

# GUIDELINE ON PREVENTION OF CORRUPTION AND BRIBERY FOR EMPLOYEES

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## GUIDELINE NO HR/65

This policy shall apply to all individuals of the Company working at all levels and grades, including directors, senior executives, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, casual workers, volunteers, interns, agents, sponsors or any other person associated with Gujarat Fluorochemicals Limited, GFL Americas LLC., GFL GmbH, GFL GM Morocco.

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## 01. INTRODUCTION and ORGANIZATIONAL COMMITMENT

Adherence to good Corporate Governance practices and managing its affairs in a fair, honest, ethical, transparent and legal manner is an integral part of the philosophy of the Company.

Our Company, that is Gujarat Fluorochemicals Limited and its subsidiaries together referred to herein after as the Company, is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices. The Company shall conduct all its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforce its business practice, wherever it operates, of not engaging in bribery, corruption or extortion with any government officials or any person for or on behalf of the Company.

GFL is committed to conducting its business in an honest and ethical manner and in compliance with all applicable laws and regulations, including anti-bribery, anti corruption laws, Indian Prevention of Corruption Act, 1988 while being committed and aligned to UN Global Compact principles, ISO26000, National Voluntary Guidelines on Social, Environment & Economic Responsibilities and continues to improve these practices over the years.

Conformity with this document cannot provide assurance that no bribery has occurred or will occur in relation to the Company, as it is not possible to completely eliminate the risk of bribery.



## 02. SCOPE AND APPLICABILITY

This policy shall apply to all individuals of the Company working at all levels and grades, including directors, senior executives, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, casual workers, volunteers, interns, agents, sponsors or any other person associated with Gujarat Fluorochemicals Limited, GFL Americas LLC., GFL GmbH, GFL GM Morocco.



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## 3. CONTEXT OF THE ORGANIZATION

### A. Understanding the Company and its context

Gujarat Fluorochemicals Limited (GFL), a part of the Inox Group, is the largest manufacturer of chloromethanes, hydro-chloro-fluorocarbons (HCFC) and various grades of PTFE in India. The company operates through 6 different global locations – Noida (Corporate Office), Dahej (Gujarat), Ranjitnagar (Gujarat), & Vadodara (Gujarat), Europe, Morocco & United States. Further, its forward and backward integrated operations make it one of the most cost competitive producers of these chemicals globally. The company has successfully created a niche for itself in the chemicals business and is set to explore markets for more value added products while continuing to gain from its other diversified businesses. We are among the few fully vertically integrated manufacturing company providing reliable and high quality products.

The purpose and strategic direction of the company is to reduce the risk of bribery and corruption. By implementing the Anti-bribery Management System and complying with the standards shall not absolve an Company from bribery-related liabilities, however it shall provide an assurance and evidence in the event of an investigation that the Company has taken reasonable steps to prevent the wrongdoing.

### B. Understanding our stakeholders:

The Company shall determine its stakeholders that are relevant to the Anti-bribery management system. The list of all such identified stakeholders are listed below:

1. Direct customers
2. Regulators and Govt. Company
3. Distributors, dealers or others involved in the supply chain in domestic and export market
4. Suppliers and job work contractor
5. Employees
6. Management / Board of Director
7. Neighbors
8. Transporter
9. Media



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The requirements of all these stakeholders relevant to anti bribery management system shall be identified by various ways as listed below:

- 1 Employee/Customer satisfaction survey.
- 2 Contract review of customer/dealer order to understand their requirements.
- 3 Review of all applicable laws and updates and visit reports of government inspectors at our premises for regular visit.
- 4 Meeting with customers and distributors, dealers and other involved in supply chain by marketing team.
- 5 Inviting suppliers and job work convertors in supply meet as well as regular follow up by purchase staff.
- 6 Employee Trainings, Welfare Activities
- 7 Not demanding bribery in any form



## 04. LEADERSHIP

### A. Top Management

The Top Management shall demonstrate the commitment and leadership as follows:

