



ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Compliance Department

SOFTLOGIC FINANCE PLC

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Version 1

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1. Introduction

Global advancements in the finance sector have made it necessary for every financial organization to release an Anti-Bribery and Corruption mechanism in order to maintain ethical business practices and good governance. So, the main goal of this policy is to create and uphold a system for establishing high standards for behaviour and ethics among Softlogic Finance PLC employees in order to preserve a long-lasting culture of moral business conduct and adhere to national legal and regulatory requirements regarding bribery and corruption. All Softlogic Finance PLC personnel are expected to adhere to minimal standards of behaviour, which are outlined in the Anti-bribery & corruption policy.

The policy does not relate to customers or their transactions to the extent where they are dealt in line with AML/CFT Policy of the Softlogic Finance PLC which focuses on Anti-Money Laundering risks and Combatting the Financing of Terrorism in connection with customer accounts, and related controls which focus on internal and external fraud and corruption risks by its customers. Through this Policy, Softlogic Finance PLC strives to promote and achieve compliance with Anti-Bribery and Anti- Corruption Laws.

2. Definitions

- **Bribery:** The act of offering, providing, promising, requesting, consenting, receiving, accepting, or soliciting something of value or an advantage in order to persuade or sway a decision or action is known as bribery.
Bribery, to put it simply, is the act of one person trying to get another to do something for him or her in exchange for cash, gifts, entertainment, or any other good or service that the other person thinks is valuable.
- **Corruption:** Whether in the public or private sphere, corruption is any behaviour involving the misuse of authority or position for illegitimate personal or commercial gain. This also refers to a condition or circumstance that results from giving, receiving, approving, or condoning a bribe.
- **Finance Personnel -** All Directors, Consultants, Management, Officers and Employees (including permanent, probation, temporary or contract staff) of the Finance Company, and individuals (including trainees, seconded staff, casual workers, agency staff, interns) acting as an Accountable Person for the Softlogic Finance PLC.

3. Related Policies

This Policy should be read with the other policies, key documents and guidelines of the Finance Company listed below.

- AML/CFT Policy
- Compliance Policy
- Risk Management Policies
- Code of Conduct
- Conflicts of Interest
- Whistle-blowing Policy
- Fit and Proper Guidelines
- Related Party Transactions Policy
- HR Policy

4. Obligations

Softlogic Finance PLC seeks to establish and maintain meticulous policies, procedures and controls to help it operate within its risk appetite. Softlogic Finance PLC recognizes that certain jurisdictions, sectors, transactions, business opportunities and business partnerships pose greater bribery and corruption risks and seeks to identify and manage these risks by way of this Policy.

Softlogic Finance PLC ensures that anti-corruption laws are not breached and ensures that the reputation of Finance is not damaged. Finance categorically prohibits the use of Finance funds to make or facilitate any political contribution. Finance Personnel must comply with the related policies/guidelines/circular letters when undertaking any of the following activities on behalf of Finance.

- offering or accepting any benefits, including gifts, entertainment, meals, travel/accommodation, training or any other things of value;
- engaging and monitoring Third Parties;
- procuring goods and services;
- commencing activities in new countries or entering new business ventures; and
- making charitable or community donations or sponsorships.

It is strictly prohibited for any Finance Personnel to pay or accept bribes to obtain any improper business or other advantage. Corrupt Conduct by Finance Personnel is prohibited.

Finance Personnel must comply with anti-bribery and anti-corruption standards established below by this Policy.

All Finance Personnel must not:

- pay, offer, promise or accept, directly or indirectly, any bribe, kickback, secret commission or other form of improper payment (however small) to obtain any improper business or other advantage for the Finance Company, for themselves, or for others;
- engage in a collusive practice which is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.
- engage in an obstructive practice which is deliberately destroying, falsifying, altering or concealing of evidence material to an investigation or making false statements to investigators.
- engage in a coercive practice which would impair, harm or threaten to impair or harm directly or indirectly any person or the property of any person to influence improperly the actions of that person
- prevent/ abate/ refrain another staff member from performing official duties due to being influenced by any corrupt conduct.
- cause or authorize any of the above conduct or any other conduct which is inconsistent with this Policy.

Finance Personnel must not do any of the above in their ‘personal capacity’ to evade the requirements of this Policy. Since the Softlogic Finance PLC has zero tolerance for conduct in violation of this Policy, a breach of any of the provisions of this Policy may lead to disciplinary action and will be investigated in line with the HR summary dismissal. Conduct in violation of this Policy may also breach applicable anti-corruption laws and result in criminal or civil penalties, including fines and imprisonment. Finance Personnel must cooperate fully and openly with any investigation by Finance into alleged or suspected corrupt activity or breach of this Policy. Failure to cooperate or to provide truthful information is a breach of this Policy.

5. Reporting suspected or actual breaches

If any Finance Personnel becomes aware of any actual or suspected breach of this Policy, the standards advantage, this must be immediately reported to the Branch Manager or the Unit Head or the Senior Manager-Operations and/or escalate it to the Compliance Officer required and in accordance with the Whistle-blower policy of the Softlogic Finance PLC.

Material breaches of the Policy will be reported to the Board Integrated Risk Management Committee in accordance with the Compliance Policy and in accordance with the requirements of Whistle-blower Guidelines.

Where a staff member is uncomfortable to report to the immediate supervisor or to the responsible persons given in the reporting channel, he/ she is encouraged to report to one of the reporting authorities stated above with whom the staff member is comfortable in approaching.

