



FINOLEX INDUSTRIES LIMITED

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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I. Introduction

Finolex Industries Limited (FIL) has zero tolerance towards all forms of bribery and we should be especially sensitive to this aspect in our dealings with the various entities that we come in contact with and remain committed to our Core Values (Customer Centricity, Ethics, Transparency, Teamwork, and Ownership) in all situations. We must not offer, promise or grant anything of value to anyone for the purpose of influencing the recipient under any circumstances. Payments made indirectly through any intermediary or other third party are subject to the same restrictions.

Compliance with the provisions of Anti-Bribery and Anti-Corruption policy (“ABAC Policy”) are mandatory. FIL mainly operates its business from India which is governed by the Prevention of Corruption (Amendment) Act, 2018.

Non-Compliance with above laws is a serious and may lead to the criminal and civil offence and can result in the imposition of heavy fines and/or criminal prosecution and severe reputational damage. Hence, FIL employees, and their third Parties and suppliers are required to fully comply with the requirements of this policy.

II. 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) Conflict of interest

Conflict of interest issues may arise in dealings between employees and vendors, employees and customers, employees and counterparties / other entities, employees and their acquaintances and also employees and relatives. Further, a conflict of interest arises when any dealing with any of the entities named above may appear to be influenced by your relationship with them. Such relationships may impair an objective or impartial assessment of the dealing/transaction and may not, therefore, be in the best interests of FIL.

c) 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.

III. Applicability of Anti-Bribery and Anti-Corruption Policy

- a.** This ABAC Policy is applicable to our Company and all activities undertaken for or by the Company directly or indirectly, Associates.
- b.** 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.

IV. Responsibility

The MANAGING DIRECTOR will be responsible for building and monitoring a strong compliance culture at FIL and will have the following responsibilities:

- To implement effective compliance practices to support adherence of the anti-bribery and anti-corruption policy
- Review any incidents / transactions having a potential integrity conflict and brought to his / her notice and take decisions in best interests of FIL w.r.t
- Donations
- Third party hiring
- Conflict of Interest
- Bribery to Government officials or Commercial organization
- Private to private sector
- Monitoring, reviewing and maintaining documentation for gifts received / offered by FIL employees.
- Refer cases of bribery or potential bribery to the Management Team which includes, Managing Director, Chief Executive Officer, Chief Financial Officer and Compliance Officer and MANAGING DIRECTOR for investigation.

a. Employee responsibility:

Compliance with provisions of anti-bribery and anti-corruption policy is expected from all employees of FIL as under:

- Read and understand the anti-bribery and anti-corruption policy and must ensure compliance with the terms and conditions mentioned in the anti-bribery and anti-corruption policy.
- Should not offer or give to any person or accept from any person any bribes, kickbacks, or any other improper benefits. FIL prohibits bribery in any form or from any person.
- Report any violation of FIL's ABAC policy or instances of bribery / corruption noticed to their Supervisor / reporting manager/ MANAGING DIRECTOR immediately.

b. Third Parties – Vendors and Suppliers responsibility:

FIL prohibits bribery in any form to or from any person. Accordingly, FIL has certain expectations from its third parties which dealing with FIL in any way for business purpose with respect to Anti-Bribery and Anti-Corruption policy. Following are the duties of the third-party intermediaries):

- Must ensure that they have read and understood the anti-bribery and anti-corruption policy of FIL and, must at all times comply with the terms and conditions of this policy.
- Disclose true and fair information to FIL for due diligence conducted at time of on-boarding.
- Report any conflict of interest with any FIL employee.

V. Actions / Behaviour that may be construed as 'Bribery'

While deciding whether an action and behaviour can be interpreted or perceived as anti- lawful and / or corrupt, the following should be kept in mind:

- Intent of the transaction
- Whether or not there is a 'quid pro quo' (something for something) involved
- The person / entity at the receiving end is a Government official / Government Department.
- The person / entity at the receiving end is an employee in commercial organisation / commercial organisation.
- Whether or not adequate approvals and documentation exist for the transaction
- Whether it would create an actual or perceived 'conflict of interest'.

