

Haldia Petrochemicals Limited

Anti-Bribery and Anti-Corruption Policy

Background & Purpose

Haldia Petrochemicals Limited (also known as "the Company," "HPL," or "We"), is committed to set exemplary standards of ethical behaviour, both within the organisation as well as in their external relationships. The Company believes that unethical behaviour corrupts organisational culture and undermines shareholder value. This Anti-Bribery and Anti-Corruption Policy (the 'Policy' or 'ABAC Policy') provides a framework for ensuring compliance with legislations governing bribery and corruption globally and conduct(s) its business activities in consonance with applicable laws, highest ethical standards and ensure(s) the prevention, detection of fraud, bribery, and corruption.

Scope

All stakeholders, or any other person associated with the Company and who may be acting on behalf of the Company, must always comply with this Policy.

Policy Commitments

- (i) ***Corrupt Practices:*** This refers to giving or receiving financial or other inducements, intermediation in giving or receiving financial or other inducements, malpractice, misuse of official authorities, facilitating payments, illegal use of the official position by a person to receive benefits in the form of money, property or other assets, services, and any rights to himself or to other persons or illegal provision of benefits or rights by other persons. In view of the above, all employees of the Company are strictly prohibited, whether directly or indirectly, personally or through mediation of third parties, to be involved in corrupt activities, offer, give, promise, request and receive payments or make payments to simplify administrative, bureaucratic and other formalities in any form including cash, valuables, services or other benefits to any person or from any persons or organizations, including governments and local authorities, government officials, private companies and its representatives.

- (ii) ***Bribes:*** The Company prohibits all forms of bribery and corruption practices involving, but not limited to, Government Officials or a private sector person or company. The offer, promise or receipt of any gift, hospitality, loan, fee, reward, or other advantage to induce or reward behaviour which is dishonest, illegal or a breach of trust, duty, good faith or impartiality in the performance of a person's functions or activities (including but not limited to:
- (1) a person's public functions, activities in their employment or otherwise in connection with a business); or
 - (2) The offer or promise of any gift, hospitality, loan, fee, reward or other advantage to a public official with the intention of influencing the public official in the performance of their public function, to obtain a business advantage
 - (3) Bribery includes not only direct payments, but also authorising or permitting an associate or third party to commit any of the acts or take any part in the actions identified in (1) and (2) above.
- (iii) The Company conducts its business lawfully and ethically and expects every stakeholder to conduct its business with integrity. The Company prohibits the making or accepting of facilitation payments of any kind for any favours to facilitate or expedite official business or work. The Company prohibits making or accepting, facilitation payments or "kickbacks" of any kind.
- Facilitation payments are typically small, unofficial payments made to secure or expedite a routine action by an official.
 - Kickbacks are typically payments made in return for a business favour or advantage.
- All employees must avoid any activity that might lead to a facilitation payment or kickback being made or accepted. If you are asked to make a payment on behalf of the Company, you must consider the purpose of the payment and whether the amount requested is proportionate to the goods or services provided. Any request for a facilitation payment should be refused unless you feel you are at risk of injury, of detention, or for your life, if you refuse. If one of these exceptions applies, a receipt should be obtained and the matter reported, as soon as possible at investors@hpl.co.in
- (iv) ***Gifts, hospitality, and entertainment:*** No gifts including cash gifts, hospitality or entertainment may be offered or provided in exchange for any favour (or promise

of any favour) for or benefit to the Company under any circumstances to any Government Official or any private person. However, the Company acknowledges that exchange of nominal gifts or souvenirs of a nominal value (example: bouquets, pens, calendars, diaries, dry fruit/sweet boxes, etc.) which are customarily given on special events/ occasions and are infrequent in nature. All persons need to exercise sound judgment in identifying inappropriate, frequent, or material gifts and shall avoid the same to maintain integrity and independence. The giving or receipt of gifts by a Person is not prohibited, if:

- a) It complies with this Policy and all applicable anti-bribery and anti-corruption laws;
 - b) There is a legitimate business purpose to support gifts related expenses and are not given or received in return for a favour / favourable treatment or to refrain from doing something disadvantageous to the Company;
 - c) Considering, the reason and nature of the gift, it is of an appropriate type and value and given at an appropriate time; and d) Gifts are not offered to or accepted from politicians or political parties or Government Officials.
- (v) **Third party engagements:** The Company engages multiple third parties to act on its behalf including vendors, dealers, liaison agents, consultants to interact with government authorities etc. Every Stakeholder appointed to act on behalf of the Company must be selected based on their commercial and technical expertise and Company's need for the products or services. No person or entity may be appointed based on a relationship with a Government Official, government department or business associate, or because of a family connection or friendship. Stakeholders are prohibited from fulfilling any corrupt offer, request, demand or promise for payment to be made or received directly or through any third party. Further, margins, trade discounts or other incentives paid to third parties engaged by the Company must always be bonafide, reasonable and on market terms.
- (vi) **Charitable Contributions / Donations:** The Company may make charitable donations that are legal and ethical under local laws and practices. It shall be ensured that the charity or a support is for a legitimate cause, and that donations are not being used as a channel for bribery. For example, donations to all NGOs will be recognized. Any Stakeholder may also, in their personal capacity, make donations that are legal and ethical under local laws and practices. However, it must be ensured that charitable contributions are not used as a scheme to conceal Bribery.

