



GIFT AND HOSPITALITY POLICY

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Effective Date: 11 November 2025



Gift and Hospitality Policy

Vanachai Group Public Company Limited and Subsidiaries

Vanachai Group Public Company Limited and its subsidiaries (“the Company”) are committed to conducting business with transparency, ethics, and in accordance with the principles of Good Corporate Governance. The Company recognizes that the giving or receiving of gifts, gratuities, or any form of benefit may lead to conflicts of interest or impair objectivity in business decision-making.

This policy has been established to provide clear guidance in refraining from giving or receiving gifts under any circumstances, whether from internal or external parties. Exceptions may be made only for gifts valued at no more than THB 3,500 (approximately USD 100), and only when they are consistent with cultural traditions, festive customs, or appropriate business appreciation. In any case where the situation is unclear or where the value exceeds the defined threshold, employees must seek approval and acknowledgment from a Director-level executive or higher prior to giving or accepting any gift.

This approach supports the Company’s commitment to integrity and aligns with its Anti-Corruption Policy.

1) Objectives

This policy is established with the following objectives:

- To define clear operational guidelines for refraining from giving or receiving gifts, gratuities, or any benefits that could lead to conflicts of interest.
- To prevent corruption, bribery, or actions that violate business ethics.
- To promote transparency, fairness, and accountability in all business operations.
- To cultivate an organizational culture grounded in good corporate governance, ethical conduct, and responsibility.
- To build trust among shareholders, customers, business partners, government agencies, and all stakeholders that the Company operates with integrity and transparency.

2) Policy Alignment and International Standards

This policy is developed in accordance with national and international principles on governance, anti-corruption, and ethical business practices. It references the following frameworks:

- **Global Reporting Initiative GRI 205: Anti-Corruption:** Promotes transparency and accountability in business conduct, free from corruption or undue advantages.
- **UN Global Compact – Principle 10:** “Businesses should work against corruption in all its forms, including extortion and bribery.”

- **United Nations Sustainable Development Goals (UN SDGs):**
 - **SDG 16:** Promote just, peaceful, and inclusive institutions that are accountable and transparent.
- **Securities and Exchange Commission (SEC) & The Stock Exchange of Thailand (SET) – CG Code:** Advocates good governance, internal control, and transparency to prevent conflicts of interest.
- **FTSE Russell ESG Indicators:** Controls gifts, hospitality, and other benefits to prevent bribery, undue influence, and conflicts of interest, supported by approval, disclosure, recording, training, whistleblowing, non-compliance review, and Board oversight of ethics and ESG risks.
 - **GAC01 – Bribery Policy or Commitment Statement:** Policies, structures, and oversight mechanisms to prevent corruption and bribery.
 - **GRM05 – Board oversight of Code of Conduct / Code of Ethics and ESG risks**
 - **GAC05/GRM20 – Whistleblowing Mechanism:** Safe, anonymous, and retaliation-free channels for employees and stakeholders to report misconduct or violations.

3) Scope

This policy applies to:

- All employees of the Company and its subsidiaries, including permanent and temporary staff.
- Members of the Board of Directors, Board Committees, and Executive Management.
- Contractors, consultants, agents, and any external parties acting on behalf of or in association with the Company.
- All activities—domestic and international—that involve the giving or receiving of gifts, hospitality, or any other benefit related to the Company’s business operations.
- In cases of uncertainty regarding compliance with this policy, employees must seek advice and obtain written approval from a Director or above prior to giving or receiving any gifts.

(Aligned with FTSE Russell GAC01, GAC02, GAC03, GAC05, GAC07, GAC08, GAC09, GAC10, GAC11, GCG07, GRM08, GRM12, GRM20, depending on the section, GRI 205-3, OECD Guidelines for Multinational Enterprises, Thailand CG Code 2021, and SDG 16.6)

4) Definitions and References

- **Gift:** Any item of value such as goods, cash, gift cards, coupons, discounts, services, hospitality, assistance, or other benefits, given or received from internal or external individuals in connection with festive, business, or personal occasions.

- **Culturally Acceptable Gifts:** Gifts given or received as part of local customs or traditions (e.g., New Year celebrations or business appreciation), provided the value does not exceed 3,500 THB (approx. USD 100) and does not compromise business objectivity or decision-making.
- **Permitted Exceptions:** In cases where declining a gift is culturally or commercially impractical, the recipient must report the situation, seek prior approval from a Director or higher, and record the transaction officially.
- **Conflict of Interest:** A situation in which an employee's personal or family interests could influence—or appear to influence—professional judgment or responsibilities.
- **Stakeholders:** Individuals or groups affected by or having an interest in the Company's operations, including customers, business partners, government entities, and local communities.