Bribery risks are not limited to cash payments and may arise from an offer or transfer of anything of Value. Some typical areas that are most susceptible to bribery and corrupt practices are as mentioned below:

a) Conflict of Interest

All employees, third parties and suppliers must be selected on the basis of merit and requirements of FIL and must not obtain any unfair advantages based on any relationship with an existing or prospective client or government/public official or employee.

b) Business dealings with Third Parties

Third party intermediaries who work on behalf of FIL are considered as an extension of FIL and any unlawful act committed by them may have adverse consequences for FIL.

Thus, we should take appropriate steps to demonstrate that adequate measures were in place to identify and / or prevent the Third parties from indulging in any unlawful activity.

d) Travel and Entertainment expenses

Travel and entertainment expenses such as tickets, hotel, food, incidentals etc. may be incurred by the employees for bonafide official / business development purposes. All such expenses must be supported by original receipts / invoice and details of the guests, if applicable.

e) Business Gifts

Business Gifts include gift, hospitality, entertainment or other Benefits from persons or companies with whom FIL does or may do business or compete with. It means anything of value, including but not limited to meals, accommodation, loans, cash, favorable terms or discounts on any product or service, services, equipment, products, transportation, use of vehicles, vacation or other facilities, securities, home improvements, tickets, gift certificates, gift cards, discount cards, memberships or consulting relationships. Any doubts in this regard should be clarified with the MANAGING DIRECTOR.

f) Charitable contributions & Sponsorship

Charitable contributions include donations of money or in-kind donations of goods or services by FIL, such as to schools or community organizations. The Company shall ensure that charitable contributions and sponsorships are not used as a vehicle for bribery or corruption. At a minimum, all charitable contributions must be:

- Made to a legitimate, bonafide organisation for causes such as Education, Health & Sanitation, Environment etc.;
- Reasonable in nature and amount;
- Permitted under all applicable laws and regulations; and
- Properly documented
- Shall publicly disclose all its charitable contributions and sponsorships

g) Political Contributions

We should not take an active part in politics anywhere even outside FIL and shall not involve other employees, clients, suppliers, vendors or any other party with whom the company does business.

We should not made political contributions on behalf of FIL to any political party official or political party unless such contribution is expressly permitted by law/ regulation / directive and has been pre-approved by the appropriate authority in FIL.

VI. Record Keeping and Internal Controls



All employees must provide accurate and complete information relating to gifts, hospitality, travel and entertainment claims etc., together with approvals for recording in the books of accounts. All transactions

- must be recorded in FIL's books/ records and all transactions must be classified in accounts appropriately according to their nature.
- All books and records along with the supporting documentation w.r.t. the transactions covered under the policy must be maintained in line with the laid down guidelines.

VII. Reporting violations

a) Reporting:

- It is the duty of all those covered under anti-bribery and anti-corruption policy to comply with this policy and report any concern or information that they may have in relation to the violation of this provision of this document in respect of anti-bribery. The report may be submitted to the MANAGING DIRECTOR.
- Alternatively, concerns on the violations of the company policies may be reported through the Whistle Blower mechanism. Person reporting may choose to remain anonymous; however, identifying yourself is encouraged to facilitate communications.
- FIL takes all potential violations of this policy and applicable anti-corruption laws seriously. Thus, all allegations will be kept confidential and proper investigation will be conducted as directed by the MANAGING DIRECTOR.

b) Breach of Anti-bribery and Anti-corruption Policy

- Failure to comply with this policy or any misrepresentation, violation may be grounds for disciplinary action to be initiated by FIL, as considered appropriate, including termination of employees as per FIL code of conduct. In respect of vendors, in addition to termination of services, penalties may be applied. Non-awareness of this policy shall not be an excuse for misrepresentation.
- Bribery is a criminal offence. The defaulting Designated Person 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 anti-corruption/anti-bribery law. Such cases will be referred by FIL to the law enforcement agencies and no support will be rendered by FIL to the concerned employee or vendor.
- In case of violations of this policy, the MANAGING DIRECTOR shall take appropriate steps such as:
 - a) Assigning an Investigation Team/ Committee
 - b) Conducting an Investigation
 - c) Disciplinary Actions and Penalties

The guidelines in this ABAC Policy should be read in conjunction with the code of conduct and other policies

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