



ANTI-BRIBERY & ANTI-CORRUPTION (ABAC) POLICY

1. POLICY STATEMENT

This policy ensures the integrity and ethical conduct of Dwarikesh Sugar Industries Limited and its affiliates and subsidiaries ("the Company"). With unwavering dedication, the Company adopts a zero-tolerance stance against Bribery and Corruption, steadfastly committed to upholding the highest standards of honesty and ethics in all facets of its operations. Our pledge is to conduct business affairs with utmost professionalism, fairness, and integrity, regardless of geographical boundaries, while diligently implementing robust systems to combat bribery effectively.

In steadfast adherence to our principles, the Company pledges to abide by all laws pertinent to combating bribery and corruption across the jurisdictions where it operates. We remain steadfastly bound by local, national, and international regulations, ensuring our unwavering commitment to ethical conduct remains a guiding beacon in all endeavors.

2. DEFINITIONS

- a) "Bribery" / "Corruption": Bribery occurs when an individual offers, pays, seeks, or accepts a payment, gift, favor, or any form of financial or non-financial benefit from another party with the intent to unfairly influence a business outcome, encourage or reward improper conduct, or secure a commercial, contractual, regulatory, or personal advantage. It can manifest directly or indirectly through intermediaries or agents. Corruption encompasses actions by authorities or individuals in positions of power that involve illegitimate, immoral, or unethical means. Often stemming from patronage, corruption is closely linked with bribery.
- "Third Party": Any individual or organization engaging with the Company and its employees constitutes a third party. This includes current and prospective clients, suppliers, business associates, intermediaries, governmental and public entities, along with their advisors, representatives, officials, as well as politicians and political entities.
 - "Agent": An individual appointed by the Company to act on its behalf in negotiations with third parties.

Examples of bribery include, but are not limited to:

- "Gifts": Offering or accepting gifts with the intent to unduly influence business decisions.
- "Travel and Entertainment Expenses": Excessive spending on travel, meals, and entertainment expenses by third parties or their associates, unrelated to legitimate business purposes or the Company's promotional activities.
- "Facilitation Payments": Payments made to expedite routine governmental actions performed by public officials.
- "Kickback": Illicit payments aimed at securing an unfair advantage, with a portion of the benefit flowing back to the giver or intended giver.
- "Donation": A donation refers to the provision of monetary or non-monetary gifts to a fund or cause, with or without an expectation of receiving services or payments in return. It is essential to note that contributions to industry associations or fees for memberships in organizations serving business interests may not inherently constitute donations.
- "Offering Employment": Offering employment to a third party's relative with the intention of gaining an unfair advantage in current or future business dealings, or as a reciprocal gesture for a favor extended to us in a previous business transaction.

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 extends its jurisdiction to encompass all employees of the Company, regardless of their employment status (full-time, part-time, or contracted), including entities under the Company's management control. Additionally, it applies to relevant third parties and their personnel engaged in Company activities, whether stationed at Company premises or elsewhere. Prior to initiating any business relationship, this policy shall be communicated to such parties and reiterated as necessary thereafter.

Furthermore, this policy holds sway across all countries and territories where the Company conducts its operations. In instances where local customs, standards, laws, or other policies impose stricter regulations than those outlined in this policy, adherence to the more stringent requirements is mandatory. Conversely, if this

policy imposes more rigorous standards than local norms, laws, or policies, the provisions of this policy shall prevail.

4. PRINCIPLES AND GUIDELINES

4.1. GIFTS

a) The Company permits the provision of items of nominal value, such as corporate calendars, pens, mugs, books, T-shirts, bouquets of flowers, or packs of sweets or dry fruits, preferably sourced from Godrej products to employees of current or potential clients, whether within the private or government sectors, as modest gestures within the ordinary course of business, provided that:

- Such gifts are not intended to sway the recipient to provide any business advantage in return.
- The value of such gifts does not exceed INR 10,000/- (or its equivalent in foreign currency).
- No cash or cash equivalents, such as jewelry, are exchanged.
- The presentation of such gifts complies with the written laws and customary practices of the country in which the gift is offered.
- The employee offering the gift does so on behalf of the Company.

Gifts valued up to INR 2,500 require approval from the Functional Head; gifts exceeding INR 2,500 but not exceeding INR 5,000 necessitate approval from the Business Head, and gifts surpassing INR 5,000 but not exceeding INR 10,000 require approval from the Chief Financial Officer (CFO). Presenting any gift exceeding INR 10,000 necessitates prior written approval from the Corporate office i.e. Executive Chairman or Managing Director or Managing Director & CS Cum CCO. Employees may receive gifts from counterparts at the Company's current or potential clients, vendors, or any business associates, provided that the value of the gift does not surpass INR 2,500. Should the value exceed INR 2,500, the recipient should graciously decline the gift.

b) The Company acknowledges that the custom and practice of exchanging business gifts differ across various countries and regions, recognizing that what may be considered normal and acceptable in one locale may not hold true in another. In all instances, the criterion applied is whether the offering of gifts or hospitality is reasonable, justifiable, and proportionate. The underlying intention behind the gesture must always be carefully 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:

Expenses (Per Person)	Approval Flow
<=Rs. 2500/-	Employee --> Functional Head/Zonal Head/unit head
>Rs. 2500/- and <= Rs. 5000/-	Employee --> Functional Head/Zonal Head/CFO
>Rs. 5000/-	Employee --> Functional Head/Zonal Head/unit head/CFO/Corporate office i.e. Executive Chairman or Managing Director or Managing Director & CS Cum CCO. Employees

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.