(Aligned with FTSE Russell GAC01, GAC02, GAC03, GAC05, GAC07, GAC08, GAC09, GAC10, GAC11, GCG07, GRM08, GRM12, GRM20, depending on the section, GRI 205-3, OECD Guidelines, Thailand CG Code 2021, and SDG 16.6)

5) Governance and Accountability

- **Board of Directors:** Responsible for overseeing the No Gift Policy to ensure alignment with corporate governance and ethical standards. The Board shall review, approve, and provide policy-level guidance at least every two years or as needed.
- **Risk Management and Corporate Governance Committee:** Oversees risk management related to gift-giving and receiving, including the assessment of trends or circumstances that could lead to conflicts of interest or potential misconduct.
- **Director-Level Executives:** Authorized to approve exceptions to the policy, such as the acceptance of culturally appropriate gifts or necessary business-related gestures. All such cases must be formally documented and reported.
- **Human Resources / Ethics Compliance Unit:** Supports internal communication, training, and dissemination of the policy to all employees, ensuring organizational awareness and understanding.
- **All Employees:** Must strictly comply with this policy. In any case of uncertainty regarding gift-giving or receiving, employees are required to seek guidance and obtain approval from a responsible executive before proceeding, in order to mitigate organizational risks.

(Aligned with FTSE Russell GAC01, GAC02, GAC03, GAC05, GAC07, GAC08, GAC09, GAC10, GAC11, GCG07, GRM08, GRM12, GRM20, depending on the section, GRI 205-3, OECD Guidelines, Thailand CG Code 2021, and SDG 16.6)

6) Commitments and Principles

The Company is committed to conducting business with transparency, fairness, and ethical responsibility. This policy sets out clear practices related to gift-giving and receiving as part of promoting an organizational culture of integrity and anti-corruption:

- 6.1 The Company prohibits all employees from giving or receiving gifts, benefits, or any form of inducement from stakeholders that could lead to conflicts of interest or compromise business objectivity.
- 6.2 Employees may accept gifts or tokens not exceeding 3,500 THB (or USD 100) on culturally appropriate or customary business occasions, provided such gifts are lawful and not intended as inducements for preferential treatment.
- 6.3 In cases of uncertainty, employees must seek formal approval or notify a Director-level executive for review and acknowledgment prior to giving or receiving any gift.
- 6.4 The Company promotes a culture of honesty and transparency, encouraging employees to disclose any gift-giving or receiving outside of these parameters, as part of its commitment to verifiable, corruption-free business practices.

(Aligned with FTSE Russell GAC01, GAC02, GAC03, GAC05, GAC07, GAC08, GAC09, GAC10, GAC11, GCG07, GRM08, GRM12, GRM20, depending on the section, GRI 205-3, OECD Guidelines, Thailand CG Code 2021, and SDGs 16.5 and 16.6)

7) Targets and Metrics

The Company has established clear targets and measurable indicators to assess the effectiveness of implementing the No Gift Policy. The objective is to promote a transparent, auditable, and conflict-of-interest-free organizational culture.

Short-Term Goals (1–2 years):

- Officially roll out the No Gift Policy to all employees at every level.
- Conduct at least one internal communication or awareness campaign to reinforce policy understanding.
- Develop a systematic reporting system for documenting approvals related to permitted exceptions.
- Ensure that at least 90% of relevant employees complete training on the No Gift Policy.

Medium–Long Term Targets (2–3+ years):

- Integrate gift-related controls into the Company’s annual ethics and governance risk assessment.
- Establish a regular reporting mechanism to the Audit Committee on policy implementation at least once a year.
- Implement a traceable whistleblowing and incident reporting system specifically for gift-related concerns.

- Achieve a satisfactory internal or external assessment rating on transparency in gift and conflict-of-interest management.

Key Performance Indicators

Category	Indicators	Monitoring Frequency	Responsible Unit
Policy Compliance	% of employees who acknowledge and sign off on the policy	≥ 100%	Human Resources and General Administration
Training	No. of training sessions or learning materials delivered	≥ 1 time/year	Human Resources and General Administration
Internal Communication	No. of policy communication activities	≥ 1 time/year	Human Resources and General Administration
Irregularities Reporting	% of reported and approved gift cases or whistleblower reports	≥ 90% meeting standard	Human Resources and General Administration
Employee Awareness	Policy comprehension survey results	≥ 90% meeting standard	Human Resources and General Administration
Public Disclosure	Inclusion of policy implementation in the Sustainability Report	Covered annually	Sustainability Development Task Force

(Aligned with FTSE Russell GAC01, GAC02, GAC03, GAC05, GAC07, GAC08, GAC09, GAC10, GAC11, GCG07, GRM08, GRM12, GRM20, depending on the section, GRI 205-3, OECD Guidelines, CG Code 2021, and SDGs 16.5, 16.6)

8) Integration with Corporate Strategy

The Gift and Hospitality Policy is fully integrated into the Company's strategic framework under the direction of "FOREST | FUTURE | TOGETHER – for a Sustainable Living" as follows:

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

- **Forest – Governance and Social Responsibility:** The policy reinforces an organizational culture rooted in honesty, transparency, and fairness, which are the foundations of Good Corporate Governance. It cultivates ethical behavior in all business activities and reduces the potential for conflicts of interest.
- **Future – Trust, Credibility, and Sustainability:** By avoiding gifts and other incentives that may influence decisions, the policy enhances stakeholder confidence, promotes sustainable business operations, and supports long-term competitiveness. It encourages professional, unbiased decision-making and strengthens partnerships and market positioning over time.