Processes are in place to ensure that reports are logged and investigated, and appropriate action is taken. Measures are in place to ensure complaints are treated confidentially and consistently with legislative protections.

In circumstances where the bribery or corruption relates to customers, the Finance Company may have obligations to report the conduct to the Financial Intelligence Unit (FIU) at the Central Bank of Sri Lanka. These obligations are detailed in the AML/CFT Policy of the Softlogic Finance PLC. Where potentially relevant, Finance Personnel should consider whether the Softlogic Finance PLC has additional reporting obligations in line with these requirements.

Softlogic Finance PLC will not permit retaliation of any kind against any Finance Personnel where they have reasonable grounds to suspect a violation of this Policy. Any actual or attempted retaliation is also a breach of this policy.

6. Risk Appetite and Risk Assessment

The board-approved Risk Policy of the finance company outlines the amount of risk that the Softlogic Finance PLC is willing to take on in order to achieve its strategic goals. The company has no tolerance for risk, as with any engagement in unlawful activity, including bribery and corruption.

Since violations of anti-bribery and anti-corruption laws carry serious criminal and civil penalties under Sri Lankan law as well as the laws of other countries, the finance company is dedicated to combating bribery and corruption in all its forms and encourages a culture of compliance and genuine engagement with these standards. Softlogic Finance PLC and anyone involved may suffer significant harm to their reputations if they are linked to bribery and corruption.

Softlogic Finance PLC shall undertake a risk assessment of the overall operations of the company in relation to bribery and corruption at least once in two years and as and when necessary (including when there is a change in law, changes in businesses of the Softlogic Finance PLC or circumstances whereby a risk assessment is warranted), to identify, analyse, assess and priorities actions needed to mitigate internal and external corruption/ bribery risks identified.

The management shall review the risk assessment report of the Softlogic Finance PLC and consider improvements in the policies and procedures in combating bribery and corruption. The report will be presented to the Board Integrated Risk Management Committee.

7. Exceptions and variations from Policy Requirements

Finance Personnel will not be penalised for making a payment or providing a benefit in circumstances where they fear imminent physical injury to themselves or another person if the payment or benefit is not made/provided. If any payment or benefit is made/ provided in such coercive circumstances, Finance Personnel must:

- immediately contact either the Assistant Human Resource Manager- Human Resource Management and/or the Compliance Officer.
- promptly record it (including the amount of the payment made or identification of the benefit provided, the identity of the person to whom it was made and the circumstances in which it was made).

8. Responsibility of the Business Units

- Takes primary accountability for the identification, ownership, management and control of bribery and corruption related risks including management of gifts and entertainment registers, embedding a supportive risk culture and completion of annual compliance risk assessments.
- Undertakes enhanced due diligence where required in accordance with this Policy and the standards.
- Notifies the Compliance team where a bribery and corruption risk has been confirmed by enhanced due diligence and the action proposed to be taken to address such risk.
- Monitors controls to ensure the bribery and corruption risk related controls are continually implemented and followed.
- Ensures all staff complete required anti-bribery and corruption training, have a practical understanding of this Policy and the standards and, within the ambit of their role, are competent in detecting and responding to bribery and corruption.
- Implements and follows procedures for notifying the Compliance team of bribery and corruption (suspected or actual), or Procurement team where the bribery and corruption relates to suppliers.

9. Responsibility of the Compliance Department

- Responsible for compliance and ensuring that the Policy remains up-to-date and relevant to the business of the Finance Company.
- Responsible for this Policy and ensuring that it remains up-to-date with legislative changes.

- Advises on the compliance obligations under anti-bribery and corruption legislation and associated regulatory guidance, assists the business to assess its bribery and corruption risk with the support of Risk Management team, and provides oversight of activities of the Finance Company in respect of bribery and corruption risks.
- Monitors the progress of actions identified in Management Action Plans arising from annual compliance risk assessments.
- Assists Finance Personnel to identify activities (including procedures and controls) to mitigate bribery and corruption risks.
- Monitors the effectiveness of the controls designed to address bribery and corruption risks.
- Develops anti-bribery and corruption training materials and delivers training.
- Conducts annual review of the maturity of compliance within business areas.

10. Training and Awareness

Finance Personnel will receive or be provided with access to a copy of this Policy, and will be provided with appropriate training on bribery and corruption awareness. This Policy will be hosted in the corporate website of the Softlogic Finance PLC - <https://softlogicfinance.lk/> as well as in the Intranet. Softlogic Finance PLC will ensure that Finance Personnel are adequately informed about the requirements of this Policy.

Additional training will be provided to Finance Personnel identified for specific anti-bribery and anti-corruption training. Any questions or clarifications in relation to this Policy should be directed to the Senior Manager – Compliance/ Compliance Officer.

11. Monitoring and Reviewing

When a weakness or a gap is detected during a breach, or where there are new developments in the industry, laws or regulations, improvements on the policies and procedures of the Finance Company, a process review exercise shall be considered and/or necessary modifications will be made to the Policy promptly. In the event of any inconsistency between this Policy and other policies of the Softlogic Finance PLC, provisions in this Policy shall prevail.

Internal Audit shall review the anti-bribery and anti-corruption compliance and measures to assess its compliance, performance, efficiency and effectiveness. The audit report shall be presented by Internal Audit to the Board Audit Committee for review.

Compliance Department shall undertake periodic (**annually**) reviews on Softlogic Finance PLC implementation of and adherence to the Anti-Bribery and Anti-Corruption Policy.

The report shall be presented by the Compliance Department to the Board Integrated Risk Management Committee for review in accordance with the requirements of the Softlogic Finance PLC.