



E. I. D.-Parry (India) Limited
Anti-Corruption and Anti-Bribery
Policy

Adoption date and Effective Date : April 01, 2022

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ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

1. Preamble:

We at E.I.D. – Parry (India) Limited (“The Company”) conduct all our business in an honest and ethical manner. “Integrity” is one of the “Five Lights” (The Spirit of the Murugappa Group) which states: Always do the right thing. The Company is committed to conducting business ethically and in compliance with all applicable laws and regulations with respect to its operations. This document sets out Company’s policy (“Policy”) prohibiting bribery, corruption and other improper payments in the conduct of business operations and lists out key responsibilities of Company’s Personnel and Business Partners for ensuring implementation of the Policy. The objective of this Policy is to ensure that appropriate anti-corruption and bribery procedures are in place across Company’s operations to avoid any violations of applicable laws and regulations.

2. Purpose:

Bribery is a serious criminal offence in India under the Prevention of Corruption Act, 1988 (“PCA”), Indian Penal Code, 1860, Prevention of Money Laundering Act, 2002, Central Vigilance Commission Act, 2003, Lok Ayukta Acts of various states. Bribery offences can result in the imposition of severe fines and/or custodial sentences (imprisonment), exclusion from tendering for public contracts, and severe reputational damage. The Company therefore take the legal responsibilities very seriously and will uphold all laws relevant to countering bribery and corruption.

The purpose of this policy is to:

- a) set out our responsibilities to comply with laws against bribery and corruption; and
- b) provide guidance on how to recognise and deal with bribery and corruption issues.

3. Scope and Applicability:

This policy applies to all individuals working for the Company, its Associate Companies, subsidiaries, joint ventures and affiliates and at all levels and grades.

This includes directors, senior managers, officers, other employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, interns, seconded staff, casual workers and agency staff, agents, or any other person associated with our Company or any of our subsidiaries, joint ventures or their employees, wherever located and such other persons, including those acting on behalf of our Company or any of our subsidiaries, joint ventures or their employees, wherever located, (all of the aforesaid being collectively referred to as “**Associates**”).

4. Effective date:

This code shall come into force on 1st April,2022 in pursuit of our policy to conduct all our business in a honest and ethical manner.

Definitions:

- i. **Bribery** is:
 - a) The offer, promise or receipt of any gift, hospitality, loan, fee, reward or other advantage to induce or reward behaviour which is dishonest, illegal or a breach of trust, duty, good faith or impartiality in the performance of a person's functions or activities (including but not limited to, a person's public functions, activities in their employment or otherwise in connection with a business); (or)
 - b) The offer or promise of any gift, hospitality, loan, fee, reward or other advantage to a public official with the intention of influencing the public official in the performance of their public function, to obtain a business advantage.
 - c) Bribery includes not only direct payments, but also authorising or permitting an associate or third party to commit any of the acts or take any part in the actions identified in (a) and (b) above.
- ii. **Corruption:** Includes wrongdoing on the part of the authority or those in a position to exercise power of doing or not doing an act through means that are illegitimate, immoral, inappropriate or incompatible with ethical standards. Corruption often results from patronage and is associated with bribery.
- iii. **Gifts:** A gift is anything of value and would encompass any gratuitous monetary or non-monetary benefit. It includes tangible items such as cash, precious metals, stones, jewellery, art, and any of their equivalents, but also intangible items such as discounts, services, loans, favours, special privileges, advantages, benefits and rights that are not available to the general public. A “gift” also includes meals, entertainment, hospitality, vacations, trips, use of vacation homes, tickets to sporting or music events, outings, vendor familiarization trips, and use of recreational facilities.
- iv. **Facilitation payments:** Typically small, unofficial payments made to secure or expedite a routine action by an official. Kickbacks are typically payments made in return for a business favour or advantage.
- v. **Third Party:** Means any individual or organisation that an associate may come into contact with during the course of his/her engagement with the Company, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, business associates and government, non-government organizations and public bodies including their advisors, representatives and officials, politicians and political parties.

