



ADITYA BIRLA GROUP

**ANTI-MONEY LAUNDERING
&
ANTI-BRIBERY AND CORRUPTION POLICY**

(AML & ABAC Policy)

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I. Policy Statement and Purpose

As Aditya Birla Group ('Group/ABG') we have always believed in sound, moral, ethical, and business principles. Our Group having adopted the Aditya Birla Group Corporate Principles and Code of Conduct is committed to act fairly with integrity and trust in all its business dealings and relationships wherever it operates.

This AML & ABAC Policy ('Policy') sets out essential steps Employees (as defined herein below) must take to avoid being implicated for money laundering and to prevent Group companies' involvement in any activity relating to bribery, facilitation payments, or corruption, even where the involvement may be un-intentional.

II. Scope and Applicability

ABG is a global conglomerate having presence in several countries. This Policy applies to all the companies of the Aditya Birla Group. This Policy provides for a minimum standard the Group companies should comply with in any country in which our Group does business.

In the event this Policy is stricter than the laws that are applicable, including both applicable local laws and those laws with extra-territorial application, this Policy will prevail. However, if any part of this Policy conflicts with local laws in any location, the local law of the appropriate jurisdiction will prevail. The same principle will apply in case this Policy conflicts with sectoral laws, as may be applicable to certain companies of the Group.

This Policy is applicable to all the employees working at all levels and grades including 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 the Company and such other persons, including those acting on behalf of the Company (collectively for the limited purpose of this Policy referred as '**Employees**').

The guidelines in this Policy should be read in conjunction with the following policy documents of the Group:

- a. Corporate Principles and Code of Conduct;
- b. The ABG's Values Handbook;
- c. The Whistle-blower Policy;
- d. Any guidance published pursuant to this Policy;
- e. Any other relevant policies as may be implemented from time to time.

Because no code of conduct or policy can cover every possible situation, one should exercise good judgement in being compliant of the applicable laws. In case of queries or concerns you should get in touch with your respective Compliance Officer, as defined herein below.

III. Compliance Officer

Respective group companies shall appoint one of the Senior Manager conversant with the operations of the Company to be the Compliance officer to ensure compliance with the provisions of this Policy ("Compliance Officer"). Company Legal team//Chief Risk Officer, as may be

responsible will ensure that the right Governance process is in place for the compliance of this policy.

IV. Definitions

1. **"Anti-Money Laundering Laws", "Anti-Bribery Laws" and "Anti-Corruption Laws"** in respect of the 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 the Group entity carries out business operations (collectively referred as **'AML & ABAC Laws'**).
2. **Corruption** is the misuse of public power for personal profit, or the misuse of entrusted power for personal gain.
3. **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.

Bribery and Corruption can take any form, including the provision or acceptance of anything of value - providing inappropriate gifts, hospitality, and entertainment, inside information, or sexual or other favours, underwriting travel expenses, abuse of function, or other significant favours.

Bribery includes advantages provided directly as well as indirectly through an intermediary.

Provided however that where a small token of gift is given on the occasion of local festival or event without any quid-pro-quo or any expectations of any favour or any benefit to the self or the company, the same will not be within the ambit of this policy. In case of any doubt, Employees should consult with the local Human Resources manager or the Legal manager to seek any clarification in this regard.

The words and expressions used herein but not defined in this Policy shall have meaning as provided under applicable AML & ABAC Laws.

V. Bribes, Kickbacks, and Other Payments

No matter where in the world you work on behalf of the Company, anti-bribery laws apply to you. Most countries have anti-bribery laws that prohibit bribing a governmental official, such as the Prevention of Corruption Act, 1988 in India, US Foreign Corrupt Practices Act and the UK Bribery Act. In many countries anti-bribery laws also apply in the private sector.

Our business decisions should never be influenced by corruption. Corruption may involve payments or the exchange of anything of value and includes activities such as bribery and kickbacks. An Employee may not offer, promise, grant, authorize, demand, accept, or allow himself or herself to be promised or promise any bribe, kickback, illegal gratuity, illegal payment, or anything else illegal of value directly or indirectly, to or from any person, organization, or governmental representative. Corrupt activities are not only a violation of the Group's Code that

will result in disciplinary action, but they can also be a serious violation of criminal and civil anti-bribery and anti-corruption laws in various countries.

An Employee should not borrow or lend money, or accept or grant gifts, entertainment, or favours, directly or indirectly, from or to any company, government or government representative, organization, or individual if doing so might impair or appear to impair the Employee's ability to perform Company duties or to exercise judgment in a fair and unbiased manner. Employees may accept or grant gifts and offers only if they do not violate the applicable laws, Group's Code of Conduct and policies of the Group.

Any gift, loan, favour or offer of entertainment that violates the Code must be returned promptly to the donor with an appropriate explanation. A gift or entertainment to a close relative of an Employee is also treated as a gift to the Employee.

VI. Government Interactions

We respect the Government, laws, and institutions in the jurisdictions where we operate. While participating in the democratic process, we remain apolitical.

Doing business with the government is highly regulated and typically follows stricter rules than those in the commercial marketplace. If you work with government officials/public servant/public official ('government officials') or a government-owned (or partially owned) company, you have a special duty to know and comply with applicable laws and regulations, adhere to the highest standards of integrity and avoid even the appearance of impropriety.

VII. Political Contributions and Public Service

The Group does not directly or indirectly make contributions or other payments, or provide property or services, to any candidates for public office or to political parties, except in compliance with applicable laws. Any Employee who makes a political contribution personally should ensure that he or she does not imply that it is a contribution from the Group. Further, the Group makes charitable contribution in line with applicable laws and systems of authority.