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1. Taking accountability of the effectiveness of the anti bribery management system and review company objectives and functional objectives.
2. By taking all decisions which are compatible with this Guideline.
3. By ensuring that the resources needed for implementation of anti-bribery management system are available.
4. By formulating and implementing reward and recognition procedure to encourage employees to inform/report any unlawful act/activity covered under this policy;
5. By communicating the importance of effective System management and conforming to anti bribery management system requirements during management review meetings;
6. By ensuring that the anti-bribery management system achieves its intended results and verifying the same with the help of internal audits and objective reviews;
7. By engaging, directing and supporting persons to contribute to the effectiveness of the Anti-bribery management system;
8. By ensuring that no personnel shall suffer retaliation, discrimination or disciplinary action for reports made in good faith, or on the basis of a reasonable belief of violation or suspected violation of the Company's anti-bribery policy, or for refusing to engage in bribery, even if such refusal can result in the Company losing business
9. By reviewing of the activities once in six month.
10. By providing data on Anti-corruption cases, whether pending or closed, to the public within and outside the organization through appropriate channels such as media communication, sustainability reports, annual report.

## A. Organizational roles, responsibilities and authorities

The Top management shall constitute an 'Ethics Committee' to whom the authority and responsibility shall be given for the implementation of this Guideline. The Company's Ethics Committee shall comprising of the following incumbents:

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1. Chief Executive Officer
2. Chief Finance Officer
3. Unit Head or Site Head/Functional Head as the case may be
4. Group Chief Finance Officer
5. Head — Group Corporate Human Resources
6. Company Secretary

The Company Secretary shall be the “Company Ethics Officer” and any three members of the above list and along with the Company Secretary shall form a quorum of the Ethics Committee. Similarly, if any employee or agent knows or believes that an improper gratification has been or shall be made, the employee or agent shall report to the Ethics Committee. The Company’s policy is that no adverse employment action shall be taken against any personnel in retaliation for, honestly and in good faith, reporting a violation or suspected violation of anti-corruption laws or this Policy. The Ethics Committee shall be held responsible for:

- A. Implementation of the anti-bribery management system by the Company
- B. Ensuring that the anti-bribery management system conforms to the requirements;
- C. Providing advice and guidance to personnel on the anti-bribery management system and issues relating to bribery;
- D. Reporting to Top management on the performance of the anti bribery management system and on opportunities for improvement and on the need for change or innovation;
- E. Ensure integrity of the anti-bribery management system is maintained, when changes to anti bribery management system are planned and implemented.
- F. Provide confidential and secured platform (whistleblower procedure) to employees for reporting corruption concerns without any fear of personal repercussions.

The Ethics Committee shall have a direct and prompt access to the top management for any issue or concern that needs to be raised in relation to bribery or the anti-bribery management system.

The Management shall also define a set of responsibilities, authorities for all employees and shall be communicated within the Company. All employees within their respective department shall inform their Head of Department/Functional Head for any such conditions, which are adverse to the anti-bribery management system or adverse to the satisfactory operation of the system. The top management and all other personnel shall be responsible for understanding, complying with and applying the anti-bribery management system requirements, as they shall relate to their role in the Company.

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## 05. PLANNING:

The Company shall take steps to implement its anti-corruption system, by doing the following:

- a) Detailed procedures: develop detailed procedures that support our anti-corruption commitment and cover forms of corruption such as bribes, gifts, entertainment and expenses, donations and sponsorships, political contributions, facilitation payments and conflicts of interest;
- b) Responsibility: The Functional Heads to devise, implement, monitor and improve the programme under the oversight of top management;
- c) Business partners: communicate our anti-corruption commitment to our business partners and obtain anti-corruption standards of them;
- d) Awareness and education of employees: provide communication and training to ensure that our employees understand the organization's policies and procedures as well as the leadership's commitment to zero tolerance of corruption;
- e) Consequences: ensure that appropriate measures shall be taken in the event that the anti-corruption programme is violated;
- f) Monitoring and continuous improvement: carry out regular reviews of the anti-corruption programme including internal audits, provide resulting reports to top management and the Board and take necessary actions to improve the system.



## 06. OPERATIONS:



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A bribe, for the purpose of this guideline, shall be defined as an inducement, payment, reward or advantage offered, promised or provided to any person in order to gain any commercial, contractual, regulatory or personal advantage. The Company shall hold it illegal to directly or indirectly offer a bribe or receive a bribe. A bribe does not actually have to take place - just promising to give a bribe or agreeing to receive one is also prohibited. A bribe may be anything of value and not just money - gifts, inside information, sexual or other favors, corporate hospitality or entertainment, offering employment to a relative, payment or reimbursement of travel expenses, charitable donation or social contribution, abuse of function and includes the same being passed directly or through a third party.



## 07. General Prohibition: Gifts and Hospitality

A gift is anything of value and would encompass any gratuitous monetary or non-monetary benefit. It shall include tangible items such as cash, precious metals, stones, jewellery, art, and any of their equivalents, but also intangible items such as discounts, services, loans, favors, special privileges, advantages, benefits and rights that are not available to the general public. A "gift" shall also include meals, entertainment, hospitality, vacations, trips, use of vacation homes, tickets to sporting or music events, outings, vendor familiarization trips, and use of recreational facilities. Note that meals, entertainment and hospitality may also qualify as a gift, unless they fall within reasonable bounds of value and occurrence.

- A.** Employees or member of their immediate families (spouse, mother, father, son, daughter, brother, sister or any of these step- or in-law relationships, whether established by blood or marriage including common law marriage) shall not promise or provide, solicit or accept cash or its equivalent, entertainment, favors, gifts or anything of substance to or from third parties i.e. competitors, vendors, suppliers, customers or others with an expectation or hope that an advantage in business shall be received, or to reward a business advantage already given. It shall be prohibited for all employees to accept a payment, gift or hospitality from a third party if an employee knows or suspects that it is offered or provided with an expectation that a business advantage shall be provided by the Company in return.
- B.** The Company shall remain committed to do the business the right way, and expects Third Parties to comply with the Guidelines when working on behalf of the company in distributing, marketing, promoting or selling their company's products, maintain internal controls (including policies and training) designed to ensure compliance, and ensure that any sub-contractors or agents that are appointed by Third Parties understand that all transactions and expenses incurred by Third Parties in connection with the company business or products must be accurately recorded in a timely manner and in reasonable detail. All records of transactions and expenses shall be maintained in Third Parties' books, records and accounts, including documents sufficient to reflect the actual nature, amount, recipient, approvals, and purpose of those transactions. The Third Parties shall be expected to comply and cooperate with the company audits, and cannot misrepresent or conceal the nature or amount of any transaction.
- C.** Cultural courtesies shall be limited to greeting cards or perishable items of nominal value to recognize a national or religious holiday or a personal milestone. The Third parties shall not promise or provide, solicit or accept cash or its equivalent, entertainment, favors, gifts or anything of substance to or from our employees with an expectation or hope that an advantage in business shall be received, or to reward a business advantage already given.



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- D.** Loans from any persons or companies having or seeking business with the Company, except recognized financial institutions, shall not be accepted. All relationships with those who the Company deals with shall be cordial, but must be on an arm's length basis. Nothing shall be accepted, nor shall an employee have any outside involvement, that could impair, or give the appearance of impairing, an employee's ability to perform his/her duties or to exercise business judgment in a fair and unbiased manner.
- E.** This Policy shall not prohibit normal and appropriate gifts, hospitality, entertainment and promotional or other similar business expenditure, such as calendars, diaries, pens, meals and invitations to theatre and sporting events (given and received), to or from Third Parties. However, the key determining factor for appropriateness of the gift or hospitality and/or its value shall be based on facts and circumstances under which such gift or hospitality is provided.
- F.** The practice of giving gifts and hospitality shall be recognized as an established and an important part of doing business. However, it shall be prohibited when they are used as bribes. Giving gifts and hospitality varies between countries and what may be normal and acceptable in one country may not be so in another. The giving or receiving gifts or hospitality shall be acceptable under this Policy if all the following requirements shall be met:
  - 1.** the gift shall not involve cash or cash equivalent gifts (e.g., gift cards, store cards or gambling chips);  
the gift shall be permitted under both local law and the guidelines of the recipient's employer;
  - 3.** the gift shall be presented openly with complete transparency;
  - 4.** the gift shall be properly recorded in the Company's books and records;
  - 5.** the gift shall be provided as a token of esteem, courtesy or in return for hospitality and should comport with local custom of the item costs less than INR 5000.

The provision of gifts that shall not fall specifically within the above monetary limits shall require advance consultation and documented approval by the Ethics Committee. Only payments that are deemed not to violate any Anti-Corruption Laws and the Policy shall be approved.