5. Policy Statements:

- The Company is committed to take a zero-tolerance approach to bribery and corruption and to act professionally, fairly and with integrity and transparency in all its business dealings and relationships, wherever it operates, and to implement and enforce effective systems to counter bribery.
- The Company prohibits Bribery and any form of improper payments/ dealings in the conduct of business operations.
- The Company is committed to ensuring compliance with all applicable anti-bribery and anti-corruption laws in all jurisdictions where it operates.
- The Company always encourages raising of genuine concerns pertaining to bribery related issues or functioning of this Policy, while assuring confidentiality, and without the fear of retaliation.
- Even if some conduct is permissible under the rules and regulations of the jurisdiction concerned, if it contravenes this Code, the provisions of this Code shall prevail and be followed by the persons to whom this Code applies. Conversely, even if some conduct is permissible under this Code, but if it contravenes the rules and regulations of the jurisdiction concerned, such rules and regulations shall prevail and be followed by the persons to whom this Code applies

6. What is not acceptable:

- give, promise to give, or offer, a payment, gift or hospitality to secure or award an improper business advantage;
- give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to facilitate, expedite, or reward any action or procedure.
- accept payment from a third party knowing or suspecting it is offered with the expectation that it will obtain a business advantage for them;
- induce another individual or associate to indulge in any of the acts prohibited in this policy;
- threaten or retaliate against another associate who has refused to commit a bribery offence or who has raised concerns under this policy;
- give or accept any gift where such gift is or could reasonably be perceived to be a contravention of this policy and / or applicable law; or
- engage in any activity that might lead to a breach of this policy.

7. Gifts and Hospitality –

- i. Associates should always assess the purpose behind any hospitality or entertainment. Hospitality or entertainment with the intention of improperly influencing anyone's decision-making or objectivity, or making the recipient feel unduly obligated in any way, should never be offered or received. Associates should always consider how the recipient is likely to view the hospitality. Similarly, associates must also decline any invitation or offer of hospitality or entertainment when made with the actual or apparent intent to influence their decisions.
- ii. Gifts can in some cases influence, or appear to influence, decision-making, for example by persuading the recipient to favour the person who made the gift over his own employer. Associates should think very carefully before making, or receiving gifts. Gifts can occasionally be offered to celebrate special occasions (for example religious holidays or festivals or the birth of a child) provided such gifts are of a negligible/insignificant value, and are occasional, appropriate, totally unconditional, and in-fitting with local business practices. No gift should be given or accepted if it could reasonably be seen improperly to influence the decision-making of the recipient.
- iii. Certain gifts are always prohibited. Some types of gifts are never acceptable including gifts that are illegal or unethical, or involve cash or cash equivalent (e.g. loans, stock options, etc). Furthermore, by way of non-exhaustive example, an invitation to his/her family to join him on a foreign business trip, or the extension of a trip at the customer's expense to include a holiday, are at all times unacceptable, and associates should not participate in such practices.
- iv. Associates may never pay on their personal account for gifts or hospitality in order to avoid this policy.
- v. The Policy is applicable whether an Associate is personally offered a gift, or if a gift is offered for the benefit of a specific group or department at the Company (including as a prize to be distributed at a party or event). All gifts received should be promptly reported to the Compliance Officer if they are not in the ordinary course of business, in compliance with all policies issued by the Company and as per applicable law. Gifts of cash or cash equivalents must never be accepted.
- vi. Associates are prohibited from offering gifts or granting favours outside the ordinary course of business to current or prospective customers, their employees or agents or any person (including but not limited to Government Officials) with whom the company or its business associates have a contractual relationship or intend to negotiate an agreement. No Designated Person should accept or solicit any personal benefit from anyone in the course of business in a manner that might compromise or appear to compromise their objective assessment.

