

*Anti - corruption*

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*Anti - Bribery Policy*

*Beaufond Plc*



## **Preface:**

Beaufond Plc committed to its ethical business practices is at the heart of our Values. These Values are the Values of Unity, Responsibility, Excellence, Understanding and above all, Integrity which are enshrined in the Code of Ethics and Conduct. We are committed to behaving in an open and transparent way and operating within the law in all of our business dealings and ensuring that our business partners join us in this approach.

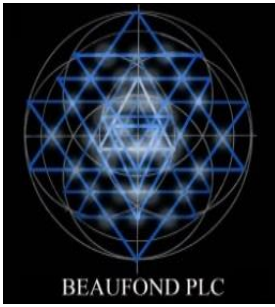
Every employee of Beaufond Plc, including Directors, executives, professionals, Managers, officers, employees and contract manufactures shall exhibit culturally appropriate deportment in the countries they operate in, and deal on behalf of the company with professionalism, honesty and integrity, while conforming to high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be so by third parties.

The Beaufond's Anti-corruption and Bribery Policy (BABP) has recently come into force and comprises some of the toughest anti-corruption and bribery laws in the world. This BABP applies to our activities whether conducted in local or abroad, and also to the activities of third parties providing services on our behalf. This means for example that we can be liable for the corrupt behaviour of our employees, suppliers, customers, agents and intermediaries. While national laws vary from country to country, there are a number of types of behaviour that are either prohibited or restricted under most legal systems. The same illegal or unethical conduct may impact upon a number of countries and be subject to such countries rules simultaneously.

In addition to the considerable reputational damage that would be sustained, there are severe sanctions for violations of these laws- like illegal arrangements are unenforceable, enforcement agencies can impose corporate fines for breaches of these laws, which can be substantial, certain violations of these laws can lead to fines and/or imprisonment for individuals and finally In addition, customers, investors, competitors and other third parties who suffer loss can also bring civil claims for damages against companies that violate these rules.

The implementation of the Bribery Act presents an ideal opportunity to reaffirm our commitment to ethical business practices by issuing this policy which builds on our existing policies and procedures in this area.

We have appointed GM (R&C) as Anti-Corruption Compliance Should you at any time you wish to have a confidential discussion about any of the issues raised in this Policy you should speak to Anti-Corruption Compliance team or use the confidential reporting system for employees as set out in the Whistleblowing Policy. Please take the time to read this Policy carefully and are required to play your part in supporting and adhering to this policy and its implementation throughout Beaufond Plc.



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## **I. Background:**

The brands of Beaufond's Company (the "Company") are among the world most recognizable, and our continued success depends in large part upon the trust and confidence of the billions of consumers across the globe. The Company is therefore committed to conducting business in accordance with the highest ethical standards and prohibits all forms of bribery and corruption.

This Anti- Corruption and Ani-Bribery Policy (BABP) ("Policy") prohibits corruption and bribery of domestic and foreign government officials as well as private sector , including the offering, promising, authorizing or providing anything of value to any customer, business partner, vendor or other third party in order to induce or reward the improper performance of an activity connected with our business.

This Policy will cover applicable anti-Corruptive and Anti-bribery laws, including domestic and other Foreign Corrupt Practices Act. Our BABP compliance program encompasses numerous reporting, monitoring and certification controls, as well as an education component comprising both web-based and in-person training.

Beaufond Plc expects all employees, Managers, officers, professionals, executives' directors, and third parties working on its behalf to refrain from engaging in any form of bribery or corruption, irrespective of citizenship, domicile, or location. In addition to this general prohibition on bribery and corruption, this Policy sets forth a number of procedural requirements that apply to all employees of the Company and its world-wide majority-owned or controlled subsidiaries.

Employees of the Company must abide by all applicable anti-corruptive and anti-bribery laws of foreign countries where it operates and the local laws in every country in which we do business. Virtually every country in which we operate prohibits corruption and bribery of domestic government officials. Moreover, the laws of many countries specifically prohibit private sector (commercial) bribery, including the offering, promising, authorizing or providing anything of value to any customer, business partner, vendor or other third party with whom we do business in order to induce or reward the improper performance of an activity connected with our business.

Our Company's long-standing commitment to doing business with integrity means avoiding corruption in any form, including bribery, and complying with the anti-corruption laws of every country in which we operate.

The Company and our entire system, provide guidance on how to conduct business in a fair, ethical and legal manner. All associates of our company and its subsidiary are required to read, understand and follow the precepts of our Company's Code of Business Conduct, which includes anti-corruption expectations for all employees.



