



Kenan Foundation Asia **Anti-Fraud & Corruption Policy**

Approved On [Date]	April 10 2020
Approved by:	Endorsed by Executive Director, subject to approval by Board of Trustees
Effective On [Date]	April 20 2020
Responsible for Enforcement	All managers

Policy Scope

This policy applies to all employees of Kenan Foundation Asia (the “Foundation”). This policy also applies to board members, permanent and temporary or fixed term staff, interns, volunteers, and consultants.

Policy Goals

The Foundation has a zero-tolerance policy with respect to fraud and corruption.

Definition of ‘Fraud’ and ‘Corruption’

“Fraud” is an intentional act committed for the purpose to secure unfair or unlawful gains for self or others. Fraud can be broken down into three types: asset misappropriation, fraudulent statements and corruption (see definition below).

“Corruption” is described as a direct or indirect offer or receipt of any payment, service, gift, loan, fee, reward, other advantages or anything else of value or consideration to or from any person as an inducement to do or refrain from doing something or to influence a decision on or by any person or organization, including government agencies, individual government officials, private companies and employees of private companies. Corruption includes bribery, conflicts of interest, economic extortion and illegal gratuities.

Guidelines for Anti-Fraud and Corruption

The following guidelines support conformance with the Anti-Fraud and Corruption Policy by all persons within the scope of this Policy.

Gifts and Hospitality (Entertainment) Expenses

A fostered healthy relationship with past/current/prospective related business partners or potential future customers may lead to a risk of fraud and corruption, which includes acts of providing or receiving gifts, and hospitality (entertainment) expenses. The Foundation therefore expects those involved to exercise good

judgment in each case whether the gifts or hospitality expenses suit each occasion and each person who receives or offers them without violating laws or social norms. And those receiving or offering must not impact the Foundation's operations and operational decisions. In any case, the acceptance or offering of gifts and hospitality (Entertainment) must be in accordance with the Foundation's guidelines & this policy.

Political Contributions

A political contribution means direct or indirect help, financial or in-kind, to support a political cause, including loans, gifts or services, advertising or promotional activities endorsing a political party, purchase of tickets to fundraising events, contributions to entities with close associations with a political party and release of employees without pay from the employer or to represent the Company in undertaking political campaigning. The Foundation has adopted a policy of not engaging in any political activity or whatsoever. The Foundation supports local and national voting, which preserves the essential rights and responsibilities of the citizens of a democracy. However, political contributions or activities must be private matters, not on behalf of the Foundation.

Business Relations and transactions with the Public Sector

Any operations regarding business relations or transactions with the public sector must be carried out transparently and strictly in alignment with related rules and regulations and applicable laws.

Gifts

The Foundation considers giving and receiving gifts with an expectation of a personal benefit, as crossing the line into bribery and as such this would breach this Policy. It is particularly true when it involves government officials as it may breach laws against corruption. Gifts include physical items including gift baskets, art pieces, wine, company branded products, etc. Monetary gifts cannot be received in any situation.

- The Foundation's trustees, officers, employees or agents, shall neither solicit nor accept gratuities, favors, or anything of monetary value exceeding 1,000 Thai baht from contractors/vendors or potential contractors/vendors. Any gifts exceeding that amount shall be noted and either be returned, distributed among Foundation employees or donated to the Foundation. A good measure of whether or not the gift is acceptable is to test it against the following guidelines: Is the gift a genuine gift (offered in appreciation for legitimate functions without encouragement)?

- Is the gift given independently? (no effect on future functioning of the Foundation)?
- Is the gift given freely? (without obligations attached to the gift); and
- Is the gift given transparently? (declared openly) to ensure that the proposed gift meets all of these descriptions?

If a gift does not comply with the above guidelines then it could be considered as a bribe and thus a breach of this Policy and also illegal. This includes accepting gifts or money for the procurement of a company's goods and services.

Measures:

1. Board, management, employees must all be aware of and comply with the Anti-Fraud and Corruption Policy and measures.
2. Employees should not neglect or ignore when they face or doubt any act that is considered fraud and corruption by notifying supervisors or responsible persons or through the reporting channels and cooperate in the fact-finding investigation (see details below in this policy).
3. No employee will suffer demotion, penalty or other adverse consequences for refusing any acts of fraud or corruption.
4. The Foundation shall communicate its Anti-Fraud and Corruption Policy and measures, including channels of whistleblowing, complaint or recommendations within the Foundation through various means such as orientation, the intranet, or newsletter to enhance understanding for employees & others under the scope of this policy.
5. The Foundation shall set up an internal control system covering finance, accounting, data entry, as well as other organizational processes, which are relevant to Anti-Fraud and Corruption Measures.
6. The Foundation shall ensure that internal control findings are communicated to responsible personnel.
7. The Foundation has documentation, sufficient appropriate evidence and record keeping procedures for audit accuracy to ensure that no record has been missed, is unexplainable or false.
8. The Foundation shall set up an internal audit system covering major activities, including marketing, procurement and etc. to ensure that the system meets the objectives, as well as monitoring the operation so that it complies with rules, work practices, regulations, and, finally, provide recommendations on the improvement of processes for greater efficiency.

