



Anti - Bribery and Corruption Policy

Policy Version Control:

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1	1.0	-	-	Board	28/04/2023
2	2.0	Board	14/11/2024	-	-
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1. PURPOSE

This document sets out the Anti - Bribery and Corruption policy (the “**ABC Policy / Policy**”) of IOL Chemicals and Pharmaceuticals Limited (the ‘**Company**’ / ‘**Organization**’ / ‘**IOL**’) to establish and maintain the highest ethical standards in preventing, detecting and addressing bribery and corruption across all operations of the organization, as commitment to act professionally and conduct its business fairly with utmost integrity toward its stakeholders. This Policy has been developed in accordance with the requirements of ISO 37001:2016 and globally prevalent legal and statutory framework of Anti-Bribery legislations, prohibits Bribery, Government Bribery as well as Commercial Bribery (each as defined in this Policy).

The Policy is intended to ensure that each stakeholder conducts its activities ethically and in compliance with all applicable laws, rules, and regulations, whether local, national or international.

This Policy is intended to outline the risks related to bribery and corruption, to highlight responsibilities under applicable laws and internal policies, and to provide with the tools and support, necessary to identify, avoid and address bribery and corruption risks.

The organization is fully committed to:

- a. Prohibiting all forms of bribery, whether directly or through third parties.
- b. Establishing adequate procedures to prevent bribery and corruption in any form.
- c. Ensuring compliance with applicable laws and ethical standards.
- d. Continuously monitoring and reviewing the anti-bribery management system to address emerging risks and improve the effectiveness of internal controls.

2. REQUIREMENTS / OBJECTIVES

The requirements / objectives of the Policy are as follows:

- a. To encourage stakeholders to be vigilant and to act diligently in good faith.
- b. Monitoring and investigating instances of alleged corruption or bribery.
- c. Taking firm and vigorous action against any individual(s) involved in corruption or bribery.
- d. To minimize the risk of involvement of all stakeholders in corruption or bribery related activities.
- e. To form a common understanding for all stakeholders that Company prevents the corruption or bribery in any form.
- f. To set responsibility for the employees of company to know and comply with the principles and requirements of the Policy, the key rules of the applicable anti-bribery and corruption laws, as well as adequate procedures to prevent corruption or bribery.

3. SCOPE

This Policy applies to and must be complied by all individuals & organizations working for or on behalf of the organization and with whom organization deals with / has business transactions at all operations and jurisdictions, where the organization operates, including:

- a. all group Companies, legal entities worldwide, whether owned, directly or indirectly, including all operating units, subsidiaries, and affiliates (collectively, “**IOL Entities**”);

and

- b. all officers, employees (whether regular, fixed term, temporary, interns or trainees) and members of the Boards of Directors of the Company (collectively, “**IOL Employees / Directors**”); and
- c. all suppliers, distributors, business contacts, vendors, third parties, business partners, agents, advisers, consultants, contractors, government organization and their employees /consultants (collectively, “**Business Associates/Third Parties**”).

(‘IOL’, ‘IOL Employees/Directors’ and ‘Business Associates/Third Parties’ collectively shall be referred as “**Stakeholders / Interested Parties**”).

4. DEFINITIONS

- A. **Anything of Value:** This means any financial or non-financial benefit, such as cash or cash equivalents, services, contributions, offers of employment, access to resources or information, business opportunities, favorable contracts, gifts, travel or entertainment.
- B. **Bribe or Bribery:** Under this Policy, bribe or bribery is defined as the offering, promising, giving, accepting, soliciting, authorizing or providing of an undue advantage of ‘Anything of Value’ (which could be financial or non-financial), directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward to / from stakeholders including any Government Official, Customer, Business Partner, Vendor, thirdparty and such other business associates in order to improperly influence, induce or reward for any act, omission or decision on their part, orto gain an ‘Improper Advantage’, with respect to the Company’s business.
- C. **Business Associates / Third Parties:** Various anti-bribery and laws make IOL entities responsible for the acts of our Business Associates / third parties and others acting on our behalf. Therefore, no Business Associates, acting on behalf of IOL may engage in any act that could be construed as bribery or corruption – whether using IOL funds or their own personal funds or whether acting directly or through intermediaries. IOL expects all those acting on our behalf to abide by our standards of ethics and integrity and, where necessary and appropriate, to follow our procedures.
- D. **Corruption:** Abuse of entrusted power for private gain.
- E. **Facilitation Payments:** Facilitation payments are typically small payments requested by and paid to Government Officials to expedite or facilitate non-discretionary actions or services, such as obtaining an ordinary license or business permit, processing government papers such as visas and customs clearances, providing telephone, power or water service, or loading or unloading cargo. Though facilitation payments may be allowed in certain jurisdictions, such facilitation payments are prohibited in many of the other jurisdictions that the Company operates. If you have routinely made facilitation payments or encounter a situation that you believe may require facilitation payment, contact the Compliance officer for guidance.
- F. **Improper Advantage:** This includes anything that would improper:
 - a. Influence a decision, obtain or secure an action or business by, or secure a

