

 Department/Author: Legal Department	SUNTORY PEPSICO VIETNAM BEVERAGE	1 <sup>st</sup> version dated 18/10/2013 1 <sup>st</sup> amendment dated 11/04/2017
	ANTI-BRIBERY & CORRUPTION POLICY STATEMENT	2 attachments 8 pages

## 1. PURPOSE, SCOPE AND GUIDING PRINCIPLES

- 1.1 Government-related and commercial Bribery and Corruption prevents competition, limits innovation, and harms local community. In committing acts of Bribery, Employees and Business Partners may be exposing both themselves and Suntory PepsiCo Vietnam Beverage Co., Ltd (“**SPVB**” or “**Company**”) and its parent Group Companies, Suntory Holding Ltd. and PepsiCo Inc., to criminal liability, substantial financial and reputational loss.
- 1.2 Nowhere in SPVB’s commitments to ethical conduct more important than the area of bribery prevention and detection. SPVB strictly prohibit bribery since it is illegal under Vietnam Anti-Corruption Law, the U.S. Foreign Corrupt Practices Act (“**FCPA**”), the UK Bribery Act (“**UKBA**”) and can result in both severe civil and criminal penalties, including significant fines and imprisonment.
- 1.3 This Anti-bribery compliance policy statement (“**Policy Statement**”) applies to SPVB as well as to those acting on behalf of SPVB, including its officers, directors, employees, members of Members’ Council, business partners, affiliates, agents and representatives (“**Associate**”).
- 1.4 SPVB is committed to a **zero-tolerance** approach to Bribery and Corruption and expects its Associates to **do the right thing at all times** and conduct themselves with the utmost integrity as its representatives.
- 1.5 Participation in any bribery by a SPVB’s Associate is a violation of this Policy Statement and/or SPVB’s Code of Conduct. It is the personal responsibility of every Associate to comply with this Policy Statement, to acquaint themselves with the standards and restrictions applicable to their assigned duties, and to conduct themselves in accordance with those standards and restrictions in all respects.

## 2. DEFINITIONS/REGULATIONS

- 2.1 “**Bribe**” means any payment of (or an offer, promise, or authorization to pay) Anything of Value and/ or intangible benefit to influence the behavior of someone or entity in government or business (“**Persons with positions and/or powers**”), including any person or entity in the private or commercial sector, if the payment is intended to induce the recipient to perform or not to perform certain tasks for giver’s benefits/request.
- 2.2 “**Anything of Value**” is very broad and includes, but is not limited to, cash, cash equivalents (such as gift cards or vouchers), gifts, hospitality, meals, goods, services or merchandise, event tickets, retail certificates, entertainment, travel perks, use of vacation homes, free airfare or accommodations, special favors or privileges (such as educational or employment opportunities for friends and relatives), donations to designated charities, discounts, free personal services, financial or property loans, co- signing of a loan or mortgage, or a promise of future employment.
- 2.3 “**Persons with positions and/or powers**” shall consist of:  
Persons with positions and/or powers means a person who is given certain duties and power in the process of implement tasks or official duties through appointment, election, contract conclusion, or another method.

Persons with positions and/or powers shall consist of:

- Public servants;

- Officers, professional army person, defense workers in agencies or units of the People's Army; officers, non-commissioned officers, professional-technical officers, non-commissioned officers in agencies or units of the People's Police;
- Leading, managerial officials in state, non-commercial or [private enterprises](#);
- Persons assigned tasks or official duties who have powers while performing such tasks or official duties.
- Officials of a public international organization (for example, the United Nations, World Bank, World Health Organization, World Trade Organization, or European Union) and/or foreign government.

2.4 **“Commercial Bribery”**: Commercial Bribery refers to the furnishing of Anything of Value to an intermediary (e.g., an employee of a customer) without his or her supervisor’s knowledge, with the intent to influence either the employee’s or the supervisor’s commercial conduct.

2.5 **“Business Partner”**: Any third party that: (i) will perform services on behalf of, or will otherwise represent the business interests of SPVB; and (ii) may have an opportunity to receive, offer, promise, or give a bribe on SPVB’s behalf. Examples of Business Partners may include but are not limited to distributors, sales agents, lobbyists, government permitting representatives, customs agents, logistics providers, joint venture partners, and consultants.

