



ANTI-BRIBERY & ANTI-CORRUPTION POLICY AND GUIDELINES



Contents

1. Intent	3
2. Objective	3
3. Roles and Responsibilities	3
4. Guidelines	4
5. Training	8
6. Related Policies	8
7. Related Laws	8
8. Review of Policy	8
Appendix: Definitions	9



Anti-Bribery & Anti-Corruption Policy and Guidelines

1. Intent

Charoen Pokphand Group is committed to doing business with integrity, honesty and transparency in accordance with good corporate governance, by realizing that bribery and corruption can cause seriously consequences to the country, its people and the organization in the long-term, all of which are directly against Charoen Pokphand Group's core values.

2. Objective

For directors, management and staff to comply with their roles and responsibilities contained in the Anti-Bribery & Anti-Corruption Policy and Guidelines ("Policy and Guidelines"), laws and regulations related to anti-corruption. This is to maintain Charoen Pokphand Group's zero tolerance against fraud and corruption, which is the strong foundation in how business is conducted sustainably.

3. Roles and Responsibilities

3.1 Board of Directors

- 3.1.1 Ensure that the Policy and Guidelines are in place and embedded into the corporate culture.
- 3.1.2 Ensure that the internal control systems and a risk management system are in line with international standards.
- 3.1.3 Ensure that there are appropriate whistleblowing channels and procedures, including protective measures for witnesses or whistleblowers.

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.
- 3.2.2 Ensure there is an organizational structure and related functions in place, including the responsible department/persons to oversee, monitor and review operations to remain consistent with the Policy and Guidelines, rules, regulations and related laws.
- 3.2.3 Monitor the implementation to ensure compliance of policy, guidelines, and regulations. while finding new measures to improve performance.



3.3 Internal Audit Department/Responsible department or persons

- 3.3.1 Communicate and provide guidance for employees to ensure policy compliance.
- 3.3.2 Inspect and review to ensure that business operations are in line with the Policy and Guidelines, approval authorities and standards to ensure that internal controls are sufficient and appropriate to corruption risk.
- 3.3.3 Compile and submit the Policy Compliance Report to the Board of Directors/management quarterly, in addition sending to the Compliance Audit at least once annually.

3.4 Staff

- 3.4.1 Comply with the Policy and Guidelines, as well as related laws and regulations related to Anti-Corruption.
- 3.4.2 Report to the responsible department/persons, or report through the available whistleblowing channels whenever any evidence of actual or possible activities related to corruption are discovered.

4. Guidelines

4.1 Directors, management and staff must not accept any form of corruption, whether directly or indirectly, for the benefits of themselves, relatives, friends or acquaintances, and shall not give or receive bribes. All transactions and operations involving state officials must be made with transparency, honesty and in accordance with the Policy and Guidelines, in addition to any applicable laws. They must comply with the following:

4.1.1 Offering or accepting gifts

Directors, management and staff must not offer or accept gifts that may influence business decisions.*

*For further information, you may also refer to Charoen Pokphand Group's Gifts and Benefits Policy and Guidelines



4.1.2 Entertainment

Entertainments are allowed for the purpose of maintaining a business relationship, but must conform to business norms and do not have an influence on business decisions.*

4.1.3 Facilitation Payments

- (1) Charoen Pokphand Group prohibits the making of facilitating or expediting payments, both directly and indirectly, under any circumstances. This includes facilitation payments that are made under conventional business practices and payments to a third-party, in particular expediting payments made to state officials.
- (2) Find alternatives or workarounds to eliminate the need for facilitation payments.
- (3) Any director or employee likely to encounter risks of making facilitation payments must complete additional training or ask for guidance on how to deal with these payments.
- (4) If in a situation that there is no workaround or that facilitation payment is unavoidable, employees should inform their supervisor in order to agree to a solution.

