



Anti-Corruption and Anti-Bribery Policy

Policy Version Control:

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1	1.0	-	-	Board	28/04/2023
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I. **PURPOSE**

This document sets out the Anti-corruption and Anti-bribery policy (the “**Policy**”) of IOL Chemicals and Pharmaceuticals Limited (including all subsidiaries, the “**Company**”,) who is committed to acting professionally and conducting its business fairly with utmost integrity toward its employees, suppliers, customers, and stakeholders, and in compliance with applicable laws, wherever it operates.

This Policy (which is a supplement to the Company’s Code of Conduct) has been developed in conformance with the legal and statutory framework of Anti-Corruption Legislation prevalent in India, prohibits Government Bribery as well as Commercial Bribery (each as defined in this Policy).

The Policy is intended to ensure that each employee and each individual acting on behalf of the Company 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.

II. **OBJECTIVE**

The objectives of the Policy are as follows:

- To encourage employees and Directors to be vigilant and to act diligently in good faith.
- Monitoring and investigating instances of alleged corruption.
- Taking firm and vigorous action against any individual(s) involved in corruption.
- To minimize the risk of involvement of all employees and Directors in corruption related activities.
- To form a common understanding for all stakeholders that Company prevents the corruption in any form.
- 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-corruption laws, as well as adequate procedures to prevent corruption.

III. SCOPE

This Policy applies to and must be complied with by all group Companies, legal entities worldwide, whether owned, directly or indirectly, including all operating units, subsidiaries, and affiliates (collectively, “IOL/IOLCP”), and all members of the Boards of Directors, officers, and employees (whether regular, fixed term, temporary, interns or trainees) of the Company (collectively, “IOL Employees”). In addition, this Policy applies to individuals or organizations working on behalf of the Company, including suppliers, distributors, business contacts, business partners, agents, advisers, consultants, contractors, (collectively, “Business Associates”). This policy is also applicable to vendors and third parties with whom IOL deals with or has business transactions.

IV. DEFINITIONS

Bribe or Bribery: Under this Policy, bribe or bribery is defined as the offering, promising, authorizing or providing Anything of Value to any Government Official, customer, business partner, vendor or other thirdparty 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.

Government Bribery: The Company through its Employees and Business Associates, are prohibited from giving, promising, offering, or authorizing a Bribe or Anything of Value to any Government Official to obtain or secure an Improper Advantage, or to improperly influence a Government Official’s (where applicable) actions.

Commercial Bribery: In addition to the prohibitions relative to Government Officials discussed above, Employees are prohibited from offering or providing a Bribe or Anything of Value to, or accepting the same from, private persons, businesses or entities to secure an Improper Advantage.

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.

Improper Advantage: This includes anything that would improperly:

- Influence a decision, obtain or secure an action or business by, or secure a commercial advantage from, a Government Official or private individual, business or entities; and

- Induce or affect a decision by a 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
- Induce the purchase, use, ordering or the use or pricing of the Company's products or services, by a Government Official or other private individual, business or entity.

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 Company operates. If you have routinely made facilitation payments or encounter a situation that you believe may require a facilitation payment, contact the CGC department immediately.

Business Associates:

- We understand that various applicable anti-corruption and anti-bribery laws make IOL Entities responsible for the acts of our Business Associates / Partners 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 a middleman. 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.
- If any employee / associates become aware that any Business Associate / Partner is engaged in bribery or corruption, that employee/associate should immediately report his/her concern.

V. RISKS AND/OR CONSEQUENCES OF NON-COMPLIANCE

Virtually every country in which we operate prohibits Bribery and Corruption. The Company, including its Employees and Business Associates, must abide by all applicable anti-bribery and anti-corruption laws, including the Prevention of Corruption Act, 1988, Prevention of Money Laundering Act, 2002, Indian Penal Code, 1860, as amended etc. and the local laws in every country in which we do business. A violation of relevant anti-corruption and anti-bribery laws can lead to severe civil and criminal penalties and reputational harm to company, including exclusion or debarment from

participating in public contracts or bids. Employees who violate these laws can also face severe civil and criminal penalties, including imprisonment. Bribery or engaging in corrupt conduct is never an acceptable business practice, whether by Employees or Business Associates.

Accordingly, Employees who fail to follow this Policy, Company's Code of Conduct or applicable anti-corruption and anti-bribery laws, whether expressly stated in this Policy or otherwise, may be subject to adverse employment action, including termination of employment.

VI. THIRD PARTIES

The Company is dedicated to the dynamic, ethical and profitable expansion of its operations worldwide. The Company will compete for all business opportunities vigorously, fairly, ethically, and legally and will negotiate contracts in a fair and open manner. This practice of fairness and professionalism must extend to the activities of Business Associates. Anti-corruption laws do not always differentiate between the conduct of Company Employees and the conduct of its Business Associates, which can put the Company at risk if they do not follow ethical business practices or applicable laws.

Therefore, Business Associates and their subcontractors or representatives are subject to this Policy when acting on the Company's behalf. Employees should be careful to avoid situations involving Business Associates that might lead to a violation of this Policy and should ensure that Business Associates are aware of this Policy when engaging or entering into an agreement with a potential Business Associate. We have an obligation to "know our partners" and 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 anti-corruption laws in the countries they are operating.

In negotiating any business relationship or prior to engaging or executing an agreement with a Business Associate, the Business Associate should provide appropriate assurances, representations or warranties regarding ethical conduct and compliance with applicable anti-bribery and anti-corruption laws. All agreements with Business Associates that interact with Government Officials must be memorialized in writing and include appropriate language, as approved by the CGC/Legal department of the Company, regarding compliance with applicable anti-bribery and anti-corruption laws.