2.6 **“Facilitating Payment”**: Refers to a nominal amount paid to a low ranking Public Official in order to expedite a routine procedure that the Public Official is legally obligated to carry out (for instance, processing a travel visa, or scheduling an inspection). Payments made to Government Entities for which there is an official charge and which are legally authorized, such as to expedite a passport renewal, are not classified as facilitation payments.

2.7 **“Public Entity”** – refers to a government; government department, agency or instrumentality; a political party; a state-owned enterprise (for instance, a public hospital or public university); as well as any public international organization, such as the United Nations, World Health Organization, World Bank or the Red Cross.

2.8 **“Public Official”** – is a director, official or employee acting on behalf of any of the aforementioned public entities; a candidate for political office. A person may be considered a Public Official regardless of their seniority.

4.9 **“Quid Pro Quo”** ("something for something" in Latin) – is money or Anything of Value intended to operate, or which may reasonably be perceived as operating, to influence an action or decision.

### 3. PROHIBITION OF BRIBES

3.1 It is prohibited under this Policy Statement for any Associate of SPVB to give or offer (or engage in activities which give the appearance of giving or offering) a Bribe.

3.2 It is prohibited under this Policy Statement for any Associate of SPVB to engage the services of any third party to give or offer a Bribe on behalf of the SPVB or to engage the services of a third party in circumstances where it is probable that their activities may result in a Bribe being given or offered. SPVB’s due diligence requirements for third parties deemed a risk under this Policy Statement are set out in section 7 below.

### 4. FACILITATING PAYMENTS

SPVB strongly discourages making any facilitating or expediting payments. Before making a facilitating or expediting payment to a Public Official, an Associate is required to consult with Legal

Manager \_ Compliance & Ethics or SPVB Legal Department and receive written approval of such payment.

## 5. GIFTS AND HOSPITALITY

- 5.1 As a general principle, any gifts or hospitality from an Associate must serve a legitimate business purpose and be *reasonable, proportionate and made in good faith*. Providing gifts or hospitality to a Persons with positions and/or powers or the spouse or immediate family member of them individually (as opposed to an agency or department) is generally prohibited because such acts could be a violation of anti-corruption laws; however, a reasonable and *bona fide* expenditure involving a Persons with positions and/or powers may be permitted in certain circumstances, provided that it is satisfied the conditions and circumstances stated in Section 5.2, 5.3 and 5.4 below.
- 5.2 Any gifts and hospitality offered to Persons with positions and/or powers must be:
- given in good faith without expecting any benefit in return and without intending to improperly influence the recipient;
  - tasteful and consistent with generally accepted standards for professional courtesy;
  - provided openly and transparently;
  - reasonable and customary and in the case of hospitality have a bona fide and legitimate business purpose;
  - given infrequently without creating the appearance of impropriety; and
  - made transparently and be properly documented, reported and accounted for in the relevant Company's books and records.

Giving Gifts on Lunar New Year, Full Moon Festival and traditional holidays to "Persons with positions and/or powers" without any Corrupt Intent may be accepted under the law of Vietnam, FCPA and UKBA. Keys to this probably being accepted: low value; given to a wide group transparently; not targeted at those that make decisions about our business. For details, please refer to the Guidelines for Gifts, Meals, Entertainment and Sponsored Travel.

## 6. ACCURATE BOOKS AND RECORDS

- 6.1 It is required for SPVB to keep accurate books and records and to establish appropriate internal controls regarding its business transactions. Books and records must fairly and accurately reflect the facts of a transaction and give enough information to provide a complete understanding of the transaction. It is also our policy to maintain a system of internal financial controls that will provide reasonable assurance that transactions are properly authorized, executed and recorded.
- 6.2 **It is the responsibility of each Associate to ensure that he/she complies with the books and record-keeping requirements applicable to his or her role and responsibilities. All expenditures must be accurately and completely described and recorded.**

## 7. DUE DILIGENCE AND THIRD PARTY AGREEMENTS

You could be held responsible for the corrupt practices of third parties if you knowingly participate in the corrupt practices or are aware of a high probability of corruption and show reckless disregard or willful blindness. You could also be responsible if you authorize those practices or tacitly approve of them, or if you exercise effective working control over the third party.