## **II. Bribery & Corruption:**

A bribe is a practice of corruptly giving a thing of value in exchange for gaining advantage in favor of the giver or any other person or reward, advantage or benefit made in order to influence and/or secure an improper advantage. Kickbacks (i.e. the return (or receipt) of a percentage of monies received under a contract) are a form of bribe. A bribe can be made to induce a person to act in an improper way, to violate an official duty, or to secure an official act or decision. It can also be made to induce a person not to act in a particular way. It may be made directly or through an intermediary.

Some laws focus on prohibiting bribery and corruption of public officials, whereas others are far wider and prohibit bribes made to (or received by) any person in order to obtain an improper advantage, including in a business transaction.

In commercial dealings, a bribe or corruption may be employed to obtain, retain or direct a particular business advantage. It can include, for example, a gift or hospitality of significant value received from or given to a Contractor.

### ***Difference between Bribe and facilitating payment:***

Beaufond clearly defines that there is a clear distinction between bribe and facilitating payment – whereas bribe means “a practice of corruptly giving a thing of value in exchange for gaining advantage in favor of the giver or any other person” - and

'facilitating payment' means small payments to government officials to expedite or facilitate non-discretionary actions or services, such as obtaining an ordinary license or business permit and other official documents to qualify to do business in a foreign country, processing government papers such as visas, work orders, customs clearance, provide police protection, mail services and inspection of goods or of contract performance, providing telephone service, utilities, loading or unloading cargo and protecting goods from deterioration, power or water service and actions of a similar nature.

The Company's prohibition on bribery applies to all improper payments regardless of size or purpose, including “facilitating” (or expediting) payments.

Although there is a narrow exception for facilitating payments under the laws of most countries, to ensure compliance with all applicable anti-bribery laws, our Company prohibits any and all kinds of facilitating payments, except for the very limited circumstances for which prior written approval must be obtained from both Company Legal Counsel and Chief Risk and compliance.

Beaufond ethical code always says that "Beaufond only obtains and conducts business legally and ethically. The quality of our products and the efficiency of our services at the most competitive prices is our greatest tool in marketing our business."



### **III. Prohibition of Bribery:**

Applicable anti-bribery laws prohibit companies and their employees and representatives from giving, promising, offering, or authorizing payment of anything of value to any government official in order to obtain or keep business or to secure some other improper advantage. In essence, these laws prohibit the giving of **anything of value** to influence a government official's actions. It is crucial that we avoid even the appearance of an improper interaction with government officials.

The prohibition above also includes not utilising other techniques such as subcontracts, purchase orders or agency or consulting agreements to channel payments to any business partner, customer, supplier, to public officials, political parties, political figures, candidates for political office or another contracting party – including their relatives or business associates. This applies whether or not the person is a public official.

It can often be the case that bribes will involve a cash payment of some form. Any request for payments in cash or offer to make payments in cash raises a potential risk of corruption. Therefore in order to safeguard our employees from any appearance that payments may be corrupt cash payments should be strictly avoided.

#### **Anything of value means:**

*Anything of value* means not only money that may include, but is not limited to the following:

- Business opportunities;
- Favourable contracts;
- Stock options;
- Cash, cash equivalents (e.g., gift cards, gift checks) or loans;
- Payments for improper gifts, meals, travel and entertainment;
- Favours, including offers of employment or internships for an official or an official's relative;
- Sponsorships;
- Promises to pay/give;
- Donations to a charity affiliated with or sponsored by a government official; or
- Political contributions.



#### **IV. Types of Bribes with facilitating nature:**

The following are the few examples of bribes with facilitating nature for which as per the law of the land and international, the company some time facilitate with prior permission - There are limited exceptions to the prior written approval requirement:

- (a) Gift
- (b) Hospitality
- (c) Promotional trips
- (d) Meals, travel and entertainment,
- (e) Donations,
- (f) Promoting, Demonstrating or Explaining products,
- (g) Hiring or Engaging government officials,
- (h) Political contributions,

#### **V. Third Parties:**

Applicable anti-bribery laws prohibit corrupt payments made directly by Company employees or indirectly through an agent, consultant, distributor, or any other third-party representative acting for or on behalf of the Company (collectively, "third parties"). This includes subcontractors or consultants hired by third parties to perform work on behalf of the Company. Any third parties that act on the Company's behalf must operate at all times in accordance with this Policy. Company Legal Counsel should assist in drafting and reviewing all third-party agreements involving interactions with government agencies or officials. Accordingly, it is Company policy that:

