

DCM Shriram Industries Limited

Anti-Bribery & Anti-Corruption Policy

Approved by the Board on 25th May, 2023

May 25, 2023

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I. PREAMBLE

The Board of Directors in its meeting held on 14.08.2014 had approved a revised “Code of Business Conduct & Ethics” to be effective from 01.10.2014. The Code broadly lay down the principles to be adhered by personnel at all levels in conducting the business of the Company. The underlying principle of the Code was achieving success in business adhering to integrity and through fair means.

Any attempt of bribery or corruption in business dealings is anathema to the Company Policy and the Code mentioned above. Accordingly, to make it explicit this “Anti-bribery & Anti-corruption Policy” (**ABAC Policy**) is being laid down.

II. PURPOSE

DCM Shriram Industries Limited (“**Company**”), is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates, and to implementing and enforcing adequate procedures to counter bribery and corruption. This includes compliance with all laws, domestic and foreign, prohibiting improper payments, gifts or inducements of any kind to or from any person, including private or public officials, customers and suppliers.

The purpose of this Anti-Bribery & Anti-Corruption Policy (“**ABAC Policy**”) is to outline guiding principles and adequate procedures to prevent any activity or conduct relating to bribery, facilitation payments, or corruption by the Designated persons.

It requires all Designated Person(s) (defined below) to recognize questionable transactions, behaviour or conduct, and to take steps to comply, record and follow the procedures set in place to deal with such behaviour or conduct.

III. SCOPE AND APPLICABILITY

This ABAC Policy is applicable to our Company and all activities undertaken for or by the Company directly or indirectly.

This ABAC Policy is applicable to all individuals working at all levels and grades, including 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 and such other persons, including those acting on behalf of our Company, as designated by the Compliance Officer (*as defined below*) from time to time (all of the aforesaid being collectively referred to as “Designated Person/s”).



IV. POLICY STATEMENT

- a. Bribery and corruption can take many forms including cash or gifts to an individual or family members or associates, inflated price contracts, fake consultancy agreements, unauthorized rebates, non-monetary favours and false political or charitable donations. These actions may be undertaken directly or through a third party. It is illegal and immoral to, directly or indirectly, offer or receive a bribe. We do not tolerate bribery or corruption in any form or manner. Our Company is committed to implementing and enforcing adequate procedures to prevent, deter, detect, and counter bribery and corruption in any form or manner.
- b. As a part of this commitment, offering, promising to offer, or accepting bribes, directly or indirectly, and being involved in corruption is prohibited. This commitment shall reflect in every aspect of our business.
- c. Our Company is committed to maintaining detailed and accurate books of account of all transactions, which will aid in detection of bribery or corruption.
- d. Any violation of this ABAC Policy by a Designated Person(s) will be regarded as a serious matter and shall result in disciplinary action. In addition, most countries' legislations impose a strict liability and, in some cases, even criminal liability on Designated Person(s) and directors, who fail to prevent bribery within their business.
- e. This ABAC Policy constitutes a minimum standard that must be complied with in all countries of the Company's business and operations. These minimum standards are applicable to the Company even when this ABAC Policy is stricter than the anti-bribery and anti-corruption laws that are applicable in any country - including both applicable local laws and laws with extra-territorial application. However, when the applicable anti-bribery and anti-corruption laws are stricter than this ABAC Policy, such laws must be complied with in those jurisdictions.
- f. The guidelines in this ABAC Policy should be read in conjunction with:
 - i. The Company's Code of Business Conduct & Ethics; *(available on Co. website)*
 - ii. The Whistle-blower Policy; *(available on Co. website)*
 - iii. Any guidance published pursuant to this ABAC Policy;
 - iv. Any other relevant policies as may be implemented from time to time.



v. DEFINITIONS

a) Bribery

Bribery includes the offer, promise, giving, demand or acceptance of an undue advantage as an inducement for an action which is illegal, unethical or a breach of trust. Bribes often involve payments (or promises of payments) but may also include anything of value - providing inappropriate gifts, hospitality and entertainment, inside information, or sexual or other favours; offering employment to a relative; underwriting travel expenses; abuse of function; or other significant favours. Bribery includes advantages provided directly, as well as indirectly through an intermediary. Bribery also includes any attempt to do any of the foregoing.

b) Corruption

Corruption includes wrongdoing on the part of an authority, or those in power, through means that are illegitimate, immoral, or incompatible with ethical standards. It is usually designed to obtain financial benefits or other personal gain. For example, bribes offered or promised in the form of money, a privilege, an object of value, an advantage to exert improper influence on decisions of an individual in his official capacity.

c) Gift, Hospitality and Entertainment

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 and stones, jewellery, art, and any of their equivalents, and intangible items such as discounts, services, loans, favours, special privileges, advantages, benefits and rights that are not available to the general public.

