

## Socfin Anti-Bribery and Anti-Corruption (ABAC) Policy

Department	Effective Date	Pages	Revision Date
Compliance		5	26-06-2023

### **1. Statement of Purpose**

The purpose of this document is to provide clear guidelines to our employees for the prevention and management of bribery and corruption risks in our business.

This procedure is a living document that will evolve based on continuous risk assessment, experience and feedback from our employees and stakeholders.

### **2. Anti-Bribery & Anti-Corruption (ABAC) Approach**

#### ***a. Key Definitions***

*What is “Corruption”?*

Corruption is defined as the misuse of entrusted power for personal or private gain. While the primary focus of anti-corruption is on bribery, other forms of corruption include, but not limited to, embezzlement, theft, fraud, extortion, conflict of interest and illegal charitable / political contributions.

*What is “Bribery”?*

Bribery is a promise, offer/acceptance directly or indirectly of anything of value to induce or reward the improper performance of an activity.

#### ***b. Policies & Procedures***

We do not tolerate any form of bribery or corruption in the conduct of our business, whether from our employees, stakeholders, customers, suppliers, contractors, authorities or any other business relationship.

Failure to comply with Socfin's anti-bribery policies and procedures will be subject to disciplinary action and/or possible termination of employment or contract. In addition, we reserve the right to take legal action to protect our interests.

The following activities, which are not exclusive, are prohibited:

- Bribery of government officials
- Commercial bribery and other economically corrupt activities undertaken for financial gain
- Misrepresentation and/or concealment in accounting records of bribes and other improper acts

- The use of agents, consultants and other third party intermediaries in transactions knowing that these may involve the payment of bribes.

In addition, activities in the high risk areas listed below will be subject to specific procedures and guidance. Although these activities do not necessarily involve bribery or corruption, they should be monitored and managed with particular care:

- Travel, entertainment and gifts offered or received
- Charitable donations and community contributions
- Controls on cash, petty cash and certain disbursements to suppliers
- Other high risk areas such as customs intermediaries and clearing commitments.

Our employees are encouraged to report and/or seek advice on any high-risk transactions to their line management or the compliance department.

### ***c. Training & Awareness***

We recognise that anti-bribery legislation is complex and that our businesses and employees need adequate training and guidance to conduct their business ethically and legally.

Training, including real examples of unacceptable behaviour and high-risk situations, will be provided. The training will include an overview of our policies, information and communication channels, as well as our specific procedures regarding gifts, entertainment, charitable contributions, donations and sponsorships.

Training and awareness raising is required for all our employees, including casual workers and trainees. Enhanced training will be provided for our more exposed departments such as finance, accounting and procurement.

## **3. Areas of application of the Anti-Bribery policy**

### ***a. Recruitment, Vetting & Performance Management***

The recruitment, performance evaluation, remuneration and promotion of our employees must be clear and transparent.

We ensure that recruitment is free from corruption, conflict of interest, favouritism or nepotism and is based on detailed operational procedures.

Basic due diligence must be carried out to ensure that new employees are not likely to damage the reputation of our group because of previous employment, personal financial problems or criminal records.

All new employees must understand and adhere to our Code of Conduct.

### ***b. Gifts, Entertainment & Hospitality***

Gifts, hospitality and the payment of expenses can be sources of bribery. We accept gifts or promotional offers and invitations within the framework of local social norms and standards and if they are considered a matter of courtesy in our social and legal working environment.

Any form of gift or cash benefit is prohibited under any circumstances.

All gifts received or given must be recorded and reported and if there is any doubt about the appropriateness of a gift, the Compliance Department should be consulted.

As a general rule, our employees must decline any form of gift or benefit that they would not be comfortable disclosing publicly.

