



The Phoenix Mills Limited (PML)



Anti-Bribery and Corruption Policy



1. Introduction

The Anti-Bribery and Corruption Policy (the ‘Policy’) of The Phoenix Mills Limited (“PML” or “the Company or “our” or “we” or “us”) has been developed to identify and avoid situations that could potentially violate applicable Anti-Corruption laws. The Company's reputation for honesty, integrity and fair dealing is an invaluable component of the Company's success. The Company condemns corruption in any forms and is committed to comply with all relevant anti-corruption legislations in force. The policy reflects the commitment of PML and its management for high ethical standards of doing open and fair business.

2. Purpose

The policy seeks to provide guidelines to employees¹, third parties² and business partners³ of PML to enable them to identify and avoid situations which could lead to violations of the Anti-Bribery and Corruption Laws. It sets out the expected standards for preventing bribery and corruption.

This policy along with our commitment for high ethical standards for business practices and bribery prevention also reflects our compliance with the specific legal requirements of the jurisdiction in which we operate.

3. Objective

The objectives of the policy are:

- to initiate steps to reduce bribery and corruption risk to the business and the organization by setting out clear guidelines;
- to encourage employees and directors to be vigilant and to act diligently in good faith;
- monitoring and investigating instances of alleged corruption;
- taking firm and vigorous action against any individual(s) involved in corruption;
- to minimize the risk of involvement of all employees and Directors in corruption related activities;
- to form a common understanding for all stakeholders that PML prevents the corruption in any form;
- to summarize and explain the key requirements of Indian anti-corruption regulations and other anti-corruption laws (as and when applicable to PML);

¹ For definition of ‘Employee’, refer section 15.1

² For definition of ‘Third Party’, refer section 15.2

³ For definition of ‘Business partners’, refer section 15.3

- to set responsibility for the employees of PML to know and to comply with principles and requirements of the policy, key rules of the applicable anti-corruption laws, as well as adequate procedures to prevent corruption.

4. Scope

This program is applicable to the following:

- All employees including temporary or off roll employees of the PML
- All Directors, - of the PML
- All business partners (Vendors, Third Party Intermediaries and Customers) including any other employee/ persons/individuals or entity, who may be acting on behalf of or having business relationship with PML.

5. Key principles

The Members of the Board of Directors of the Company should form the ethical standard of uncompromising attitude to all forms and demonstration of corruption at all levels setting the example by their own behavior.

- The Policy is available to all the employees at the time of joining.
- The Company openly expresses its opposition to corruption; welcomes and encourages compliance with the principles and requirements of the Policy by all contractors, employees, associated parties/companies, its managerial bodies and other persons.

6. Policy statement

The Company does not espouse the payments or receipt of bribes or improper payments for business or financial gain. As a corollary, no employee, director or representative of the Company should do anything that could give an impression that the Company could be influenced in this manner. PML provides clear guidelines to its employees and third parties through various policies for enabling them to act ethically while doing business activities.

All Employees, Directors, Senior Management personnel are required to read and understand the full implications of the laws and policies on bribes and abide by it in letter and spirit. PML has also provided adequate reporting channels in order to provide any disclosure, raise red flag or to seek clarifications in ambiguous situations. Employees who breach this ABC Policy are subject to appropriate disciplinary action.

7. Applicable anti-corruption laws and Key provisions

The applicable Anti-Corruption Laws under the Indian Statutory Framework are as follows:

- Indian Penal Code, 1860,
- Prevention of Corruption Act, 1988,
- Prevention of Money Laundering Act, 2002,
- Right to Information Act, 2005,
- Central Vigilance Commission Act,
- Lok Ayukta Acts of States, and

- Any other Act/statutes as may be notified by the Government of India from time to time

In India and other countries the "corrupt practices" will be considered - giving or receiving bribes, intermediation in giving or receiving bribes, malpractice, misuse of official authority, commercial bribery, facilitation 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 the 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.