(vii) FRAUD PREVENTION

a. OBJECTIVES

The “Fraud Prevention Policy” has been framed to provide a system for detection and prevention of fraud, reporting of any fraud that is detected or suspected and for fair dealing of matters pertaining to fraud. The policy will ensure and provide for the following:

1. To ensure that management is aware of its responsibilities for detection and prevention of fraud and for establishing procedures for preventing fraud and/or detecting fraud when it occurs.
2. To provide a clear guidance to employees and others dealing with HPL, forbidding them from involvement in any fraudulent activity and the action to be taken by them where they suspect any fraudulent activity.
3. To conduct investigations into fraudulent activity.
4. To provide assurances that all suspected fraudulent activity will be fully investigated.

b. DEFINITION OF FRAUD

The concept of Fraud or Fraudulent activities in relation to affairs of a company or anybody corporate, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss. “Wrongful gain” means the gain by unlawful means of property to which the person gaining is not legally entitled. “Wrongful loss” means the loss by unlawful means of property to which the person losing is legally entitled.

c. ACTIONS CONSTITUTING FRAUD

While fraudulent activity could have a very wide range of coverage, the following are some of the act(s), which constitute fraud. The list given below is only illustrative and not exhaustive:

1. Forgery or alteration of any document or account belonging to the Company.
2. Forgery or alteration of cheque, bank draft or any other financial instruments etc.
3. Misappropriation of funds, securities, supplies or others assets by fraudulent means etc.
4. Falsifying records such as pay-rolls, removing the documents from files and /or replacing it by a fraudulent note etc.
5. Wilful suppression of facts/deception in matters of appointment, placements, submission of reports, recommendations etc. because of which a wrongful gain(s) is made to one and wrongful loss(s) is caused to the others.
6. Utilizing Company funds for personal purposes.
7. Authorizing or receiving payments for goods not supplied or services not rendered.
8. Destruction, disposition, removal of records or any other assets of the Company with an ulterior motive to manipulate and misrepresent the facts to create suspicion/suppression/cheating because of which objective assessment/decision would not be arrived at.
9. Making false written or oral statements or representation with respect to Company activities
10. Profiteering because of insider knowledge of HPL's activities
11. Disclosing confidential and proprietary information to unauthorized parties
12. Bribery or kickbacks
13. Cyber frauds/ data thefts

14. Non-disclosure of conflicts of interest resulting in exposure or actual financial loss to the Company

15. Misutilization of Company's funds for personal purposes

16. Any other act that falls under the gamut of fraudulent activity. The company is extremely intolerant with respect to instances involving any fraudulent activity or activities. We expect all employees to report any such issue, as soon as possible at investors@hpl.co.in

(viii) *ANTI MONEY LAUNDERING*

a. OBJECTIVES

The purpose of Anti-Money Laundering (AML) policy is to prevent any involvement by our Company in money laundering activity even where the involvement may be unintentional. It requires our directors, officers, other employees, other stakeholders, and those who work with us to recognize questionable financial transactions, and to take steps to conduct appropriate additional due diligence. Our Company is also committed to cooperate with law enforcement and regulatory agencies enforcing anti-money laundering laws and regulations.

b. DEFINITIONS

The phrase “money laundering” is generally understood to mean any act or attempted act to conceal or disguise the true origin and ownership of illegally obtained proceeds so that they appear to have originated from legitimate sources thereby avoiding prosecution, conviction, and confiscation of the illegal proceeds. Money laundering can be used by terrorist organizations, tax evaders, smugglers, by those engaged in bribery, or anyone who receives money for illegal activities or through illegal means.

c. COMPLIANCE STEPS

Each Designated Person is required to ensure that he/she undertakes the following steps during the business operations of our Company:

1. Know your business partners: Where appropriate, Designated Persons should conduct integrity assessments and other due diligence exercises and be familiar with business practices of customers and suppliers.

2. Monitor financial activity: Designated Persons are required to observe and record payments and transactions consistent with all established policies and procedures and follow global financial standards for acceptable forms of payment.

3. Keep complete records: Designated Persons should always keep current, complete, and accurate records of every business transaction.

4. Report any suspicious activity: We expect all employees to report any such issue, as soon as possible at investors@hpl.co.in or as per the AML Policy redressal mechanism.