- commercial advantage from, a stakeholders; and
- b. Induce or affect a decision by a stakeholder including Government Official or private individuals, business or entities, or use their influence or position to affect the actions or decisions of someone else, including a failure to perform their official functions; or
- c. Induce the purchase, use, ordering or the use or pricing of the Company's products or services, by a stakeholder including Government Official or other private individual, business or entity.

G. **Senior management:** refers to the highest level of leadership of the organization comprising of Executive Directors and Key Managerial Personnel as defined under the Companies Act, 2013 that has the authority and responsibility for the overall functioning and strategic direction of the company. They play a crucial role in ensuring the effective implementation and continual improvement of the ABMS.

5. COMMITMENT FOR ADEQUATE PROCEDURES

The organization is dedicated to implementing and maintaining adequate procedures to prevent bribery and corruption, including:

- A. **Risk assessments:** The organization adopts a **risk-based approach** to prevent bribery and corruption in all business operations. This involves identifying, assessing, and addressing potential bribery risks based on several factors, including the nature of the organization's business, the geographic areas of operation, and the relationships it maintains with third parties. *Key Elements of Risk-Based Approach are as follows:*
- a. Geographic Location: Certain regions may pose higher risks of bribery due to local corruption levels, regulatory environments, or cultural practices. Special attention will be given to operations or third-party dealings in high-risk regions, identified through indices like the Corruption Perception Index (CPI) published by Transparency International.
 - b. Business Processes: Certain business activities, such as **procurement, sales, and government interactions**, are more vulnerable to bribery risks. Risk assessments will focus on these key functions to mitigate exposure to unethical practices.
 - c. Relationships: The risk level associated with stakeholders / third-parties will be regularly evaluated. Third parties who interact with government officials or manage large financial transactions on behalf of the organization will be subject to enhanced due diligence and monitoring.
 - d. Know you partner – Red Flag: We have an obligation to "know our partners" to ensure that Business Associates with and through whom the Company conducts business, agree to comply with the principles of this Policy and the applicable anti- bribery and corruption laws in the countries they are operating. All relationships with our Business Associates should be monitored for red flags. A "**red flag**" is a fact or circumstance which requires additional consideration and extra caution and may appear in many forms, including, without limitation, the following:
 - i. Being aware that a third party engages in, or has been accused of engaging in, improper business practices; and
 - ii. Refusal to provide appropriate assurances of compliance with ethical business practices, anticorruption and / or anti-bribery; and

- iii. Unusual payment patterns or requests, including payments to third parties, payment requested to be made in cash, and payments made to bank accounts outside the relevant country; and
 - iv. Learning that a third party has a reputation for paying Bribes or requiring that Bribes be paid to them; and
 - v. Use of a shell or holding company that obscures ownership without credible explanation; and
 - vi. Family or business relationships with a government or a Government Official; and
 - vii. Requests for payments “up front” or statements that a particular amount of money is needed to “get the business,” “make the necessary arrangements” or similar expressions; and
 - viii. Whether the Business Associates have been recommended by a Government Official;
 - ix. Requests made to make agreements without the Company’s approval.
- Any red flags should be brought promptly to the attention of the hierarchy manager and the Compliance officer, to seek guidance prior to entering or continuing the relationship with a Business Associate.

Risk assessments will be conducted **annually**, or more frequently as needed, to ensure that bribery risks are identified and addressed proactively.

- B. **Due diligence:** Conducting comprehensive checks on potential stakeholders including partners, vendors, and contractors to ensure they comply with anti-bribery laws and company standards.
- C. **Training and awareness programs:** Providing all employees and relevant third parties with training on bribery prevention, detection, and reporting mechanisms.
- D. **Monitoring and audits:** Regularly reviewing the effectiveness of the anti-bribery management system, ensuring compliance, and identifying areas for improvement. The Compliance officer shall ensure the continuous monitoring and improvement of this system, including conducting regular audits, internal investigations, and shall also ensure that appropriate disciplinary actions are taken in the event of non-compliance.

6. GIFTS, MEALS, TRAVEL & ENTERTAINMENT

Employees / Stakeholders should be careful about gifts and entertainment as these are not construed as bribes or other improper payments under this Policy or applicable laws. Neither this Policy nor the Code of Conduct prohibits normal business hospitality, however such gifts and entertainment must be reasonable, appropriate, modest, and bona fide in furtherance of legitimate Company interests not for exchange for any Improper Advantage. In addition, gifts of cash or cash equivalents, such as gift cards, are never permissible.

