



## **Policy on Anti-Bribery and Anti-Corruption (ABAC) - Ashok Leyland Ltd. (AL)**

### **Background and Purpose:**

Ashok Leyland Ltd. is committed to conduct business in accordance with highest ethical standards within prescribed rules, regulations and applicable national and international laws. The purpose of this Code is to enhance integrity, ethics & transparency in governance of the Company and thereby to reinforce the trust and confidence reposed in the Company by the shareholders and other stakeholders". The Company is therefore committed to act professionally and fairly with integrity in all its business dealings, relationships and in its all operations and to enforce effective systems to counter bribery.

The company is committed to prevention, deterrence and detection of bribery and other corrupt business practices & for this purpose, various policies have been implemented at AL. This policy will support the procedures, systems and processes in the Company to uphold its zero-tolerance approach to bribery and corruption. The provisions of this Policy shall be in addition to and be read in conjunction with the following:

- Code of Conduct
- Whistle Blower Policy
- Any other relevant policies, guidelines, work instructions as implemented from time to time.

### **I) AL policy against Corruption and Bribery:**

The Company's reputation for honesty, integrity and fair dealings is an invaluable component of the Company's stakeholder's trust creation, sustainable business, it's success and employee satisfaction. All employees are expected to comply with the local laws prohibiting Bribery and Corruption, wherever such employee is deputed as well as those employees while on travel for business purposes. The Company is committed to comply with all relevant anti- corruption legislations including the domestic and foreign laws of land as applicable in the respective country in which they operate.

- **Anti-Corruption policy**

Ashok Leyland's commitment to deal legally and ethically with Government, applies worldwide. It is prohibited to give or offer anything monetary or non-monetary directly or indirectly to any Government official in order to obtain any business or affect any Government Act or decision.

AL does not tolerate any corrupt conduct by its employees, business partners or customers. Decisions involving corruption distort competition, harm the company's assets and reputation and go against the common good. To prevent possible harm to the AL Group, we avoid even the mere appearance of undue influence.

Compliance with the anti-corruption laws must be undertaken on a case-by-case basis and can be complex. Stakeholders are expected to take adequate precautions in determining whether an activity is restricted or prohibited under the anti-corruption laws. In case of lack of clarity in



this regard, they may reach out to the SPOC of Ethics Committee before taking any action including any verbal assurances that might be regulated by local/international laws.

- **Prohibition of bribery**

Bribery in any form is strictly prohibited. Bribery satisfies what corruption demands and it can induce corruption. Employees and in particular executive leaders of the company wherever situated including its subsidiaries are strictly prohibited from making any offer, payment, promise to pay and authorize to pay any money, gift or anything of value to any person including government official for the purpose of:

- Influencing any act or decision of the person in his official capacity, to do or abstain from doing any act in violation of his lawful duty, for securing any improper advantage; or
- Inducing the person to influence a decision of an authority, in order to obtain or retain business or to direct business to anyone.

In some cases, the acceptance of any advantage would itself constitute the improper performance of function or activity, i.e., the advantage need not necessarily be monetary; the non-rejection would constitute an offence.

The recipient need not be in public office or the public sector for the bribe to constitute an offence.

It is expected that the stakeholders be aware of the basic provisions of the FCPA, UK Bribery Act, Indian Prevention of Corruption Act or any other anti-corruption and anti-bribery legislations in the jurisdiction of operation and must comply with the same.

“Anything of value” used in the policy includes cash payments, gifts, entertainment, excessive business promotional activities, covering or reimbursing expenses, political contributions, investment opportunities, shares, securities, loans or contractual rights, promise of future employment, payment under consulting agreement, sub-contract or similar items.

- **Gifts**

It is unacceptable to offer, give or receive gifts, payments or other benefits (including but not limited to bribes or kickbacks) to influence or appear to influence any business decision. Also refer to “Code of Conduct for Executives” on AL intranet for more information.

## **II) Scope**

The ABAC Policy is applicable to all individuals working in the Company /Group Companies at all levels and grades. This includes Directors, employees (full time, part time or employees appointed on adhoc /temporary/contract basis), trainees, apprentice as well as to any other person associated with the Company including representatives of vendors, suppliers, contractors, consultants, service providers or any outside agency/agencies, or such other persons, including those acting for or on behalf of the company or any of its JVs/ subsidiaries, wherever located (collectively referred to as "designated persons" in this policy).

### III) Policy Statement

AL Anti-Bribery and Anti-Corruption Policy states that no designated person/s shall promise/ offer/ give/ receive / facilitate bribes or other illegal gratification /gifts to another person or organization in order to un-duly favor any person/party or to gain any unfair advantage or obtain /retain business. This includes compliance of prevailing anti-corruption laws of the land, prohibitions of improper payments, gifts, lavish hospitality or any kind of illegal gratification, illegal payments directly or through third parties and any kind of direct or indirect bribe.

The elements of the ABAC policy includes:

- All expenses should be incurred or received in a lawful manner and should not provide the impression of same being used for influencing any business decision.
- Proper and accurate record keeping along with the supporting documentation which indicate the reason for the expenditure, the period, the evidence, etc. needs to be maintained for all expenses incurred.

Accordingly, AL shall adhere to the Prevention of Corruption Act 1988 (Amendment) act to counter bribery and corruption in India. The Policy provides clear guidelines to its designated persons for enabling them to act ethically while performing business activities. The Policy also provides adequate reporting channels to provide any disclosure, raise concerns or to seek clarifications in ambiguous situations. Designated persons are encouraged to be sensitive to potential high-risk conduct and corruption “red flags” and report any such concerns to whistle-blower channel.

### IV) Definitions

1. **Bribery** means anything of value that is offered, promised, given or received to influence a decision or to gain an improper or unfair advantage. Bribery may not always be in the form of cash payments and may take many other forms, including offering, providing, receiving, or soliciting any inducement of any kind in order to influence or expedite any decision/action, which affects the business of AL or for the personal gain of an individual.
2. **Corruption** includes wrongdoing on the part of an authority or those in power through means that are illegitimate, immoral or incompatible with ethical standards.
3. **Third Party/ies** includes any person or an entity that performs services for or on behalf of AL. Third Parties engaged in activities that requires or involves interaction with any level of the government (domestic or foreign) and includes accounting firms, consultants, lawyers, investment bankers, bankers, contractual vendors etc. They perform business activities on behalf of AL including facilitating performance of contractual obligations, obtaining licenses, permits and similar authorizations liaising with various regulatory authorities for regulatory compliances.
4. **Anything of Value** - AL shall not allow its designated persons and business partners to offer, pay or promise to give “anything of value” to any individual or organization for performing / facilitating any business activity. ‘Anything of Value’ may be monetary or in-kind and can be very small or include intangible benefits of personal value. It includes any inducement but not limited to Cash and cash equivalents / other benefits, Gifts, lavish meals, travel, Honours / Awards etc.

This includes any enticement given to any individual or organization to influence or to obtain any advantage. Such payments may be direct or indirect (i.e. via an agent or other intermediary), or for the benefit of someone other than the person who is being influenced. This includes 'facilitation payments'.

5. **Improper benefit** - A benefit is considered improper or corrupt if made or promised for the purpose of:
  - Inducing an official to act or not to act or use his/her influence
  - Obtaining or retaining business
  - Obtaining a business advantage
6. **Conflict of Interest** - A Conflict of Interest arises when any relationship (whether personal or professional), influence or activity may impair or appear to impair the ability of designated persons to
  - make fair and objective decisions when performing their jobs, or
  - act in the best interests of the Company.
7. **Government or Public Official** – A “Government or Public official” is any person who is employed by or is acting in an official capacity for a government, a department, agency or instrumentality of a government, or a public international organization. This includes elected or appointed persons who hold legislative, administrative, or judicial positions such as politicians, bureaucrats, and judges. The term will also include employees of government-owned or controlled businesses like Public Sector undertakings.
8. **Political Contribution** is any gift, loan, advance or deposit of money or anything of value made for the purpose of influencing any state, country, or local election for political office or ballot initiative; and/or to pay debt incurred in connection with any an election or ballot initiative.

**V) Different scenarios to prevent improper payments and undue enrichment.**

**a) Gifts/Mementoes, hospitality, entertainment**

No designated persons of the Company shall accept or permit any member of his family or any other person acting on his behalf, to accept any gift which includes free-transport, boarding, lodging or other service or any other pecuniary advantage when provided by any person other than a near relative or a friend having no official dealings with the employee. A designated person of the Company shall avoid acceptance of lavish or frequent hospitality from any individual or firm having official dealings with him.

**b) Travel & Lodging**

The Company acknowledges that there could be instances of nominal expenses incurred during inter-actions/engagements with Business Partners/Third Parties. In such cases the following rules will apply:



- In case travel & Lodging arrangements need to be made for Government Officials or any person not in the employment with AL, approval must be taken from the Competent Authority as laid down under DOP.
- For all International bookings i.e. air ticket and lodging, approval from the Competent Authority should be obtained.

**c) Political and Charitable Contributions**

AL does not make any contributions, whether in cash or kind, in support of any political party/ies or electoral candidates, as this can be perceived as an attempt to gain an improper business ad-vantage.

AL believes in contributing to the communities in surrounding areas where it conducts business. All charitable donations made by AL have to be approved under the CSR/R&R Policy of the Company.

**d) Sponsorships**

Sponsorship is allowed for genuine business reasons, brand building of the organization or for charitable objectives without any element of quid pro quo. Any such sponsorship must be, properly documented, duly approved by the Competent Authority and duly reported as per extant policies and procedures of the organization.

**e) Facilitation Payments**

This ABAC Policy specifically prohibits facilitation payments, also known as “grease” or “speed” payments, which are small payments to secure or expedite a routine government action by a government or public official. All designated persons must avoid any activity which may lead to or suggest a Facilitation Payment or Kickback.

**f) Action against Third Party/ Parties**

AL expects third parties to conduct their activities as per this policy. This Policy and other relevant anti-corruption laws prohibit use of third parties as a conduit for making indirect payments for the purposes of bribery. Regarding fraud /illegal means adopted by the third party/ies to secure business with AL, appropriate action against the party will be taken under the Company’s Policy & Procedure for debarment from Business dealings.

**VI) Procedure for reporting Concerns and investigation procedure:**

Every person to whom this policy applies to, is encouraged to raise their concerns about any bribery issues or suspicion of malpractice at the earliest possible stage. If any stakeholder, believes or suspects that any designated persons, or any other person acting for or on behalf of the company, may have engaged in conduct inconsistent with the Company’s ABAC policy or applicable laws of the land related to bribery, the employee or person associated with the company may raise the concern as per the procedure mentioned in Whistle-blower policy. Reporting and Investigation of the ABAC cases shall be done as per the relevant rules framed therein.

**VII) Penalties:**

The breach of this Policy by the designated persons of the Company shall lead to appropriate actions against such persons as per the procedure laid down by the company in this regard. After completion of the investigation, due & appropriate action, which could include administrative action, disciplinary action, civil or criminal action or closure of the matter (if it is proved that no such breach is committed etc.) depending upon the outcome of the investigation shall be undertaken under the relevant rules of AL.

**VIII) Responsibility for ABAC Policy:**

- The Board of Directors has the overall responsibility for ensuring the policy complies with legal and ethical obligations, and that all under their control comply with it.
- Ethics Committee is primarily responsible for implementing the policy, monitoring its effectiveness, and handling any queries regarding its interpretation.
- All Business Unit/ Department Heads and Senior Management shall have the responsibility for ensuring that those reporting to them are made aware of and understand the Policy and shall ensure proper monitoring for strict compliance.
- All employees are responsible for complying with the policy and for using it to disclose any suspected wrong-doings. All employees shall ensure that they have read and understood this Policy and must at all times comply with its requirements.

**IX) Continuous Improvement & Review**

To maintain an anti-corruption program that meets regulatory requirements and stakeholder expectations, Ethics Committee will periodically review, change/ improve as and when necessary and communicate its anti-corruption-related policies, practices, and procedures to all employees and stakeholders of the company (AL).

Risk assessments related to corruption shall be integrated with the Enterprise Risk Management Framework. The policy shall be reviewed & revised by the Management as and when required. The Management shall monitor the effectiveness and review the implementation of the compliance principles set forth in this Policy, regularly considering its suitability, adequacy, and effectiveness.