

Anti-Corruption Policy



Definition

Fraud means intentional action taken to obtain illegal advantage to themselves or the others.

Corruption means abuse of power, bribery or any actions which may or may not be illegal but are carried out with the intent to gain undeserved benefit to the organization, themselves, or others. Corruption encompasses the receiving, offering, and giving of the money (including donations, collection and any benefits which can be converted into currency), gifts, services, articles, entertainment, and any other benefits both direct and indirect to individuals, juristic person, or government entities to persuade those parties to proceed or omit their duties in order to achieve in any benefits to individuals, family, friends, acquaintances or business operations.

Anti-Corruption Policy

SiS Distribution (Thailand) Public Company Limited (“the Company”) commits and intends to operate business with transparency, integrity, and accountability for all stakeholders to provide the sustainable growth of the company. This commitment is upheld by adhering to corporate governance principles and ethical business conduct. The Company consistently conducts audits to ensure compliance, providing confidence that the Anti-Corruption Policy is effectively implemented as follows.

The Company recognizes the vital of corruption in Thai society, as well as international contexts This also generates risks to business operations and is significant obstacle to the business sustainable growth. Therefore, the Company is committing to adhering to Thai laws in countering corruption and establishes the Anti-Corruption Policy which covers all activities of the Company. The Company promotes strict adherence to the Anti-Corruption Policy for all directors, Managements and employees of the Company, its subsidiaries, as well as all business representatives. The policy is aimed at preventing corporate fraud and corruption and is outlined as follows:

1. Directors, Management, and employees of the Company and its subsidiaries are strictly prohibited from direct and indirect involving or accepting any forms of corruption to generate inappropriate benefit to themselves, their family, friends and business from individuals, juristic persons, or the entities that having business with the Company and its subsidiaries. The Company intends to cultivate and promote a corporate culture entirely free from corruption, emphasizing that any form of corruption is unacceptable within the company.
2. The Company mandates the annual assessment and management of corruption risks. This includes the examination of internal controls related to anti-corruption measures, which is an integral part of the annual internal audit plan. Additionally, the Company requires annual reviews, audits, and updates of measures, practices, and requirements related to anti-corruption to ensure their alignment and suitability with both the internal and external organizational context. This process extends to encompass emerging risks that may arise.
3. The Board of Directors, the Managements, and the employees of the Company and its subsidiaries are required to adhere to the Anti-Corruption Policy, the Codes of Conduct and other instructions relating to the Anti-Corruption Policy that is defined by the Company.

4. The Board of Directors, the Managements, and the employees of the Company and its subsidiaries shall not be involved in any direct and indirect corruption. Also, it is prohibited to ignore or neglect when notice the corruption and clues of corruption that relate to the Company and its subsidiaries.
5. The Anti-Corruption Policy emphasizes the importance of awareness and avoidance of channels that could generate corruption. It outlines the following key principles for all parties to follow:
 - 5.1 The Directors, the Managements, and the employees of the Company and its subsidiaries are prohibited from receiving monetary, gifts, or assets that can be converted into currency or other benefits from individuals, juristic persons or entities that having business with the Company and its subsidiaries for gaining inappropriate benefits to themselves, their family, friends, businesses, excepting during internationally recognized New Year holidays or customary practices widely accepted. In this case, such benefits would not exceed the value of 3,000 Baht. Furthermore, any form of hospitality and entertainment should be reasonable and in accordance with the Codes of Conduct, relevant policies, and the employee guidelines.
 - 5.2 The Directors, the Managements and the employees of the Company and its subsidiaries are prohibited from offering gifts, assets, or any other benefits to external individuals to incentivize them to perform non-permissible duties or omit their duties in order to gain the business or private benefits.
 - 5.3 Donation or sponsorship for charitable purposes shall comply with the Company's requirement, transparent and traceable. The intent behind donations or support shall not be related to any bribes.
 - 5.4 The procurement and contracting processes relate to the Company and its subsidiaries' businesses, with the government or private sectors shall be executed legally, transparently, and consistent with the Codes of Conduct and guidelines determined by the Company.
 - 5.5 The Company has a neutral political stance and will not engage any activities to support any political parties. The Company emphasizes democracy and respects in the right of liberty, especially the election of the directors, all levels of the Managements and the employees of the Company.
6. The Company establishes a good internal audit and control system to ensure that management of corruption risks is appropriate and sufficient, covering all the following details:
 - 6.1 Examines working procedures to ensure the accuracy, completeness, and integrity of financial accounting and record-keeping, confirming that they reflect actual transactions.
 - 6.2 Examines the process of retaining and maintaining financial records, evidence, and the Company and subsidiaries data to ensure appropriateness, integrity, and adequate control systems that allow for timely and effective auditing of financial transactions.
 - 6.3 Examines the sales, marketing, procurement, and contracting processes, with a focus on areas with corruption risks. Additionally, identifying and implementing suitable resolutions for discrepancies correction, and consistently reviewing and refining work processes and procedures.
 - 6.4 Segregating duties at each working stage to ensure compliance with good internal control principles.