4.3. FACILITATION PAYMENTS

As a steadfast principle, the Company refrains from making facilitation payments of any nature worldwide. The sole exception to this policy arises in situations where the safety or security of either the employee or the third party is jeopardized, for which prior written approval from the Corporate ABAC Officer is mandatory.

4.4. KICKBACKS

The Company unequivocally prohibits the offering or acceptance of kickbacks in any form. Employees must steer clear of any actions or engagements that might insinuate or facilitate the making or acceptance of kickbacks by the Company.

4.5. DONATIONS

a) TO CHARITABLE ORGANIZATIONS

Contributions to charitable organizations are emblematic of good corporate citizenship. The Company engages in charitable donations that align with local laws, ethical standards, and the corporate governance framework. Our CSR endeavors primarily focus on areas such as Education, Health & Sanitation, Environment, and Livelihood. Prior approval from the Corporate ABAC Officer is mandatory for any Company payments to a charity, be it domestic or foreign.

b) TO POLITICAL PARTIES

Political contributions encompass both monetary and non-monetary forms of support directed towards political parties, politicians, or political initiatives. The Company maintains a strict policy of refraining from any form of political contributions and expects full adherence to this stance from all stakeholders.

4.6. OFFERING EMPLOYMENT TO A FRIEND OR RELATIVE OF A THIRD PARTY

The Company adheres rigorously to merit-based recruitment practices and does not extend preferential treatment to friends or relatives of third parties during the recruitment process. All candidates are evaluated and selected solely based on merit.

5. EMPLOYEE ACCOUNTABILITIES

a) It is imperative for employees (or their representatives) to uphold the following standards:

Refrain from offering, promising, or providing any form of payment, gift, or hospitality to a Public Official or Third Party:

- In the anticipation or expectation of receiving a business advantage, or as a reward for a previously bestowed business advantage.
- to expedite or facilitate routine procedures.
- Under their own name rather than that of the Company.
- Involving cash or its equivalents (such as gift certificates or vouchers);
- Of inappropriate nature, value, or timing, such as during tender processes.
- Provided covertly rather than transparently.
- Abstain from intimidating or retaliating against fellow employees who have refused to participate in bribery activities or have raised concerns in accordance with this policy.

The outlined points serve as illustrative examples and do not seek to limit the scope of this Policy.

- b) The responsibility for preventing, detecting, and reporting instances of bribery and corruption rests with every employee. Should an employee encounter or suspect bribery attempts, they are obliged to promptly inform the Company's Whistle Officer. This obligation extends to situations where they believe they may be targeted in the future, perceive themselves as victims of unlawful activities, or become aware of any bribes exchanged by colleagues or third parties.
- c) This Policy applies universally, and employees must adhere to its principles regardless of whether they seek reimbursement for expenses incurred on gifts, entertainment, travel, etc., from the Company.
- d) It is incumbent upon all employees to thoroughly acquaint themselves with, comprehend, and abide by this policy. They must consistently steer clear of any conduct that might suggest or lead to a violation of this policy.

6. WILFUL BLINDNESS

Failure by an employee to acknowledge or deliberately overlook evidence of corruption or bribery within their department or immediate surroundings constitutes a violation under this policy. Even though such behavior may be deemed "passive," meaning the employee did not directly engage in or benefit from the corruption or bribery in question, their willful blindness to the situation may warrant disciplinary action equivalent to that of an intentional offense, depending on the circumstances.

7. CLAIMS BY EMPLOYEES FOR PAYMENTS MADE FOR GIFTS, TRAVEL, AND ENTERTAINMENT EXPENSES

Employees are required to obtain prior approval before disbursing payments for gifts, travel, and entertainment expenses incurred on behalf of third parties or public officials, as stipulated by the policy. Reimbursement for such expenses should be requested by completing a Payment Voucher in accordance with the Company's guidelines, providing details such as the name of the entertained party, the recipient of the gift, and the purpose of the gift or entertainment, among others. The Payment Voucher must be accompanied by duly sanctioned pre-approval and original receipts/invoices for reimbursement claims.

