ANTI-BRIBERY & ANTI-CORRUPTION (ABAC) POLICY

1. POLICY STATEMENT
This policy is issued in pursuant to “Code of Ethics and Business Conduct” and to ensure that the business of Godrej & Boyce Manufacturing Co. Ltd., and its affiliates and subsidiaries (“the Company”) is conducted in an honest and ethical manner. The Company takes a zero-tolerance approach to Bribery and Corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates, as well as implementing and enforcing effective systems to counter bribery.

The Company will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which it operates. It remains bound by local, national and international laws.

2. DEFINITIONS
a) “Bribery” / “Corruption”: Bribery occurs when one person offers, pays, seeks or accepts a payment, gift, favour, or a financial or other advantage from another to unfairly influence a business outcome, to induce or reward improper conduct or to gain any commercial, contractual, regulatory or personal advantage. It can be direct or indirect through Third Parties or agents.

Corruption includes wrongdoing on the part of an authority or those in power through means that are illegitimate, immoral or incompatible with ethical standards. Corruption often results from patronage and is associated with bribery.

- “Third Party”: Any individual or organisation that interacts with the Company and its employees. This includes actual and potential customers, suppliers, business contacts, Intermediaries, government and public bodies, including their advisors, representatives and officials, politicians and political parties.

- “Agent”: Any individual acting as an agent, appointed by the Company, acting on the Company’s behalf in negotiating with Third Parties.

Examples of bribery include, but are not limited to:

- “Gifts”: Gifts given or received to unfairly influence a business outcome
- “Travel and entertainment Expenses”: Unreasonable expenditures of third parties and / or their relatives for travel, meals, and entertainment expenses not legitimately related to tours of the Company’s facilities or that may not be related to the Company’s promotion of its services.
- “Facilitation Payments”: Any payment made with the purpose of expediting or facilitating the performance by a Public Official of a routine governmental action.
- “Kickback”: A bribe to obtain an undue advantage, where a portion of the undue advantage flows to the person who gave, or is supposed to give, the undue advantage.
o “Donation”: A Donation in the form of monetary or non-monetary gifts to a fund or cause wherein return service or payment is expected or made. Contributions to industry associations or fees for memberships in organisations that serve business interests are not necessarily considered Donations.

o “Offering Employment”: Offering employment to a relative of third party in order to gain unfair advantage in a present / future business dealing or as a quid pro quo for an advantage that was bestowed upon us in a business dealing in the past.

b) Other Parties:

- “Intermediary”: Includes but is not limited to Agents, distributors, consultants, sales representatives, implementation partners, sales partners.

- “Public Official”: Officials or employees of any government or other public body, agency or legal entity, at any level, including officers or employees of state-owned corporations

c) “Corporate ABAC Officer”: A senior employee deputed by the Top Management to administer and ensure compliance related to the Anti-Bribery & Anti-Corruption (ABAC) Policy.

3. SCOPE

This policy applies to all employees (full-time, part-time and those on contractual assignments) of the Company including entities over which the Company has management control. This policy is also applicable to relevant Third Parties and their employees deployed for the Company’s activities, whether working from any of the Company's offices or any other location and shall be communicated to them prior to entering into a business relationship and as appropriate thereafter.

This policy applies in all countries or territories where the Company operates. Where local customs, standards, laws or other local policies apply that are stricter than the provision of this policy, the stricter rules will be complied with. However, if this policy stipulates stricter rules than local customs, standards, laws or other local policies, the stricter rules of this policy shall apply.

