

Godfrey Phillips India Limited
Anti-Bribery and Anti-Corruption (ABAC) Policy

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1. Introduction

Godfrey Phillips India Limited (hereinafter referred to as “GPIL” or “the Company”) follows a zero-tolerance approach towards bribery and corruption and is complies with all anti- bribery and anti-corruption laws applicable to the Company. Pursuant to this, Company has formulated this Anti-Bribery and Anti-Corruption Policy (hereinafter referred to as “Policy”) which communicates GPIL’s commitment against bribery and corrupt activities and establishes the principles with respect to applicable Anti-Bribery and Anti-Corruption laws.

2. Purpose

2.1. The Policy provides a framework to identify and deal with bribery and corruption issues.

2.2. It provides the guidance to act with the highest level of professionalism, fairness, loyalty, integrity and ethical standard in all the business dealings and relationships, wherever it operates.

3. Governance

3.1. Any changes to this Policy shall be tracked and documented for future reference and all changes shall be carried out by the Ethics Committee with approval of the Board.

3.2 The Ethics Committee shall be constituted by the CEO

3.3. Ethics Committee shall monitor the effectiveness and review the implementation of the compliance principles set forth in this Policy, regularly considering its suitability, adequacy, and effectiveness.

3.4. Employees are responsible for successful implementation of principles set forth in this Policy and shall ensure they use it to disclose any suspected concern or wrongdoing.

3.5. Any violation of this Policy shall have significant consequences, including potential prosecution, fines, and other penalties for improper conduct, as well as imprisonment and/or disciplinary action up to and including termination of the concerned.

4. Scope and Applicability

This Policy is applicable to all employees, Directors, interns, and apprentices of the Company and its subsidiaries. Additionally, business associates, retainers, consultants and suppliers of the Company are also encouraged to follow the principles outlined in this Policy in their dealing with/in respect of GPIL and its subsidiaries.

5. Policy Framework

5.1 General Guidelines

GPIL prohibits bribery and corruption in all nature and forms whether including, but not limited to, government official or a private sector person or company and whether directly or indirectly. It also includes both direct and indirect offering and acceptance within its ambit.

5.2 Unacceptable Conduct/Act

No employee shall indulge in the following conduct :-

- a) Accept, give, promise to give, or offer, a payment, gift or hospitality to a third-party which is in negotiation with, or has submitted a proposal to the Company.
- b) Accept, give, promise to give, or offer, a payment, gift or hospitality to anyone with an expectation to secure a business advantage.
- c) Accept, give, promise to give, or offer, a payment, gift or hospitality to a governmental official, or its representative to facilitate, expedite, or reward any action or procedure.
- d) Induce or encourage any other employee to act against the principles outlined in this Policy.
- e) Threaten or retaliate against such employee who has denied the acceptance or offering of bribery or indulgence in any corrupt activity.
- f) Engage in any activity that might lead to a breach of this Policy.

5.3. Gift and Hospitality

The issue of gifts is sensitive and can be construed as bribes. They may be intended to influence decision-makers, or to build reciprocal obligations. It is, however, recognized that gifting is a widespread aspect of normal business, that refusal of a gift can cause offense and that in some situations the offering of a gift is more or less required by social convention.

Following guidelines are, therefore, intended to help clarify when and to what extent gifts can be acceptable:

Acceptable Gift

- a) Single gift of promotional goods, typically inscribed with the business associate's name or brand, with a value of less than INR 5,000 per unit e.g., diaries, desk accessories and calendars.
- b) Festive gifts are acceptable provided they are infrequent and is of nominal value less than INR 5,000 to commensurate with the occasion.
- c) Membership points issued by hotels, airlines, credit card company, etc. can be retained by the employee using them provided:
 - The points are part of a general scheme offered to the public.
 - It does not disrupt the effective use of time, nor does it lead to higher costs being incurred.
 - It does not include schemes which offer points to the employee (e.g., secretary or travel manager) making the arrangements for the traveler.

Unacceptable Gift

- a) Individual sponsorship by another company for the employee and/or their family members without formal clearance as per the Code of Conduct of the Company.
- b) All personal gifts, above the defined INR 5000, received at home, at work or while travelling on Company Business.
- c) Gifts shall not be offered to, or accepted from, government officials or representatives, or politicians or political parties without seeking an opinion from the Ethics Committee.
- d) Any offer that leads to personal benefit or an improper business advantage.

