



ANTI-CORRUPTION POLICY

1. PHILOSOPHY

GMM Pfaudler Limited ("GMM Pfaudler" or the "Company") is committed to conduct all its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforce its ethical business practice, wherever it operates throughout the world, of discouraging, not engaging in and supporting any kind of bribery, corruption or unethical practices.

2. INTRODUCTION

GMM Pfaudler's Anti-Corruption Policy ("the Policy") emphasizes the Company's zero tolerance approach to bribery and corruption. It guides us to act professionally, fairly and with utmost integrity. The purpose of this document is to set out GMM Pfaudler's policy regarding prohibition of corrupt, illegal or unethical conduct ("Corrupt Behaviour") and the potential consequences thereof. It provides information and guidance on how to recognize and redress and /or deal with bribery and corruption issues. The Policy further encourages all Directors, employees, agents, consultants, contractors and all other people or bodies associated with the Company to raise concerns regarding Corrupt Behaviour and obtain redressal.

3. SCOPE AND APPLICABILITY

GMM Pfaudler's Anti-Corruption Policy shall apply to:

- a) All Directors of the Company, whether executive or non-executive, including independent and nominee Directors;
- b) All employees of the Company, whether temporary or permanent, irrespective of their grade/level.
- c) All contractors, consultants, trainees, volunteers, service providers, seconded staff, casual workers and agency staff, agents, relatives of employees/directors or any other person associated with the Company wherever located.

(Hereinafter termed as "Associates")

All Associates are expected to follow and comply with this Policy strictly in its true spirits. In countries where there are more stringent applicable laws, regulations, or industry codes, GMM Pfaudler requires compliance with the most restrictive requirement and the principles set out in this Policy shall stand superseded to that extent in those specific countries. If, however the provisions set forth in this Policy are more stringent than the applicable law, this Policy must be complied with.

4. DEFINITIONS

4.1. Anti-Corruption Laws mean and include all anti- corruption laws that may apply to GMM Pfaudler including but not limited to Prevention of Corruption Act, 1988 ("POC Act"), Prevention of Money Laundering Act, 2002 ("PML Act"), the Indian Penal Code, 1860 ("IPC"), Foreign Corrupt Practices Act, 1977 ("FCPA"), UK Bribery Act, 2010 and any other act as may be applicable, amended and/or substituted from time to time.

4.2. Bribery means the offering, promising, giving, receiving, soliciting or accepting of a financial or other advantage, or any other thing of value, with the intention of influencing or rewarding the behaviour of a person in a position of trust to perform a public, commercial or legal function in order to obtain or retain a commercial advantage.

Bribery includes not only direct payments, whether in cash or otherwise, but also authorizing or permitting an associate, their family members or third party partners to commit any of the acts or participate in such actions. Bribery also includes any attempt to do any of the foregoing. The Company prohibits all forms of bribery whether involving, but not limited to, Government Official or a private sector person or company and whether directly or indirectly.

4.3. Company means GMM Pfaudler Limited, incorporated under The Companies Act, 1956 and subsisting under The Companies Act, 2013.

4.4. Compliance Officer means the Chief Financial Officer and the Company Secretary and /or any such other persons who are the designated in writing by the Compliance Officers for every Company branch/office for implementing and monitoring compliance with the principles set forth in this Policy.

4.5. Corruption is a form of dishonest or unethical conduct by a person entrusted with a position of authority, often to acquire personal benefit. It includes many activities including giving or accepting Bribes. The areas of business where corruption, including bribery, can most often occur include:

- a) Gifts, Entertainment and Hospitality;
- b) Facilitation Payments;
- c) Procurement Process;
- d) Political, Community or Charitable Contributions;
- e) Improper Performance of Duties;
- f) Favours Regarding Recruitment Opportunities.