When selecting and retaining suppliers, you should:

- Follow our applicable bidding, negotiating and contracting processes;
- Perform appropriate due diligence to determine that the supplier is a legitimate enterprise, with

- a reputation for integrity and ethical behavior, that does not engage in unlawful activities;
- Ensure a written agreement, approved as per Company procedure, is entered into with the supplier; and
- Avoid potential or actual conflicts of interest with suppliers.

## 8. REPORTING SUSPECTED VIOLATIONS

- 8.1 All Associates are required to report suspected violations of this Policy Statement or any anti-corruption and bribery law by any Associate or any third party meeting the criteria described this Policy Statement.** Reports of suspected violations should be made to your supervisor, Legal Manager \_ Compliance & Ethics or SPVB Legal Department. Alternatively, you may report suspected violations on an anonymous basis through the SPVB Speak Up line.
- 8.2** In accordance with SPVB's Code of Conduct, the Company is committed to protecting the rights of those individuals who report issues to the Company and will not permit retaliation of any kind against any employee who in good faith reports suspected misconduct.
- 8.3** As required, a detailed investigation or audit on the incident reported will be conducted. All Employees are expected to cooperate with an investigation/ audit into potential violations of this Policy Statement. Cooperation may include volunteering data contained on work devices and/or attending interviews.

## 9. PENALTY FOR VIOLATION

Any Associate who violates this Policy Statement may be subject to discipline, as determined by the Company, up to and including termination of employment.

Besides, such Associate may be significantly punished in accordance with the Laws of Vietnam including imprisonment and severe fines.

SPVB will consider canceling the relationship as contractual obligation violation with any SPVB Business Partner who violates this Policy Statement.

## ATTACHMENTS TO THIS POLICY STATEMENT

**Attachment A:** SPVB Employee Anti-bribery and Corruption Policy Statement Briefing Acknowledgement

**Attachment B:** Frequently asked questions

## GUIDELINES TO IMPLEMENT IN THIS POLICY STATEMENT

***Guidelines for Engaging Business Partners*** – includes anti-bribery and corruption contractual clauses for use in agreements with Business Partners as well as annual certifications for use with Business Partners.

***Guidelines for Gifts, Meals, Entertainment and Sponsored Travel*** – includes monetary thresholds for provision of Gifts, Meals, Entertainment and Sponsored Travel with respect to both Public Officials and private individuals

***Guidelines for Corporate Sponsorships Charitable Donations and Political Contributions***

***Guidance for Corporate Transactions*** – includes guidance on how to conduct due diligence in relation to corporate transactions, including joint ventures, acquisitions and investments.

## ATTACHMENT A

### SPVB EMPLOYEE ANTI-BRIBERY AND CORRUPTION POLICY BRIEFING ACKNOWLEDGEMENT

I, \_\_\_\_\_ (insert individual's full name) acknowledge that I have read the Policy Statement and completed the training on Anti-bribery and corruption policy of Suntory PepsiCo Vietnam Beverage Co., Ltd. Accordingly, I understand the procedures as contained in this Policy and agree to comply at all times with the contents of the Policy as it pertains to the conduct of my day-to-day business on behalf of Suntory PepsiCo Vietnam Beverage Co., Ltd.

Full name: \_\_\_\_\_

Employee code: \_\_\_\_\_

Date: \_\_\_\_\_



## FREQUENTLY ASKED QUESTIONS

### 1. Who is covered by this Policy Statement?

The Company's Policy Statement applies to the Company, its subsidiaries and to their officers, directors and employees. It also applies to any third party who may interact with a Public Official on our behalf.

### 2. Who is a Public Official?

Public Officials include government employees, employees of state-owned enterprises (including employees of national transportation systems, hospitals and schools) or a public international organization, political parties and their officials and candidates for political office.

### 3. When is it permissible to reimburse travel and hotel expenditures for a third party?

The laws of Vietnam, FCPA and UKBA permits payment of “reasonable and bona fide” expenditures, such as travel and lodging that are directly related to the promotion, demonstration or explanation of our products. Reimbursement of expenditures for side trips or accompanying family members is generally not permitted.