4. PRINCIPLES AND GUIDELINES

4.1. GIFTS

a) The Company permits items of nominal value (such as Corporate calendar, pens, mugs, books, T-shirts, bouquet of flowers or a pack of sweets or dry fruits, preferably Godrej products) to employees of current or prospective clients, whether in private or government sector, as modest gifts in the ordinary course of business, provided that:

- Such gifts are not intended to induce the recipient to confer any business advantage in return;
- Such gifts do not exceed INR 10,000/- in value (or its equivalent foreign currency);
- No cash or cash equivalent like jewellery etc., are paid.
• Presenting any such gift will be in conformity with the written laws, customary practices of the country in which the gift has been made; and

• The employee presenting such gift does so on behalf of the Company

Any gifts given of value up to INR 2500 would need approval from the Functional Head; Above INR 2500, but up to INR 5000 will need approval of Business Head and above INR 5000, but up to INR 10000 will need approval from the President. The approver would ensure that the gift is in line with this Policy read along with the Code of Ethics and Business Conduct of the Company. Presenting any gift in excess of INR 10000 requires the prior written approval from the Corporate ABAC Officer.

Under this Policy, but subject to the Company’s Code of Ethics and Business Conduct which shall prevail in all instances, Company employees may receive gifts from employees of the Company’s current or prospective clients, vendors, or any commercial partners provided that the value of the gift does not exceed INR 2500. In case, the value of the gift exceeds INR 2500, the concerned employee should politely return the gift.

b) The Company appreciates that the practice and culture of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be so, in another. In all circumstances, the test to be applied is whether the gift or hospitality is reasonable, justifiable and proportionate. The intention behind the gift should always be considered.

4.2. TRAVEL AND ENTERTAINMENT EXPENSES

The company acknowledges that there could be instances of nominal expenses incurred during interactions/engagements with Business Partners/Third Parties. These expenses could be towards lunch/dinner meals, organizing vehicle for local commute to place of work or meeting; not extended to family members/relatives of Business Partners/Third Parties who are not connected with Business.

Any entertainment expenses which include food and local commute, would need approval as per the table below:

<table>
<thead>
<tr>
<th>Expenses (Per Person)</th>
<th>Approval Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;=Rs. 2500/-</td>
<td>Employee --&gt; Functional Head/Zonal Head/LOB Head (T band and above)</td>
</tr>
<tr>
<td>&gt;Rs. 2500/- and &lt;= Rs. 5000/-</td>
<td>Employee --&gt; Functional Head/Zonal Head/LOB Head (T band and above) --&gt; BU Head</td>
</tr>
<tr>
<td>&gt;Rs. 5000/-</td>
<td>Employee --&gt; Functional Head/Zonal Head/LOB Head (T band and above) --&gt; BU Head --&gt; ABAC Officer</td>
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</tbody>
</table>
Any expenses towards outstation travel of Business Partners/Third Parties (as defined in this Policy) including air fare, lodging and boarding would need the approval of the Business Head. The ‘Domestic Tour and Travel Policy for employees’ can be used as a guide for permissible limits for such expenses, keeping in mind the role and position of the Third Party/Business Partner in his/her own organization.

The approver would ensure that expenses are in line with this Policy read along with the Code of Ethics and Business Conduct of the Company.

4.3. FACILITATION PAYMENTS
As a general practice, Company does not make Facilitation Payments of any kind anywhere in the world. The only limited exception to this is in circumstances where the safety or security of the employee or the Third Party is at stake and for which prior written approval must be obtained from the Corporate ABAC Officer.

4.4. KICKBACKS
The Company prohibits making or accepting kickbacks of any kind. Employees must avoid any activity that might lead to or suggest that a Kickback will be / has been made or accepted by the Company.

4.5. DONATIONS

a) TO CHARITABLE ORGANIZATIONS
Donations to charitable organizations ordinarily are considered good corporate citizenship. The Company only makes charitable donations that are legal and ethical under local laws and practices and also within the corporate governance framework of the Company. The Company’s CSR initiatives focus on causes such as Education, Health & Sanitation, Environment and Livelihood.

Any Company payment to a charity, domestic or foreign, requires the prior approval of the Corporate ABAC Officer.

b) TO POLITICAL PARTIES
Political contributions are monetary or non-monetary (e.g., resources, facilities) contributions to support political parties, politicians or political initiatives.