- vii. As a general guide, the giving or receiving of gifts or hospitality may be acceptable in the following cases, if it meets all the following requirements:
- a) Business hospitality, so long as it is reasonable, appropriate, modest, and bona fide corporate hospitality, and if its purpose is to improve company's image, its products and services, or establish cordial relations. Therefore, Gifts and Hospitality Must be duly approved and must not be intended to improperly influence.
 - b) Modest promotional gifts are permitted. It is acceptable to offer modest promotional materials to contacts e.g. branded pens. Use of one's position with the Company to solicit a gift of any kind is not acceptable. However, the Company allows associates occasionally to receive unsolicited gifts of a very low intrinsic value from business contacts provided the gift is given unconditionally and not in a manner that could influence any decision-making process.
 - c) Is bona-fide and made in the normal course of business and does not create the appearance (or an implied obligation) that the gift giver is entitled to preferential treatment, an award of business, better prices, or improved terms of sale or service;
 - d) Complies with local laws and customs (including cultural and religious festivals) and is not prohibited under applicable law;
 - e) Would not influence, or appear to influence, or cause a conflict of interest for the gift giver or receiver;
 - f) Does not include cash or cash equivalents, gold or other precious metals, gems or stones;
 - g) Does not include any form of services or non-cash benefits such as promise of employment;
 - h) Disclosure of the same does not cause embarrassment to the giver or receiver or to the company in question;
 - i) Is fully documented and supported by original receipts and accurately recorded in the books of accounts;
 - j) Is given openly, not secretly and in a manner that avoids the appearance of impropriety.
 - k) In some cultures/countries, it may be seen as an insult to reject a gift, and refusals may adversely affect business relationships. In these circumstances, and if the gift is anything other than moderate, the gift should be reported to the reporting manager who will decide whether such gift will be retained or

returned. If your reporting manager is uncertain how to treat the gift, he/she should seek clarification from the Company's Compliance Officer. Gifts and Hospitality can put the Company at risk if used to facilitate unethical business practices. The Company will develop procedures for giving and receiving gifts and hospitality which will seek to ensure that associates act ethically and otherwise comply with the Anti-Corruption and Bribery Policy when giving and receiving gifts and / or hospitality. These procedures must be followed by associates.

8. Facilitation Payments and Kickbacks –

The Company prohibits making or accepting, facilitation payments or "kickbacks" of any kind. All associates must avoid any activity that might lead to a facilitation payment or kickback being made or accepted.

If you are asked to make a payment on behalf of the Company, you must consider the purpose of the payment and whether the amount requested is proportionate to the goods or services provided. Any request for a facilitation payment should be refused unless you feel you are at risk of injury, of detention, or for your life, if you refuse. If one of these exceptions applies, a receipt should be obtained and the matter reported, as soon as possible.

9. Donations

The Company may make donations but only if they are ethical and in compliance with this policy and local applicable laws. Donations wherever applicable shall be in compliance of the provisions of the Companies Act, 2013 and in accordance with CSR Policy. No donation should be made which may, or may be perceived to breach applicable law, or any other section of this policy. All donations must be approved by app.

10. Political Activities and Payments

Payments/Contributions made to political parties shall be made strictly in accordance with provisions of Companies Act, 2013. Payments or use of corporate assets as payment to any person, business, political organization for any unlawful or unauthorized purpose shall be prohibited.

11. Procurement Process

Associates must follow the Company's processes and adhere to the system of internal controls around supplier selection. Supplier selection should never be based on receipt of a gift, hospitality or payment. When supplier selection is a formal, structured invitation for the supply of products or services (often called a 'tender'), it is most important that documentation is maintained supporting internal controls. Associates must familiarise themselves with our Company's procurement processes and must adhere to the same.