- 4.6. **Corrupt Behaviour** is the corrupt, illegal or unethical conduct of person including abuse of entrusted power for unethical gain, which includes but is not limited to taking, giving, or demanding Bribe either for himself or for any other person.
- 4.7. **Gift** is any payment, gratuity, gratification, present or advantage (pecuniary or not), offered or received. In a business environment, "Gifts" includes cash payments, or cash equivalents like gifts certificates, gift vouchers, shopping cards.
- 4.8. **Government Official** is any official or employee of a government or public sector organization (including departments or agencies thereof), or a person acting in an official governmental capacity. It shall include officials whether elected or appointed, who hold a legislative, administrative or judicial position of any kind in a country.
- 4.9. **Gratification** is not restricted to pecuniary gratifications or to gratifications estimable in monetary terms and shall include any and all the rewards given voluntarily for some service or benefit rendered, even without being requested so to do, either expressly or by implication.
- 4.10. **Kick-Back** is any payment, credit or other service provided, directly or indirectly, by an employee or intermediary for the purpose of improperly obtaining or rewarding favorable treatment in connection with a business arrangement or contract.
- 4.11. **Relatives** of an Associate shall include a relative or immediate relative as defined in the Companies Act 2013 or in the Listing Regulations and/or the Listing Agreement or in the SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereon.
- 4.12. **Standard Operating Procedure** is the Standard Operating Procedure for Receipt/Offer of Gifts & Hospitality under the present policy which is enclosed hereto.
- 4.13. **Whistleblower Policy** is the "Whistleblower Policy" of the Company.



5. POLICY FRAMEWORK

5.1 Bribe, Facilitation Payments or Kickbacks

The Company prohibits from giving or offering and accepting or receiving Bribes, Kickbacks, facilitation or similar payment or consideration of any kind, whether at office, home or otherwise, to any person or entity (including but not limited to any customers or potential customers, government officials, political parties, candidate for political office or any intermediaries, such as agents, attorneys or consultants) in order to:

- Influence official acts or decisions of that person or entity;
- Obtain or retain business or business advantage for, or direct business to, the Company; and/or secure any improper advantage.
- Secure any improper advantage of the offer or of the bribe, for any entity that he/she represents.

Furthermore, unless it is provided or received in accordance with this Policy or any other prevailing policy/guidelines of GMM Pfaudler, receiving or providing gifts, meals, entertainment or anything of value to any person or entity in connection with the Company business, shall amount to Corrupt Behavior which is prohibited by the Company.

5.2 Conflict of Interest:

A Conflict of Interest could be defined as a situation that arises when a decision-making authority is seen to have a personal stake in the outcome of the decision itself. Conflict of Interest is a situation in which an Associate (or one of his/her Relatives) has a private or personal interest, directly or indirectly, which (potentially) influences or appears to influence the objective exercise of his/her duties as an Associate to the detriment or benefit of the company.

To maintain and affirm objectivity and independence, Associate should observe caution and reject inappropriate pressure from external stakeholders to avoid conflict of interest whether actual, potential or perceived.



5.3 Dealing with Government Officials

The anti-corruption laws of many countries contain stricter rules with respect to Government Officials. Such laws make it unlawful for the Company or its officer, director, employee, or agent to corruptly offer, pay, give, promise to pay or give, or authorize the payment or gift of money or anything of value, to any foreign Government Official for the purpose of influencing an act or decision or securing an improper advantage in order to help GMM Pfaudler obtain or retain business.

A similar prohibition applies to a payment or gift to a foreign or local political party or party official or to a candidate for foreign political office.

Further, payment in cash or kind to Government Officials aiming to accelerate processing by the authorities of operations to which a legitimate right exists is common. However, these so-called facilitation payments are illegal as per the Anti-Corruption Laws locally.

Thus, the Company, its executive bodies and employees are refrained from granting the domestic or foreign public officials any personal benefits, even if the benefits have a small value.

GMM Pfaudler does not make, support or encourage any bribery or facilitation payments.

5.4 Donations:

GMM Pfaudler may make charitable donations that are legal and ethical under local laws and practices. Donations to political parties or their office-holders are however prohibited. Any other donations – such as for the promotion of science and research, for art, culture, sports, or for social or charitable causes – requires prior approval of the Compliance Officer/Board and/or such other approvals as may be specified in the Standard Operating Procedure (SOP) forming part of this Anti-Corruption Policy. All such donations or contributions shall be documented with a receipt. Directors, Employees or Associates may, in their personal capacity, make donations that are legal and ethical under local laws and practices.

