectiveness of its conflict-of-interest prevention efforts. These targets aim to foster a long-term culture of transparency and ethical behavior within the organization.

Short-Term Targets (1–2 Years):

- Establish a standardized Conflict of Interest Disclosure Form applicable to directors, executives, and all employee levels.
- Conduct training sessions on conflict-of-interest principles and prevention guidelines at least once per year.
- Communicate the policy and related procedures to all departments and subsidiaries within the Vanachai Group.
- Submit quarterly reports to the Audit Committee on conflict-of-interest cases (if any).

Medium-Term Targets (3–5 years):

- Achieve 100% annual disclosure compliance by directors and executives.
- Reduce the number of confirmed conflict-of-interest cases to zero (Zero Case Target).
- Develop a real-time e-Disclosure Platform for recording and monitoring personal interest disclosures.
- Conduct an annual Ethical Culture Assessment to measure employee awareness and engagement with integrity practices.

Long-Term Targets (5 years and beyond):

- Gain industry recognition as a leading organization in Ethical Governance & Conflict of Interest Prevention.
- Fully integrate the conflict-of-interest disclosure system with the Company's Enterprise Risk Management (ERM) and ESG reporting frameworks.
- Embed conflict of interest prevention practices into the performance appraisal system for both executives and employees.

Key Performance Indicators

Category	Indicators	Monitoring Frequency	Responsible Unit
Disclosure	Submission rate of Conflict-of-Interest Disclosure Forms	100% of directors and executives	Corporate Secretary / Governance Office
Prevention	% of employees completing conflict of interest training	≥ 90% of target employee group	HR & Admin / Governance Office
Control and Monitoring	No. of identified cases and % resolved within deadline	100% resolved within 30 days	Internal Audit Unit
Transparency & Ethics	Score on annual Ethical Climate Survey	Average score ≥ 85%	Sustainability Development Task force
Communication & Reporting	Frequency of reporting to the Audit Committee	≥ 4 times/year	Risk & Governance Committee / Corporate Secretary

(Aligned with FTSE Russell GCG07–GCG08, GRI 205-2, GRI 205-3, CG Code 2021, SDG 16.5, SDG 16.6, and SDG 17.16)

9) Supply Chain and Partner Responsibility

Recognizing that transparency and fairness in relationships with suppliers and business partners are essential foundations for preventing conflicts of interest across the supply chain, the Company encourages all stakeholders to conduct business with integrity, adhere to ethical principles, and avoid activities that may create conflicts of interest.

- **Transparent Partner Selection and Evaluation** (FTSE Russell GCG07, GRI 205-2, SDG 16.6): The Company selects and evaluates suppliers and service providers based on fair, transparent, and auditable criteria. Personal interests of employees or internal personnel must not influence decisions. Assessments include quality, pricing, reliability, and business ethics.
- **Preventing Corruption and Conflicts of Interest in the Supply Chain** (FTSE Russell GCG08, GRI 205-3, CG Code 2021, SDG 16.5): Directors, executives, and employees are prohibited from having interests in supplier businesses unless approved by the Board. Transactions must follow clear approval procedures to avoid conflicts of interest and ethical risks.
- **Governance Cooperation with Partners** (FTSE Russell GCG07–GCG08, GRI 102-9, SDG 17.16): Partners must adhere to the same governance standards. All business partners are required to sign a Supplier Code of Conduct and cooperate in ethics audits or risk assessments when necessary.
- **Whistleblowing and Transparency Mechanism** (FTSE Russell GCG07, GRI 102-17, SDG 16.6): The Company provides channels for suppliers and external parties to report unethical

behavior or suspected conflicts of interest, ensuring protection and fair treatment of whistleblowers.

- **Monitoring and Follow-up** (*FTSE Russell GCG08, GRI 205-3, SDG 16.6*): Supplier performance is periodically monitored to ensure ongoing compliance with the Company's ethics and conflict of interest policies.

10) Integration with Corporate Strategy

The Company integrates conflict of interest prevention into its corporate strategy to promote a culture of transparency, accountability, and governance across all business dimensions under the "FOREST | FUTURE | TOGETHER – for a Sustainable Living" framework.

10.1) Integration with the "FOREST | FUTURE | TOGETHER" Strategic Framework:

- **Forest – Governance and Transparency:** Uphold integrity, transparency, and fairness by integrating this policy into the corporate governance framework to prevent conflicts of interest in all decision-making processes.
- **Future – Sustainable Growth:** Apply ethical principles in managing relationships with shareholders, customers, and partners to build trust and enhance long-term competitiveness.
- **Together – Stakeholder Collaboration:** Foster a culture of shared responsibility, where all parties recognize their roles in preventing conflicts of interest and promoting good governance throughout the value chain.

(Aligned with FTSE Russell GCG07–GCG08, GRI 102-16, SDG 16.6, and SDG 17.16)

10.2) ESG Strategy Integration (*FTSE Russell GCG07–GCG08, GRI 205, SDG 16.6*): This policy constitutes a key component of the company's ESG strategy in the Governance (G) dimension. It ensures that all business decisions are based on transparency and integrity, thereby reinforcing the company's Environmental (E) and Social (S) commitments in a balanced and sustainable manner.

10.3) Enterprise Risk Management (ERM) Integration (*COSO ERM, CG Code 2021, SDG 16.6*): This policy is integrated into the Enterprise Risk Management (ERM) system to enable early detection of conflict of interest risks and to implement appropriate control measures aligned with the company's defined risk appetite.

10.4) Enhancing Corporate Reputation and Credibility (*FTSE Russell GCG07, GRI 205-3, SDG 16.6*): The company recognizes that transparent management of conflicts of interest is a key factor in strengthening its reputation and credibility, both domestically and internationally. This approach fosters greater trust among investors, business partners, and the broader society.