8. Restricted practices

Illustrative list of acts /practices which are restricted / prohibited under the policy framework is given below:

- Dishonest misappropriation of property/money
- Criminal breach of trust
- Cheating
- Receiving or giving bribe⁴
- Making improper or facilitation payments⁵
- Acceptance /giving of anything of value⁶ over and above the extent and the manner as allowed hereunder :-
 - Gifts on behalf of the Company, its employees and representatives to third parties in the form of cash or non-cash in any currency, is not allowed.

(Please refer Gifts, Entertainment and Hospitality policy for further details)

- Representative expenses including the hospitality business expenses which the employee may provide on behalf of the Company to the individuals or organizations, or which the employees may receive in connection with their work in the Company from other persons and organizations, must meet a set of five criteria mentioned below:
 1. to be directly related to the legitimate activity of the Company, for example, a presentation or completion of business project(s), or the successful execution of contracts, or either with common holidays such as the Christmas, Diwali, New Year, anniversaries, birthdays;
 2. to be reasonable, proportionate and not be a luxury;
 3. to be not a hidden fee for the service, act, omission, conniving, protection, provision of rights, making of certain decision on transaction, agreement, license, permit, etc. or attempt to influence the recipient to indulge in any illegal or unethical activity;

⁴ For definition of 'Bribe', refer section 15.7

⁵ For definition of 'Improper payments' and "Facilitation payments", refer section 15.8 and section 15.9 respectively

⁶ For definition of 'Anything of value', refer section 15.10

4. not to create a reputational risk for the Company, employees, and other persons, in case of disclosure of information on gifts or representative expenses;
 5. not to be in conflict with the principles and requirements of the Policy and other internal documents of the Company and the rules of applicable law.
- Charity in order to obtain commercial advantages or participation/contribution in/to Political Activities
(Please refer *Political Contributions, Donations and Sponsorships Policy* for further details)
 - Payment of any costs for government officers and their relatives (or in their interests) in order to obtain commercial advantages, and
 - Any other unethical act or omission
 - 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-corruption laws.

9. Recruitment

Hiring and deployment activities need to be designed to find, attract, and employ the right people to create a workforce that is able to meet the Company's business goals now and in the future. Hiring of candidates will be based on merit only and must meet the requirements. The candidate should not be hired based on recommendations and influence of any employee, customers or pleasing any Government or public official⁷.

For hiring any former Government official and their immediate family member requires the approval of the Board of directors with a clear business justification and not created as a special position. Once approval is granted, due diligence and background checks must be conducted prior to making an offer of employment to any Government Official or their immediate family member(s).

10. Implementation and Compliance

The policy would be implemented by order of the Board of directors of the Company. It is sole responsibility of the employees (including all persons/officials covered under the Policy) to abide by the policy and to restrict their actions/conduct within the set framework of the policy. The compliance with principles and requirements of the policy by the employees would be taken into account during the course of their appraisal and sanction of promotions.

11. Reporting and Actions

Any violation/non-adherence of the Policy would be reported to the respective Board of directors and will take appropriate action(s).

In case any employee or any other person to whom this policy applies, is found to be indulged in corruption related activities, violation of any provisions of the Policy or any frivolous complaint, he /she may be subject to disciplinary action(s) including termination of services and such other administrative, civil or criminal action(s) as per the applicable statutes as mentioned in the Policy.

⁷ For definition of 'Government or Public official' Refer section 15.11

12.Procedures for reporting violations

The concern/complaint can be reported through any of the following channels mentioned below:

12.1. Reporting against Employees /Officials/ Other Persons (including Partners / Representatives)

Email

You may report all suspected violations to your immediate supervisor; or anonymously, by sending an e-mail to Board of Director(s) or Company Secretary of the Company.

Anonymous complaints

A complaint may be made anonymously. An anonymous complainant must be detailed in description and must provide the basis of making the assertion therein.

Where possible, it should describe:

- nature of the suspected violation;
- identities of persons involved in the suspected violation;
- description of documents that relate to the suspected violation;
- time frame during which the suspected violation occurred.

It is the duty of Board members to take all reasonable steps to protect the identity of the person(s), who has/have reported the violations. It is also their responsibility to take all reasonable steps to safeguard such information, which they come across during the reporting/investigation process, to use such information only for the reasons it was supplied and not to share it with third parties, unless in compliance with applicable laws and regulations.

12.2. Reporting against Board Member(s)

In case of alleged corruption in respect of Board member(s), the violation(s) would be reported to the Compliance Officer/Company Secretary/ General Counsel and he/they shall take the appropriate action (s) as may be considered necessary.

13. Responsibility for failure (Improper Fulfilment) of the Policy

The members of the Board of Directors and employees of all functions of the Company, regardless of position and designation, are personally responsible for compliance with the principles and requirements of the Policy, as well as the actions (inaction) of their subordinates, who violate these principles and requirements.

14. Amendments

In case of identification of ineffective provisions of the Policy or related business processes of the Company or in case of change of the requirements of applicable laws or in case of any other modification(s), which may be deemed necessary by the Board of directors, the Policy may be amended/updated by issuing an order under the signature of the Board of directors.

15. Definitions

15.1. Employee

Employee is an individual who works for the Company either on full time or part time basis or acts as a consultant or an advisor or Subject Matter Expert for the Company and is bounded by the 'contract of employment', terms of which are either expressed or implied. They include (i) on-roll workers, trainees, articles, apprentices, seconded etc. whether remunerated or not remunerated for the services offered to the Company, (ii) Team of high level executives or executive management i.e. Chief Executive Officers ('CXO's') and key process owners or AGMs and above level of the Company responsible for strategy, management, planning and administration of the Company and (iii) Any individual having decision making, planning and administration authority/ control in a Company.

15.2. Third Party Intermediaries (TPIs)

Third Parties Intermediaries includes any person or entity that performs services for or on behalf of the Company. They are engaged in activities that requires or involves interaction with any level of the government (domestic or foreign) and includes agents, suppliers, contractor, service provider, broker and landlord. They perform business activities on behalf of the Company like:

- Facilitate performance of contractual obligations;
- Obtain licenses, permits and similar authorizations for opening and day to day operations of a new project site or facility;
- Obtain business or promote marketing or sale of project sites (constructed/ under constructed); and

They are not permitted to pay bribes on Company's behalf. Employees should avoid doing business with third parties who do not have a zero tolerance approach to bribery. They should consult with legal representative to determine the steps required for conducting appropriate diligence of potential third parties and business partners prior to engaging them.

15.3. Business partners

Business partner is any individual, group of individual or entity who is associated with the firm and has interest in its operation. They are affected by the business decisions and its performance. Some of the key business partners include:

- Employees
- Third Parties like Suppliers, Vendors, Consultants, Agents
- Customers/clients

15.4. Affiliates

Any Company or entity that, directly or indirectly through one or more intermediaries, control or is controlled by or is under common control with the Company

15.5. Bribes

Bribe is 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:

- Non-arm's length loans or other transactions;
- Phony jobs or "consulting" relationships;
- Political contributions;
- Charitable contributions; or
- Gifts, travel and hospitality.

It includes both:

- i. Bribe to Government Official; and
- ii. Non-government individual or entity

15.6. Improper payments

A payment is considered corrupt if made or promised for the purpose of:

- Inducing an official to act or not act or use influence
- Obtaining or retaining business
- Obtaining some other business advantage

Not only the types of Company or-government interactions but also their timing can create red flags.

15.7. Facilitation payment

According to Foreign Corrupt Practices Act facilitation payments are "payments made to further routine governmental action that involves non-discretionary acts".

Facilitation payments are small payments made to secure or speed up routine actions or otherwise induce public officials or other third parties to perform routine functions they are otherwise obligated to perform, such as issuing permits, approving immigration documents or releasing goods held in customs. This does not include legally required administrative fees for expedited services. Facilitation payments are also a form of bribe and are, therefore, not permitted.

PML does not allow to give or receive bribes, including "facilitation payments". Directors should not approve making of bribery or facilitation payments.

However, there is an exception where payments to officials are made where a person's physical health or safety is in serious jeopardy.

15.8. Anything of Value

PML does not allow its employees, associated entities/individuals to offer, pay or promise to give "anything of value" to a Government officials. 'Value' may be monetary or in-kind and can be very small or include intangible benefits of personal value. It includes any inducement including but not limited to:

- Cash and cash equivalents / other benefits;
- Gifts;
- Travel and entertainment;
- Personal services;
- Honours / Awards;
- Political contributions;
- Charitable donations

This includes any enticement given to government, non-government officials or to relatives, friends to others with close ties with Government Officials or Commercial Parties to influence or to obtain any advantage.

15.9. 'Government' or 'Public' Official

"Public official" as 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. It also includes persons who perform public functions such as professionals working for public health agencies, water authorities, planning officials and agents of public international organizations, such as the UN or World Bank. A "public official" may also include employees of government-owned or controlled businesses, including sovereign wealth funds. For example, if a government has an interest in a bank and exercises control over the activities of that bank, then the banking officials are likely to be considered "public officials".

The term 'Public' or 'Government Official' is:

- Not limited to 'federal' employees i.e. apart from central government officials it includes employees from state government, municipal corporations etc.
- Includes political parties, party officials and other members
- Not limited to high level official i.e. even employees at junior level are included in this definition. For e.g. a minimal amount offered as bribe to a peon is also not permissible
- Employees of government-owned or controlled entities like bank officials
- Persons acting officially on behalf of or representing government entity
- Can include private persons who are 'advisors' like consultants hired by government organization on contractual basis
- Can include, as a practical matter, relatives of officials

15.10. 'Non-Government' Organization

A 'non- government' is an entity, formed by individuals or group of individuals, which does not have any form of government holding. They work for a common goal that may

be either for profit or non-profit purposes basis which these organizations are classified as either 'Commercial' or 'Non Commercial' organization.

15.11. High Risk Transactions

Risk assessment of a transaction should be done on the basis of its exposure to potential bribery and corruption activities. Any transaction that is perceived to have high exposure to bribery and corruption are termed as high risk transactions. Some of such transactions include:

- Exposure to particular sector more vulnerable to bribery and corruption instances like Real estate
- Transactions that require interaction with government officials for permits, licenses etc.
- Business that require high level of involvement of intermediaries
- Business in countries which are high in corruption index
- Political donations/sponsorships
- High value transactions

Adequate measures proportionate to the risk perceived should be in place to prevent and detect any unethical acts of bribery and corruption in such areas.

16. Summary of ABC policies

PML has adopted various policies as guiding resource aimed at preventing bribery and corruption which include the following:

#	Name of the Policy	Purpose
1	Gifts and Entertainment	This policy defines the expected standards that must be applied by an individual/entity associated with PML while offering or receiving a gift, invitation or other hospitality.
2	Third Party Intermediary Relationship	This policy provides guidelines for enrolling and conducting business with Third Parties associated with PML and representing it in various business transactions (both Government and Private Officials)
3	Communication and Training	This Policy provides a framework to help in communicating Anti-Bribery and Corruption policies across the organization and its associated third parties and staff. It helps in keeping them abreast with updated ABC laws applicable and also how to deal with ambiguous situations related to bribery and corruption
4	Political Contributions, Donations, Sponsorships	This policy defines the guidelines which must be followed during performing political contributions, donations and sponsorship.
5	Travel and Employee Reimbursement	This policy aims to define the limits and approval matrix for the various employee reimbursement. It intends to ensure that the expenditure incurred are authentic and business related.
6	Employee and Vendor Advances	This policy defines adequate procedures and authorization while offering advances to the individual or entities associated with PML. It aims to ensure that the advance offered is used for performing business related activities within the parameters of applicable regulations and is recorded adequately in the books of accounts.

#	Name of the Policy	Purpose
7	Financial Controls	This policy establishes guidelines and control procedures for Cash transactions and performing payments to employees and vendors.