- Third parties may not do things that are prohibited by this Policy or other Company policies;
- Each third party must be carefully selected and evaluated pursuant to the result of due diligence and other applicable Company policies before a business relationship is established;
- 
- Commissions, compensation, reimbursement and other payments to third parties will be customary and reasonable in relation to the services provided and will be properly reflected in the Company's records, books of account, and financial statements; and
- Payments to third parties may not be made in cash without prior written approval from Company Legal Counsel; or to bank accounts that are not in the third party's name, unless otherwise approved in writing by Company Legal Counsel and Corporate Treasury.



**The following are the factors influence the third party's bribe:**

**(a) Risk Factor:**

Under the BABP, it is unlawful to provide (or authorize the provision of) anything of value to any person, knowing that all or any portion of that thing of value will be offered, given, or promised to a government official or any other person for a corrupt purpose.

The term "knowing" includes conscious disregard, deliberate ignorance, and wilful blindness. In other words, the Company and individual employees may face BABP exposure if we have a "reason to know" or "should have known" that an agent will bribe a government official.

Under certain countries law, a company can be held criminally liable for bribes paid on its behalf by a third party anywhere in the world; this liability can arise even if the company had no knowledge of the bribe. Accordingly, it is crucial for the Company to carefully choose its business partners, including agents and consultants, to protect itself from liability for improper payments made by third parties.

The Company has identified certain circumstances that may suggest reason to know of an illegal payment made by an intermediary. These risk factors warrant further investigation when selecting or working with a third party. Circumstances that raise suspicion include but are not limited to the following:

- The transaction involves a country known for corrupt payments;
- The third party has a close family, personal or professional relationship with a government official or relative of an official;
- The third party objects to anti-bribery representations in Company agreements;
- The third party's majority shareholders, directors or officers are government officials;
- The third party lacks qualifications to perform the required services;
- The third party lacks transparency in its accounting records;
- The third party requests unusual contract terms or payment arrangements that raise local law issues, such as a payment in cash, payment in another country's currency, or payment in a third country;
- The third party is suggested by a government official, particularly one with discretionary authority over the business at issue; or
- The third party's commission or fee exceeds fair and reasonable compensation for the work to be performed.

Ignoring these risk factors, or avoiding knowledge about suspicious facts, can give rise to a presumption that we are trying to avoid knowledge of impropriety. In all cases, whether a risk factor is present, consult and seek prior written approval from Company Legal Counsel before entering into any arrangement with a third party that will have contact with a government official or entity on behalf of the Company.





## **(b) Due Diligence**

The Company should never enter into any relationship with a third party (including an agent, consultant, attorney, contractor, or representative) that will interact with government officials for or on behalf of the Company without an inquiry into the third party's background, qualifications and reputation. Employees also should consult the Third Party Online Due Diligence supporting materials, which include, among other items, a due diligence process map, frequently asked questions, training presentations, and sample third-party communications that provide additional explanation regarding the Company's online due diligence requirements.

The Company must know and keep track of the third parties that interact with the government on its behalf and with which it does business. Special care and due diligence must be exercised around third parties that assist or work with the Company. Employees must inform Company Legal Counsel once they have identified a third party that will interact with government officials for or on the Company's behalf. If Company Legal Counsel preliminarily determines that the third party will interact with the government, the third party should be directed to complete the Company's online due diligence questionnaire. Examples of third parties that interact regularly with government officials include freight forwarders, customs brokers, and service providers who process visas and other immigration forms.

In other situations where Company Legal Counsel determines that a third party will have minimal or low risk interactions with government officials, it may grant an exception to the due diligence requirement. If local operating units are unable to use the questionnaire response due to applicable privacy laws or other reasons, they may use alternative methods of complying with the due diligence requirement after receiving approval from it.

Any issues raised during this due diligence review must be addressed to the satisfaction of Company Legal Counsel prior to entering into the relationship. Company Legal Counsel should document remediation efforts made in response to the red flags raised in due diligence reports. The amount of time and effort required for due diligence will depend on the number and complexity of issues raised during the review process. The Company should renew due diligence completed on contracted third parties every three years. In some cases, Company Legal Counsel may determine not to engage the third party, or additional measures such as anti-bribery training can be used to educate third parties about the risks associated with their interactions with government officials.

