



# **GIFTS AND BENEFITS POLICY AND GUIDELINES**



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# Gifts and Benefits Policy and Guidelines

## 1. Intent

Charoen Pokphand Group is committed to operating its business with transparency, in accordance with good corporate governance principles. The custom of offering and accepting gifts or other benefits is an important part in building and maintaining good relationships with customers, suppliers and stakeholders. However there must be precautions to ensure that these gestures of goodwill are sincere and without the intention to influence – or appear to influence – business decisions.

## 2. Objective

For directors, management and staff to exercise careful judgment when offering and accepting gifts and other benefits, in compliance with high standards of integrity and all applicable laws where Charoen Pokphand Group operates.

## 3. Roles and Responsibilities

### 3.1. Board of Directors

- 3.1.1. Ensure the implementation of the Gifts and Benefits Policy and Guidelines (“Policy and Guidelines”) and the appropriate compliance by directors and employees to avoid and prevent activities that may lead to bribery and corruption.
- 3.1.2. Monitor overall performance to ensure that the Policy and Guidelines are being implemented.

### 3.2. Management

- 3.2.1. Establish rules and procedures to suit the nature of business, while remaining consistent with the Policy and Guidelines of Charoen Pokphand Group, in addition to any applicable local laws.
- 3.2.2. Ensure there is an organizational structure and related functions in place, including the responsible department/persons to supervise and control operations inline with regulations.
- 3.2.3. Monitor the implementation to ensure compliance of policy, guidelines, and regulations. while finding new measures to improve performance.



### **3.3. Audit department/Responsible Department/Responsible Persons**

- 3.3.1. Provide employees with guidance and information to assist in putting Policy and Guidelines into practice.
- 3.3.2. Produce a register of offered and accepted gifts and other benefits with values exceeding local laws and submit this to management.
- 3.3.3. Store gifts deposited by directors and employees with values exceeding local laws.
- 3.3.4. Establish a strategy to manage gifts with values exceeding local laws. Activities under this strategy should be in the interest of the company and consequently reduce the number of accepted gifts with values exceeding local laws.
- 3.3.5. Compile and submit the Policy Compliance Report related to Gifts and Other Benefits to the Board of Directors or management, in addition to the Compliance Audit Office at least once annually.

### **3.4. Employees**

Comply with the Policy and Guidelines, as well as any local regulations.

## **4. Gifts and Benefits Criteria**

All gifts and benefits offered and accepted by all directors, management and staff with third-parties, suppliers, state officials and other stakeholders must comply with the following 5 criteria:

- 4.1. Appropriately adhere to ethical standards.
- 4.2. Not intended to secure future benefits, and/or inappropriately influence the decision of the recipient.
- 4.3. Not violate the local laws of the respective country where Charoen Pokphand Group operates.
- 4.4. Not violate the policies and procedures of Charoen Pokphand Group.
- 4.5. Not conflict with the policies of the recipient, including suppliers, state officials and other stakeholders.



## 5. Procedures

### 5.1. Offering or accepting gifts

- 5.1.1. All gifts must comply with the Gifts and Benefits Criteria.
- 5.1.2. Gifts must not be made in cash or cash equivalents (cheques, vouchers, gift certificates, red packets, etc.)
- 5.1.3. All directors and employees are prohibited from offering gifts to state officials and their relatives, including in a personal capacity. Exceptions include gifts that are legal by law, or appropriate to local customs and culture.
- 5.1.4. Employees, including their family members, accepting gifts from business partners, customers and competitors that exceed values permitted by local law, must register their gift and submit to their direct supervisor for approval, and deposit the gift(s) that exceeds the permitted amount to the responsible department.

### 5.2. Entertainment

- 5.2.1. All forms of entertainment must comply with the Gifts and Benefits Criteria.
- 5.2.2. Entertainment and related activities are allowed as long as it follows conventional business practices.
- 5.2.3. Directors and employees are prohibited from arranging or attending entertainments during business negotiations, biddings and price auctions.
- 5.2.4. Employees must receive proper approval from their direct supervisor prior to arranging or attending entertainments.
- 5.2.5. All Directors and employees are prohibited from arranging entertainments for state officials and their relatives, including in a personal capacity. Exceptions include entertainments that are legal by law, or appropriate to local customs and culture.

### 5.3. Travelling and Hospitality Expenses

- 5.3.1. All forms of travelling and hospitality expenses must comply with the Gifts and Benefits Criteria.
- 5.3.2. Directors and employees are prohibited from requesting travelling and hospitality fees from third-parties, suppliers and other stakeholders.



- 5.3.3. When directors and employees are invited to attend a site visit, a seminar or project with a legitimate business purpose, they must write a proposal for the travel or hospitality in advance for approval from management on a case by case basis. Information must include purpose, duration, details of travel and/or hospitality, estimated cost and the list of attendees.
- 5.3.4. When inviting third parties, suppliers or other stakeholders to attend a site visit, a seminar or project, directors and employees must write a proposal for the travel or hospitality in advance for approval from management in ascending line of authority. Information must include purpose, duration, details of the travel and/or hospitality, proposed budget and the list of attendees.
- 5.3.5. All supporting documents related to the travelling/hospitality expense must be stored as evidence for future inspection.

## **5.4. Charitable Donations and Contributions**

- 5.4.1. All forms of donations and contributions must comply with the Gifts and Benefits Criteria.
- 5.4.2. Any donation or contribution must be made to legally registered organizations; donations or contributions made to individual persons are prohibited.
- 5.4.3. Donations or contributions must not create a future obligation of payment.
- 5.4.4. Write a proposal for the donation or contribution and submit to the direct supervisor for approval. Information should include the name of the donee organization, the purpose of the donation/contribution and the proposed amount.
- 5.4.5. All supporting documentation involved in the payment process must be stored as evidence for future inspection.
- 5.4.6. Publish a list of sponsored organizations, foundations and other recipients on an annual basis.

## **6. Training**

Charoen Pokphand Group shall provide training, including information that can be practically applied in the workplace, to ensure that directors and employees understand the contents included in this Policy and Guidelines.



## **7. Related policies**

- 7.1. Anti-Bribery and Anti-Corruption Policy and Guidelines.
- 7.2. Charoen Pokphand Group Announcement Letter regarding the Procedures and Guidance on Giving and Receiving Gifts and Souvenirs during New Year's Festival and All Occasions.
- 7.3. Conflicts of Interest Policy and Guidelines.

## **8. Review of Policy**

The Corporate Governance and Compliance Departments of the Sustainability, Good Governance and Corporate Communication Office; in addition to the Internal Audit and Human Resources Departments shall review this policy at least once annually.