11) Implementation and Management Tools

- **Corporate Governance and Ethics System** (*FTSE Russell GCG07, GRI 205-3, SDG 16.6*): The company integrates this policy into its Corporate Governance Framework and Code of Conduct to establish consistent operational standards across the organization and to prevent conflicts of interest at all levels.
- **Conflict of Interest Disclosure and Reporting System** (*FTSE Russell GCG08, GRI 205-3, CG Code 2021, SDG 16.6*): The company has developed a standardized form and e-Disclosure Platform for directors, executives, and employees to report personal interests or situations that may lead to a conflict of interest. All submitted data is securely stored and auditable in accordance with personal data management regulations.
- **Internal Control and Transaction Approval System** (*FTSE Russell GCG08, COSO ERM Principle 10, SDG 16.6*): The company has implemented an internal control system covering the transaction approval process by clearly segregating the roles of initiator, reviewer, and approver to prevent undue influence from personal interests. All related party transactions must undergo review and endorsement by the Audit Committee before being submitted for final approval by the Board of Directors.
- **Whistleblowing and Investigation Channels** (*FTSE Russell GCG07, GRI 102-17, SDG 16.5 and SDG 16.10*): The company has established confidential and secure channels for employees, business partners, or stakeholders to report suspected conflicts of interest or inappropriate conduct. All whistleblower information is protected under human rights principles, ensuring non-retaliation and anonymity.
- **Training and Communication System** (*FTSE Russell GCG07, GRI 205-2, SDG 4.7 and SDG 16.6*): The company provides ongoing training and communication on conflict of interest and business ethics. This content is embedded in onboarding programs, executive development, and internal communications to cultivate a culture of transparency and accountability over the long term.
- **Information Systems for Monitoring and Reporting** (*FTSE Russell GCG08, COSO ERM, SDG 16.6*): The company employs information technology tools, such as the Conflict Register Dashboard and Governance Monitoring System, to track the status of reported cases, analyze trends, and regularly report findings to the Audit Committee. These systems support strategic governance decision-making and enhance oversight effectiveness.

12) Monitoring, Reporting and Transparency

- **Monitoring and Evaluation** (*FTSE Russell GCG07–GCG08, COSO ERM Principle 16, SDG 16.6*): The Internal Audit Division and the Corporate Governance Unit are responsible for continuously monitoring the implementation of this policy. Their duties include assessing the effectiveness of internal control systems, the accuracy and timeliness of conflict-of-interest disclosures, and the handling of reported incidents.

- **Internal Reporting** (*FTSE Russell GCG08, GRI 102-33, CG Code 2021, SDG 16.6*): Monitoring and evaluation results shall be reported to the Audit Committee at least once per year, with recommendations for strengthening internal control systems. The Board of Directors shall also be informed to review and enhance governance-related policies as needed.
 - **Public Disclosure** (*FTSE Russell GCG07–GCG08, GRI 205-3, SDG 16.10*): The company discloses performance results relating to transparency, conflict-of-interest management, and relevant cases in the Annual Report and Sustainability Report. These disclosures are made comprehensively to enable shareholders, investors, and stakeholders to verify the company’s adherence to ethical governance
 - **Audit and Assurance** (*FTSE Russell GCG08, GRI 102-56, SDG 16.6*): The company may appoint external advisors or independent auditors to review the accuracy of conflict-of-interest disclosures and the alignment of operations with this policy. The audit findings will be presented to the Audit Committee for further review and action.
 - **Stakeholder Communication** (*FTSE Russell GCG07, GRI 102-43, SDG 17.16*): The company provides clear channels for stakeholders to make inquiries, offer feedback, or report concerns regarding potential conflicts of interest directly to the Corporate Governance Office. This approach fosters stakeholder engagement and promotes a culture of transparency and integrity

13) Review and Continuous Improvement

- **Ongoing Policy Review and Improvement**: The company is committed to regularly reviewing and enhancing its Conflict-of-Interest Prevention Policy to align with evolving legal requirements, governance standards, and international best practices. The Audit Committee and Corporate Governance Office are responsible for monitoring and evaluating the effectiveness of this policy at least once a year, or following significant events such as organizational restructuring, changes to stock exchange regulations, or the occurrence of material conflict of interest cases.
- **Board Approval and Governance Alignment**: The results of each review will be submitted to the Board of Directors for approval. Any updates will aim to align operational guidelines with the principles of good corporate governance and a transparent organizational culture, prioritizing the best interests of the company, its shareholders, and all stakeholders.
- **Employee Engagement and Policy Development**: The company also encourages employees at all levels to participate in proposing ideas or improvements to the policy. This inclusive approach helps ensure that the conflict-of-interest prevention framework remains modern, adaptable, and effective across all business contexts.

(Aligned with FTSE Russell GCG07–GCG08, GRI 102-33, CG Code 2021, and SDG 16.6)

14) Conflict of Interest Prevention Policy Revision History

Version	Date	Policy Owner	Approved by	Key Changes / Comments
1.0	11 November 2024	Risk Management and Corporate Governance Committee	Board of Directors	Initial issuance of the policy, establishing principles and guidelines for the prevention of conflicts of interest applicable to directors, executives, and employees at all levels.
2.0	25 February 2026	Audit Committee in collaboration with the Risk Management and Governance Committee	Board of Directors	Policy updated to align with FTSE Russell GCG07–GCG08, GRI 205, OECD Guidelines, and the Thai CG Code 2021. The revised version introduces a 14-section structure, with emphasis on disclosure of interests, internal controls, whistleblowing mechanisms, and integration with the "Forest I Future I Together – for a Sustainable Living."

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