Hospitality generally includes refreshments, meals, travel and accommodation. Entertainment generally includes vacation, trips, use of recreational facilities, ticket or pass for plays/concerts/sports events. Hospitality and entertainment may also qualify as a gift unless they fall within reasonable bounds of value and occurrence.

d) Public Official / Foreign Public Official

A "Public Official" would include the following:

- i. any person holding a legislative, executive or administrative office of the government, or acting in the official capacity for or on behalf of a legislative, executive, or administrative office of the government, whether appointed or elected, whether permanent or temporary, whether paid or unpaid;
- ii. any person in the service or pay of the government or of a corporation

established by or under a central, provincial or state statute, or an authority or a body owned or controlled or aided by the government or a government company or is remunerated by the government by fees or commission for the performance of any public duty;

- iii. any judge, including any person empowered by law to discharge, whether by himself/herself or as a member of any body of persons, any adjudicatory functions;
- iv. any person authorised by a court of justice to perform any duty, in connection with the administration of justice, including a liquidator, receiver or commissioner;
- v. any person who performs a public duty, including for a public agency or public enterprise, or provides a public service, as defined in the domestic law of the country and as applied in the pertinent area of law;
- vi. any elected or appointed officers or employees of public international or multilateral organizations, such as the United Nations; and
- vii. any other person who is considered as public official according to applicable laws and regulations.

A “**Foreign Public Official**” broadly includes the “Public Officials” mentioned above who are not under the domestic jurisdiction (country of operation of the Company). The definition of “Foreign Public Official” is subject to the definition prevalent in local regulation applicable.

e) Facilitation payment or kickbacks

“Facilitation Payments” are unofficial payments made to Public Officials in order to secure or expedite the performance/ non-performance of a routine or necessary action. They are sometimes referred to as ‘speed’ money or ‘grease’ payments or ‘good-will money’. The payer of the facilitation payment usually already has a legal or other entitlement to the relevant action. “Kickbacks” are typically payments made in return for a business favour or advantage.

f) Third party

The term “third party” includes any individual or organization, who/which comes into contact with the Company or transacts with the Company, and also includes actual and potential clients, vendors, consultants, retainers, agents, advisors, distributors, business associates, partners (including academic institutions), contractors, suppliers or service providers who work for and on behalf of the Company.

g) Relevant Regulation

We uphold all laws, relevant to countering bribery and corruption, as applicable to us in the conduct of our business across all the jurisdictions in which we operate including India. Further, different statutes adopt different yardsticks to determine whether a particular act/or omission is an offence thereunder. The key aspects of Prevention of Corruption Act, 1988, as applicable to the Company, is provided as “Relevant Regulation” under Annexure A.

VI. GENERAL PRINCIPLES

DCM Shriram Industries Limited is committed to establishing and maintaining necessary policies, procedures and a system of internal controls to mitigate risks relating to bribery and corruption and to communicate the channels available to stakeholders to report concerns.

a) Gifts, Entertainment and Hospitality

- i. Gifts, entertainment, and hospitality may be acceptable if they are reasonable, made in good faith and in compliance with the Company’s policies inclusive of the Code of Business Conduct & Ethics, and advisories, if any, issued from time to time. Any doubts in this regard should be clarified with the Compliance Officer named under this Policy.
- ii. No Designated Person(s) should accept or solicit any personal benefit from anyone in the course of Company’s business or employment in a manner that might compromise or appear to compromise their objective assessment relating to such business or employment.
- iii. Designated Person(s) 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 Public Officials) with whom the Company or its business associates have a contractual relationship or intend to negotiate an agreement.
- iv. Each Designated Person must familiarize himself/ herself with this Policy and adhere to the inherent intent of this Policy.

b) Facilitation Payments or Kickbacks

Any facilitation payments and kickbacks are inappropriate payments, and any such payment during the course of Company’s business or employment is strictly forbidden.

c) Interaction with Customers/ Suppliers

1. Where a Designated Person(s) is responsible for relationships with customers including suppliers, she/hemay entertain customers for bona-fide purposes only in accordance with this Policy.