8. RECORD KEEPING

The Company maintains meticulous financial records and implements appropriate internal controls to substantiate the business rationale behind payments to and receipts from third parties. Employees are mandated to declare and maintain a written record of all accepted or offered hospitality or gifts, subject to managerial or review by the Divisional Compliance Officer or Corporate ABAC Officer.

Furthermore, employees must ensure that all expense claims pertaining to hospitality, gifts, or expenses incurred on behalf of third parties adhere to the Company's policies and specifically document the rationale for such expenditures. All accounts, invoices, memoranda, and other pertinent documents relating to interactions with third parties, including clients, suppliers, and business contacts, must be diligently prepared and maintained with utmost accuracy and completeness. Under no circumstances shall records be kept "off-book" to facilitate or conceal improper payments.

9. AUDIT PROCEDURES TO VERIFY COMPLIANCE

Aligned with this Policy, the Company will undertake regular and confidential audits conducted by the Internal Audit Department and/or external auditors. These audits are strategically designed to proactively identify and address any potential violations of the Anti-Bribery and Anti-Corruption Policy, as well as other pertinent Company policies, practices, and procedures. The audits will prioritize the following areas:

- Ensuring strict adherence to the Anti-Bribery and Anti-Corruption Policy.
- Facilitating effective communication with and comprehensive education of all relevant Company Personnel.
- Establishment and execution of robust monitoring mechanisms.
- Reviewing a randomized sample of the Company's business agreements.
- Conducting due diligence procedures before engaging in any arrangements with third parties.

- Exerting diligent efforts to ensure subsidiary compliance with the Anti-Bribery and Anti-Corruption Policy.

Regular audits will also encompass a thorough review of the Company's financial records maintained by the Finance Department, particularly concerning entertainment, gift, and travel expenditures incurred by Company Personnel on behalf of the Company. As deemed necessary, these audits will extend to records related to social payments and donations to charities.

8. PROTECTION FROM RETALIATION

Employees who demonstrate integrity by refusing to engage in bribery or corruption activities or who, in good faith, report any suspicions of actual or potential bribery or corruption offenses under this policy will receive unequivocal protection from any form of detrimental treatment or retaliation. Such detrimental treatment encompasses dismissal, disciplinary actions, threats, or any other unfavorable treatment associated with raising concerns.

9. GOVERNANCE

Respective Business Unit Heads or Corporate Functional Heads bear overarching responsibility for ensuring the compliance of their respective units or functions with our legal and ethical obligations, and for ensuring universal compliance among all individuals under our purview.

The Divisional Compliance Officer assumes primary and day-to-day responsibility for the effective implementation of this policy and for meticulously monitoring its utilization and effectiveness.

Managers across all levels are entrusted with the responsibility of exemplifying the principles outlined in this policy and ensuring unwavering adherence among their respective teams.

10. REPORTING OF CONCERNS & VIOLATIONS AND RAISING OF QUERIES ON ANTIBRIBERY 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 Anti-Bribery and Anti-Corruption (ABAC) 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 ABAC Committee shall conduct corresponding 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.

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 Officer via Email : bjmaheshwari@dwarikesh.com or dsilbom@dwarikesh.com

Employees found in violation of this Policy are subject to disciplinary measures, which may encompass any of the following:

- a) Issuance of a formal apology.
- b) Counseling sessions aimed at addressing and rectifying the behavior.
- c) Issuance of a written warning, with a copy retained in the employee's personnel file for record-keeping purposes.
- d) Reassignment of work duties or transfer to a different role.
- e) Suspension or termination of employment for employees found guilty of the offense.

Commercial partners, including consultants and representatives, found to be in breach of this Policy may face significant fines or penalties, or the immediate termination of all commercial relationships with the Company. Such decisions will be made in consultation with the respective Business Heads.

In an ongoing effort to streamline reporting processes and foster transparency, the Company is in the process of launching an Online portal accessible to all employees and third parties. This portal will facilitate the submission of disclosures regarding any breaches of this Policy. Such disclosures will be directed to the appropriate authorities for further investigation and action.

13. MONITORING AND REVIEW

- a) Oversight of this Policy falls under the purview of the Company's Corporate ABAC Officer, who is tasked with monitoring its effectiveness and reviewing its implementation on a regular basis, assessing its suitability, adequacy, and overall efficacy. The Divisional Compliance Officer is responsible for promptly reporting any breaches of this Policy to the Corporate ABAC Officer. The Corporate ABAC Officer receives support from various departments within the Company, including Personnel & Administration, Internal Audit, Finance, and Legal.

- b) To ensure comprehensive understanding and compliance with this Policy and relevant anti-corruption laws among all Company employees, business partners, relevant third parties, subsidiaries, and affiliates, the Company is committed to providing training and resources as necessary.
- c) The Company maintains robust internal control systems and procedures, which undergo regular audits to ensure their effectiveness. The Head of Internal Audit submits an annual report to the ABAC Officer, providing an assessment of the application and effectiveness of this Policy.

Issuing Authority: Approved in Board meeting held on 30th April 2024