7. The Company defines the scope and authorities of the Quality Assurance Department relating to anti-corruption as follows:
 - 7.1 Examines and develops an annual audit plan that covers accounting, financial transaction recording, document retention, and financial data of the Company. This plan should also include sales, marketing, procurement, and contracting processes. This includes effectively, continuously, and adequately establishing resolutions for discrepancy correction and other procedures that may have risk relating to corruption.
 - 7.2 Develops measures and working procedures for processes with a risk of corruption that adhere to good internal control principles, to have sufficient support evidence and appropriate evidence retention, including regularly review and refine work processes to ensure suitability and consistency.
 - 7.3 Collaborates with the relevant risk owners or departments to design and develop internal control systems or working procedures to mitigate corruption risks with certain activities.
 - 7.4 Promptly reports findings from internal audits related to corruption or other suspicious behaviors to senior management, the Audit Committee, and the Board of Directors.
 - 7.5 Monitors the implementation of anti-corruption measures to ensure that the Board of Directors, Management, and the employees consistently adhere to the Anti-Corruption Policy and its requirements.
8. The Company establishes a continuous communication strategy to ensure that directors, Managements and employees of the Company, its subsidiaries, and business representatives acknowledge, comprehend, and implement the policies, measures, and guidelines for anti-corruption. This communication strategy encompasses the Company's expectations and channels for reporting to the Audit Committee. It includes penalties for non-compliance and safeguards for whistleblowers and reporters. Communication channels may include employee and new director orientations, meetings, electronic training, publication on the Company's website, and other electronic media etc.
9. The Company establishes a communication strategy to inform business partners about the Company's Codes of Conduct, Anti-Corruption, and related policies through various channels such as the Company's website and electronic media etc.
10. The Company assigns the Audit Committee to oversee the risks and internal control system relating to corruption including the Anti-Corruption Policy implementation. The Audit Committee shall continuously report the audit result to the Board of Directors.
11. The Board of Directors and the Managements have duties and responsibilities to support and implement the Anti-Corruption Policy by indicating the system to encourage and support Anti-Corruption Policy. They are also responsible for continually reviewing and developing policies, systems, and measures as appropriate.
12. If any form of corruption or clues of corruption relating to the Company and its subsidiaries is discovered or disclosed, it shall be reported to the person responsible for anti-corruption immediately, using the specified reporting channels.
13. The Board of Directors, the Managements, the employees of the Company and its subsidiaries shall cooperate in investigating and examining the facts related to corruption according to the indicated corruption investigation procedures.