5.5 Gifts and Hospitality

GMM Pfaudler acknowledges that exchange of nominal gifts and sharing of entertainment is customary in many parts of the world during national, cultural and religious occasions. However, offers or gifts or hospitality (including entertainment or travel) which are frequent or of substantial value may create the perception of, or an actual conflict of interest or is an “illicit payment”. Giving or receiving of gifts or hospitality is not prohibited under this Policy if all the following requirements are met:

- No quid pro quo – There must always be a legitimate business purpose to support gifts related expenses. Customary gifts, meals, entertainment, travel or lodging may never be given or received in return for a favour/ favourable treatment or to refrain from doing something disadvantageous to the Company.
- It complies with the Applicable laws and customs.
- It does not include cash or cash equivalent (such as gift certificates or vouchers)
- It is appropriate in the circumstances. For e.g. In India it is customary for small gifts to be given during Diwali and Christmas time.
- It is of an appropriate type, value and given at appropriate time considering the reason for the gift or hospitality.
- It is given or received openly, not clandestinely and in a manner that avoids the appearance of impropriety.
- Every gift exchanged shall be so exchanged in strict compliance with the SOP.

The test to be applied is whether in all the circumstances the gifts, hospitality and entertainment is modest, desirable and reasonable and that requisite approvals of such authorities as specified in Policy SOP has been obtained.

In case the gifts received do not meet the above criteria, the Compliance Officer may decide on the further use of the gifts or the gifts may be distributed within the Company amongst the employees by means of a lottery.

5.6 Prevention of Money Laundering

GMM Pfaudler is committed to comply with all the applicable laws and regulations relating to money laundering along with the other Anti-Corruption Laws. All Associates are also expected to comply with the said laws and regulations, specifically:

- Make sure you complete all your “know your customer” requirements.
- Double-check the accuracy and reliability of the customer information data.
- Be alert and report any unusual or suspicious activity to the Compliance Officer or the concerned Departmental Head.

6. BOOKS, RECORDS AND INTERNAL CONTROLS

- 6.1 GMM Pfaudler is committed to keep accurate books and records and to maintain internal controls to prevent and detect potential violations of policies of the Company or of applicable laws.



- 6.2 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness.
- 6.3 No records shall ever be kept "off-book" to facilitate or conceal improper payments.
- 6.4 Always on the side of including more information about a transaction or an expense, rather than less. The goal is to ensure that the Company's books, records and accounts accurately and fairly reflect our transactions in reasonable detail. Transparency and completeness in records help demonstrate compliance with this policy and with applicable laws and regulations.
- 6.5 If any employee or associate realizes that he/she mistakenly failed to provide complete information about a transaction or expense, he/she must escalate it to his/her Supervisor immediately. Attempts to hide such a mistake or falsifying of records should be avoided by Associates. It is best to be open and honest about the issue and work transparently with a Supervisor in trying to correct it properly in the Company's books and records.

7. RISK AREAS

Bribery can be a risk in many areas of operations. The key areas you should be aware of in particular:

- Excessive gifts, entertainment and hospitality can be used to exert improper influence on decision makers. Gifts, entertainment and hospitality may be acceptable provided they fall within GMM Pfaudler's accepted practices as mentioned hereinabove or and approved by the Compliance Officer or Departmental Head.
- Facilitation payments are used by businesses or individuals to secure or expedite the performance of a routine or necessary action to which the payer has an entitlement as of right.
- Improper payments to obtain new business, retain existing business or secure any improper advantage are not acceptable. Reciprocal agreements are acceptable only if they are legitimate business arrangements which are properly documented and approved by management.

- Actions by third parties for which the Company may be held responsible: Third Parties can include a range of people i.e., agents, contractors and consultants, acting on GMM Pfaudler's behalf. Appropriate due diligence should be undertaken before a third party is engaged. Third parties should only be engaged where there is a clear business rationale for doing so, with an appropriate contract in that behalf. Any payments to third parties should be properly authorized and recorded.