Any such gift shall be immediately returned with due acknowledgement under the cover of a letter from the Unit Head / Departmental Head.

Additionally, there are certain general guidelines that shall be taken into consideration while accepting or offering gifts:

- a) Employees shall always use their judgement and any 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, shall never be offered or received.
- b) Employees shall not pay from their personal account for gifts or hospitality in order to avoid/evade this Policy.

5.4 Meals and Entertainment

- a) Where a shared meal or entertainment is normal within a given business relationship, employees shall ensure paying for or being paid for is broadly reciprocal and the scale of entertaining shall be at a level appropriate to the business relationship.
- b) Invitations to attend recreational events shall be agreed beforehand by the then employee's supervisor and keep the respective Department Head informed. Non business related recreation provided free of charge by business associates is treated as gift and shall refer to this Policy.
- c) All expenses made towards entertainment or of recreation shall be reasonable and commensurate with the purpose and shall be duly supported by bills and vouchers and reimbursement thereof claimed through expenses statement clearly stating the purpose and details of people involved and duly authorized by the Department Head.
- d) Any authorized persons for the entertainment expense approval, who are in doubt about the nature or amount to be spent, shall seek a level-up approval.

5.5 Procedure in case of Unacceptable Gifts:

When faced with a situation where rejection of a gift is inappropriate or would adversely affect the relationship, employee shall obtain the approval from the Department Head and guidelines in the disposal method thereafter. Disposal methods include the following:

- a) Display/distribute at workplace or in the office;

b) Pass the gift on to a local charity;

5.6 Facilitation Payments and Kickback

Company prohibits making or accepting, facilitation payments or kickbacks of any kind. Facilitation payments are essentially small, unofficial payments made with the objective to accelerate or expedite a routine action by an official. All the employees of the Company shall avoid any activity that might lead to a facilitation payment.

In an exceptional situation, where an employee is asked to make the payment on behalf of the Company, then in such scenario, the employee must consider the purpose of the payment and whether the amount requested is in lieu of the goods or services provided. If that is not the situation, then such payment must be refused unless the employee is at risk injury, of detention, or for their life if they refuse. If one of these exceptions applies, a receipt shall be obtained and the matter reported, as soon as possible, to the Head of Human Resources.

5.7. Donations

GPIL may make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without seeking the prior opinion of the Ethics Committee. Employees may, in their personal capacity, make donations that are legal and ethical under local laws and practices. It is recommended that all such donations or contributions are documented with a receipt.

5.8. Business Partners

5.8.1. GPIL understands that various applicable anti-corruption and anti-bribery laws make GPIL responsible for the acts of its business partners and others acting on its behalf. Therefore, no business partner, acting on behalf of GPIL shall engage in any act that could be construed as bribery or corruption. GPIL expects all those acting on its behalf to abide by its standards of ethics and integrity and, where necessary and appropriate, to follow its procedures.

5.8.2. While engaging with business partners, employees responsible for them shall ensure that they comply with GPIL's Anti-Bribery and Anti-Corruption Policy.

5.8.3. If any employee becomes aware that business partner is engaged in bribery or corruption, that employee shall immediately report his/her concern following the procedure set out in the "Whistleblower Policy".

6. Raising a Concern and Protection

6.1. All GPIL employees are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If they are unsure whether a particular act constitutes bribery or corruption, or if they have any other queries, these shall be raised with the Ethics Committee. Concerns must be reported by following the procedure set out in "Whistleblower Policy".

6.2. An employee who refuses to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. GPIL aims to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.

6.3. GPIL will ensure that no one will suffer any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If any Employee believes that he or she has suffered any such treatment, he or she shall inform the Head of Human Resources immediately. If the matter is not remedied, then Employee shall raise it formally to the Ethics Committee.

7. Communication of Policy

The Policy will be available on relevant medium of communication like intranet and corporate website.

8. Exception(s)

All exceptions to this Policy must be approved by the Ethics Committee.

9. Review

The Policy shall be reviewed by the Ethics Committee through the Head of Human Resources as and when it deems necessary or in compliance with the enactment or amendment in any applicable law, rules and regulations made thereunder. The Policy shall be approved by the Board thereafter.

10. Version Control

Version	Change Description	Date
1.0	New policy drafted	27/05/2023