- **Together – Stakeholder Trust and Collaboration:** The policy serves as a key tool for building mutual trust between the Company, employees, business partners, and society. It encourages all parties to engage in fair, responsible business practices and helps mitigate ethical risks across the supply chain.

By integrating this policy, the Company strengthens its organizational culture and long-term sustainability, especially in governance, stakeholder engagement, and international corporate image.

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

- 8.2) Integration with ESG Strategy** *(FTSE Russell GAC01, GAC02, GAC03, GCG07, GRM12, GRM20, UNGC Principle 10, SDG 16.5 and 16.6):* In the Governance (G) pillar of ESG, the No Gift Policy reinforces ethical business conduct and strengthens internal controls. In the Social (S) aspect, it reduces undue influence and fosters a respectful, inclusive, and fair workplace. The policy directly supports SDG 16: Peace, Justice, and Strong Institutions.
- 8.3) Linkage to Enterprise Risk Management Strategy** *(COSO ERM Principles 6, 9, 10, GRI 102-30, FTSE Russell GRM01, GRM04, GRM07, GRM08, and GAC09/GAC10 if referring to corruption risk controls, SDG 16.6):* The policy is a key control for managing ethics and reputational risks, and is embedded in the Company's Enterprise Risk Management (ERM) system. It ensures that decisions at all levels remain transparent, accountable, and aligned with acceptable risk tolerance.
- 8.4) Enhancing Organizational Reputation and Trust** *(GRI 102-16, 102-33, FTSE Russell GCG01, GCG09, SDG 16.10 and SDG 17.16):* Having a clear and enforceable gift policy communicates transparency, accountability, and a strong ethical culture. It positively influences the Company's image among shareholders, investors, customers, and the broader public.
- 8.5) Supporting Governance Excellence and ESG Leadership** *(CG Code 2021, FTSE Russell GRM05, GRM12, GAC01–GAC03, GCG07, GRM20, GRI 102-34, SDG 16.6):* This policy contributes to the Company's ambition to be recognized for excellence in corporate governance and increases eligibility for ESG ratings, assessments, and sustainability indices both nationally and globally.

9) Monitoring, Reporting and Transparency

The Company monitors and evaluates the implementation of the No Gift Policy on an ongoing basis to foster a culture of good governance, transparency, and accountability at all levels of the organization, through the following approaches:

- **Performance Monitoring:** Directors or equivalent-level executives are responsible for overseeing gift-giving and receiving practices within their areas of supervision. Any situation potentially in violation of this policy must be reported to the Executive Committee or Audit Committee.

- **Incident Reporting:** Employees who are offered gifts or find themselves in situations where declining may be inappropriate due to cultural or business etiquette must report to their direct supervisor at the Director level for prior approval or acknowledgment, with formal documentation maintained.
- **Public Disclosure:** The Company may disclose its implementation status and any approved exceptions to this policy in the Annual Sustainability Report or Annual Report to build stakeholder confidence.
- **Whistleblowing Mechanism:** A whistleblowing channel is available for employees, business partners, or external parties to report behavior that may violate this policy. The Company guarantees protection for whistleblowers based on principles of anonymity and non-retaliation.

(Aligned with FTSE Russell GCG07, GAC03-05, 07-08, OECD Guidelines for Multinational Enterprises, OECD Guidelines on MNEs, COSO ERM Principles 16-18, CG Code 2021 (Thailand) – Principle 1.6, GRI 102-17, 102-33, 205-3, SDG 16.1, 16.5, 16.6, and SDG 16.6)

10) Review and Continuous Improvement

- The Company reviews and updates the Gift and Hospitality Policy at least every two years, or whenever legal changes, corporate governance guidelines, or ethical risk factors arise, to ensure that the policy remains relevant, effective, and aligned with the organization’s context and risk exposure.
- Such reviews are conducted jointly by the Audit Committee, Legal Department, and Human Resources Department. The results are reported to the Board of Directors for consideration, approval, and further guidance.

(Aligned with FTSE Russell GRM12, GRI 205-3, OECD Guidelines, CG Code 2021, and SDG 16.6)

11) Gift and Hospitality Policy Revision History

Version	Date	Policy Owner	Approved by	Key Changes / Comments
1.0	11 November 2024	Audit Committee in collaboration with the Legal and HR Divisions	Board of Directors	First issuance of the “Gift and Hospitality Policy” establishing clear guidelines for employees and business partners to refrain from giving and receiving gifts, except for cases of cultural or business appreciation, with a maximum value of THB 3,500 (approx. 100 USD). Prior approval from Director level is required in such cases.

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