

## BAJAJ ELECTRICALS LIMITED

### Anti-Bribery & Anti-Corruption Policy

#### I. Introduction

Bajaj Electricals Limited ("**BEL**"), its subsidiaries and affiliates and joint ventures (collectively known as "**BEL Group**") are committed to conducting business ethically and following all relevant laws and regulations. This document, known as the Anti-Bribery and Anti-Corruption Policy ("**Policy**"), outlines the BEL's stance against bribery and corruption.

The purpose of this Policy is to ensure that proper procedures are in place to prevent any violations of the law and to clearly outline the responsibilities of BEL personnel and business partners in preventing bribery and corruption.

This policy drives BEL's Anti-Bribery Management System ("**ABMS**"), with the primary objective of mitigating bribery-related risks by implementing robust processes and controls, training and awareness activities that ensure:

- a. Compliance with applicable anti-bribery laws;
- b. Creating awareness about BEL's emphasis on ethical business practices and its zero-tolerance approach towards conduct that is in breach of this Policy; and
- c. Effective Implementation of ABMS by incident reporting, investigation, and compliance.

#### II. Scope and exclusion

This Policy applies to:

- a. All employees of BEL Group, including permanent, fixed-term, and temporary staff, as well as personnel provided by third parties on a contractual basis, at all levels and grades ("**BEL Personnel**").
- b. All Business Partners including consultants, contractors, their respective employees, trainees, seconded staff, casual workers, volunteers, and interns working for BEL Group.

#### III. Key concepts and definitions

- A. "**Anti-Bribery Laws**" and "**Anti-Corruption Laws**" in respect of a BEL Group entity means all applicable anti-bribery and anti-corruption laws/ statutes/ regulations/ guidelines/ codes stipulated by relevant governmental authorities in India and in the countries where such BEL Group entity carries out business operations.
- B. 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.

- C. "**Business Partner**" or "**Third Party(ies)**" includes any individual who or organization which, transacts with or enters into any arrangement with BEL Group and includes customers, 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, liaisoning personnel and public bodies.

- D. **"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.
- E. **"Employee"** means any employee or director of BEL Group.
- F. **"Entertainment"** includes business courtesies such as meals, refreshments, invitations or tickets to recreational, cultural or sports events and venues, as well as any associated travel and accommodation. Entertainment is treated as a Gift in those circumstances where the party who made the offer does not attend.
- G. **"Ethics & Compliance Task Force"** or **"ECTF"** means the committee designated to handle complaints and the resolution process of Protected Disclosures under the BEL's Whistle-blower Policy.
- H. **"Gifts"** includes anything of value offered to or received by an individual or members of their family. Gifts include cash and non-cash items, some examples of which are: artwork, watches, jewellery, equipment, preferential discounts, loans, favourable terms on a product or service, business or employment opportunities, services, prizes, donations to charities, transportation, use of another company's vehicles, use of vacation facilities, stocks or other securities, participation in stock offerings, home improvements and tickets and gift certificates.
- I. The term **"Government Official"** or **"Public Official"** includes:
- any minister, elected or appointed official, director, officer or employee (regardless of rank), any person in the service or pay of the government or remunerated by the government by fees or commission for performing any public duty, or person acting on behalf of any government (whether at a national, state/provincial or local level) or any department, agency or instrumentality thereof, and/ or of any state-owned or state-controlled enterprise, and/ or of any public international organization, or an entity that is financed in large measure through public appropriations, is widely perceived to be performing a government function, or has its key officers and directors appointed by a government;
  - any judge, or any person who undertakes any adjudicatory functions;
  - any person who prepares electoral rolls;
  - any person associated with a university, educational institute or scientific organization that receives substantial financial assistance from the government or any other public authority;
  - political party officials and candidates for public office, or any person acting on their behalf;
  - any person acting in any official, administrative, legislative or judicial capacity for or on behalf of any such government or department, agency, instrumentality, company, or public international organization. For example, any officer or employee of a national company, national airline, national railway or national shipping company is deemed to be a "government official", as are members of customs, military or police organizations.
- J. **"Hosting"** means the payment of 'Hosting expenses' including transportation, lodging or related travel expenses, for a Government Official, including state company delegations.
- K. **"Immediate Family"** includes spouse, mother, father, son, daughter, brother, sister or any of the step or in-law relationships, whether established by blood or marriage.
- L. **"Joint Venture"** or **"JV"** means a business relationship undertaken for a specific business purpose by BEL and one or more unaffiliated parties who contribute tangible and intangible assets to, and jointly manage, the relationship. Throughout our Business, JVs take many forms:
- A JV may involve the incorporation of a separate legal entity, distinct from its individual shareholders;