The Company does not make any kind of political contributions and expects all to adhere to the same.
4.6. OFFERING EMPLOYMENT TO A FRIEND OR RELATIVE OF THIRD PARTY

The Company would not give preference during recruitment to any friend or relative of a third party. All candidates will be selected only on the basis of merit.

5. EMPLOYEE ACCOUNTABILITIES

a) It is not acceptable for employees (or someone on their behalf) to:

- Give, promise to give, or offer, a payment, gift or hospitality to a Public Official or Third Party:
  - with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
  - to ‘facilitate’ or expedite a routine procedure;
  - in employee’s name and not in the name of the Company;
  - if it includes cash or a cash equivalent (such as gift certificates or vouchers);
  - if it is of an inappropriate type and value and given at an inappropriate time (e.g. during a tender process); and
  - if it is given secretly and not openly.

- threaten or retaliate against another employee who has refused to commit a bribery offence or who has raised concerns under this policy.

The points stated above are illustrative in nature and in no way, intend to limit the applicability of this Policy.

b) The prevention, detection and reporting of any form of Bribery & Corruption are the responsibility of all employees. Employees must notify Company’s Whistle Officer as soon as possible, if they are offered a bribe, are asked to make one, suspect that this may happen in the future, or believe that they are a victim of another form of unlawful activity or are aware of any bribe paid or received by any colleague or third party.

c) This Policy shall apply and all employees need to ensure strict adherence to the Policy irrespective of whether amount paid for gifts, entertainment, travel etc. are claimed by the employee from the Company.

d) All Employees have the responsibility to read, understand and comply with this policy. They should at all times, avoid any activity that might lead to, or suggest, a breach of this policy.

This policy should be read in conjunction with the Company’s Code of Ethics and Business Conduct.
6. WILFUL BLINDNESS
If an employee wilfully ignores or turns a blind eye to any evidence of corruption or bribery within his / her department and/or around him / her, it will be treated as a violation under this policy. Although such conduct may be “passive”, i.e. the employee may not have directly participated in or may not have directly benefited from the corruption or bribery concerned, the willful blindness to the same can, depending upon the circumstances, carry the same disciplinary action as an intentional act.

7. CLAIMS BY EMPLOYEES FOR PAYMENTS MADE FOR GIFT, TRAVEL AND ENTERTAINMENT EXPENSES
Employees need to take prior approval for making payments for Gifts and Travel and Entertainment expenses of Third Parties or Public Officials as per the policy.

Reimbursement for such expenses incurred should be requested by filling a Payment Voucher done as per Company’s guidelines mentioning details such as name of the Party entertained, recipient of the gift and the reasons for the gift or entertainment etc. The duly sanctioned pre-approval, together with original receipts / Invoices, must be attached to the Payment Voucher for alongwith reimbursement claim.

8. RECORD KEEPING
The Company will keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to, and receiving payments from, third parties.

Employees must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review and/or a review from the Divisional Compliance Officer or Corporate ABAC Officer.

Employees must ensure that all expense claims relating to hospitality, gifts or expenses incurred for third parties are submitted in accordance with the Company's applicable policy and specifically record the reason for such expenditure. Employees shall further ensure that all expense claims shall comply with the terms and conditions of this policy.

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.

No records shall ever be kept "off-book" to facilitate or conceal improper payments.

9. AUDIT PROCEDURES TO VERIFY COMPLIANCE
In line with this Policy, the Company will conduct, via the Internal Audit Department and/or an external auditor, regular and confidential audits as described in this section. These regular audits are designed to prevent and detect violations of the Anti-Bribery and Anti-Corruption Policy and other Company policies, practices and procedures. The audits shall focus on the following items:

- ensuring compliance with the Anti-Bribery and Anti-Corruption Policy;
- communication with and education of all pertinent Company Personnel;
• establishment and implementation of monitoring mechanisms;
• review of a random sample of the Company’s business agreements;
• due diligence procedures taken prior to entering into arrangements with third parties; and
• best efforts to ensure all subsidiaries comply with the Anti-Bribery and Anti-Corruption Policy.