4.1.4 Charitable donations and contributions

Charitable donations and contributions must be carried out through a transparent process. Donations and contributions, whether in the form of money or other forms, must have procedures and disbursements that are clear and secure to ensure that they cannot be used as a channel for corruption.[†]

4.1.5 Related Persons acting on behalf of Charoen Pokphand Group

When nominating a third-party to represent Charoen Pokphand Group, including agents and consultants acting on behalf of Charoen Pokphand Group, make sure that all procedures comply with the following:

- (1) Provide information and communicate to the representative to ensure they acknowledge and comply with the Anti-Bribery and Anti-Corruption Policy of the Charoen Pokphand Group.
- (2) Communicate with the individual or entity, whether from the private or public sector, to ensure they acknowledge and comply

[†] For further information, you may also refer to Charoen Pokphand Group's Gifts and Benefits Policy and Guidelines



with Charoen Pokphand Group's Anti-Bribery and Anti-Corruption Policy.

4.1.6 Political Contributions

Charoen Pokphand allows the participation in political contributions, which must be conducted transparently and verifiably, in order to avoid discrimination or appear to benefit both political parties and the the organization. The principles are as follows:

- (1) Charoen Pokphand Group shall remain politically neutral, and not favor any political group.
- (2) Charoen Pokphand Group can provide support, whether in the form of money or assets to political parties but such actions need to be transparent and not for the purpose of attempting to influence any improper exercise of functions, duties or judgment.
- (3) Directors and employees have the freedom and the right to participate in political activities in a personal capacity, as provided under the Constitution, but shall not refer to Charoen Pokphand Group and shall not use any property, equipment or device owned by the organization to support such personal political involvement/activity.

4.2 Risk Assessment

Anti-corruption risk assessment is designed to ensure that any corruption risk is managed systematically. Management in all departments of Charoen Pokphand Group are required to work proactively to prevent corruption in their respective departments by completing the following:

- 4.2.1 Conduct a corruption risk assessment of business transactions that may have processes or procedures with corruption risk on an annual basis.
- 4.2.2 Implement the corruption risk management measures by identifying activities and situations highly susceptible to corruption that may occur in normal business operations. In addition, the company must perform risk assessments, both in terms of opportunities and impacts, as well as regularly following up on risk management through reviewing risk management measures to ensure they appropriately reflect the existing corruption risk.



4.3 Data Management and Internal Controls

All companies in Charoen Pokphand Group must have data management procedures and records of disbursements, by complying with International Financial Reporting Standards (IFRS), in particular:

4.3.1 Ensure the preparation of data and reports in a timely, complete and accurate manner.

4.3.2 Ensure the provision of necessary documents for approval in accordance with the rules and regulations before any payment or approval of payment is made.

4.3.3 No undisclosed or unrecorded accounting records are allowed under any circumstances, including the recording of fraudulent or falsified entries in company reports.

4.4 Assessment Procedures and Internal Controls System

All companies in Charoen Pokphand Group must have an assessment procedure and an internal control system to prevent corruption, to ensure that the prescribed corruption risk management policy has achieved its goals and effectively prevent corruption, as well as to monitor and ensure that internal operations are in compliance with applicable rules and regulations, in relation to the Policy and Guidelines. In particular:

4.4.1 Ensure that assessments by internal audit departments are conducted regularly on an annual basis.

4.4.2 Provide protection for any whistleblower and complainant, ensure fairness and protection of directors, management, staff or any other persons providing evidence of corruption within the organization, as well as the person who is denying corruption allegations. These measures protect the whistleblower and/or whoever cooperates in reporting corruption, as defined in the Whistleblowing Policy and Guidelines.

4.4.3 Submit the results of assessments and internal control reports to Charoen Pokphand Group on a quarterly basis.

4.5 Filing a Whistleblowing Report

Further information on filing reports can be found in the Whistleblowing Policy and Guidelines.



5. Training

Charoen Pokphand Group shall provide a training curriculum with modern and relevant content for directors and employees to gain knowledge and a better understanding of the importance of anti-corruption in order to achieve sustainable growth.