- Alternatively, a JV may be unincorporated, the structure being set out in a written JV Agreement and governance typically provided by an executive committee of the participants;
- JVs are in some cases operated by BEL or by another participant; or
- JVs may either be controlled by BEL or not controlled by it.

Whether JVs are incorporated or unincorporated, as long as they are controlled by BEL, they come under the scope of the ABAC Policy. JVs controlled by BEL 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.

In cases where BEL is a non-controlling JV partner, BEL shall make reasonable endeavors to ensure that such JVs adopt an anti-bribery and anti-corruption policy which has principles at least as stringent as those set out in this Policy.

- M. **"Protected Disclosure"** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity (as described more particularly in Clause IV.(L)). Protected Disclosures should be factual and not speculative or in the nature of an interpretation/conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- N. **"Subject "** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

#### IV. BEL Requirements

##### A. Policy Statements:

- BEL is committed to doing business with integrity and transparency and BEL has a zero-tolerance approach to non-compliance with the anti-bribery policy.
- BEL Group prohibits Bribery and any form of improper payments/dealings in the conduct of business operations.
- BEL Group is committed to ensuring compliance with all applicable anti-bribery and anti-corruption laws in all jurisdictions where it operates.
- This Policy shall be reviewed periodically (at least annually) by ECTF to ensure alignment with the anti-bribery and anti-corruption objectives.
  - If such a review brings out a need for any change in the policy, ECTF shall critically evaluate the impact of proposed changes.
  - Consequential changes in this Policy should be approved by ECTF and submitted for noting in next Audit Committee Meeting.
  - Any structural changes shall require Audit Committee approval.
- BEL Group always encourages raising of genuine concerns pertaining to bribery related issues or functioning of ABMS, while assuring confidentiality, and without the fear of retaliation.
- BEL Group shall evaluate performance of the ABMS on a regular basis and work towards improving the effectiveness of the Policy.

- The Ethics & Compliance Task Force (ECTF) of BEL Group plays the role of an independent Anti-Bribery Compliance Function with direct access to the Board.
- Even if some conduct is permissible under the rules and regulations of the jurisdiction concerned, if it contravenes this Policy, the provisions of this Policy shall prevail and be followed by the persons to whom this Policy applies.

Conversely, even if some conduct is permissible under this Policy, but if it contravenes the rules and regulations of the jurisdiction concerned, such rules and regulations shall prevail and be followed by the persons to whom this Policy applies.

- Not to attempt to conceal evidence of the Protected Disclosure.
- Provide an opportunity of being heard to the persons involved especially to the Subject.

#### **B. Gifts and Hospitality:**

- No BEL personnel 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 BEL or for self.
- This Policy strictly prohibits soliciting, or accepting a Bribe or kickback of any kind, or any other kind of improper payments including facilitation payments.
- BEL personnel 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 BEL Group, to secure any improper advantage. Loans should not be accepted from any persons or entities having or seeking business with BEL Group, except recognized financial institutions.
- 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 and shall be governed by the Code of Conduct.
- Gifting is strictly prohibited when used as bribes.
- The giving or receiving of gifts or hospitality shall be acceptable under this policy, only if all the following requirements are met:
  - 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;
  - It complies with applicable law;
  - It does not include cash or a cash equivalent (such as gift certificates or vouchers);
  - It is appropriate in the circumstances. For example, in India, it is customary for gifts of Nominal Value to be given at Diwali time;

- It is given openly, not secretly or in a manner that avoids the appearance of impropriety.
- It is given in accordance with this policy and BEL's Code of Conduct.
- The BEL personnel presenting or accepting such gift does so on behalf of BEL.