The regular audits should also include a review of the Company’s books and records maintained by the Finance Department pertaining to the entertainment, gift, and travel expenditures by Company Personnel on behalf of the Company. As necessary, such regular audits should also include records pertaining to social payments and donations to charities.

10. PROTECTION FROM RETALIATION

Employees who refuse to take part in bribery or corruption, or report in good faith under this policy their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future will be protected from detrimental treatment/retaliation. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

11. GOVERNANCE

The respective Business Unit Heads or Corporate Functional heads have overall responsibility for ensuring that their Business Unit or Corporate Function complies with our legal and ethical obligations, and that all those under our control comply with it.

The Divisional Compliance Officer has primary and day-to-day responsibility for implementing this policy and for monitoring its use and effectiveness.

Managers at all levels are responsible for ensuring that they exemplify the principles outlined in this policy and ensure that their team adheres to the policy.

12. REPORTING OF CONCERNS & VIOLATIONS AND RAISING OF QUERIES ON ANTI-BRIBERY AND CORRUPTION

Every person, to whom this policy applies, is encouraged to raise their concerns about any bribery issue or suspicion of malpractice at the earliest possible stage.

The Company has formulated the Whistle Blower Policy with a view to provide a mechanism for its employees to raise concerns on any violations of Company Policies especially with respect to legal or
regulatory requirements or financial irregularities etc. (For more details, refer to the procedure for reporting and dealing with disclosures under the Whistle Blower Policy).

Whistle blowers are encouraged to put their names to their disclosures. However, individuals may raise concerns anonymously.

Once an employee’s disclosure or concern has been submitted, it will be jointly reviewed by the Whistle Officer (presently, the Company Secretary), Head - Personnel & Administration and the Corporate ABAC Officer (presently, the General Counsel).

The Corporate ABAC Officer, Head – Personnel & Administration and Head – Internal Audit will jointly appoint an ABAC Committee to jointly conduct investigation as mentioned below:

a. **In case of HO- Vikhroli:** Internal Audit team member, Divisional HR (or HR of the Corporate Function in case the employee is from Corporate Function), the Divisional Finance Head (or Finance Head of the Corporate Function in case the employee is from Corporate Function) or any other person nominated by the Head – Personnel & Administration or CFO.

b. **In case of Branches:** Internal Audit team member, Regional Commercial Manager, Regional Accountant, the concerned Divisional / Location Personnel Head for the Business Unit to which the employee being investigated belongs (or HR of the Corporate Function in case the employee is from Corporate Function) or any other person nominated by the Head – Personnel & Administration or CFO.

c. **In case of other locations:** Internal Audit team member, Location Finance Head, Location HR Head / Divisional Personnel Head of the Employee being investigated (or HR of the Corporate Function in case the employee is from Corporate Function) or any other person nominated by the Head – Personnel & Administration or CFO.

The ABAC Committee shall conduct such investigations in a timely manner and shall submit a written report containing the findings and recommendations to the Corporate ABAC Officer as soon as practically possible and in any case, not later than 90 days from the date of receipt of the Disclosure.

The Corporate ABAC Officer, Whistle Officer, Head – Personnel & Administration and the President will jointly decide the action to be taken on the recommendations.

Disclosures against any employee in Strategic Job Responsibility Band (or equivalent) or the Business Unit Heads or the Executive Directors should be sent directly to the CMD of the Company.

For more details, refer to the representation of the process flow given in Annexure A.