No gift, travel, entertainment or promotional expenditure should be offered, given or provided or accepted to / from any stakeholders unless it:

- a. Is reasonable and not extravagant and is appropriate under the circumstances; and/or
- b. Serves a valid business purpose; and/or
- c. Is customary and appropriate under and the applicable local customs.

- d. Is not being offered for any improper purpose or intended to or have the appearance of any improper influence, and could not be construed as a Bribe, kickback or payoff.
- e. Is not intended to induce a Government Official to misuse his position or to obtain an Improper Advantage are prohibited, regardless of their value.
- f. Does not violate any Company policy, including the Code of Conduct.
- g. Does not violate any applicable laws or regulations.
- h. Is accurately described in your expense or other reports so that it can be reflected in Company's books and records.

All gifts and entertainment may be received / given only on recognized special occasions, within the limits of responsible and customary business practice in the industry. We may not accept a business gift or entertainment if doing so would make it difficult or appear difficult to make a fair business decision on behalf of the Company.

All gifts and entertainment given or accepted should be within the limits of responsible and customary business practice in the pharmaceutical industry. However, souvenirs / nominal gifts received / provided up to a value of **INR 5000**, which are customarily given and are of commemorative nature for special events, will not be considered as an instance of conflict of interest. For accepting / providing any gifts or souvenirs above the value of INR 5000, prior written approval from the Compliance officer and Chief Financial Officer is necessary.

In case any IOL employees / associate receive or offer hospitality or gift, it should be declared via a written record for review by the Compliance officer. The information should be given to the Compliance Officer in the form "Declaration for Gifts, Business Entertainment and Hospitality" appended as **Annexure 1** to this Policy.

7. CHARITABLE CONTRIBUTIONS

The Company is committed to supporting communities where it operates and may make charitable contributions, guided by its values and commitment to social responsibility. The contributions as a part of Company's Corporate Social Responsibility (CSR) will be reviewed and approved by the CSR Committee as constituted, with the express approval of the Board of Directors. All other charitable contributions should be made in accordance with the applicable laws with the prior approval of the appropriate authority.

No employee is authorized to make charitable contributions on behalf of the Company. Contributions must never be used to improperly influence a Government Official or to secure any improper advantage. The beneficiaries of charitable donations must be independent of any personal or professional connections to Company employees or individuals acting on behalf of the Company's business interests.

8. POLITICAL CONTRIBUTIONS

The Company is committed to and supports the institutions and governance systems of the countries in which it operates. Company shall not support any specific party or candidate for political office. It is never permissible to provide a political contribution to improperly influence a Government Official or in exchange for any Improper Advantage. Subject to the limitations imposed by this Policy or the Code of Conduct, each Employee

is free to engage in outside political activities that do not interfere with the performance of their responsibilities or otherwise conflict with Company's interests. However, Employees must not use their position or title within the Company, or any other Company equipment, supplies or facilities, in connection with outside political activities, nor may they do anything that might infer sponsorship or support by the Company of such political activity, unless such use has been approved in writing by the Compliance officer.

9. REPORTING MECHANISM

- A. **Reporting Mechanism:** Stakeholders can report suspected bribery or unethical conduct anonymously at following email id i.e. whistleblower@iolcp.com or investors@iolcp.com.
- B. **Protection:** The company ensures that stakeholder who report concerns are protected from retaliation, victimization, or dismissal.
- C. **Investigation Procedures:** All reported cases of suspected bribery must be promptly and thoroughly investigated by the Compliance officer, and appropriate disciplinary actions should be taken if necessary.

10. RISKS AND/OR CONSEQUENCES OF NON-COMPLIANCE

Every country in which we operate / engage for commercial transactions with stakeholders prohibits Bribery and Corruption. The Company, including its employees and Business Associates, must abide by all applicable anti-bribery and corruption laws including the Prevention of Corruption Act, 1988, Prevention of Money Laundering Act, 2002, Bhartiya Nyaya Sanhita, 2023, Companies Act, 2013, Foreign Contribution (Regulation) Act, 2010, Whistle Blowers Protection Act, 2014, Central Vigilance Commission Act, 2003, Foreign Corrupt Practices Act and UK Bribery Act etc. as amended and the local laws of every country in which we do business. Violation of these laws can lead to severe civil and criminal penalties and reputational harm to the company, including exclusion or debarment from participating in public contracts or bids. Employees / stakeholders who violate these laws can also face severe civil and criminal penalties, including imprisonment.

