

# **Indo Rama Synthetics (India) Limited**

## **Anti-Corruption Policy**

*(As approved by the Board of Directors at its meeting held on 30<sup>th</sup> October, 2020)*

# Anti-Corruption Policy

## Purpose

The purpose of this policy is to prevent bribery and corruption to ensure ethical conduct of the Company's (as defined below) businesses.

## Objectives

The aims and objectives of the Policy are to inter alia:

- encourage employees and directors
  - to act honestly and with integrity in all business dealings of the Company.
  - identify and address appropriately any potential conflicts of interest
  - recognize the duty of confidentiality in dealing with all external / internal department and give it the highest importance
- Initiate steps to ensure that no financial or other inducements are offered or accepted by or on behalf of the Company.
- Encourage employees and Directors to be vigilant and to act diligently in good faith.
- Monitor and investigate instances of alleged corruption.
- Take action against any individual(s) involved in corruption.
- To ensure to avoid involvement of all employees and Directors in corruption related activities;
- Provide advice, information and training on ethics to all our employees at all levels and locations

## Scope

This policy applies to the Company's Board of Directors, management, employees, trainees and persons who are not employees but authorized to act on behalf of or represent the Company, including its stakeholders.

## Definitions and Acronyms

<b>Anti-Corruption Laws</b>	Anti-Corruption Laws" shall mean any applicable anti-corruption laws, including the (Indian) Prevention of Corruption Act, the (Indian) Prevention of Money Laundering Act, 2002., Central Vigilance Commission Act, 2003; Lok Ayukta Acts of various states and any other anti-money laundering or anticorruption laws in effect in India as and when applicable. Further it shall also include the provisions of Indian Penal Code and any other provisions deemed fit by the Management and not specifically barred by law applicable.
<b>Company or IRSL</b>	Indo Rama Synthetics (India) Limited.

<b>Corruption</b>	Refers to bribery, extortion, fraud, deception, abuse of power, embezzlement, money-laundering, and other similar activities by any Company Personnel in connection with Company business that would violate the Anti-Corruption laws. or policy herein either by self or through any person acting on its behalf including but not limited to colleagues, close or distant relatives, friends and/ or acquaintances.
<b>Bribery</b>	<p>Refers to the inducement, advantage offered, promising or giving others, or requesting, receiving or agreeing to receive from others, a financial or other advantage to perform improperly a relevant function or activity or to gain illegal commercial, contractual, regulatory or personal advantage.</p> <p>This includes facilitation payments, gifts, inside information, offering employment to a relative, trading information, sexual or other favour with the purpose of expediting or facilitating the performance of a public official or any other commercial party or routine administrative action and obtaining or retaining business or any other undue advantage as mentioned elsewhere in this policy.</p> <p>This shall construed to include taking undue advantage of the position offered by the company in official capacity or dominant position assumed in any negotiations, commercial transactions or services outsourcing for and on behalf of IRSL /Company, to gain personal benefit for self, family friends, or any person associated to such employee.</p>
<b>Relevant function or activities</b>	Refer to all functions of a public and private nature, including all activities connected with a business, any activity performed in the course of a person’s employment or any activity performed by or on behalf a person or a body of persons.

## Policy Provision

IRSL is committed to conducting its global business honestly, fairly, with no corruption or acts of bribery and with accountability. The Company realizes that acts of bribery or corruption have a negative impact on its image, brand and the sustainability of the Company. Company Personnel must conduct their activities in connection with Company business in full compliance with this Policy and the Anti-Corruption Laws. The Company does not pay and does not condone paying Bribes or engaging in Corruption. Therefore, any breach of this policy is regarded as a serious matter and will result in firm disciplinary action under this policy as well as action as prescribed under the relevant rules and regulations as applicable.

### 1. Bribery

The Company explicitly prohibits bribery in any form, directly or indirectly, including making, promising, offering, or authorizing a payment or a gift to an agent, business partner, government official, political party or any other third party for the purpose of

corrupting the recipient into performing an improper exercise of functions, duties or judgments and vice versa.

## **2. Gifts and Hospitality**

The Company acknowledges that different cultures have different viewpoints regarding gifts and hospitality. IRSL empowers each of its businesses to establish appropriate guidance and limits on the giving or acceptance of all gifts and hospitality on the understanding that these remain in-line with local customs and are not to request an illegal service or a reward for an illegal service. In such limited circumstances, the reasonable and infrequent offer to, or receipt of hospitality in the course of a business relationship may be permitted. However, each business shall monitor compliance so as to avoid gifts and hospitality that are disproportionate or contrary to laws.

For the avoidance of doubts, this Policy is not intended to prohibit legitimate gifts, hospitality, and entertainment for legitimate business purposes. However, before a benefit (whether given or received) can be considered proper and legitimate under this Policy, certain criteria must be met. The benefit in question must: be bona fide, and not to obtain improper performance or undue advantage for the Company; be moderate and reasonable; be such so as not to embarrass the Company; be legal under the applicable laws; be provided in accordance with this Policy, applicable laws, and the other policies of the Company, if applicable; be supported by original receipts / vouchers; be fully and accurately recorded in the Company's accounts; and be less than INR 7000 per person.

Employees should notify their line managers prior to making or receiving any hospitality offer. In case of any doubts, employees should consult their line managers before accepting or promising any gift or offering hospitality.