<b>Gifts &amp; Hospitality - Appropriateness Test</b>	
BONA FIDE	Made for the right reason: it should be given clearly as an act of appreciation, if travel expenses for a bona fide business purpose
NO OBLIGATION	The activity will not create any obligation or expectation from the recipient
NO UNDUE INFLUENCE	It will not be seen as intended for, or capable of, achieving undue influence in relation to a business transaction or public policy engagement
MADE OPENLY	The transaction will not be performed in secret and be undocumented
LEGALITY	It is compliant with the relevant laws
MEETS STAKEHOLDERS PERCEPTION	The activity will not be viewed unfavourably by stakeholders
MODEST & PROPORTIONATE	The value and nature of the expenditure is modest and not disproportionate to the occasion
CONFORMS TO THE RECIPIENT'S RULES	The gift, hospitality or reimbursement of expenses meets the code of conduct of Socfin
INFREQUENT	The giving or receiving of gifts or hospitality is not frequent

### ***c. Charitable & Political Contributions & Sponsorships***

We are open to charitable contributions and sponsorships, but we do not accept involvement in political activities.

In all circumstances, we comply with applicable regulatory requirements, never contribute cash, record all donations and sponsorships in our books and records, and publicly disclose all contributions and sponsorships (on our website and/or in our annual report).

Any charitable contributions must be subject to appropriate documented due diligence and require prior approval from our management and/or compliance department.

#### ***d. Whistle-Blowing***

Employees should be encouraged to promptly report violations of our Code of Conduct, applicable policies and potential violations of applicable laws and regulations, as well as other inappropriate behaviour.

Please refer to the Socfin Group Whistle-blower Policy.

#### ***e. Third Parties***

We do not deal with third parties known or reasonably suspected of paying or receiving bribes, being involved in human rights abuses or conducting other illegal activities.

Any engagement with third parties requires that the contracting party receive and acknowledge our Code of Conduct for External Parties in addition to a commitment to comply with all applicable laws and regulations, including anti-bribery policies.

All agreements with third parties must be subject to prior approval by our local or group management. The level of approval should be commensurate with the level of risk presented and the level of importance of our engagement and escalated to group level if necessary.

Third party remuneration will never be paid in cash and will only be paid by cheque or bank transfer in the name of the entity and not that of an individual person.

Please refer to the Socfin Due Diligence Policy for Third Parties

#### ***f. Risk Assessment***

An effective control framework against corruption and bribery depends on proper identification and assessment of risks. Risk assessment will be reviewed and updated regularly as internal and external corruption risks evolve and the regulatory environment changes.

#### ***g. Internal Financial Controls***

Internal controls are designed to provide reasonable assurance that operations are efficient, financial reporting is reliable and the entity complies with laws and regulations. Internal controls will verify adequate segregation of duties, transaction authorization process, record keeping, supervision of operations, physical safeguards and information technology security.

Key elements of the controls are:

- Unaccounted for funds or assets are prohibited
- Each transaction or disposal of assets will be authorised and recorded appropriately in terms of time, value and purpose.
- No fictitious or false entries or records shall be made and all accounting entries shall be documented.

#### ***h. Monitoring & Reporting***

Continuous monitoring is essential to ensure the effectiveness of our anti-corruption policy. Monitoring activities are part of the Compliance Department's roles and responsibilities with a specific focus on

- Ensuring that the anti-corruption policy is understood, followed and applied by all Socfin entities and employees.
- Collecting and analysing feedback from the business units on the implementation of policies and procedures, violations or deficiencies encountered.
- Provide periodic management information to the Executive Board, the Board of Directors and the Audit Committee.

Relevant management information is needed to assist senior management in mitigating the risks of corruption management and the board to fulfil their functions by including an overview of the corruption risks faced by the organisation, the existence and effectiveness of systems and controls to mitigate these risks and legal and regulatory developments.

#### ***i. Audit & Reviews***

Our anti-corruption policy will be reviewed annually by the compliance and internal audit departments with the following scope:

- Analysis of cash transactions
- Interviews with employees
- Overview of payments to third parties
- Additional tests (petty cash, travel and entertainment, gifts, government permits and regulations, charitable contributions and payroll records)

#### **4. Conclusion**

We are committed to conducting our business in an ethical, transparent and sustainable manner. The anti-bribery policy is an essential part of our Code of Conduct, which must be known, understood and applied by all our employees (including casual staff, interns, contractors and other stakeholders) in all our companies and operations worldwide.

For further clarification or if in doubt, please contact the Compliance Department ([compliance@socfin.com](mailto:compliance@socfin.com)).