### 4. When is it permissible to provide gifts and hospitality to a third party?

Any gifts and hospitality offered to any third party must:

- be given in good faith without expecting any benefit in return and without intending to improperly influence the recipient
- be tasteful and consistent with generally accepted standards for professional courtesy
- be provided openly and transparently
- be reasonable and customary and in the case of hospitality have a bona fide and legitimate business purpose
- be given infrequently without creating the appearance of impropriety
- comply with applicable local laws and regulations, the Company's Code of Conduct and SPVB Guidelines for Gifts, Meals, Entertainment and Sponsored Travel.

### 5. What is the “red flags” that a Business Partner may be violating the anti-bribery and compliance law?

Several potential “red flags” are outlined below:

- unusual or excessive payment requests, including last minute payment requests, requests for up front payment, or requests for additional amounts without justification;
- requests for payment to be made to a bank account located in a country other than that in which the Business Partner is located/primarily operates;
- requests for payment to be made to a third party, to a numbered account, or in cash;
- requests for political or charitable contributions;
- the Business Partner has a close relationship with, or is related to, a Public Official;
- the Business Partner is unwilling or reluctant to disclose its owners, partners or principles, or to commit in writing to abide by the Policy;
- the Business Partner uses holding companies or other methods to obscure its ownership;

- previous charges have been laid against the Business Partner for violation of local or foreign laws;
- a demand or strong endorsement by a Public Official that the Business Partner should be retained;
- lack of experience in the industry in which they work; or
- the Business Partner requests that their retention by the Company be kept a secret.

**6. Is it really necessary for facilitating payments, gifts and hospitality given to a third party to be recorded in our books and records?**

Yes, even non-material amounts must be recorded accurately.

**7. When can the Company be responsible for the action of third parties?**

The Company may be held responsible for the corrupt practices of third parties if the Company knowingly participates in the corrupt practices or is aware of a high probability of corruption and shows reckless disregard or willful blindness. The Company could also be responsible if it authorizes those practices or tacitly approves of them, or if it exercises effective working control over the third party.

**8. What are the warning signs of an improper payment?**

There are several “red flags” that will warn you to take extra care in a business transaction:

- Does the person or company have a reputation for unethical or illegal conduct?
- Is the ownership of the company clear and has it been fully disclosed?
- Has the person or company made any unusual payment requests (such as to offshore accounts or to a shell company)?
- Does the person or company have a close relationship with Public Official?
- Are the payments appropriate for the work being done?
- Is there a lack of transparency in expenses or accounting records, or is there any evidence that tax or foreign exchange controls are being violated?
- Are there payments to undisclosed principals or unusual bonuses?

**9. What should I do if I’m unsure whether a payment, gift or other benefit is appropriate?**

Firstly should refer to the Guidelines for Gifts, Meals, Entertainment and Sponsored Travel, strictly follow the guidance in it. Contact Legal Manager \_ Compliance & Ethics or SPVB Legal Department for guidance if any doubt.

**10. What should I do if a Public Official asks me for a Facilitation Payment:**

In the event you are approached to make a Facilitation Payment:

- Remain polite.
- Ask that the request for payment be made in writing, so that you can report it to your supervisor. You may also ask the person to speak to his/her supervisor.
- If the person refuses to comply with this request, or if it is clear that the request refers to a Bribe, you should unequivocally refuse to pay, advise the person that you do not have the authority to make such a payment, and that SPVB’s policy prohibits such payments.

**11. What are the possible penalties under the Vietnam Penal Code?**

Crime	Penalty
Receiving bribes	<ul style="list-style-type: none"><li>• Up to life imprisonment or death and a fine up to VND100 million.</li><li>• Part or all of his/her property confiscated.</li><li>• Prohibit to take certain positions</li></ul>
Giving or offering bribes	up to 20 years and a fine up to VND 200 million
Acting as intermediaries for bribery	up to 15 years and a fine up to VND 200 million

Note that an offer to make a prohibited payment, even if rejected, still is a violation.

**12. What should I do if I see behavior which may be inconsistent with this Policy Statement?**

You should contact Legal Manager \_ Compliance & Ethics or SPVB Legal Department, email to Compliance & Ethics at [Compliance.Ethics@suntorypepsico.vn](mailto:Compliance.Ethics@suntorypepsico.vn) or if you wish to remain anonymous, you may contact the Speak-Up Line.