12. Interaction with Customers

- a) Where a Designated Person is responsible for relationships with customers, she/he may entertain customers for bona-fide purposes only in accordance with this Policy.
- b) Bribery may also occur on the sales side, for example an employee might accept a bribe to prefer one customer over another, again with potentially damaging consequences for relationships with other customers, as well as the legal consequences to our Company.
- c) In the normal course of business, discounts and rebates are offered to customers in both the private and public sectors. While this is common industry practice, the wide variety of arrangements and the relative complexity of some of them creates a degree of risk that such arrangements could be used to disguise improper inducements to individual customer representatives (for example, selective dissemination of the fact that free products are being provided), and consequently great care needs to be exercised in the deployment of such arrangements.

13. Use of Third Party Agents, Consultants and Other Intermediaries.

- a) The Company may be held responsible for bribes paid on its behalf by third parties, with severe and often irreparable consequences, even if our Company did not authorize these payments. Therefore, it is critical that we are careful in the selection of agents, that is, those people or companies who act on our behalf.
- b) All dealings with suppliers, agents, contractors, service providers, intermediaries, consultants, and advisors, shall be carried out with the highest standards of integrity and in compliance with all relevant laws and regulations. We expect all our third parties to share our values and our ethical standards.
- c) The following should be kept in mind prior to engaging a third party: a. Appropriate due diligence is conducted and properly documented; b. Formal commitment (in writing) is sought from the third party to ensure compliance to these standards; c. Appropriate anti-bribery and anti-corruption provisions are incorporated in the contracts in consultation with our Company's Legal team, including the right to audit, as well as a clause on termination, if the partner/party fails to abide by the anti-bribery and anti-corruption terms

14. Responsibilities of Associates

Associates must ensure that they have read and understood this policy and, must at all times comply with the terms and conditions of this policy. Prevention, detection and reporting of corruption are the responsibility of all those working for the Company or under its control. All associates are required to avoid any activity that might lead to, or suggest, a breach of this policy. Associates must notify their reporting manager or consult an appropriate member of the Human Resource (HR) team as soon as possible if

they believe or suspect, or have a reason to believe or suspect, that a breach of this policy has occurred, or may occur in the future.

The Company reserves its right to terminate a contractual relationship with other associates and other associated persons, as the case may be if they breach any of the terms and conditions of this policy.

15. Record keeping:

The Company will keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to, and receiving payments from, third parties. Associates must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review and/or a review from the appropriate member of the Company's Human Resource (HR) team. Associates must ensure that all expense claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with the Company's applicable policy and specifically record the reason for such expenditure. Associates shall further ensure that all expense claims shall comply with the terms and conditions of this policy. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No records shall ever be kept "off-book" to facilitate or conceal improper payments.

16. How to raise a Concern or Complaint:

Associates are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, you should raise the matter with your reporting manager or consult an appropriate member of the Human Resource (HR) team or with the Company's Compliance Officer. Concerns should be reported by following the procedure set out in the Whistle-blower Policy.

17. What to do if you are a victim of bribery or corruption:

If you are offered a bribe by a third party, or if you are asked to make a bribe, or if you suspect that you may be asked to commit such a violation, or if you believe that you or anyone else is a victim of any form of unlawful activity, you must comply with this policy.

18. Protection:

Associates who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. The Company encourages openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. The Company is committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in corruption, or because of reporting concerns under this policy in

good faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any detrimental treatment as a result of refusing to take part in corruption, or because of reporting concerns under this policy in good faith, you should inform your reporting manager or a member of the Human Resources team of the Company immediately. If the matter is not remedied, and if you are an associate, you should raise the matter by following the procedure laid out in the Whistle Blower policy.

19. Training and Communication:

Dissemination of this policy for new joiners shall be carried out at the time of induction. This policy will also be shared with all existing associates. If you have any query about this policy, you should contact your reporting manager. The Company's zero-tolerance approach to bribery and corruption should be communicated to all agents, suppliers, contractors and business partners at the outset of the Company's business relationship with them and as appropriate thereafter. Wherever possible, all third parties should be sent a copy of this policy at the outset of the business relationship.