2. 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.

d) Use of Third Party Agents, Consultants and other Intermediaries

- i) Our 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 third parties, who will be representing our company or acting on our company's behalf.
- ii) All dealings with third parties shall be carried out with the highest standards of integrity and in compliance with all relevant and applicable laws and regulations. Designated Person(s) must follow our Company's processes and adhere to the system of internal controls. Third party selection should never be based on receipt or expectation of a gift, hospitality, payment or favour of any kind or manner.
- iii) The following should be kept in mind prior to engaging a third party:
 - Appropriate due diligence is conducted and properly documented.
 - Appropriate anti-bribery and anti-corruption provisions in addition to Code of Business Conduct & Ethics and relevant policies are incorporated in the contracts, 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.
 - Formal written commitment is sought from the third party to ensure compliance to these standards.

e) Government Interaction

Doing business with the government is highly regulated and typically follows stricter rules than those in the commercial marketplace. If you work with government officials or a government-owned (or partially owned) company, you have a special duty to know and comply with applicable laws and regulations, adhere to the highest standards of integrity and avoid even the appearance of impropriety. Our Company may interact with the government, government officials and government agencies in multiple forms, such as: for seeking statutory or regulatory approvals, as a supplier, as a customer, etc. Designated Person(s) should always be truthful, accurate, co-operative and courteous while representing our Company before any government, government officials and government agencies.



f) Political, Community or Charitable Contributions and Sponsorships

- i. Any financial contributions considered by our Board of Directors in order to strengthen the democratic system of governance through a clean electoral process shall be extended only in compliance with the provisions of the Companies Act, 2013 or any other statutes applicable to such contributions.
- ii. Designated Person(s) is not allowed to make political contributions from the funds, properties or other resources of our Company except political contributions approved by the Board of Directors in accordance with the relevant provisions of the Companies Act, 2013 and/or any other statutes as may be applicable.

VII. RESPONSIBILITIES

a) Audit Committee / Board of Directors

- i. The Audit Committee/ Board of Directors of the Company (“**Board**”) shall have oversight of governance and compliance with this ABAC Policy. Aggravated cases of breach of this ABAC Policy shall be escalated immediately to the Audit Committee or Board.
- ii. The Audit Committee will monitor the effectiveness and review the implementation of this ABAC Policy, considering its suitability, adequacy and effectiveness periodically.

b) Compliance Officer

- i. The Company shall, from time to time, designate an employee of adequate seniority, competence and independence as the Compliance Officer to ensure compliance with the provisions of this ABAC Policy and the same shall be notified to the Designated Person(s).
- ii. All reports, complaints, doubts or concerns in relation to this ABAC Policy shall be raised to the Compliance Officer. Any query, concerns or complaint received by any Designated Person(s) regarding bribery or corruption issue should be promptly reported to the Compliance Officer.
- iii. Every query or concern raised in relation to any suspected violation of this ABAC Policy shall be reviewed/ investigated by the Compliance Officer. Any action required to be undertaken shall be taken by the Compliance Officer in accordance with this ABAC Policy.



- iv. The Compliance Officer shall have a functional reporting to the Designated Director as defined below:

Name of the Company	Compliance Officer	Designated Director
DCM Shriram Industries Limited	Company Secretary	Chairperson – Audit Committee

c) Designated Person(s)

- a. Designated Person(s) should familiarize themselves with this ABAC Policy.
- b. Designated Person(s) must comply with this ABAC Policy and ensure that our Company's procedures and measures to mitigate ABAC risks are upheld and strengthened. If in doubt whether an act would breach this ABAC Policy, take a step back and ask oneself the following for the contemplated action:
 - What is the intent – will this act be perceived as taking or giving undue advantage?
 - How would it look if these details were on the front page of a major newspaper or social media?
- c. Whenever faced with a doubt on this ABAC Policy, or about any act that can be perceived to be a potential breach of this ABAC Policy, the Designated Person(s) shall consult Compliance Officer.
- d. Designated Person(s) who are in managerial positions shall ensure that their team members are familiar with this ABAC Policy and other related policies herein. They shall guide and ensure that the guidelines in this ABAC Policy are upheld and adhered to by their team members and the third parties working with them.
- e. It will be the duty of each Designated Person(s) to report any non-compliance, which has come to notice, so that necessary action can be taken by the Company promptly to mitigate the risks and other consequences arising therefrom.
- f. Designated Person(s) shall provide full cooperation for any enquiry or investigation conducted or to be conducted by the Company for potential violation of this ABAC Policy.



VIII. COMMUNICATION AND TRAINING

- a) This ABAC Policy will be notified to all Designated Persons and put on the Company website.
- b) Training will be conducted either on-line or in-person or a combination of both and will be administered by the Compliance Officer on need basis.