Victimisation

The Foundation will not tolerate an employee being victimized as a result of the employee coming forward to report allegations of a breach of this Policy. Any individual who resorts to such a tactic will be disciplined in accordance with the Foundation's work rules & regulations and, in serious cases they may be dismissed from the Foundation.

Responsibilities of Staff

All staff and employees of the Foundation have a responsibility to:

- Comply with this Policy.
- Maintain complete confidentiality if they provide or receive information during the investigation of a breach under this Policy

Filing a formal complaint regarding breach of Anti-Fraud and Corruption Policy:

Reporting of violations of this Policy should be made directly to the GA and HR manager. If the complaint is against the GA and HR manager, then the complaint should be submitted to the Executive Director. Then GA and HR Manager or Executive Director will present at the Unit Heads (President, Executive Director, Director of Marketing, F&A Senior Manager, HR and GA Manager) meeting. If one of the Unit Heads is involved, he/she will be excluded from the decision making process.

The written complaint should specify details of the violation such as:

- a. Nature of the alleged breach of the Policy
- b. Timeline and places that the incident/breach(es) took place,
- c. Witnesses if any,
- d. What initial actions were done; and
- e. Other relevant information or evidence to support their allegations.

Once a suspected violation of this Policy is formally reported, the following shall apply:

1. An initial analysis will be made by HR and GA Manager (or the Executive Director) to check the plausibility of the Policy violation. If the initial analysis clearly shows that there was no violation committed, a report will be given to the Unit Heads of the Foundation. The staff member that reported the incident will be given a response in writing with the reason for the findings. A report will also be filed with HR Department and it will form part of the documentation of the alleged violation. If the analysis shows, however, that a possible violation may have been made, this will be reported to the Unit Heads of the Foundation who in turn will decide that a full investigation be made. In such an instance, the formal process of investigation will commence.

2. In the case of a formal investigation, the Unit Heads will be convened in preparation for a full investigation. If a member of the Unit Heads is involved in the complaint, he/she will be excluded from the decision making process. If the President is accused, a formal process would be overseen by the Foundation's Executive Committee of the Board of Trustees.
3. The accused employee(s) (alleged to have breached this Policy) will be formally informed of the suspected violation in a Notice to Explain (NTE) with details of the allegations made against them. They will be asked to provide feedback to the Committee on Fraud within 14 days of receiving the NTE.
4. After the NTE has been issued, interviews will be conducted separately by the Unit Heads (or delegated members thereof) with the staff that reported the suspected violation of the Policy, the person alleged to have breached the Policy, and when appropriate, other witnesses that can provide light in the fact finding process.
5. Review of documents and other types of evidence such as emails, CCTV footage may be conducted by the Unit Heads (or delegated members thereof) to check pertinent information that will be helpful in the investigation & determining facts.
6. The findings of the investigation will be summarized in a report submitted to the Unit Heads.
7. The staff that reported the violation of the Policy and the person alleged to have breached the Policy will be informed of the outcome of the investigation by the Unit Heads.
8. A decision will then be made by the President and Executive Director of the Foundation regarding whether the allegations are proven after they have conducted a review of the findings of the Unit Head.

Deciding on Disciplinary Action

When determining the appropriate consequences as regards a proven violation of the Policy the Unit Heads shall make the decision in compliance with the work rules of the Foundation. In deciding what discipline (if any) shall be applied against a proven violator of the Policy the Unit Heads must consider various factors including mitigating and aggravating circumstances. The key principle is that disciplinary action must be proportionate to the violation of the Policy that has taken place.

Disciplinary Action for a Proven Breach of the Policy

The disciplinary actions for a proven breach of the Policy may range from a verbal or written warning letter, counseling, suspension up to termination of employment. The levels of disciplinary actions are outlined in the discipline section of the Foundation's work rules and regulations.

Serious cases where the allegations are proven that involve major fraud and serious damage to the Foundation shall result in immediate dismissal of the offender. It may also be necessary to report such incidents to the relevant authorities.

There are other measures that may be needed other than disciplinary sanctions to ensure staff compliance with this Policy, these include: counselling, training and reinforcement of processes and procedures.

Reporting in good faith

The staffs are expected to keep the complaint confidential and do it in “good faith” which means the complaint was done with honesty for the purpose of allowing the concern to be addressed.

Complaints done in “bad faith” such as malicious personal attack, complaints that are knowingly untrue and done for personal gain, is considered a “gross misconduct” and shall be subject to disciplinary procedures in accordance with the Foundation’s work rules and regulations.

Policy Commencement & Revision

This policy shall take effect on the effective date as stated at the beginning of this Policy document & shall be reviewed and updated as and when required by the Foundation.

A handwritten signature in black ink, appearing to read 'Richard Rendal', written in a cursive style.

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Executive Director, Kenan Foundation Asia