

UPL Limited		SOP
For the attention of: All employees of the Company	Anti Bribery & Corruption Policy	Pages:9 Version: First Issued: 16th May 2014 Last issued date: NA Supersedes: NA
PREPARED BY:		APPROVED: Management

Introduction: UPL Group is committed to the prevention, detection and deterrence of fraud, bribery and all other corrupt business practices. We endeavor to conduct our business activities with honesty, integrity and the highest possible ethical standards. In view of the nature, scale and geographic range of our activities and protect our reputation, this policy is being implemented globally to check and address the risk of bribery and corruption.

1. Purpose

(a) The purpose of this policy is to:

- (i) set out the responsibilities of the company and of those working with us, for us or associated with us, in observing and upholding our position on bribery and corruption; and
- (ii) provide information and guidance to those working for us on how to recognize and deal with bribery and corruption issues and navigate through such issues
- (iii) to ensure compliance with the anti-bribery and corruptions laws to which we are subject to, including the Prevention of Corruption Act, 1988 (India), Bribery Act 2010 (United Kingdom), the Foreign Corrupt Practices Act of 1977 (U.S.A.), Brazil- Law No. 12.846/2013, 2014 and similar laws of other jurisdiction to which we may be subject to.

In this policy the use of the terms "we", "our" and "us" refer to UPL Limited (formerly, United Phosphorus Limited), the public listed Indian company and its direct or indirect subsidiaries.

2. Definitions

(a) **"Bribe"**: an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage through "improper performance. Bribe can take many forms, for example:

- (i) money (or money equivalent);
- (ii) unreasonable gifts, entertainment or hospitality;



- (iii) kickbacks;
 - (iv) unwarranted rebates or excessive commissions (e.g. to sales agents or marketing agents);
 - (v) unwarranted allowances or expenses;
 - (vi) “facilitation payments”/payments made to perform their normal job more quickly and/or prioritize a particular customer;
 - (vii) political/charitable contributions;
 - (viii) uncompensated use of company services or facilities; or
 - (ix) anything else of value.
- (b) **“Corruption”**: abuse of public or private office for personal gain.
- (c) **“Governmental Entity”** means any government or any agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.
- (d) **“Facilitation Payments”**: payment made to smoothen the process of delivering a service to which the payer is legally entitled without making such a payment.
- (e) **“Improper Performance”**: an act whereby a person fails to act (1) in good faith, (2) impartially or (3) in accordance with a position of trust.
- (f) **“Kickbacks”**: an illicit payment made to someone in return for facilitating a transaction or appointment.
- (g) **“Public Officials”** means persons employed by or working with the Governmental Entity, government owned or controlled commercial enterprises, international organizations (like United Nations and WHO), political parties and political candidates.
- (h) **“Third Party”** means any individual or organization you come into contact with during the course of your work for us, and includes actual and potential customers, suppliers, distributors, business contacts, agents, advisers and Public Officials.
- (i) **“Workers”** mean individuals working at all levels and grades with us, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, seconded staff, homeworkers, casual workers and agency staff, agents, or any other person associated with us, or any of our subsidiaries or their employees, wherever located.

3. To whom does this policy apply?

This policy applies to all Workers (please see definition above).

4. What this policy means for you?

- (a) It is an offence (1) to bribe another person, (2) to be bribed, (3) to bribe a Public Official and (4) for a company to fail to prevent bribery or corruption
- (b) You must never offer, promise or give a financial or other advantage to any person or a Third Party related to that person (including Public Officials) with the intention of inducing or rewarding improper performance by them of their duties.
- (c) You must never directly or indirectly accept or agree to receive a financial or other advantage as a reward for the improper performance of your duties. It makes no difference whether the advantage is for you or a Third Party.
- (d) Where your role requires this, you are permitted to give and receive hospitality (you should ask your HoD if you are unsure about this), but this should always be in a reasonable and proportionate manner. Further guidance on this is set out in this policy later on.
- (e) You must read this policy carefully and if you have any questions on it, please revert to your HoD or Corporate HR.

5. Our principles

It is our best practice objective that those we do business with take a similar zero-tolerance approach to bribery and corruption.

