



## HPL ELECTRIC & POWER LTD

### ANTI-CORRUPTION & ANTI-BRIBERY POLICY

#### OBJECTIVE

HPL is committed to conducting all business activities with honesty and ethics. We maintain a zero-tolerance policy towards bribery and corruption, ensuring that we act with professionalism, fairness, and integrity in all our business relationships and operations.

Corruption can take place in many types of activities. It is usually designed to obtain financial benefits or other personal gain. For example, bribes are intended to influence behaviour - they could be in the form of money, a privilege, an object of value, an advantage, or merely a promise to influence a person in an official or public capacity. The most common forms of bribery and corruption include:

- Payments to employees or their family members, or to third parties, to gain an advantage in business transactions.
- Political contributions made to influence business transactions.
- Sponsorships used to secure advantage in business transactions.
- Favours Regarding Recruitment Opportunities
- Facilitation payments made to secure or accelerate routine or necessary business actions.
- Gifts, hospitality and expenses payments made to secure advantage in business transactions.

The objective of this policy is to:

- a) Outline our commitment to comply with laws prohibiting bribery and corruption; and
- b) Provide guidance on recognizing and addressing bribery and corruption issues

#### OUR DEFINITIONS

**Bribery** refers to the act of offering, receiving, or attempting to offer or receive financial or other advantages to influence or reward a person in a position of trust, to perform a public, commercial, or legal function with the intention of securing a commercial benefit. Bribes may involve money or any valuable item exchanged for business favours or advantages.

**Corruption** refers to dishonest, improper, or unlawful conduct by a person or organization entrusted with authority, aiming to secure an illicit benefit or misuse power for personal gain.

**Facilitation Payments** are unofficial payments made to expedite or secure routine actions by authorized officials.

**Kickbacks** are payments made in return for securing a business favour or advantage.

**Gift** refers to any valuable item given or received from a party engaged in business dealings with the organization.

#### SCOPE & APPLICABILITY

This policy applies to all dealings, transactions, and expenses conducted on behalf of HPL. It encompasses all stakeholders working for or representing HPL, including senior managers, officers, directors, employees (whether permanent, fixed-term, or temporary), consultants, contractors, trainees, seconded staff, casual workers, volunteers, interns, agents, sponsors, or any other individual associated with HPL or its subsidiaries, regardless of their location.

Additionally, this policy covers any "third party," defined as any individual or organization that may come in contact during their engagement with HPL. This includes current and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, business associates, as well as government and public bodies, including their representatives, officials, advisors, politicians, and political parties.

## POLICY TERMS FOR EMPLOYEES

We are dedicated to implementing and enforcing robust systems to prevent bribery. Our employees are strictly prohibited from engaging in any form of bribery, whether direct or indirect, including payments made through third parties. Should any employee suspect or become aware of potential bribery related to HPL, it is their responsibility to report their concerns to the Chairman of Executive Committee.

HPL will conduct periodic bribery and corruption risk assessments across its operations to identify potential risks and ensure that sufficient procedures are in place to manage those risks. The risk assessments will be documented, periodically reviewed, and updates will be provided to the appropriate Board Committee on a semi-annual basis, in line with applicable regulations.

In addition to the PCA, the following laws in India also presently apply to offences relating to or resulting in corruption and bribery and resolutions available in case of occurrence of corruption or bribery:

- a) Indian Penal Code, 1860 ("IPC");
- b) Prevention of Money Laundering, 2002; 2
- c) Central Vigilance Commission Act, 2003;
- d) Lok Ayukta Acts of various states

The guidelines in this ABAC Policy should be read in conjunction with HPL's Code of Conduct & Whistle-blower policy.

## WHAT IS NOT ACCEPTABLE?

- Accept any gift, regardless of size, from any third party that is in negotiations with or submitting a proposal to HPL.
- Give, promise, or offer any payment, gift, hospitality, or advantage with the expectation or hope of gaining a business advantage or to reward one already received.
- Give, promise, or offer any payment, gift, or hospitality to a government official, agent, or representative to "facilitate" or expedite a routine procedure.
- Accept or solicit any payment, advantage, gift, or hospitality from a third party that is believed to be offered with the expectation of securing a business advantage.
- Threaten or retaliate against any employee who has refused to commit a bribery offense or who has raised concerns under this policy.
- Engage in any activity that could lead to a violation of this policy.

*\*The points outlined above are illustrative and do not intend to limit the full applicability of this policy.*

## PROCEDURE

### a) How to Raise a Concern

Everyone to whom this policy applies is encouraged to raise any concerns about bribery or suspicions of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other related queries, you should report these concerns to your respective Chairman of Executive Committee.

### b) What to Do if You Are a Victim of Bribery or Corruption

If you are offered a bribe by a third party, asked to offer one, suspect that it may happen in the future, or believe you are a victim of another form of corruption or unlawful activity, it is your responsibility to report it to your Chairman of Executive Committee as soon as possible. You must refuse to accept or make any payment to or from a third party, explain HPL's policy against such actions, and make it clear that the refusal is final and non-negotiable due to this policy. If you encounter any difficulties in making this refusal, you should seek assistance from your manager.

### c) Protection

We recognize that those who refuse to accept or offer a bribe, or those who raise concerns or report wrongdoing, may be concerned about potential repercussions. We encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. We are committed to ensuring that no one faces detrimental treatment as a result of refusing to engage in bribery or corruption or because of reporting their concerns in good faith about actual or potential bribery or corruption.

### d) Maintaining Accurate Books and Records

No payment made by or on behalf of HPL shall be approved or made if any part of it is intended for unlawful or improper purposes, or for any purpose other than what is outlined in valid supporting documentation. No false or misleading entries should be made in any of HPL's books or financial records for any reason.

Any expenses incurred by an employee or third party on HPL's behalf, or in connection with our business, will not be reimbursed unless they are lawful and supported by detailed documentation, such as valid invoices or receipts.

### **POLICY BREACHES & PENALTIES**

Violations of this policy may result in disciplinary action per HPL's Disciplinary Procedure, with serious breaches potentially leading to dismissal. Chairman of Executive Committee oversees compliance, prescribes corrective actions, and determines if violations warrant reporting to authorities. The Chairman of the Board, based on inputs from the Vigilance and Ethics Officer, may recommend penalties, including suspension or termination. In cases of regulatory or criminal breaches, full cooperation with authorities is required, and legal action may be pursued if necessary.

### **OUR EXPECTATIONS**

HPL's reputation is shaped not only by the conduct of our employees but also by the behaviour of those with whom we do business. Our objective is to ensure that both HPL personnel and the third parties we engage with uphold the same high ethical standards and are committed to complying with all relevant laws. We also expect our third parties to ensure that their employees and subcontractors understand and adhere to this Anti-Bribery Policy.

Failure to comply with this Anti-Bribery Policy or any applicable anti-bribery laws may lead to civil or criminal penalties, in addition to the termination of the employment or business relationship.

### **RESPONSIBILITY & REVIEW**

Approved by the Board of Directors of HPL, the policy will be shared with employees, stakeholders, and made accessible on our website. HPL reserves the right to vary and/or amend the terms of this Policy from time to time.

Approved and Adopted: Date

Signing Authority (Name & Designation)