14. The Company has protection measures in place to ensure fairness to informants or those who report corruption related to the Company and its subsidiaries, and such individuals will be treated in accordance with the indicated protection measures.
15. The Board of Directors, the Managements, the employees of the Company who involved in corruption or engaged in any activities that violate the Company's Codes of Conduct and policies, both directly and indirectly, will be subject to disciplinary actions as defined by the Company. If such corruption is illegal, legal penalties will also be applied.
16. The Managements and the employees of the Company and its subsidiaries shall get all information and undergo training relating to the Anti-Corruption as determined by the Company.
17. The Board of Directors, the Managements and the employees of the Company and its subsidiaries shall be aware of the importance of Anti-Corruption and the Codes of Conduct in order to enhance the sustainable growth of the Company as well as to be the good citizens of Thai society.
18. The Anti-Corruption working group has authority to examine and investigate in all circumstances that direct and indirect related to the corruption.

Operating Requirements

1. To comply with the Anti-Corruption Policy, it is essential to adhere to the good corporate governance principles, Codes of Conduct and any related operational instructions defined by the Company to promote the ethics and corporate governance of the Company and its employees.
2. The Anti-Corruption Policy covers all business processes of the Company including the human resource management process, ranging from recruiting, training, evaluating, promoting, and provision of employee benefits and perks. All employees are required to execute their operations under this Anti-Corruption Policy.

Guidelines for Anti-Corruption

1. The workflow is designed to provide cross-functional checks and a counterbalance with mutual oversight and authority among related departments.
2. Instills the employees for the consciousness and value of anti-fraud and corruption.
3. There are channels available for stakeholders to report fraud and corruption, both through direct contact with the management via complain@sisthai.com, as specified on the Company's website. The Company has a database system to store all incoming reports. Additionally, there is a direct channel to contact the independent directors through independentdirector@sisthai.com.
4. It is prohibited for the Management and the employees from receiving any gifts, excepting during internationally recognized New Year holidays or customary practices widely accepted. In this case, such benefits would not exceed the value of 3,000 Baht. The acceptance of gift with value exceeding 3,000 Baht shall be reported to the supervisor and forwarded to the General Affair Department for further action. In case of travelling package receiving, it shall be informed to the Company to further allocate such gift.
5. It is prohibited for inappropriate seeking of authority over others, such as promising to provide valuable items in order to gain inappropriate advantage.

6. The company has established a clear and appropriate expense reimbursement policy for employees to prevent fraud and corruption. There is an expense audit team responsible for reviewing every expense request, both direct from supervisors and from the General Affairs department, which oversees expense control. Additionally, all employees are informed from the outset that the Company strictly follows the policy of reimbursing actual expenses and does not allow them to be considered as income.
7. The company views fraud and corruption as serious offenses, and when such misconduct occurs, a joint committee is convened to consider appropriate punitive measures. These measures may include verbal warnings, compensating for damages, terminating employment, or pursuing legal action against the individuals involved in fraud and corruption. Additionally, a thorough investigation of the issues is conducted to identify ways to prevent and rectify them, and systems are adjusted to minimize the recurrence of fraud and corruption.
8. To ensure that the Board of Directors, the Managements, and the employees are aware of these practices, the Company has incorporated them into the orientation program for new employees and directors. Additionally, there is continuous emphasis on these principles to the Board of Directors, the Managements, and employees through electronic media on a quarterly basis.
9. The Company will not consider demoting, penalizing, or delivering negative consequences to the employees who refuse to engage in fraud or corruption, even if such actions result in a business opportunity loss for the Company.

Consulting and Reporting Non-Compliance relating to the Codes of Conduct and Related Policies

The Company provides an opportunity for all stakeholders to report the clues and complaints of non-compliance relating to the Codes of Conduct, Anti-Corruption, and other policies. The stakeholders can report the clues and complaints directly to the Audit Committees through established channels for the purpose of conducting a thorough investigation and assessment of the reported complaints, with the following details:

1. The Quality Assurance Department, under the oversight of the Audit Committee, is responsible for managing and conducting investigations when disclosures or complaints related to non-compliance with the Codes of Conduct, Anti-Corruption, Human Rights, and other relevant policies are received. The Audit Committee shall arrange the investigation when there is evidence to support the claims.
2. For external stakeholders, the Company provides a channel for receiving complaints regarding non-compliance with the Codes of Conduct, Anti-Corruption, Human Rights and other relevant policies. This channel is also dedicated to providing consultation and guidance about Codes of Conduct and related policies, as follows:

The Audit Committee

Address: 9 Pakin Building, 9th Floor, Room No. 901, Ratchadaphisek Road,
Din Daeng, Bangkok 10400

Tel: 020-020-3000 Ext. 3291

Email: independentdirector@sisthai.com



3. For internal stakeholders, the Company provides a channel for receiving complaints about non-compliance with the Codes of Conduct, Anti-Corruption, Human Rights and other relevant policies. These channels are also dedicated to providing consultation and guidance about Codes of Conduct and related policies, as follows:
 - 3.1 Supervisors, executives, and the Management who are entrusted by the complainant or the whistleblower.
 - 3.2 Human Resources Manager
 - 3.3 Quality Assurance Department
 - 3.4 Company Secretary
 - 3.5 The Audit Committees as per communication channel stated in item 2.

Complaints Managing Procedure

The Company designates the Audit Committee as responsible for managing complaints related to non-compliance with the Codes of Conduct, Anti-Corruption, and other policies. A specific committee will be appointed to assess and handle complaints and clues on a case-by-case basis. The appointment of this committee will prioritize independence and appropriateness in addressing the specific complaints.

The procedures for managing clues and complaints related to corruption are as follows:

1. The person receiving the clues or complaints shall report such information to the Quality Assurance Department for an initial assessment prior to further report to the Audit Committee.
2. If the preliminary assessment reveals the validity of the complaint or disclosure, the Audit Committee will appoint a specific committee to gather facts, evidence, and conduct a thorough investigation.
3. The specific committee will present details of clues or complaints, along with the facts and evidence, to the Audit Committee for evaluation and consideration. This process typically takes approximately 30-60 days (depending on the complexity of facts-finding).
4. The Audit Committee reviews and assesses the clues and complaints to develop a plan for taking punitive action against the wrongdoers, in accordance with the established penalty outlined.
5. The Audit Committee evaluates and considers the damage incurred by both the affected parties and the complainants to develop measures for mitigating the impact on those affected and implementing protective measures for the complainants.
6. In cases that fall under the criteria that must be reported to the Board of Directors, the Audit Committee shall present the investigation report, the punishment and mitigation guidelines including its implementation to the Board of Directors.
7. In case the whistleblowers or the complainants reveal themselves, the specific committee will inform them of the results within 7 business days after the case is concluded.

Complainants and Whistleblower Protection Measures

1. The Company will not disclose the names and information of the whistleblowers or complainants.
2. The Company will treat information related to clues and complaints as confidential, only disclosing it as necessary for processing and assessing the clues and complaints, with a primary focus on the safety and protection of the whistleblowers, complainants, and affected parties.
3. In cases where the Audit Committee assesses the situation and finds that there is an impact on the whistleblowers or complainants, the committee will take fair and appropriate measures to protect the whistleblowers or complainants, tailored to specific circumstances.
4. In situations where the whistleblowers or complainants are in circumstances that are not safe or where they may be at risk of harm because of their disclosures and complaints, they are encouraged to request the company to establish appropriate protective measures.
5. The Company will not consider degrading, punishing, or putting the negative impact to the employees who refuse the fraud and corruption even such refusal may cause the Company business opportunity lost.

Penalty

This Anti-Corruption Policy is considered a strict discipline that must be adhered to diligently. Any persons who violate or fail to comply with it are deemed to be acting against the Company's policies and the Codes of Conduct, and any such actions that cause harm or result in business opportunities loss for the company may lead to disciplinary action in accordance with the Company's employment regulations, and may also be subject to legal penalties as per the Securities and Exchange Act (No. 4) B.E. 2551.

This Anti-Corruption Policy has been approved by the Board of Directors in the Board of Directors' meeting of No. 7/2023 held on November 21st, 2023.

This policy shall be effective from January 1st, 2024, onwards.



Somchai Sittichaisrichart
Managing Director
SiS Distribution (Thailand) Public Company Limited