The Committee’s report will be dealt with confidentiality. If an employee is unsure whether a particular act constitutes bribery or corruption or if they have any other queries, these should be raised with their respective Manager and / or Divisional Compliance Officer and/or the Corporate ABAC Officer via abac.officer@godrej.com.
Employees who violate this Policy are subject to disciplinary action which may include any of the following:

a. Formal apology
b. Counselling
c. Written warning and a copy of it maintained in the employee’s file.
d. Change of work assignment / transfer
e. Suspension or termination of services of the employee found guilty of the offence

Commercial partners, such as consultants and representatives, that violate this Policy may be subject to the imposition of large fines / penalties as the case may be or the immediate termination of all commercial relationships with the Company in discussion with the respective Business Heads.

The Company is in the process of providing an Online portal to all employees and third parties, wherein they will be able to make disclosures of any breach of this policy. The disclosures will be directed to the respective authorities for further action.

13. MONITORING AND REVIEW

a) This Policy will be administered by the Company’s Corporate ABAC Officer, who will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. The Divisional Compliance Officer will report any violations of this Policy to the Corporate ABAC Officer. The Corporate ABAC Officer will be supported by the Company’s Personnel & Administration, Internal Audit, Finance, and Legal Departments.

b) To ensure that all Company employees and all its business partners, relevant third parties, subsidiaries and affiliates are thoroughly familiar with the provisions of this Policy and any other applicable anti-corruption laws, the Company shall provide training and resources to Company employees, as appropriate.

c) Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective. Head – Internal Audit will report to the ABAC Officer annually on the application and effectiveness of this policy.
Annexure A
PROCESS FLOW

1. Whistle blower raises a concern/disclosure to the Whistle Officer/ CMD
   - Whistle Officer acknowledges receipt of the Disclosure within 7 days of receipt
   - To Whistle Officer

2. Whistle Officer, Policy Process Owner (Corporate ABAC Officer) and Head- P&A jointly examine the allegations
   - If allegations constitute a Malpractice in the nature of bribe or corruption then Whistle Officer will forward the concern / disclosure to the Corporate ABAC Officer
   - Corporate ABAC Officer will appoint an appropriate Committee which conducts a detailed investigation with the Subject and other individuals
   - ABAC Committee submits its Report, preferably within 90 days of receipt of concern / disclosure to the Corporate ABAC Officer

3. Concern Not Proved
   - Whistle Officer, Corporate ABAC Officer, Head- P&A and President of the Company will jointly discuss on the findings and depending on concerns proved further action will be taken.
   - Communication of decision to Whistle blower
   - Process ends

4. Concern Proved
   - Disciplinary Action is taken against the Subject including preventive measures
   - Communication of decision to Whistle blower
   - Process ends

5. If required, the disclosure may be sent to the CHAIRMAN AND MANAGING DIRECTOR who will constitute an appropriate Investigation Committee. The appointed Committee will conduct a detailed investigation and submit its Report to the CMD, preferably within 90 days of receipt of concern/disclosure. The CMD will take decision on the action to be taken, in case the concern is proved.

   - To CMD
   - Process ends

6. Whistle blower may appeal to the CMD, if not satisfied with the outcome of the investigation.
   - CMD may act on the appeal (Review/ order a fresh investigation team which may send him the report directly)

   - Process ends
Annexure B

FREQUENTLY ASKED QUESTIONS

Query 1: I am the Regional Head and during my visit to Kolkata Branch I hosted my team for dinner at a restaurant as part of a team motivation exercise. Will this come under the purview of Anti-Bribery and Anti-Corruption (ABAC) Policy?
Response: Team meetings and events involving only G&B employees would be governed by the existing Company HR Policies for employees. Any meetings/events which involve third parties including but not limited to actual and potential customers, suppliers, business contacts, Intermediaries, government and public bodies, including their advisors, representatives and officials, politicians and political parties would come under the purview of ABAC Policy.

Normal business expenses towards team motivation, sales target achievement, etc. wherein only internal employees are present, can be reimbursed, as per the existing Company HR Policies for employees. Details of employees (Salary Codes and Names) present along with the approved budget (if any) should be mentioned on the claim voucher and follow the existing process of approvals and reimbursement.