7. How do I know if something is a bribe?

- (a) In most circumstances, common sense will determine when a bribe is being offered or accepted. However, here are some questions you should ask yourself if in doubt:
 - (i) am I being asked to pay something or provide any other benefit over and above the cost of the services being performed, for an example an excessive commission, a lavish gift, a kickback or make a contribution to a charity or political organization?
 - (ii) am I being asked to make a payment or do a favour for services to someone other than the service provider?
 - (iii) are the hospitality or gifts I am giving or receiving reasonable and justified? Would I be embarrassed to disclose them?
 - (iv) when a payment or other benefit is being offered or received, do I know or suspect it is to induce or reward favourable 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?

8. Gifts and hospitality

- (a) This policy does not prohibit normal and appropriate hospitality (given and received) to or from Third Parties.
- (b) The giving or receipt of gifts and hospitality is not prohibited, if the following requirements are met:
 - (i) you have disclosed it to your HoD in advance (where it is possible to do so or as soon as possible afterwards);
 - (ii) it is not made with the intention of influencing, inducing or rewarding a Third Party in order to gain any advantage through improper performance, or in explicit or implicit exchange for favours or benefits;
 - (iii) it complies with local law;
 - (iv) it is given in the company name, not in your name;
 - (v) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
 - (vi) it is appropriate in the circumstances;
 - (vii) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time. For example, customers are unlikely to be able to accept hospitality from us if we are participating in a tendering process with them;
 - (viii) is not of excessive value;
 - (ix) gifts and /or hospitality should not be offered to, or accepted from, government officials or representatives; and
 - (x) gifts and/or hospitality should not be offered to, or accepted from Public Officials, without the prior approval of both the HoD and the management.
- (c) Where it is an accepted part of your role (you should ask your HoD if you are unsure about this) you can offer and accept a reasonable amount of moderate hospitality for the purposes of business development, having regard to paragraph 8(b) above.
- (d) We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable, proportionate and justifiable. The intention behind the gift or hospitality should always be considered.

9. What is not acceptable?

Notwithstanding the above, it is not acceptable for you (or someone on your behalf) to:

- (a) give, promise to give, or offer, a payment, favour, gift or hospitality with the intention of influencing, inducing or rewarding improper performance;



- (b) give, promise to give, or offer, a payment, favour, gift or hospitality to a Public Official, agent or representative to "facilitate" or expedite a routine procedure (where the payment is not a legitimate payment pursuant to local written law);
- (c) accept payment or favour from a Third Party that you know or suspect is offered with the expectation that it will obtain a business advantage for them which will be obtained through improper performance by you or us;
- (d) accept a gift or hospitality from a Third Party if you know or suspect that it is offered or provided with the intention of influencing improper performance by us in return;
- (e) threaten or retaliate against another Worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (f) engage in any activity that might lead to a breach of this policy.

10. Willful blindness

- (a) If any Worker willfully ignores or turns a blind eye to any evidence of corruption or bribery within their department or around them, it will also be taken against the Worker.
- (b) Although such conduct may be "passive", i.e. the Worker 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.

11. Donations

We only make contributions or charitable donations that are legal and ethical under local laws. All such contributions or donations can be made only after prior approval of both, your HoD and the management. Notwithstanding the foregoing, the charitable donations should not be made with the intention of influencing business or official decisions or gaining a commercial or other advantage.

12. Consequences of breach of anti-bribery and corruption laws

Breach by the organization:

Breach of applicable anti-bribery and corruption laws may result in civil and regulatory penalties including fines, imprisonment and repayment of profits. Actual or perceived breaches of these laws may also result on severe financial and reputational damage for us. In UK, for example, bribery and corruption are punishable for individuals by up to ten years' imprisonment and, if



any member of UPL is found to have taken part in bribery and corruption, UPL could face an unlimited fine and be excluded from tendering for public contracts. UPL, therefore, takes its legal responsibilities very seriously.

Breach by the Workers:

Breach of applicable anti-bribery corruption laws by any Worker may result into: personal criminal liability of the relevant Worker followed by fines or imprisonment; and dismissal of the Worker from employment or termination of consultancy or similar. In addition to the foregoing, a person who violates the anti-bribery or corruption laws may also suffer significant damage to their reputation.