The Group encourages its Employees to be actively involved in the civic affairs of the communities in which they live. When speaking on public issues, however, Employees should do so only as individual citizens of the community and must be careful not to create the impression that they are acting on behalf of or representing the views of the Group. The only exception to this is Employees who have appropriate authorization to represent or speak on behalf of the Group.

VIII. Use of Third-Party Agents, Consultants and Other Intermediaries

1. The Company may be held responsible for bribes paid on its behalf by third parties, with severe and often irreparable consequences, even if the Company did not authorize these payments. Therefore, it is critical that we are careful in the selection of agents, that is, those people or companies who act on our behalf. Few examples of questionable transactions, behaviour, conduct along with Employees responsibilities can be referred from **Annexure-I & II**.
2. All dealings with suppliers, agents, contractors, service providers, intermediaries, consultants, and advisors, shall be carried out with the highest standards of integrity and in compliance

with all relevant laws and regulations. We expect all our third parties to share our values and our ethical standards.

3. The following should be kept in mind prior to engaging a third party:
 - a) Appropriate due diligence is conducted and properly documented;
 - b) Appropriate anti-bribery and anti-corruption provisions are incorporated in the contracts in consultation with the Company's Legal team, including the right to audit, as well as a clause on termination, if the partner/party fails to abide by the anti-bribery and anti-corruption terms.

IX. Conflict of Interest

All potential and actual conflicts of interest or material transactions or relationships that reasonably could be expected to give rise to such a conflict, or the appearance of such a conflict, must be promptly communicated to the Compliance Officer. In the event Employee believes that Compliance Officer himself is in conflict then such matter should be reported to the Values Standing Committee of the Group.

X. Training

To ensure that all ABG Employees and all its business partners, relevant third parties, are completely familiar to the provisions of this Policy and applicable AML & ABAC Laws, the Group shall provide training and resources, as appropriate.

XI. How to Raise Concerns

1. Every Employee is encouraged to raise concerns about any bribery issue or suspicion of malpractice or any case of corrupt practice or any breach of this Policy or applicable AML & ABAC Laws at the earliest possible stage. If he/she is unsure whether a particular act constitutes bribery or corruption or if he/she has any other queries, these should be raised with the respective Compliance Officer of the Company.
2. The Employees may also raise concerns or queries to the Value Standing Committee at abmcpl.bvsc@adityabirla.com
3. No personnel who in good faith, reports a violation of this Policy shall suffer harassment, retaliation or adverse employment consequences.

XII. Responsibility and Penalties

Our Group takes the subject of money laundering, corruption, and bribery very seriously. Any violation of this Policy will be regarded as a serious matter and shall result in disciplinary action, including termination, consistent with applicable law, Group's Code of Conduct, Policies, Procedures, Guidelines and Terms of Employment.

Every query or concern raised by any Employee in relation to any suspected violation of this Policy should be investigated by the Group's Values Standard Committee in accordance with procedure as laid in the ABMCPL Values Standard Committee Policy.

XIII. Periodic Review and Evaluation

1. The ABMCPL Values Standard Committee will monitor the effectiveness and review the implementation of this Policy, considering its suitability, adequacy, and effectiveness.
2. The Group reserves the right to vary and/or amend the terms of this Policy from time to time.

ANNEXURE- I: Transactions Requiring Higher Scrutiny

The Employees should be careful about the following transactions or situations which, when appearing together or individually, should raise a 'red flag':

1. A contract requires the use of a third-party consultant where the third party's principal or owner is a government official;
2. The business lacks qualifications or resources i.e., the potential business partner does not appear capable of performing the services being offered. Sham service contracts, under which corrupt payments are disguised using a consulting agreement or other arrangement are typical modalities for indulging in bribery or corrupt activities;
3. Any potential partner who provides guarantees of success or claims to have the ability to obtain licenses or other government approval without providing a description of a legitimate manner by which those goals will be accomplished;
4. Transactions involving unusual payment patterns or financial arrangements. Accordingly, a request to pay unusually high commissions is a warning sign of possible corruption. A request to deposit commissions in multiple bank accounts, perhaps in offshore banks, also justifies additional scrutiny;
5. A potential counterparty who refuses to accept an anti-bribery and anti-corruption or anti-money laundering clause in the proposed contract;
6. Based on pre-acquisition / counterparty due diligence, it becomes apparent that the potential counterparty has a reputation for offering bribes or violating other laws or indulging in unusual, structured transactions.
7. Inflated pay-outs to, or questionable role in the project of potential counterparty or its affiliate;
8. A proposed counterparty resists or fails to provide details of parentage or has undisclosed principals, associates or subcontractors with whom it splits fees.
9. Authorising or funding any transaction that is undisclosed or unrecorded in our books, records and accounts;

10. Omitting, falsifying or disguising entries in any of our books and records or inducing or facilitating any third party to do so on their own.

ANNEXURE-II: Employees Responsibilities

1. Each Employee 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 Employees.
2. Employees 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;
 - Accurately record payments or any other type of compensation made to a third party in Company's corporate books, records, and accounts;
 - Regularly monitor and/ or review suppliers, customers and other third-party service providers to identify business activity or governance that could indicate money laundering is taking place.
3. Employees shall 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 Company's books and records;
 - Use personal funds or third parties, including partners, to circumvent Company's procedures and controls, or to accomplish what is otherwise prohibited by this Policy;
 - Employees 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. Employees should make sure that contracts accurately reflect the economics of the transaction. If payment terms are confusing, clarifications should be sought;
 - Simply assume relevant third-party screening has already taken place: failure to check or update screenings periodically may put Group and its Employees at risk.