**C. Charitable contributions and Sponsorship:**

As part of Corporate Social Responsibility (CSR) activities, or otherwise, the BEL Group may support local charities or provide sponsorship to events, for example, sporting or cultural 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 BEL Group. Any payment to a charity, domestic or foreign, should be in accordance with the applicable law and backed by prior approval as per the Delegation of Authority.

**D. Political activities and payments:**

- BEL Group is apolitical. 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.
- Payment or use of corporate assets of any type as payment, directly or indirectly, to any person, business, political organization or Public Official, for any purpose that is not in accordance with applicable laws, is prohibited.

**E. Facilitation Payment:**

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.

**F. Due diligence and Third Party screening:**

- BEL requires all Business Partners/ Third Parties to cooperate and ensure compliance with the terms of this Policy, to ensure continued business relationship.
- BEL shall assess the risk profile of the proposed engagement and conduct a reasonable and proportionate level of due diligence to check the Business Partner / Third Party's experience, background and reputation before entering into any relationship. Different types of Business Partners / Third Parties may require different levels of due diligence depending on the inherent risk in underlying transactions and/ or Third Parties involved.
- All Business Partners/ Third Parties must cooperate and provide information and documents as may be required for due diligence.
- Regardless of perceived risk, all Business Partners/ Third Parties shall undergo Basic Due-Diligence which should include combination of following activities:
  - a questionnaire sent to the Business Partner/ Third Party to verify whether it is a legitimate business entity and has the qualifications, experience and resources needed to conduct the business for which it is contracted;
  - a web-search on the Business Partner/ Third Party and its top management to identify any related information;

- searching appropriate government, judicial and international resources for relevant information;
- checking publicly available debarment lists of organizations that are restricted or prohibited from contracting with public or government entities kept by national or local governments or multilateral institutions;
- making enquiries from other entities about the Business Partner / Third Party's ethical reputation.
- Any Business Partner / Third Party whose responsibilities may include interacting with any Governmental Authority or Government Official on behalf of BEL shall be categorised as High Risk Business Partner/ Third Party and undergo Anti-Bribery Due Diligence.
- BEL may use additional criteria to determine whether any Business Partner/ Third Party proposed to be engaged is a High Risk Business Partner/ Third Party and falls within the scope of the Anti-Bribery Due Diligence.
- Over and above the Basic Due-Diligence checks, as part of Anti-Bribery Due Diligence, a written anti-corruption due diligence report shall be obtained from a reputable Third Party risk advisory firm for all High Risk Business Partner/ Third Parties.
- Findings of these reports shall be carefully considered by BEL while taking decision to continue, postpone, discontinue, or revise those transactions, projects or relationships with High Risk Business Partners/ Third Parties.

#### **G. Joint Ventures governance:**

Where new Joint Ventures are being considered businesses shall design and deliver proactive measures to continuously manage any bribery and corruption risk presented by JV counterparties.

#### **H. Employee Responsibilities:**

- Each BEL personnel 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.
- The prevention, detection and reporting of any form of bribery & corruption are the responsibility of all BEL personnel. BEL personnel 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.
- BEL personnel should accurately record payments or any other type of compensation made to a Third Party in BEL's corporate books, records, and accounts.
- BEL personnel should not:
  - Deal with any undisclosed or unrecorded company funds, such as 'off-book' accounts, for any purpose;
  - Make false, misleading, incomplete, inaccurate, or artificial entries in BEL's books and records;
  - Use personal funds or third parties, including partners, to circumvent BEL's procedures and controls, or to accomplish what is otherwise prohibited by this Policy.
- BEL personnel should only deal with representatives that they believe are legitimate businesses and that have a reputation for integrity. Signs that a representative is unethical or could be paying a bribe should not be overlooked.

- Conducting transactions transparently reduces the risk of bribery. BEL personnel should make sure that contracts accurately reflect the economics of the transaction. If payment terms are confusing, clarifications should be sought.
- This policy should be read in conjunction with BEL's Code of Conduct.