- A. **Non-Compliance Consequences:** Employees who fail to follow this Policy, Company's Code of Conduct or applicable anti- bribery and corruption laws, whether expressly stated in this Policy or otherwise, will lead to disciplinary action including termination of employment and suitable legal actions to recover the damages, if any.
- B. **Sanctions for Third Parties:** Third-party / partners who violate anti-bribery provisions in their agreements may face penalties, including contract termination and suitable legal actions to recover the damages, if any.

11. MONITORING, AUDITING, AND REVIEW

- A. **Monitoring and Internal Audits:** Regular monitoring of compliance with this policy through internal audits. The audits must assess both high-risk areas and regular processes.
- B. **Review of ABMS:** The policy should be reviewed at least annually by Senior management to assess its effectiveness and compliance with ISO standards and laws. Adjustments must be made where necessary.
- C. **Continuous Improvement:** Based on audit findings, investigations, and reviews, the ABMS should be continuously improved to address any gaps or areas of vulnerability.

12. INTERNAL ACCOUNTING CONTROLS

The Company is required to maintain accurate and complete books, records and accounts so that they fully and fairly reflect all transactions and at the same time prevent and detect potential violations of our policies or applicable laws.

13. RECORD-KEEPING AND DOCUMENTATION

- A. **Record Maintenance:** Maintain complete and accurate records of all anti-bribery due diligence, training, reports, and audits. This ensures transparency and provides evidence of compliance during internal or external reviews.
- B. **Retention Period:** All documents related to anti-bribery management must be retained for a minimum of 8 (Eight) years, as per legal and regulatory requirements.

14. TRAINING AND AWARENESS

- C. **Employee Training:** All employees, particularly those in higher-risk roles (e.g., procurement, sales), are required to undergo anti-bribery training. The training should cover bribery risks, the company's policies, reporting procedures, and their individual responsibilities.
- D. **Third-Party Training:** When necessary, provide training to third parties to ensure they understand and adhere to the company's anti-bribery policy.
- E. **Refresher Programs:** Periodic refresher programs will be conducted to ensure continuous compliance.

15. EXCEPTION(S) AND AMENDMENTS

This policy may be amended to comply with changing legal requirements or internal standards. All exceptions to this policy must be documented and approved by compliance officer and senior management. This policy will be reviewed regularly, with input from senior management, to ensure continued relevance, effectiveness and alignment with ISO 37001:2016 and any changes in legislation or business operations.

16. DISSEMINATION

The contents of this Policy shall be disclosed on the Company's website and shall also

be incorporated in the Company's Contracts with its Vendors / third party and other stakeholders.

Declaration for Gifts, Business Entertainment and Hospitality

I understand that if I have been offered any gift, entertainment or hospitality or if I am offering any entertainment or hospitality by/to a business partner or any other entity doing or seeking to do business with IOL, it is my obligation to make this declaration.

Whether the Gift, Business Entertainment and Hospitality is being		Offered		Received
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Description of Gift/ Business Entertainment / Hospitality _____

Date on which the Gift / Business Entertainment / Hospitality was / is planned to be exchanged

Name of the person and organization with whom the Gift / Business Entertainment / Hospitality is exchanged: _____

Business relations (or potential relationship) of the person / organization with IOL:

Purpose for which the Gift/ Business Entertainment / Hospitality was exchanged

I further declare that to the best of my knowledge these gifts or services have a value of approx. _____ [Insert amount in figures, words and mention the currency of payment]

Additional details of the Gift, Entertainment or Hospitality services are as follows:

The above details include the business justification for the gift/hospitality, the current location of the gift (in case of gifts received) and any other information IOL may require to make an assessment.

I have attached with this declaration any supporting documentation for:

1. The value of the gift/ Business Entertainment / hospitality.
2. The purpose for which the gift / Business Entertainment / hospitality is exchanged.
3. Business justification of the gift / Business Entertainment / hospitality services.
4. Any other relevant documentation that IOL may require to make an assessment on this matter.
5. I acknowledge that the information provide by me is true to the best of my knowledge.

Signature: _____ Name: _____ Employee ID: _____

Department: _____ Designation: _____

Approval Details
(To be filled by the approving authority and CFO)

Level – 1 : Compliance Officer / Approving Authority	Level – 2: CFO Approval
<p>Name of Approving Authority:</p> <p>Designation:</p> <p>Approval Status:</p> <p>Approved <input type="checkbox"/></p> <p>Not Approved <input type="checkbox"/></p> <p>Comments (if any):</p> <p>Signature:</p> <p>Date:</p>	<p>Name of CFO:</p> <p>Designation:</p> <p>Approval Status:</p> <p>Approved <input type="checkbox"/></p> <p>Not Approved <input type="checkbox"/></p> <p>Comments (if any):</p> <p>Signature:</p> <p>Date:</p>