(ix) ***Political Contributions:*** The Company is apolitical and does not make contributions to any political party or politicians. Stakeholders must not use the Company's name or trademark for political activities of any kind or provide money or other forms of support to political parties on behalf of the Company.

(x) ***CONFLICTS OF INTEREST***

a. BACKGROUND

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. This policy covers various situations which an employee of HPL, herein after referred to as HPL, may face in the areas of financial control, personal integrity, conflicts, etc., and the role which they should play in such circumstances.

b. OBJECTIVE

Although, HPL recognizes and respects the right of employees to take part in activities outside their jobs, those activities must be lawful and free of conflicts with their responsibilities as HPL employees. Employees must not misuse HPL resources or influence, or discredit company's good name and reputation. All HPL employees must ensure fair dealings with customers, suppliers, and colleagues. Following are the broad parameters of the policy and the framework for proper employee conduct.

c. EXAMPLES OF CONFLICTS OF INTEREST THAT ARE TO BE AVOIDED

Holding financial interest directly or indirectly, including through close relatives in:

1. A company to which business is given.
2. In a company in which the employee is involved in making a buy-out decision
3. Directing business to a supplier managed by a relative or close friend
4. Soliciting subcontractors and vendors for donation/advertisements to a charity, in which the employee is involved
5. Using company facilities for personal purposes or for spouse's/relative's business Treating personal expenses/trips as business expenses/trips
6. Taking a part-time job requiring the employee to spend time, during normal working hours or using office equipment in meeting personal responsibilities
7. Making a promotion decision about a spouse or relative

d. CONSULTANCY

All full-time employees of HPL should avoid this.

e. MEMBERSHIP OF SOCIAL SERVICE ORGANISATIONS

Potential conflicts arise when an employee takes up memberships of organisations and associations that undertake social service of various kinds. Conflicts arise in the form of fund-raising from HPL for such associations/organisations, using company infrastructure and facilities to discharge responsibilities towards that organisation and providing use of such facilities directly to the associations/organisations and its members. Prior approval from MD/Leadership should be obtained, for undertaking such activities.

f. DIRECTORSHIP OF FIRMS AND COMPANIES OUTSIDE THE GROUP

All Directorships should be cleared by the Chairman's office.

g. RELATIVES AS COMPETITORS

Close relatives in the employment of competitors should be disclosed with details of relationship and responsibilities held. If employment is unavoidable or an ongoing one for a long time, employee should exercise great discretion in maintaining confidentiality of Group/Company information.

h. CONFIDENTIALITY AND DISCRETION

Employees should, always, realise that they are in possession of sensitive, classified and confidential information that should not be parted with, in any circumstances to competitors, investment analysts, stockbrokers, newspaper reporters and media persons. Some illustrations of such information are given below:

1. Financial information.
2. Tax planning measures.
3. Potential joint venture deals being negotiated.
4. New product introductions.
5. Manufacturing process and recipe for products

Employees should maintain total confidentiality with any such classified information. In the event of any query, clarification or explanation sought by any statutory authority, government official and/or police or judicial authority, the employee may, after taking prior approval of the MD/Senior Leadership, part with such sensitive, classified, and confidential information.

i. COMMON CONTRACTORS FOR RESIDENTIAL HOMES OF DECISION MAKERS AND OF THE PLANT

Employees should not have the same contractors/architects, who are doing work for the company, for their personal jobs.

j. FINANCIAL INTEREST

The most common types of financial interests are:

1. Ownership of equity
2. Partnership interest
3. Direct or indirect interest through a trust or other relationship

Financial interest is a problem as soon as it presents a potential for conflict of interest with responsibilities as a HPL employee. For example, the employee's job might involve selecting suppliers, selling to customers, or extending credit to other companies. A potential problem might exist if the employee, or a relative, also had a personal financial interest in one of those companies. The interest could be direct or indirect – what matters is the fact that actions as a HPL employee might affect the value of the interest in the other company. Discretion and great care are recommended for all such opportunities, The Functional Head must be kept informed.

k. SETTING UP PART-TIME BUSINESS OR TAKING PART TIME JOBS

This is not permissible. Every HPL employee is expected to give the best in terms of time, creativity, and energy. Moonlighting will impede employee performance and will result in a conflict-of-interest situation.

(xi) ANTITRUST AND FAIR COMPETITION

It is our Company's policy to comply with the letter and the spirit of competition/antitrust laws of various jurisdictions that we operate in. Competition/antitrust laws establish the rules by which we compete. These rules should not be looked upon as an impediment to our business, but as means to preserve an environment in which we can market our products based on their merit. The Company understands that any competition/antitrust laws violation carries significant risks, which may result in:

Fines - most of the jurisdictions impose significant fines for infringement of competition/antitrust laws.