**I. Training:**

To ensure that all BEL personnel 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, BEL shall provide training and resources, as appropriate. Certain associated/ exposed Personnel, depending on their job scope, shall take and pass BEL's anti bribery training, which will be conducted by BEL from time to time.

**J. Investigations:**

The Ethics & Compliance Task Force shall either initiate investigation itself or issue directives to investigate a matter as and when required. The procedure and guiding principles for conducting investigations into reported Protected Disclosures shall be in accordance with the BEL's Whistle-blower Policy.

Business and functional leadership and team leads shall ensure that any violation of this Policy noticed by them or brought to their notice, is immediately reported to ECTF ([ECTF@bajajelectricals.com](mailto:ECTF@bajajelectricals.com)) in confidence along with reasons for suspicion and available evidence.

**K. Disciplinary action for non-compliance:**

Adherence to this Policy shall be monitored within the businesses with support from Ethics & Compliance Task Force. Internal Audit shall conduct periodic reviews in accordance with its guidelines.

- BEL personnel who violate this Policy shall be liable to face disciplinary actions which may include one or more of the following:
  - Counselling
  - Formal apology
  - Censure
  - Recovery of financial loss incurred
  - Down-gradation of Designation
  - Reduction in compensation
  - Withholding of Promotion
  - Down-gradation in Grade
  - Voluntary resignation
  - Termination of services
- In exceptional cases, as determined by the Ethics & Compliance Task Force, any other penalty may be imposed.
- Business Partners, such as consultants and representatives, that breach this Policy may face the imposition of significant fines/penalties, as appropriate, and may also have their commercial/business relationships with BEL terminated immediately.

**L. Reporting Mechanism:**

- BEL personnel and Business Partners who become aware of or suspect a violation of this Policy and/or anti-corruption laws are obligated to report it by making Protected Disclosures to the ECTF.

- All Protected Disclosures should be addressed to the ECTF by email at [ECTF@bajajelectricals.com](mailto:ECTF@bajajelectricals.com) or by letter addressed to the Ethics & Compliance Task Force, marked "Private and Confidential," and delivered to the Chairman of the Ethics & Compliance Task Force at Bajaj Electricals Limited, Mulla House, 51, M. G. Road, Fort, Mumbai 400 001.
- Protected Disclosures against any member of the ECTF should be addressed to the Managing Director & Chief Executive Officer (MD & CEO) of the Company by letter addressed to the MD & CEO, marked "Private and Confidential," and delivered to the 'Office of Managing Director & Chief Executive Officer of Bajaj Electricals Limited' at Bajaj Electricals Limited, Mulla House, 51, M. G. Road, Fort, Mumbai 400 001.
- Protected Disclosures against the MD & CEO or any other member of the Board of Directors of the Company should be addressed to the Chairman of the Audit Committee by letter addressed to the 'Audit Committee Chairman of Bajaj Electricals Limited' at Bajaj Electricals Limited, Mulla House, 51, M. G. Road, Fort, Mumbai 400 001.
- Non-reporting of instances of bribery, despite knowledge of such actions, shall be deemed misconduct and a violation of the Code of Conduct and this Policy.

#### **M. Protection / No Retaliation:**

- Those who refuse to accept or offer a Bribe or those who raise concerns or report another's wrong-doing, are sometimes worried about possible retaliation. BEL Group encourages openness and shall support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.
- As outlined in our Vigil Mechanism and Whistle-blower Policy, we are committed to ensuring that no one suffers any detrimental treatment because of refusing to take part in bribery or corrupt activities even if this results in the loss of business to BEL.
- BEL shall not tolerate any retribution or retaliation against anyone for raising a concern in good faith about a potential violation of this Policy, or for cooperating with an investigation. When a concern is raised, BEL shall maintain confidentiality to the extent permitted by the applicable law.

#### **N. Review & Governance:**

- ECTF should periodically interact with key stakeholders to review the ABMS program objectives and key components to identify improvement areas / aspects needing realignment due to changed control environment.
- Observations/ suggestions emanating from these interactions as well as learnings from handling of bribery related issues should be leveraged for continual improvement of the ABMS program.

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