14. Your responsibilities

- (a) You must ensure that you read, understand and comply with this policy at all times.
- (b) You must be open about gifts and hospitality given or received and you must disclose these to your HoD in advance (where it is possible to do so or as soon as possible afterwards).
- (c) The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All Workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- (d) You must notify your HoD or the management as soon as possible if you believe or suspect that a breach of this policy has occurred, or may occur in the future. For example, if a customer or potential customer offers you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business.
- (e) Any Worker breaching this policy may face disciplinary action, which could result in dismissal for gross misconduct. In addition, such Worker may also face lawsuits for committing such offence.

15. When and how to raise a concern

- (a) We have a responsibility to help detect, prevent and report instances of bribery or corruption. If you have a concern regarding a suspected instance of bribery or corruption, please speak up. If you suspect or observe anything that might be in contravention of this policy, you have an obligation to report it or raise an alarm. All such reporting or raising an alarm shall be dealt with in accordance with UPL's Whistleblowing Policy. We encourage you to look into the detailed policy available at www.uplonline.com.

- (b) You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your HoD or the management.
- (c) In the event that an incident of bribery, corruption, or wrongdoing is reported, we will act as soon as possible to evaluate the situation. We have clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind.
- (d) We will not tolerate retaliation in any form against anyone for raising concerns or reporting what they genuinely believe to be improper, unethical or inappropriate behavior. All reports will be treated confidentially.

16. Protection

- (a) Those that refuse to accept or offer a bribe or those who raise concerns or report another's wrong doing, are sometimes worried about possible repercussions. We encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- (b) We are committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in bribery or corrupt activities or because of reporting their suspicion in good faith that an actual or potential bribery or other corruption offence has taken place in the future. If any Worker believes that they have suffered any such treatment, they should inform the HoD or the management.

17. Dealing with public officials

- (a) Although this policy applies to both public and private sectors, dealing with Public Officials poses a particularly high risk in relation to bribery and corruption due to the strict rules and regulations in many countries.
- (b) The provision of money or anything else of value, no matter how small, to any Public Official for the purpose of influencing them in their official capacity is prohibited.

18. Record-keeping

- (a) We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to Third Parties.

- (b) All expenditure must be supported by documents that accurately and properly describe such expenditure and the reason for the expenditure must be specifically recorded.
- (c) All expenses claims must be submitted in accordance with the applicable expenses policy and will be subject to managerial review
- (d) All accounts, invoices, memoranda and other documents and records relating to dealings with Third Parties, such as customers, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.
- (e) The falsification of any book, record or account of the company or the submission of any false personal expense statement or claim for reimbursement of a non-business personal expense is prohibited and may lead to disciplinary action, including dismissal for gross misconduct or other termination of employment and/or law suits against such Worker for committing such acts.
- (f) This policy requires each department to establish, maintain and monitor registers of certain matters, including:
 - (i) gifts, hospitality and other promotional expenses;
 - (ii) pre-clearances of gifts, hospitality and other promotional expenses in respect of Public Officials;
 - (iii) the results of due diligence processes; and
 - (v) details of higher risk Third Party relationships.

19. Communication and training

- (a) We are committed to ensuring that this Policy is embedded and understood throughout our organization through internal and external communication training.
- (b) All Workers will have ready access to this Policy and the associated anti-bribery and corruption procedures.
- (c) Appropriate and regular training on how to implement and comply with this Policy will be provided to all relevant Workers.
- (d) The anti-bribery and corruption commitments must be communicated to the Third Party business partners at the outset of the business relationship with them and as appropriate thereafter.
- (e) If you have any doubt about this policy, please consult your HoD or contact the Corporate HR.

20. Monitoring and review

- (a) Management will monitor the effectiveness and review the implementation of this policy, considering its suitability, adequacy and effectiveness. Improvements identified will be made as soon as possible.
- (b) All Workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- (c) Workers are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the management.
- (d) UPL reserves the right to vary and/or amend the terms of this policy from time to time at its absolute discretion.

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