Civil Liability - companies may be sued for damages by those who can demonstrate that they have sustained losses because of anti-competitive practices (e.g., this risk is very significant in the USA with the “treble damage sanctions” and the class action procedure).

Criminal Liability - in many jurisdictions, the company’s executives and employees involved in breach of competition/antitrust laws can be criminally Sanctioned contractual risk - Any contractual provision which infringes antitrust laws is generally void and cannot be enforced in the courts.

Reputational Risk - Any competition/antitrust law violation causes immense damage to the image and reputation of the Company.

Considering the above, the policy of strict compliance with competition/antitrust law is not to be compromised or qualified by anyone, including any employee, acting for or on behalf of the Company.

The following is a list of common competition/antitrust issues, which is not intended to be exhaustive and should be read and construed in accordance with applicable laws in each country:

1. In general, agreements, arrangements, decision, or practice, either collusive or express, or implemented through the platform of trade associations, involving competitors that relate to:

a. Prices

b. Production / supply / markets / technical developments / investment

c. Market sharing / allocation

d. Bid Rigging

In general, agreements with customers and suppliers (vertical agreements), that, without economic justifications, contain conditions of:

- a. resale price
- b. maintenance exclusive
- c. distribution exclusive supply
- d. refusal to deal or imposing discriminatory conditions for competing customers of the same class for the same product.
- e. tie-in sale

3. If in any of the jurisdictions, the Company has a dominant position, i.e., if it enjoys a position of economic strength (and market power) which enables it to prevent effective competition and to behave independently of its competitors, customers, and consumers, then abusive conduct, such as:

- a. prices abuse, including, discriminatory pricing, predatory pricing and excessive pricing or any kind of unfair pricing.
- b. imposing of unfair or discriminatory conditions in purchase or sale, such as, loyalty rebates/discounts; refusal to supply; exclusive obligation.
- c. conduct which results in denial of market access tying and bundling
- d. using dominant position in one market to enter or protect another market etc.

Competition law can be complex (both from an economic and legal perspective). The above-mentioned conducts are for illustrative purposes which are neither exhaustive nor final in any manner. Consequently, employees are required to obtain professional legal advice in order to properly assess a given situation on a case-by-case basis and according to the applicable law. Further, the above do not contain any reference to a scenario of inorganic re-structuring of the Company relating to mergers, acquisitions, or joint ventures, which would require analysis under the

provisions of merger control. Every employee or other agent of the Company is encouraged to seek advice in case of doubt with the legal team of the Company.

Restrictive Practices

Illustrative list of acts / practices that are restricted / prohibited under this Policy shall include but not be limited to:

- (i) Dishonest misappropriation of property / money, criminal breach of trust and cheating, as defined under Indian Penal Code 1860 (“IPC”)
- (ii) Receiving or giving bribe
- (iii) Acceptance / giving of gifts over and above the extent and the manner as allowed in this Policy
- (iv) Charity or sponsorship to obtain commercial advantages over and above the extent and the manner as allowed in this Policy
- (v) Participation / contribution in / to political activities
- (vi) Payment of any costs for Government Officials and their relatives (or in their interests)
- (vii) Any other unethical act or omission
- (viii) To use partners, agents, joint ventures, intermediaries, or other persons for any actions that are contrary to the principles and requirements of the Policy or the rules of the applicable anti-bribery and anti-corruption law.

Implementation and Monitoring

All employees are encouraged to raise concerns about any actual or suspected cases of bribery and corruption at the earliest possible stage. Where anyone believes the policy are not being complied with or they are being asked to carry out any act not in compliance with this policy, these concerns must be raised immediately with the Head of the Department or Head of HR of the Company. The Company will investigate all allegations relating to corruption and bribery and take legal or disciplinary action as may be deemed appropriate. All reports under this Policy would receive confidential treatment and the Company would protect the identity of any person who reports a suspected violation. The Company will prefer that persons identify themselves to facilitate investigation of any report. However, in case the concerned person wishes to report anonymously, he/she may do so. The Company will also use its best efforts to protect the identity of the person about or against whom an allegation is brought, unless and until it is

determined that a violation has occurred. The Company ensures that it has adequate procedures to combat threats relating to bribery and corruption. Accordingly, the Company provides appropriate training for its employees on prevalent anti- bribery and anti-corruption laws, their role and importance; to be in conformance with legal requirements and comply thereof.

Review and Amendment

This Policy shall be reviewed and evaluated as and when required to establish and confirm that it meets the objectives of the relevant legislation and remains effective. The Whole-time Director & CEO has the complete right to make amendments to this Policy in whole or in part, at any point of time without assigning any reason, whatsoever.

Place: Kolkata

By order of the Board of Directors

Date: 09.07.2024

Sd/-

Whole-time Director & CEO