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:

- Being aware that a third party engages in, or has been accused of engaging in, improper business practices; and
- Refusal to provide appropriate assurances of compliance with ethical business practices, anticorruption and / or anti-bribery; and
- 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
- Learning that a third party has a reputation for paying Bribes or requiring that Bribes be paid to them; and
- Use of a shell or holding company that obscures ownership without credible explanation; and
- Family or business relationships with a government or a Government Official; and
- 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
- Whether the Business Associates have been recommended by a Government Official; Requests to be able to make agreements without the Company’s approval; and Requests that agreements or communications be kept secret.

Any red flags should be brought promptly to the attention of your business manager or the CGC/Legal department and must be addressed to the satisfaction of the Company’s CGC / Legal department prior to entering or continuing the relationship with a Business Associate.

VII. DEALING WITH CROSS-BORDER TRANSACTIONS WITH GOVERNMENT OFFICERS AND SUCH OTHER PROFESSIONALS

When engaging in a cross-border transaction, unless otherwise specified in this Policy, Associates must ensure compliance with local laws in the Government Officers and such other Professional’s Home Country. The interaction or transaction also must be permitted in the initiating Associate’s country and in the country where the interaction or transaction is reasonably expected to occur. If you have any questions, consult your CGC department.

VIII. GIFTS, MEALS, TRAVEL & ENTERTAINMENT

Employees 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 by any Employee or a Business Associate unless it:

- Is reasonable and not extravagant and is appropriate under the circumstances; and/or
- Serves a valid business purpose; and/or
- Is customary and appropriate under and the applicable local customs.
- 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.
- Is not intended to induce a Government Official to misuse his position or to obtain an Improper Advantage are prohibited, regardless of their value.
- Does not violate any Company policy, including the Code of Conduct.
- Does not violate any applicable laws or regulations.
- 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 only on recognized special occasions, within the limits of responsible and customary business practice in the industry. You may not accept a business gift or entertainment if doing so would make it difficult or appear difficult to make a fair and objective business decision on behalf of the Company.

All gifts and entertainment given should be within the limits of responsible and customary business practice in the pharmaceutical industry. However, souvenirs / nominal gifts received 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 any gifts or souvenirs above the value of INR 5000, prior written approval from the CGC department is necessary.

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

IX. CHARITABLE CONTRIBUTIONS

The Company is committed to the communities in which it does business and permits reasonable donations to charities. Charitable contributions on behalf of the Company must be made by the Corporate Social Responsibility Committee as constituted, and with the express approval of the Board of Directors of the Company and should be made without demand or expectation of business in return. No Employee can make charitable contributions on behalf of the Company. It is never permissible to provide a donation to a charitable organization in order to improperly influence a Government Official, or in exchange for any Improper Advantage. It must be ensured that the beneficiaries of such charitable contributions are not related to the employee or to any person working for or on behalf of Company's business interests.

X. 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 CGC department.

XI. RECORDS AND 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. This Policy requires that each Employee and Business Associate keep records and maintain detailed, accurate descriptions of all payments and expenses along with supporting documents.

Employees must, and ensure Business Associates shall, complete and timely submit all reports and records required by the Company. No part of such

payment is to be made for any purpose other than the purpose fully and accurately described in Company's books and records. No undisclosed or unrecorded accounts are to be established for any purpose. False or fabricated entries are not to be made in the books and records of Company for any reason. Finally, personal funds must not be used to accomplish what is otherwise prohibited by this Policy or any other Company policy.

XII. TRAINING COMMITMENT

In order to ensure that each Employee is fully apprised of their obligations and the Company's requirements under this Policy, Company will provide comprehensive training. The content of this training is designed to address the corruption risks relative to the positions occupied and geographical and commercial areas of activity of each Employee.

XIII. REPORTING VIOLATIONS AND PROTECTION

Every IOLCP Employee is responsible for ensuring that the Company's reputation is protected and to prevent violations of applicable laws and this Policy. Employees are encouraged to immediately report issue or violations of applicable laws or this Policy by contacting the CGC department at investor@iolcp.com and CGC department shall place such issues with the Management along with its recommendation, who will take appropriate civil and criminal action(s) including susception or termination of employment. All reports of potential or actual violations of any applicable law or this Policy shall be treated as confidential to the full extent permitted by applicable laws.

Employees can contact the CGC department to seek advice on anti-bribery and corruption issues or to make suggestions for how we could improve this Policy or related anti-bribery and corruption procedures.

The Company encourages openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken. The Company will not allow any retaliation or detrimental treatment against any Employee who acts in good faith in reporting any violation of this Policy. Reports of suspected violations will be governed by the Company's Whistleblower Policy.

XIV. EXCEPTION(S)

All exceptions to this policy must be approved by CGC department in consultation with management of the company.

XV. AUDIT & REPORT TO BOARD

The Company shall monitor compliance with this Policy through various means. Each Employee is required to cooperate with and never interfere with or obstruct audits or investigations conducted in furtherance of this Policy.

The company reserves the right to modify, cancel, add or amend rules/provisions specified in this policy.

XVI. 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 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 is being		Offered		Received
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Description of Gift / Hospitality _____

Date on which the gift was / is planned to be exchanged _____

Name of the person and organization with whom the gift / hospitality is exchanged: _____

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

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

Signature:

Name:

Employee ID:

Department:

Designation: