

## HATSUN AGRO PRODUCT LIMITED (HAP)

### HAP ANTI – CORRUPTION / ANTI BRIBERY POLICY

#### **1. Objective:**

- 1.1 This Policy is intended to outline the Company's liability / risks related to acts of bribery and corruption involving our employees while discharging their duties in the day to day operations for and on behalf of the Company and to highlight the responsibilities under both the relevant anti-corruption laws and Company's policies. The Company has a zero tolerance policy against the acts of corruption or bribery by any employee or its associates.
- 1.2 The policy provides information and guidance to the Management on how to recognise and deal with bribery & corruption issues.
- 1.3 It guides the Management and the employees to act professionally, fairly and with utmost integrity in all our business dealings and relationships, wherever we operate.

#### **2. Governance**

- 2.1 Compliance Officer shall undertake periodic review and update this policy to reflect applicable law(s) / amendments and /or latest notifications issued by the regulating authorities in this regard from time to time.
- 2.2 Compliance Officer shall monitor the effectiveness and review the implementation of the compliance principles and procedures set forth in this Policy, regularly, considering its suitability, adequacy and effectiveness.
- 2.3 Associates are responsible for the successful implementation of the principles set forth in this policy and should ensure that they use it to disclose any suspected concern or wrongdoing.
- 2.4 Any violation of this policy may have significant consequences, including potential prosecution, fines and other penalties for improper conduct, as well as imprisonment (as per applicable laws) and/or disciplinary action up to and including termination of the concerned from the employment.

#### **3. Scope and applicability**

- 3.1 The principles set forth in this policy are applicable to all employees, officers, directors, and third parties working for and on behalf of the Company to make them refrain from engaging in any form of bribery or corruption and to follow and adhere to all the elements described in the Policy. In addition to this general prohibition on bribery and corruption, this Policy describes procedural requirements that apply to the Company. More Specifically this policy shall be applicable to all the employees in all the establishments of the company located in India and abroad.

## 4. Definitions

- 4.1 **“Associates”** - Associates stands as a collective term for all individuals working at all the levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, volunteers, service providers, casual workers and agency staff, agents, or any other person associated with the Company or its Associates, wherever located.
- 4.2 **“Business Partner”** - Business Partner is a collective term used for Consultants, vendors, contractors, agents, intermediaries, etc. and Associates of such third parties with whom the Company enters into contract(s).
- 4.3 **“Company”** - Company means “Hatsun Agro Product Limited”(HAP)
- 4.4 **“Bribery”** - "Bribery" means the offering, promising, giving, receiving, soliciting or accepting of a financial or other advantage, or any other thing of value, with the intention of influencing or rewarding the behavior of a person in a position of trust to perform a public, commercial or legal function to obtain or retain a commercial advantage. Bribery includes any attempt to do any of the foregoing as well. Bribes are payments made in the form of money or anything else of value in return for a business favor or advantage.
- 4.5 **Government** – Government means, the Central or State Government and the Organizations controlled by the above said Governments.
- 4.6 **“Government Official”**- Government Official means any of the following:
- Official (elected, appointed, or career) or Associate of a national, state, provincial, local, or municipal government or any department, agency, or subdivision thereof;
  - Officer or Associate of a government-owned or controlled enterprise or an organization
  - Officer or Associate of a Government organization
  - Individual acting for or representing Government or any of the Organizations referred to above, even if he/she may not be an Associate of such Government organization;
  - Official of a political party; and Family member of any of the Government Officials described in this definition.
- 4.7 **“Facilitation Payments”** - Facilitation payments are unofficial payments made to secure or expedite a routine government action by a government official.
- 4.8 **“Kickbacks”** - Kickbacks are typically payments made in return for a business favour or advantage.
- 4.9 **“Potentially Influencing Government Official (“PIGO”)**” - A Potentially Influencing Government Official (“PIGO”) is an individual who is either:
- connected to a Key Decision Making Entity (“KDME”) as a member of its management or governance body, as an Associate, or as a consultant, or
  - in a position where he or she could make a decision that will significantly impact Company's business.

## 5. Policy Framework

### 5.1. Bribe, Facilitation Payments or Kickbacks

- 5.1.1 HAP prohibits all forms of bribery and corruption whether involving, but not limited to, Government Official or a private sector person or company and whether directly or indirectly.
- 5.1.2 HAP conducts its business lawfully and ethically and expects everyone associated with it to conduct its business with integrity regardless of the existence of any local customs or traditions that may question integrity.
- 5.1.3 No Associate shall ever:
1. Directly or indirectly offer or pay, or authorize an offer or payment, of money or anything of value to a government official, or any other person or entity (including in the private sector), which is:
    - A. Intended to influence the judgment of the recipient in exercising his or her job responsibilities, or
    - B. Intended as gratification for the recipient having made a decision or acted in a way that benefited HAP.
  2. Directly or indirectly request or accept any money or item of value, which is:
    - A. Intended to influence the judgment or conduct of an Associate in his or her job responsibilities, or
    - B. Intended as gratification for a decision or act in a way that benefits the person or entity giving the item of value.
- 5.1.4 HAP (or any of its Associates) does not make or accept, Facilitation Payments or Kickbacks of any kind. All Associates must avoid any activity that may lead to, or suggest that a Facilitation Payment or Kickback will be made or accepted by HAP.
- 5.1.5 If any Associate is asked to make a payment on behalf of HAP, he/she should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. Associate should always ask for a receipt that details the reason for the payment. In case of any suspicion, concern or query regarding a payment, raise these with the Compliance Officer without delay or hesitation. The contact details of the Compliance Officer is as under:-
- Name and Address** – Mr. J Shanmugapriyan, Chief Operating Officer  
Hatsun Agro Product Limited  
Plot No.14 (TNHB), Tamilnadu Housing Board "A" Road,  
Sholinganallur,  
Chennai – 600119  
**Email:** [shanmugam@hap.in](mailto:shanmugam@hap.in)
- 5.1.6 Following are few indicative examples of bribe which any Associate should refrain from exercising:
- Offering a bribe: You offer tickets to a potential client of a major sporting event, but only if they agree to do a business with us. This would be an offence as you are making the offer to gain a commercial and contractual advantage. HAP may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the

potential client to accept our offer.

- Receiving a bribe: An agent gives your nephew a job, but makes it clear that in return they expect you to use your influence in HAP to ensure we continue to do business through them. It is an offence for an agent to make such an offer. It would also be an offence for any Employee to accept the offer to gain a personal advantage.

5.1.7 Any “red flags” or potential “red flags” (illustratively as defined in Annexure 1) observed by any Associate should be notified to the Compliance Officer as soon as possible. This should cover both actual or suspected conflict with the compliance principles, set forth in this policy.

## **5.2. Government Officials (GO) and Potentially Influencing Government Officials (PIGO)**

5.2.1 It is our responsibility to conduct operations and activities in compliance with applicable Anti-bribery and Anti-Corruption Laws, which prohibits improper/ unethical payments to Government Officials. Any payment or benefit conveyed to a GO must be fully transparent, properly documented, and accounted for.

5.2.2 HAP imposes special requirements, including determination as to whether a Government Official is a PIGO, and if so, additional evaluation and approvals are required.

5.2.3 Examples of decisions made by PIGOs include, but are not limited to:

- approval of product registration or licenses or marketing authorizations,
- approval of pricing or reimbursement of a product,
- awarding public tenders for government sales or contracts,
- granting licenses or permits required to operate or conduct business ,

5.2.4 Any “red flags” or potential “red flags” (illustratively as defined in Annexure 1) observed by any Associate should be notified to the Compliance Officer as soon as possible. This should cover both actual or suspected conflict with the compliance principles, set forth in this policy.

## **5.3 Gifts, Hospitality and Entertainment**

5.3.1 HAP acknowledges that exchange of nominal gifts and sharing of entertainment tokens is customary in many parts of the world during national, cultural and religious occasions.

5.3.2 The giving or receipt of gifts by Associates is not prohibited, if following requirements are met:

- ❖ No quid pro quo – There must always be a legitimate business purpose to support gifts related expenses. Customary gifts, meals, entertainment, travel or lodging may never be given or received in return for a favour/ favorable treatment or to refrain from doing something disadvantaging HAP.
- ❖ It complies with all applicable Anti-bribery and Anti-corruption laws;
- ❖ It is given under the brand name of HAP, and not in the name of any Associate;
- ❖ It does not include cash or a cash equivalent (such as gift certificates or vouchers);

- ❖ Considering, the reason and nature of the gift, it is of an appropriate type and value and given at an appropriate time;
  - ❖ It is given openly, not secretly; and,
  - ❖ Gifts should not be offered to, or accepted from, GO or representatives, or politicians or political parties without seeking an opinion of the Compliance Officer.
- 5.3.3 The test to be applied is whether in all the circumstances the gifts, hospitality and entertainment is modest, desirable, reasonable, and not viewed as lavish regardless of actual monetary value and justifiable.
- 5.3.4 Associates cannot accept any gifts in cash or kind, except owing to the customary or religious practices followed by any third party. Associates need to exercise professional judgment in identifying inappropriate, frequent or material gifts and entertainment and shall avoid the same to maintain integrity and independence.
- 5.3.5 This policy does not intend to prohibit normal and appropriate hospitality (offered and received) to or from third parties, only if Associates or personnel of the third party organization offering the hospitality are in attendance. Hospitality limited to meals, drinks and other such sustenance may be offered without prior approval if it is reasonable and justifiable in all the circumstances, taking into account reason and nature, appropriate type, value, given at an appropriate time and not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits.
- 5.3.6 Hospitality involving attendance at sporting events or private boxes at sporting events should not be offered or accepted without seeking prior opinion of the Compliance Officer.
- 5.3.7 We recognize that in relation to gifts and hospitality referred to above, what is considered acceptable will vary from region to region and what may be normal and acceptable in one /region may not be in another. In countries where there are specific limits of monetary value prescribed under local law or policies defined, Associates should obtain prior approval from the CFO and the business unit head. In countries where there are no specific limits of monetary value prescribed under local law or policies defined, Associates should obtain prior approval from the CFO, COO and the Compliance Officer.
- 5.3.8 In case any HAP Associate receives or offers a hospitality or gift, it should be declared via a written record for review by the Compliance Officer. The information should be given to the Compliance Officer in the form “Declaration for Gifts, Business Entertainment and Hospitality” appended as per this Policy.

## **5.4 Donations**

- 5.4.1 HAP may make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without seeking the prior opinion of the Compliance Officer. Associates may, in their personal capacity, make donations that are legal and ethical under local laws and practices. It is recommended that all such donations or contributions are documented with a receipt.

## **5.5 Business Partners**

- 5.5.1 We understand that various applicable anti-corruption and anti-bribery laws make HAP responsible for the acts of our Business Partners and others acting on our behalf. Therefore, no Business Partner, acting on behalf of HAP may engage in any act that could be construed as bribery or corruption – whether using HAP funds or their own personal funds or whether acting directly or through a middleman. HAP expects all those acting on our behalf to abide by our standards of ethics and integrity and, where necessary and appropriate, to follow our procedures.
- 5.5.2 While engaging with Business Partners, Associates should ensure that they comply with HAP’s Anti-Bribery and Anti-Corruption Policy.
- 5.5.3 If any Associate becomes aware that Business Partner is engaged in bribery or corruption, that Associate should immediately report his/her concern following the procedure set out in our “Whistle-Blower Policy”.

## **6. Books, Records and Internal Controls**

- 6.1 HAP is required to keep accurate books and records and to maintain internal controls to prevent and detect potential violations of our policies or of applicable laws. Internal controls are processes that monitor compliance with the company’s policies. HAP has appropriate controls to ensure that diligence is conducted, transactions properly approved, documentation received to support expenses, and interactions handled as required by our policies. HAP shall also use proactive reviews, audits and internal investigations to further monitor compliance and to identify any potential areas to enhance.
- 6.2 All Associates must ensure that all payments and transactions of the HAP, regardless of value, are recorded accurately with appropriate documentation. For example, in connection with every transaction, you must ensure that all required pre-approval forms, questionnaires, self- assessments, agreements with Business Partners and expense reports, with supporting documents, are maintained and recorded properly. These requirements also apply to every expense regulated by this policy, such as Gifts, meals, travel or other permitted expense.
- 6.3 The goal is to ensure that the HAP’ books, records and accounts accurately and fairly reflect our transactions in reasonable detail. Transparency and completeness in our records help demonstrate our compliance with this policy and with applicable laws and regulations. For example, submitting an expense voucher for a meal and failing to note that Government Officials attended the meal, may be viewed as creating an inaccurate corporate record. Creating a paper trail through emails or other documents after an expense was incurred to give the appearance that the expense was pre-approved also may be viewed as creating an inaccurate corporate record or falsifying documents.

6.4 If any Associate realizes that he/she mistakenly failed to provide complete information about a transaction or expense, he/she must escalate it to his/her Supervisor immediately. Trying to hide this mistake or falsifying of records should be avoided by Associates. It is best to be open and honest about the issue and work transparently with a Supervisor in trying to correct it properly in HAP's books and records. If an Associate becomes aware that HAP's books and records do not accurately reflect a transaction or expense, Associate must report this issue immediately.

6.5 Records and documents generated in connection with the principles set forth in this policy, including, but not limited to, any diligence files and contracting documents, must be maintained and stored for the period specified in the Data retention policy.

## **7. Raising a concern and Protection**

7.1 All HAP Associates are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If they are unsure whether a particular act constitutes bribery or corruption, or if they have any other queries, these should be raised with the Compliance Officer. Concerns should be reported by following the procedure set out in "Whistle-Blower" policy.

7.2 An Associate who refuses to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. HAP aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

7.3 HAP will ensure that no one will suffer any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If any Associate believes that he or she has suffered any such treatment, he or she should inform the Compliance Officer immediately. If the matter is not remedied, then Associate should raise it formally to the Human Resource Head.

## **8.Exception(s)**

All exceptions to this policy must be approved by Compliance Officer.

## 9. Annexures:

### Annexure-01: Potential risk scenarios: "red flags"

9.1 The following is a list of possible red flags that may arise during the course of employment or association of Associates or Business Partners with the HAP and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only as follows:

- a) You become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- b) You learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with government officials or officials involved in the HAP work oriented application process;
- c) A third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- d) A third-party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- e) A third-party request that payment is made to a country or geographic location different from where the third party resides or conducts business;
- f) A third-party requests and unexpected additional fee or commission to "facilitate" a service;
- g) A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiation or provision of services.
- h) A third-party request that a payment is made to "overlook" potential legal violations;
- i) A third-party request that you provide employment or some other advantage to a friend or relative;
- j) You receive an invoice from a third party that appears to be non-standard or customized;
- k) A third party insists on the use of side letters or refuses to put terms agreed in writing;
- l) You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- m) A third-party request or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- n) You are offered an unusually generous gift or offered lavish hospitality by a third party;
- o) A doctor employed by a government owned hospital or university requests a payment to provide a glowing report of the medicine you are applying to have licensed;
- p) A foreign government official suggests a contribution should be made to his favorite charitable organization and in return he would be able to influence the decision-making process for license approvals.

9.2 If any Associate or Business Partner encounter any of these red flags while working with the HAP Entities, they must report them promptly using the procedure set out in our "Whistle Blower Policy".



**DECLARATION FOR GIFTS, BUSINESS ENTERTAINMENT & HOSPITALITY RECEIVED**

From

(Name of employee),

(Designation)

To

The Compliance Officer,

Anti-Corruption & Anti-Bribery Policy Hatsun.

Dear Sir/Mam,

This is to report you that, on (Date), I have received following hospitality or gift from Mr.(Person's name who has extended the hospitality / provided the gift) in his individual capacity / belonging to .....Organisation / Company (Organisation's / Company's Name who has extended the hospitality / provided the gift)

Description of the hospitality or Gift received

1.

This is for your information.

Chennai, date \_\_\_\_\_.

Yours Faithfully,

Sign

Name

**DECLARATION FOR GIFTS, BUSINESS ENTERTAINMENT & HOSPITALITY OFFERED**

From

(Name of employee),

Designation.

To

The Compliance Officer,

Anti-Corruption & Anti-Bribery Policy Hatsun.

Dear Sir/Mam,

This is to report you that, I have offered following gift or hospitality to Mr.(Person Name to whom he given) of the company (Company Name to which he gave) on \_\_\_\_\_ and he has duly received the same.

Description of the hospitality or Gift offered

1.

This is for your information.

Chennai, date\_\_\_\_\_.

Yours Faithfully,

Sign

Name