

GUJARAT ALKALIES AND CHEMICALS LTD.



**Anti Bribery &
Anti-Corruption Policy**
(Effective from 07.02.2023)

1. INTRODUCTION

Gujarat Alkalies and Chemicals Limited ("GACL or "the Company") is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. This document is an integral part of GACL's actions aimed at preventing bribery and corruption in the conduct of its business operations, referred to as the Anti-Bribery & Anti-Corruption Policy ("ABAC Policy" or "Policy").

2. PURPOSE:

The purpose & objective of this Policy is to

- ensure that appropriate anti-corruption and anti-bribery procedures are in place across GACL to avoid any violations of applicable laws and regulations.
- ensures that GACL does not engage in illegal, bribery and corruption practices.
- Promote the adoption of this policy across the value chain of their business.
- Communication of all corrective actions taken or underway for all the recorded/notified incidence of corruption and bribery.
- Building a culture of transparency and ethics

3. APPLICABILITY:

This Policy applies to:

- All employees (whether permanent, fixed-term or temporary) and personnel resources provided by third parties on a contractual basis working for GACL at all levels and grades including personnel working for Subsidiary(ies), Affiliates of the Company and Trust(s)/Society(ies) formed by GACL and all Directors of the Company ("GACL Personnel").
- All Business Partners including consultants, contractors, their respective employees, trainees, seconded staff, casual workers, volunteers and interns working for GACL.
- Joint-Venture Companies: Whether JVs are incorporated or unincorporated, as long as they are controlled by GACL, they come under the scope of the ABAC Policy. JVs controlled by GACL must adopt and comply with an anti-bribery and anti-corruption policy which has principles and procedures no less stringent than those set out in this Policy. Such JVs may adopt a policy more stringent than the terms hereof.

4. DEFINITIONS

- I. **"Bribe/ Bribery"** : A "Bribe" is an inducement, payment, reward or advantage offered, promised or provided or authorized to be provided, directly or indirectly, to any person or entity to gain any commercial, contractual, regulatory or personal advantage.

A bribe may be anything of value and not just money / gifts, inside information,

sexual or other favors, business contracts, corporate hospitality or entertainment, offering employment, payment or reimbursement of travel expenses, donation or social contribution, abuse of function and can pass directly or through a Third Party.

- II. **"Business Partner" or "Third Party(ies)"** : means any individual who or organization which, transacts with or enters into any arrangement with GACL and includes customers, dealers, suppliers, landlords / lessors, service contractors, intermediaries, business contacts, consultants, representatives, subcontractors, agents, advisers, business development agents, shipping agents and freight forwarders, customs agents, sales agents, joint venture partners, co-investors, licensees, travel agents, finders, expeditors and "formalities agents", real estate agents, brokers, lawyers, accountants, tax advisors and political advisors, liaisons personnel and public bodies.
- III. **"Corruption"**: includes wrongdoing on the part of an 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.
- IV. **"GACL Personnel"**: means all employees (whether permanent, fixed-term or temporary) and personnel resources provided by third parties on a contractual basis working for GACL at all levels and grades including personnel working for Subsidiary(ies), Affiliates of the Company and Trust(s)/Society(ies) formed by GACL and all Directors of the Company

5. POLICY:

A. Gifts and Hospitality:

1. No GACL personnel, Director and Business Partner and their immediate family should directly or indirectly accept, provide, offer, promise or authorize payment of anything of value, including Gifts or Entertainment, in order to bias a decision, obtain or keep business, or secure some other improper advantage either for GACL or for self.
2. GACL personnel and Director should not and should ensure that members of their Immediate Family do not, provide, solicit or accept cash or its equivalent, Entertainment, favors, Gifts or anything of substance to or from competitors, vendors, suppliers, customers or Business Partners that do business or are seeking to do business with GACL to secure any improper advantage.
3. This Policy does not prohibit providing or accepting items of Nominal Value such as calendar, pens, mugs, books, bouquet of flowers or a pack of sweets or dry fruits, to and from third parties, as modest gifts in the ordinary course of business. Similarly, providing a refreshment or casual meal of a customary nature are not prohibited. However, the key determining factor for appropriateness of the gift or hospitality and / or its value should be based on facts and circumstances under which such gift or hospitality is provided.

4. Gifting is strictly prohibited when used as bribes.
5. The giving or receiving of gifts or hospitality shall be acceptable under this policy, only if all the following requirements are met:
 - a. It is not made with the intention of influencing a Third Party to obtain or retain business or a business advantage or to reward the provision or retention of business or a business advantage or an explicit or implicit exchange for favors/ benefits or for any other corrupt purpose;
 - b. It complies with applicable law;
 - c. It is appropriate in the circumstances. For example, in India, it is customary for gifts of Nominal Value to be given at Diwali time or other festive times;
 - d. It is given openly, not secretly or in a manner that avoids the appearance of impropriety;
 - e. It is given in accordance with this Policy;
 - f. The GACL personnel or Director presenting or accepting such gift does so on behalf of GACL.

B. Charitable contributions and Sponsorship:

As part of Corporate Social Responsibility (CSR) activities, or otherwise, GACL may support local charities or provide sponsorship to events, that are legal, ethical, permissible under local laws and practices, and within the scope of the CSR policy and corporate governance framework of the GACL. Any payment to a charity, domestic or foreign, should be in accordance with the applicable law and backed by prior approval of the Board of Directors.

C. Political activities and payments:

Any contributions made to political parties should strictly be in accordance with the provisions of the Companies Act 2013 and other laws of India, and/ or applicable laws of any other jurisdiction where we may operate.