8. HOW DO I KNOW IF SOMETHING IS A BRIBE?

In most circumstances, common sense will determine when a Bribe is being offered. However, here are some questions you should ask yourself if in doubt:

- Am I being asked to pay something or provide any other benefit over and above the cost of the services being performed, such as an excessive commission, a lavish gift, a kickback or contributing to a charity or political organization?
- Am I being asked to make a payment for services to someone other than the service provider?
- Are the hospitality or gifts I am giving or receiving reasonable and justified? Would I be embarrassed to disclose them?
- When a payment or other benefit is being offered or received, do I know or suspect it is to induce or reward favorable treatment, to undermine an impartial decision making process or to persuade someone to do something that would not be in the proper performance of their job?

9. RAISING A CONCERN AND PROTECTION

- 9.1 All Associates are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If they are unsure whether a particular act constitutes bribery or corruption, or if they have any other queries, these should be raised with the Compliance Officer. Prevention, detection and reporting of Corrupt Behaviour is the responsibility of all employees throughout the Company. Concerns should be reported by following the procedure set out in "Whistle-Blower" policy.
- 9.2 An Associate who refuses to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. GMM Pfaudler aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.



9.3 The Company will ensure that no one will suffer any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern. If any Associate believes that he or she has suffered any such treatment, he or she should inform the Head of Department or Compliance Officer immediately.

10. WHISTLE-BLOWER POLICY

“Whistle Blower” means an Associate making a Protected Disclosure under this Policy.

Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Compliance Officer or any other designated Officer of the Company.

The terms of the “Whistleblower Policy” shall be considered to part and parcel of the present Policy and any protected disclosure of Corrupt Behaviour, abuse of authority etc. made by a whistleblower shall be dealt with in accordance with the “Whistle blower Policy” of the Company.

11. RESPONSIBILITY AND MONITORING

The Head of Departments of GMM Pfaudler are responsible for overseeing the compliance within their respective Departments with all provisions set forth in this Policy. However, none of these measures relieves GMM Pfaudler’s employees and executive bodies from their duties stipulated in this Policy.

12. POSSIBLE CONSEQUENCES OF CORRUPT BEHAVIOUR AND VIOLATION OF THE POLICY

The potential consequences of violating or participating in the violation of the Policy/ Corrupt Behaviour may be severe regardless of whether one is initiating the act leading to violation of the Policy or Corrupt Behaviour (such as offering a Bribe to another) or is the beneficiary of such violation or Corrupt Behaviour (such as accepting an offer of Bribe).

Depending on the circumstances associated with such act or acts leading to violation of the Policy or Corrupt Behaviour, the Company may initiate against the implicated individual/s (who are employees of the Company) strict disciplinary action which may include termination of employment (further including recovery of previously paid salary)..This may be in addition to the penalties /punishment prescribed under the prevailing laws.



Additionally, the persons /associates implicated in violation of the policy or Corrupt Behaviour may also be subject to regulatory or law enforcement investigation, civil and/or criminal prosecution and administrative sanction, such as debarment from working in a defined industry, as well as financial penalties and as prescribed under the Anti-Corruption Laws.

13. FURTHER QUESTIONS AND CASES OF DOUBT

Any questions / clarifications regarding this Policy shall be addressed by the Compliance Officer.

14. REVIEW OF ANTI-CORRUPTION POLICY

We are committed to periodically review and update our policies and procedures based on the learning and amendments in various laws including the Anti-Corruption Laws. The Compliance team shall monitor the effectiveness and review the Policy as well as its compliance from time to time. Any amendment or waiver of any provision of this Policy must be approved in writing by the Company's Board of Directors. Such amendments in this Policy shall be binding on GMM Pfaudler and its employees as if they were originally a part of this Policy.

Document Control

All changes to the process document can be made only by the Document Owner.

Document Owner	Board of Directors of GMM Pfaudler Ltd.
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