20. Responsibility and Penalties

1. The Company takes the subject of corruption and bribery very seriously. Any violation of this Policy will be regarded as a serious matter and shall result in disciplinary action as stated herein below, consistent with applicable law and the employee's terms of employment.
2. Bribery is a criminal offense. The defaulting Associate will be accountable whether she/he pays a bribe herself/himself or authorizes, assists, or conspires with someone else to violate this Policy or an anticorruption/anti-bribery law. Punishments for violating the law are against a defaulting Associate as an individual and may include imprisonment, probation, and significant monetary fines which will not be paid by the Company. For example, punishment under the PCA includes imprisonment for a term up to 7 years, along with a fine. In certain cases of habitual offenders' imprisonment could be as high as 10 years. There is no limit on the maximum fine payable.
3. In case of violations of this policy, appropriate steps shall be taken for investigation of the matter. Experts with the right knowledge and objectivity may be appointed to investigate a complaint
4. Conducting an Investigation: Every investigation relating to a suspected violation of this Policy shall be investigated by a team of members constituted by the Company's managing Director which shall essentially include the Company's Compliance Officer and Internal Auditor. The objective of such an investigation would be to determine the facts, through interviews with concerned participants and/or review of documents. Such investigation team will make a written demand for information, records etc. that is reasonably related to the alleged offence, including, without limitation:

- a) copies or access to all records relating to the alleged offence (such as telephone records, Internet service records and/or other records stored on computer hard drives or other information storage equipment); and/or
- b) a written statement made by the Designated Person, if any, setting out in detail all of the facts and circumstances of which such a Designated Person is aware with respect to the alleged offence. Each Designated Person shall co-operate with the investigation team and promptly respond to all requests for information. It is clarified that the report prepared by the investigations team, shall be kept confidential and shall be shared only with such persons who have a “need to know” under applicable law or Company Policies, e.g. a copy of the report may be shared with the Designated Director.
- c) **Corrective Action:** If necessary, corrective actions shall be prescribed or suggested to appropriate managers, officers and employees for implementation.
- d) **Penalties:** After considering inputs, if any, from the Committee, the Company shall have the discretion to recommend appropriate disciplinary action, which shall include Counselling, Formal Apology, Censure, Recovery of Financial Loss incurred, Down-Gradation of Designation, Reduction of Compensation, Withholding of promotion, Down gradation of Grade, Voluntary Resignation, and Termination of Service.
- e) The Compliance Officer shall also recommend, if the violation is potentially criminal in nature and should be notified to the authorities. In the event of criminal or regulatory proceedings, the Associates shall co-operate with relevant authorities. Depending on the nature and scale of default by the defaulting Designated Person, the Compliance Officer may also recommend to the Board to commence civil and/or criminal proceedings against such a Designated Person in order to enforce remedies available to our Company under applicable laws.
- f) All internal investigations shall follow principles of natural justice and shall ensure that the relevant Associate is provided with an opportunity to make his/her case before the investigation team.

21. Who is responsible for the policy?

The Board of Directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it. The head of the Human Resources Department of the region has primary day-to-day responsibility for implementing this policy. Management at all levels are responsible for ensuring that those reporting to them are made aware of and understand this policy and, if necessary and appropriate, are given adequate and regular training on it.

22. Monitoring and Review:

The head of the Human Resources Department of the location will monitor the effectiveness of this policy and review its implementation, regularly considering its suitability, adequacy and effectiveness. Any improvement identified will be made and incorporated as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption. All associates are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing. Associates are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Head- HR.

The Board of Directors will monitor the effectiveness and review the implementation of this Policy based upon the feedback received as stated above , considering its suitability, adequacy and effectiveness. he Managing Director is authorized to make modifications to this policy as and when deemed necessary and appropriate to ensure the ends of the policy being served.