D. Facilitation payments:

A facilitation payment is a payment to secure or expedite a routine government action by an official. This Policy prohibits making of facilitation payments unless the law otherwise permits specifically.

E. Third-Party screening:

GACL requires all Business Partners/ Third Parties to cooperate and ensure compliance with the terms of this Policy, to ensure continued business relationship.

F. Employees', Directors' and Business Partners' Responsibilities:

1. Each GACL personnel, Directors and Business Partners shall ensure that he / she reads, understands and complies with this Policy. They should at all times, avoid any activity that might lead to, or suggest, a breach of this policy.
2. The prevention, detection and reporting of any form of bribery & corruption are the responsibility of all GACL personnel, Directors and Business Partners. GACL personnel, Directors and Business Partners shall report, if they are offered a Bribe, are asked to give one, suspect that this may happen in future, or believe that they are a victim of any other form of unlawful activity or are aware of any Bribe paid or received by any colleague or Third Party.
3. GACL personnel should accurately record payments or any other type of compensation made to a Third Party in GACL's corporate books, records, and accounts.
4. GACL personnel should not:
 - a. Deal with any undisclosed or unrecorded company funds, such as 'off-book' accounts, for any purpose;
 - b. Make false, misleading, incomplete, inaccurate, or artificial entries in GACL's books and records;
 - c. Use personal funds or third parties, including partners, to circumvent GACL's procedures and controls, or to accomplish what is otherwise prohibited by this Policy.
5. GACL personnel, Directors and Business Partners should only deal with representatives that they believe are legitimate businesses and that have a reputation for integrity.
6. Conducting transactions transparently reduces the risk of bribery. GACL personnel should make sure that contracts accurately reflect the economics of the transaction. If payment terms are confusing, clarifications should be sought.

G. Training:

1. To ensure that all GACL personnel, Directors and all its Business Partners, relevant third parties, subsidiaries and affiliates are completely familiar with the provisions of this Policy and applicable anti-corruption laws, GACL shall provide training and resources, as appropriate.
2. All departmental heads are required to notify & communicate the existence and contents of this policy to the employees of their department and to the Business Partners. Every departmental head shall submit a certificate duly signed by him to the Compliance Officer that this policy was notified to each employee of his

department. The new employees shall be informed about the policy by the Personnel department and statement in this regard should be periodically submitted to the Compliance Officer.

H. GUIDELINES:

1. Internal Policy & Protection under Policy

This Policy is an internal policy on disclosure by Director(s)/employee(s)/Business Partners of any unethical and improper practices or wrongful conduct related to bribery and corruption and access to the Head of Department or in case it involves Senior Managerial Personnel, access to the Managing Director and in exceptional cases access to **Audit Committee** of the Company.

This Policy prohibits the Company to take any adverse action against Director(s) or any Adverse Personnel Action (as defined under the Vigil Mechanism-Cum-Whistle Blower Policy of the Company) against its employee(s) or its Business Partners for disclosing in good faith any unethical & improper practices related to bribery and/or corruption observed to the Head of Department or to the Managing Director or to the **Audit Committee** of the Company. Any Director against whom any adverse action has been taken due to his disclosure of information under this policy may approach the Board of Directors. Any employee or Business Partner against whom any Adverse Action has been taken due to his disclosure of information under this policy may approach the Chairman of the **Audit Committee** of the Company.

2. Disciplinary action for non-compliance

1. Adherence to this Policy shall be monitored within the businesses with support from **Audit Committee** of the Company.
2. GACL personnel who violate this Policy shall be subject to disciplinary actions which may include one or more of the following:
 - a. Counselling
 - b. Formal apology
 - c. Censure
 - d. Recovery of financial loss incurred
 - e. Down-gradation of Designation or Grade
 - f. Reduction in compensation
 - g. Withholding of Promotion
 - h. Voluntary resignation
 - i. Termination
 - j. Recommendation to the Board/Promoters/Shareholders/relevant Authority(ies) for taking disciplinary actions.
3. In exceptional cases, as determined by the **Audit Committee** of the Company, any other penalty may be imposed.

4. Business Partners that violate this Policy may be subject to the imposition of large fines / penalties as the case may be in addition to the immediate termination of commercial/ business relationships with GACL.

I. Reporting Mechanism and Procedures

1. GACL personnel, Directors and Business Partners who are or become aware of or suspect a violation of this Policy and/ or anti-corruption laws are under an obligation to report the same to the **Audit Committee** of the Company as soon as possible by letter addressed to the **Audit Committee**, marked "Private and Confidential", and delivered to the Chairperson of the **Audit Committee**, Gujarat Alkalies and Chemicals Limited, P.O. Ranoli, Dist. Vadodara, Gujarat – 391 350.
2. Non-reporting of such instances of bribery in spite of knowledge of such actions shall be deemed to be misconducts and violation of this Policy.

J. Communication of the Policy

- The Policy shall be displayed to all employees through company portal of the Company, under the Section of 'Corporate Governance' Policies.
- Any changes in the Policy shall be notified through e-mail by way of updated Policy document.
- Policy Awareness shall be conducted regularly through various discussion / communication forums.

K. Periodic Review and Evaluation

Any subsequent amendment / modification including in the laws related to Anti-bribery or Anti-Corruption in India shall automatically apply to this Policy. The same shall be added / amended / modified from time to time as authorized by the Board of Directors with due procedure.

The Managing Director is authorized to amend or modify the Anti-Bribery & Anti-Corruption Policy, in whole or in part, from time to time.

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