IX) REPORTING OF CONCERNS AND INVESTIGATIONS

Every Designated Person(s) is encouraged to raise concerns about any bribery issue or any case of corrupt practice or any breach of this ABAC Policy or applicable ABAC law at the earliest. If they are unsure whether a particular act constitutes bribery or corruption or if they have any other queries, these should be raised with their respective reporting manager and the Compliance Officer. Concerns/queries should be addressed to the respective Compliance Officers at the following email addresses:

Name of the Company	Compliance Officer	Email address
DCM Shriram Industries Limited	Company Secretary	ydgupta@dcmsr.com

- a) No personnel who in good faith, reports a violation of this ABAC Policy shall suffer any harassment, retaliation or adverse employment consequences provided the Compliance Officer accepts such a report as prima facie non-frivolous.
- b) For the reported concern(s) of potential or actual violation(s) of this ABAC policy, the Compliance Officer shall take appropriate steps such as:

Investigation:

- i. Enquiry or investigation of the reported concern for potential violation of this ABAC Policy shall be conducted by or with oversight of the Compliance Officer. The objective of such enquiry or investigation would be to determine the facts.
- ii. Each Designated Person shall co-operate with the investigation team and promptly respond to all requests for information.
- iii. All investigations shall follow principles of natural justice and shall ensure that the relevant Designated Person(s) are provided with an opportunity to make their case before the investigation team and no witch-hunting is resorted to.
- iv. Experts with the right knowledge and skills may be appointed to investigate the reported concern, where considered necessary.



- v. The investigation process and the report should be kept confidential and shall be shared only with such persons who have a “need to know” under applicable law or Company’s standard investigation process.

Corrective Action: If necessary, corrective actions shall be prescribed or suggested to appropriate managers, officers and employees for implementation.

Disciplinary Action: The Compliance Officer after considering inputs from relevant stakeholders shall recommend appropriate disciplinary action, including but not limited to suspension and termination of service of such a defaulting Designated Person(s). The Compliance Officer shall also recommend if the violation is potentially criminal in nature and should be notified to the relevant authorities under applicable law. In the event of criminal or regulatory proceedings, the Designated Person(s) shall co-operate with relevant authorities. Depending on the nature and scale of default the Compliance Officer may also recommend to the Board to commence civil and/or criminal proceedings against such Designated Person(s) in order to enforce remedies available to the Company under applicable laws.

X. PENALTIES

- a) Any violation of this ABAC Policy by a Designated Person(s) will be regarded as a serious matter and shall result in disciplinary action, including but not limited to termination of employment, consistent with applicable law and the employee’s terms of employment.
- b) Bribery is a criminal offense. Designated Person(s) will be accountable whether they pay a bribe themselves or if such Designated Person(s) authorizes, assists, or conspires with someone else in contravention to the anti-bribery and anti-corruption laws. Punishments for violating the law against an individual includes imprisonment, probation, and monetary fines (which will not be paid by the Company). For example, punishment under the PCA ranges between 3 years and 7 years, along with a fine (There is no limit on the maximum fine payable).

XI. AMENDMENT OF ABAC POLICY

Our Company reserves the right to vary and/ or amend the terms of this ABAC Policy from time to time.

Dated: 25th May, 2023



Alok B. Shriram
Sr. Managing Director & CEO

ANNEXURE A - RELEVANT REGULATION

The Prevention of Corruption Act, 1988 ("PCA") and many other Anti-Bribery and Corruption (ABAC) laws and regulations around the world make it clear that bribery and corruption is prohibited and illegal. Violation of these regulations lead to fines, penalties, reputational damage, and in some cases criminal liability. The key provisions of PCA have been summarized below. For more information on these regulation and prevalent regulation(s) in the geography of operations, it is advisable to refer to the relevant government websites or seek guidance from legal experts.

Prevention of Corruption Act, 1988, India

The Prevention of Corruption Act, 1988 was enacted to prevent corruption in government departments and to prosecute and punish public servants involved in corrupt practices. An amendment was enacted (Amendment Act) and brought into force on 26 July 2018.

The Amendment Act provides that any public servant who obtains or accepts or attempts to obtain from any person, any 'undue advantage', either for himself or for any other person, with the intent to perform or cause performance of public duty improperly or dishonestly or to forbear or cause forbearance to perform such duty, shall be punishable with imprisonment for a minimum term of 3(three) years and maximum of 7 (seven) years and shall also be liable to fine. The Amendment Act has defined 'undue advantage' to mean any gratification (not limited to pecuniary gratifications or to gratifications estimable in money), other than legal remuneration.

As per the Amendment Act, giving an undue advantage by a person to a public servant is considered an offence punishable with imprisonment upto 7 (seven) years or fine, or both. However, if a person is forced / coerced to give an undue advantage but reports the same to the concerned authority within 7 (seven) days of doing so, he shall not be liable for the same.

The Amendment Act prescribes the offence relating to bribing a public servant by a commercial organization, wherein a commercial organization has been defined to include not just a body or partnership incorporated and carrying on business in India, but also a body or partnership incorporated or formed outside India but carrying on business in India. The Amendment Act has a specific provision for offences committed by commercial organizations and persons associated with it. It provides that if a commercial organization commits any of the offences listed out in the PC Act, then every director, manager, secretary or other officer with whose 'consent or connivance' the offence was committed, is to be made liable as specified under the PCA.