Query 2: One of our suppliers had visited the office and as a courtesy, we offered to take him for tea and snacks to a nearby restaurant as we do not have a cafeteria at the Branch Office. Do I need to take approval from the Business Head for the reimbursement of such expenses under Anti-Bribery and Anti-Corruption (ABAC) Policy?
Response: Business meals and entertainment may be provided to business partners, so long as these courtesies are not offered for any improper purpose, do not violate any law or regulation and do not violate the Code and policies of the Company. Expenses of a reasonable nature extended to customers and business associates as normal courtesies such as tea, coffee, snacks can be viewed as Business Expenses which can be approved as per the approval flow mentioned in Section 4.2 Travel and Entertainment Expenses of the ABAC Policy.

Query 3: Our business has a Sales Reward Scheme for Dealers and the top 10 Dealers are rewarded with an all-expenses paid trip to Goa. Would the expenses incurred during such events require approval as per the ABAC Policy?
Response: As normal business practice, Businesses would encourage business partners to meet or surpass business targets through incentives by way of increased margins/commissions/group tours etc. Such incentives are budgeted and vetted out by Business Head/Finance Head/Functional Head/Zonal Head, and bills are cleared as per existing Authorization matrix and workflows. Such expenses which promote legitimate sales are permitted and will not need additional approval of the ABAC Officer.
Query 4: I had hosted 5 of our Dealers for lunch at a nearby restaurant and the expenses amounted to Rs. 2400/-. Do I need to take approval while claiming these entertainment expenses?

Response: As per the guidelines laid down in the policy, any expenses incurred on entertainment of third-party/business partners should be approved by the respective authority as per the approval matrix defined in Section 4.2 Travel and Entertainment Expenses of the ABAC Policy.

In this case, expenses amounted to Rs. 400/- per person towards lunch for the group (Employee + 5 Dealers). Hence, as per the policy guidelines, you need to take approval from your respective Functional/Zonal/LOB Head (min. T Band) and claim the amount spent as entertainment expenses.

Query 5: I had hosted 4 of our Dealers for dinner at a restaurant and the expenses amounted to Rs. 10000/-. Who do I need to take approval from while claiming these entertainment expenses?

Response: As per the guidelines laid down in the policy, any expenses incurred on entertainment of third-party/business partners should be approved by the respective authority as per the approval matrix defined in Section 4.2 Travel and Entertainment Expenses of the ABAC Policy.

In this case, expenses amounted to Rs. 2000/- per person towards lunch for the group (Employee + 4 Dealers). Hence, as per the policy guidelines, you need to take approval from your respective Functional/Zonal/LOB Head (min. T Band) and claim the amount spent as entertainment expenses.

Query 6: I had hosted 2 Vendors for dinner at a restaurant and the expenses amounted to Rs. 9000/-. Who can approve the entertainment expenses?

Response: As per the guidelines laid down in the policy, any expenses incurred on entertainment of third-party/business partners should be approved by the respective authority as per the approval matrix defined in Section 4.2 Travel and Entertainment Expenses of the ABAC Policy.

In this case, dinner expenses (entertainment expenses) exceeded Rs. 2500/- per person for the group (Employee + 2 Vendors). Hence, as per the policy guidelines, you need to take additional approval from your Business Head after approval from your respective Functional/Zonal/LOB Head (min. T Band) and claim the amount spent as entertainment expenses.

Query 7: I had hosted 2 of our Dealers for lunch and 4 Vendors for dinner on the same day. Can I claim the amount spent on entertainment expenses for both these events?

Response: Yes, you can claim entertainment expenses for both occasions. If the spend does not exceed Rs. 2500/- per person/per occasion, the reimbursement can be approved by your Zonal/Functional/LOB Head. If the entertainment expenses exceed Rs. 2500/- per person/per occasion, it would have to be additionally approved by the Business Head and if the claim exceeds Rs. 5000/- per person per occasion, it would require approval from the ABAC Officer after approval from the Business Head.