6. Related Policies

- 6.1 Gifts and Benefits Policy and Guidelines
- 6.2 Supplier Code of Conduct
- 6.3 Anti-Money Laundering Policy and Guidelines
- 6.4 Whistleblowing Policy and Guidelines
- 6.5 Conflicts of Interest Policy and Guidelines

7. Related Laws

Organic act on Counter Corruption B.E. 2542 (1999)

8. Review of Policy

The Corporate Governance and Compliance departments of the Sustainability, Good Governance and Corporate Communication Office, in addition to the Human Resources Department/responsible department shall review this policy at least once annually.



Appendix: Definitions

1. Bribe

A bribe is an incentive, payment, reward or benefit offered, promised or provided to any person to influence that person's actions or decisions to obtain a business, commercial, contractual, regulatory or personal advantage.

A bribe can be anything of value, including cash, gifts, inside information, favors, hospitality or entertainment, offering to hire relatives, remuneration or reimbursement, charitable donation or social contributions etc. Bribes do not necessarily have to be a large value.

Some (non-exhaustive) examples of bribes are as follows:

- Lavish gifts, meals, entertainment or travelling expenses, especially when these goods are disproportionate, frequent or appear to be in the context of on-going business negotiations
- The use of services, facilities or assets owned by the company without any compensation
- Cash payments
- Payment of kickbacks or of a similar form
- Provision of benefits to relatives of customers or prospective customers, civil servants and state officials, for example, providing tuition fees, healthcare or medical treatment
- Subcontract to people connected to individuals who are involved in the main contract
- Participation in a local company owned by relatives of a customer or prospective customer, civil servant or state official

2. Bribery

Bribery is a promise to accept or offer money or other benefits, both directly and indirectly, resulting in improper action (includes breach of trust, acting dishonestly, or acting in an unfair and biased way).

The benefit in question can be an offer, a receipt, or an inappropriate action either direct or indirect (such as conducting business through an intermediary, or supplier of goods and services). Inappropriate actions can be related to business-related activities of Charoen Pokphand Group (for example, action of a director or an employee or third-party on behalf of Charoen Pokphand Group) or involving a government agency or department.

Bribery is a crime under the jurisdiction of the court and the law. Charoen Pokphand Group also prohibits bribery in all its forms.



3. Corruption

Corruption is a broad term that covers a wide variety of misconduct for persons performing on duty, persons with authority or persons assigned with important responsibilities through illegal channels or means according to ethical standards, such as theft, fraud, embezzlement, misappropriation etc.

Corruption also covers the misuse of authority (whether it be that authority is acquired through tradition, education, election, marriage, appointment or any other method) for personal gain.

Corruption practices and misuse of authority can not only be perpetuated by civil servants or state officials, but also in the private sector as well, all for personal benefit.

4. Fraud

Fraud refers to acts of theft or criminal harm by any director or employee against the company, resulting in direct or indirect loss of goods or financial value by the company, for example, misappropriation of assets, including both tangible items such as cash and goods, as well as intangible items such as time card manipulation, fraudulent accounting, forging financial documents, conflict of interest, cronyism and nepotism, etc.

5. Facilitation payment

Facilitation payments are small compensations awarded to civil servants or state officials in exchange for providing the payer with special benefits not awarded normally.

Normally, facilitation payments are made to help expedite the process, or ensure that the state official will perform for the payer or relaxing any incoming inspections. Facilitation payments are illegal in almost all countries, including Thailand.

6. Political support

Political support refers to sponsoring politicians or political parties, both monetary and non-monetary, as well as lending or donating equipment and services free of charge, or encouraging directors or employees to participate in political activities on behalf of Charoen Pokphand Group, all in order to gain a competitive advantage.



7. Civil servant or state official

Civil servant or state official, including employees of state enterprises or government agencies, or government representative or election candidate, political party member or international public organization (i.e. United Nations, World Bank) or any person acting on behalf of the groups mentioned above. Governments include state, local, regional and national governments, both with respect to legislative power, executive power, and judicial power.