The provision of Anything of Value that does not fall specifically within the above monetary limits shall require advance consultation and documented approval by CEO. Only payments that are deemed not to violate any Anti-Corruption Laws and the Policy will be approved.

## **3. Charitable and Philanthropic Contributions and Sponsorships**

While charitable, philanthropic contributions and sponsorships are essential parts of the Company's corporate social responsibility (CSR), they can be exploited or used as a disguise for illicit activities. A proper background check of all charitable and philanthropic entities is mandatory when making contributions.

The CSR department act as a preventive mechanism by reviewing and managing these activities. If employees would like to initiate any project requiring philanthropy or corporate giving, it is advisable for them to contact their CSR department.

Payments towards Charitable and Philanthropic Contributions and Sponsorships must be reviewed to be permitted under the law, permissible pursuant to the terms of this Policy, made to a bona fide organization, and made with the prior approval of CSR Committee.

#### **4. Procurement Process**

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

#### **5. Facilitation Payments and Kickbacks**

1. All Facilitation Payments and kickbacks are corrupt payments, and any such payment in the course of our Company's business is strictly forbidden.
2. Facilitation Payments are often involved in obtaining non-discretionary permits, licenses or other official documents, expediting lawful customs clearances, obtaining the issuance of entry or exit visas, providing police protection, whether or not such actions are connected to the award of new business or the continuation of existing business.

#### **6. Third Party Relationship & Due Diligence**

The Anti-Corruption Laws that apply to the Company, and the Company's own prohibition on corrupt activity, apply equally to Company representatives who may act on the Company's behalf, such as agents and consultants ("Third Parties"). The Company should therefore endeavor to ensure that its Third Parties are aware of and comply with applicable Anti-Corruption Laws.

#### **7. Procedures**

##### **7.1. Employment Procedures:**

Job applicants will be assessed during the application and interview process, to ascertain as far as is reasonable and practical, that they are likely to comply with the Company's anti-corruption policies.

New employees will be informed of the Company's Corporate Governance Manual including the Code of Conduct to ensure that they understand it together with the importance of complying with it with specific reference to anti-corruption.

Employees are required to declare any conflict of interest. Managers will monitor any potential conflicts of interest that may increase the risks of bribery and corruption.

## **7.2. Training:**

The Company and each business unit will provide appropriate anti-corruption training and awareness upon recruitment and on a regular basis to all relevant employees to ensure they are aware of the types of corruption, the risks of engaging in corrupt activity, local laws regarding corruption, the Company's anti-corruption code and policies, and how they can report corruption.

## **7.3. Reporting Procedures:**

The Company has in place internal procedures for reporting unethical practices/corruption. If anyone becomes aware of, suspect, or have reasons to suspect a violation of the Anti-Corruption laws or any issue or practice involving a potential or actual violation of this policy, are under obligation to immediately report this matter to either their reporting manager or anyone in a supervisory capacity. If any Company Personnel intentionally fails to report known or suspected violations, then the relevant Company Personnel may be subject to disciplinary action. Under certain Anti-Corruption laws, "turning a blind eye" to a suspected violation can result in criminal penalties and civil liability both for the Company and for individuals. Violations or suspected violations should be reported by contacting the reporting head of department.

The Company will not take any adverse action against anyone for providing truthful information relating to a violation of law or this Policy, and the Company will not tolerate any retaliation against Company Personnel asking questions or making good faith reports of possible violations of this Policy.

## **8. Responsibilities**

The Board of Directors is responsible for the effective design, implementation, and operation of the anti-corruption policy, and can delegate responsibility for implementation to any of its subcommittees or management team to ensure the policy is fully understood and embedded in IRSL's corporate culture.

Management is responsible for ensuring that effective systems are in place to prevent corruption in any form while the Internal Audit Department will periodically monitor the systems and report to the Audit Committee.

IRSL will take reasonable steps to ensure that its operations and financial controls prevent any risks of the Company committing a corrupt act, or of any corrupt act being committed against the Company.

The risks of bribery and corruption will be reviewed by the Audit Committee which will also carry out an annual internal review of the anti-corruption policy to ensure its effectiveness and make recommendations to the Board for revisions to the policy if required.

## **9. Disciplinary Action**

Any person who is involved in bribery and corruption or who misleads or hinders investigators inquiring into bribery and corruption will be subject to local laws and regulations. The Company shall take appropriate actions against such person as deemed fit and as permitted by law.

## **10. Enforceability**

In the event that any provision contained in this policy is in conflict with the local laws, rules and regulations of any entity, and makes such provision invalid or unenforceable, then such local laws, rules and regulations will prevail.

## **11. Guardian and Custodian**

Head of HR & IR is hereby designated to be the Custodian of this policy and shall be liable for strict implementation of this Policy and in case of any complaint against the Head of HR & IR or any of his direct reportees or person close to Head HR & IR, in view of written objection by Complainant giving reasonable grounds, the ED. & CEO either self or acting through any of its team member, shall assume the role of guardian and custodian of this Policy.

## **12. Self-Declaration and Background Verification**

The employees, and officials covered under this policy shall be liable to furnish such details in such format in the form of declaration-cum-affidavit to the Custodian, in the format prescribed under this policy, as and when demand. The Custodian in its sole judgment, with the written permission from, ED or CEO shall be liable to do background verification of such affidavit / declaration and form a case, if necessary