All relationships with third parties that interact with the government or government officials must be memorialized in a written contract that includes appropriate language regarding compliance with all applicable anti-bribery laws. Company Legal Counsel should assist in drafting and reviewing all third-party agreements. Company Legal Counsel will determine the appropriate contractual language.

Of course, once an agent or consultant has been retained by the Company, the individual's activities and expenses must be monitored by the relevant manager to ensure continued compliance with the applicable anti-bribery laws and applicable Company policies



## **VI. Training:**

The Company requires all managers and all other employees to complete anti-bribery-related training every other year. This may include the web-based anti-bribery training course or instructor-led training programs if a computer is unavailable to the employee. The Strategic Security employees must complete online training every other year. The Company also offers in-person anti-bribery training (including instructor led, video conference, conference call, etc.) for employees who may interact with government officials in the scope of their duties, or are in sensitive control or management positions.

HR is responsible for designing training and monitoring compliance with the Company's training requirements. Records of all training activities provided under this Policy (including the list of participants and dates) must be communicated to Chief Risk, Legal and Compliance.

## **VII. Auditing**

We conduct periodic anti-bribery assessments and audits of our business to raise overall awareness, detect potential misconduct and monitor compliance with anti-corruption laws and policy. We annually review practices at high risk operational units for compliance with our Anti-Bribery Policy. We periodically engage independent third parties to perform assurance procedures to ensure our anti-bribery compliance program elements are functioning properly and to identify best practices that we can implement broadly. We continue to leverage opportunities to share learnings and successful practices across our system.

Additionally, we have a global due diligence program to screen vendors and potential vendors who will interact with government on our behalf and to obtain their agreement to abide by our Anti-Bribery Policy. We refreshed our training in 2019 and continue to direct resources to training and support in order to assist local management in avoiding corruption. All employees receive training when hired on the Code of Business Conduct, which includes Anti-Bribery expectations. Additionally, employees who interact with government officials receive detailed training on our anti-bribery policy.

Company employees will conduct periodic internal audits of relevant Company operations to help ensure the Company's continued compliance with applicable anti-bribery laws and this Policy. It is the duty of all employees to cooperate with—and never interfere with or obstruct—such audit activities or Company investigations.

Company auditors are expected to act independently, and to liaise with Company Legal Counsel to clarify any questions related to application of this Policy.



### **VIII. Global Corruption Risk Mapping**

Beaufond Plc uses their enterprise risk management system and data from Transparency International, we annually build a model to map risks of corruption and bribery. We review internal factors, including capital expenditures and past audit results, as well as relevant external factors. With input from senior management and corporate audit teams, we are able to determine where to focus our anti-corruption efforts. Understanding both the culture and the level of risk in these markets helps us prevent and root out unethical conduct while being sensitive to and respectful of local cultures.

Every year we review all of our operations through this process for risks related to corruption and continued to refine the risk criteria in the model.

### **IX. Reporting violation, unethical, illegal or suspicious activity:**

If any employee has knowledge or suspicion that a person has benefited or has sought to benefit from unethical conduct or any proceeds derived from any criminal offence (including bribery) the employee and it may commit an offence if it does not report that knowledge or suspicion. As such any such knowledge or suspicion must be reported immediately via the process set out in the company Whistleblowing Policy,

Suspected violations will be reviewed and investigated as appropriate and may lead to disciplinary action. Any such reporting will be treated as confidential to the extent permitted by law. The Company strictly prohibits retaliation for good faith reports of suspected misconduct. Failure to report a violation of this Policy constitutes an independent violation of this Policy that is subject to discipline, up to and including termination of employment.

### **X. Anti-Corruption Toolkit**

BABP program extends across our system. Our comprehensive program includes rigorous reporting, monitoring, certification, and education components. All employees of the Company have anti-corruption policies and procedures communicated to them. In order to help our bottling partners meet our expectations of doing business ethically and fairly, we have developed an Anti-Corruption Toolkit.

Our aim with this toolkit is to foster complete Beaufond system alignment about our global commitment to anti-corruption. The toolkit provides due-diligence processes for selecting, training and embedding ethical business practices within bottling partners' operations. It covers the ways to handle typical scenarios and also includes compilations of applicable laws, including The Foreign Corrupt Practices Act, and recommendations for educating and supporting all employees in anti-corruption behavior.

The company's Code of Business Conduct and Ethics, posted on its website, calls for it to comply with Foreign Corrupt Practices Act, which prohibits corrupt payments for obtaining or retaining business.