## 08. WHAT IS NOT ACCEPTABLE?

It shall not be acceptable for any employee of the Company (or someone on his / her behalf) to:

- A.** Accept an offer of a gift of any size from any Third Party which is in negotiation with, or is submitting a proposal with the Company

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- B.** Give, promise to give or offer, any payment, gift, hospitality or advantage with the expectation or hope that a business advantage will be given or received or to reward a business advantage already given
- C.** Give, promise to give or offer, any payment, gift or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure
- D.** Accept or solicit any payment, advantage, gift or hospitality from a Third Party that you know or suspect is being offered with the expectation that it will obtain a business advantage for them
- E.** Threaten or retaliate against, another employee who has refused to commit a bribery offence or who has raised concerns under this Policy
- F.** Engage in any activity that might lead to a breach of this policy.



## 09. WILFUL BLINDNESS

If an employee wilfully ignores or turns a blind eye to any evidence of corruption or bribery within his / her department and/or around him / her, it shall also be taken against the employee. Although such conduct may be “passive”, i.e. the employee may not have directly participated in or may not have directly benefited from the corruption or bribery concerned, the wilful blindness to the same can, depending upon the circumstances, shall carry the same disciplinary action as an intentional act.

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## 10. FACILITATION PAYMENTS

The company does not generally encourage facilitation payments. The Company also recognises, in certain rare occasions facilitation payment become unavoidable when there is a fear of grievous hurt to an employee or a major business risk leading to stoppage of work or failure to deliver customer requirement. In such a case, prior approval of the Top Management has to be taken and the following steps shall be taken:

- Keep amount to the minimum;
- Report it to the Ethics Committee

The Ethics Committee, in order to evaluate the business risk and to develop a strategy to minimise such payments in the future.



## 11. CHARITABLE DONATIONS

As part of its corporate citizenship activities, GFL shall only make charitable donations that are legal and ethical under local laws and practices and also within the corporate governance framework of the Company.



## 12. POLITICAL ACTIVITIES

GFL is apolitical and advocates government policies.



## 13. PROCUREMENT PROCESS: USE OF THIRD-PARTY AGENTS, CONSULTANTS AND OTHER INTERMEDIARIES

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The Company shall be held responsible for bribes paid on its behalf by third parties, with severe and often irreparable consequences, even if the Company did not authorize these payments. Therefore, the Company shall be careful in the selection of agents, that is, the people or companies who shall act on the behalf of the Company.

All the employees shall follow the Company's processes and adhere to the system of internal controls around supplier selection. Supplier selection shall never be based on receipt of a gift, hospitality or payment. When supplier selection is a formal, structured invitation for the supply of products or services, it is most important the Company maintains documentation supporting the internal controls. All employees shall familiarize themselves with the Company's procurement processes and shall adhere to the same. The following shall be kept in mind prior to engaging a third party:

- A. Appropriate due diligence shall be conducted and properly documented;
- B. Each Third Party within employee work area shall be fully briefed on this Policy and a formal commitment (in writing) shall be sought from the third party to ensure compliance to these standards;
- C. Appropriate anti-bribery and anti-corruption provisions shall be incorporated in the contracts in consultation with the HR, Legal team and the Ethics Committee, including the right to audit, as well as a clause on termination, if the partner/party fails to abide by the anti-bribery and anti-corruption terms.



## 14. BRIBERY RISK ASSESSMENT

To address the risks of corruption in company's operations, the company shall understand Risk Assessment by using the FMEA tool. Each Functional Head, Head of the Department and the Business Heads shall be collectively responsible for conducting such risk assessment based on the FMEA process as given in **Annexure – I**. Risk shall be classified as high, medium and low and mitigation plan put in place accordingly.

All such Risk assessment along with the Risk Mitigation Plan shall have to be submitted to the Ethics Committee for review annually.



## 15. EMPLOYEE RESPONSIBILITY IN CASE HE IS A VICTIM OF BRIBERY AND CORRUPTION?

It shall be the employee responsibility to inform/report it to their respective Manager as soon as possible if they are offered a bribe by a third party, or are asked to make one, suspect that this may happen in the future or believe that he is a victim of some form of corruption or other unlawful activity.

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Employees shall refuse to accept or make the payment from or to a third party and explain company policy against accepting or making such payment, and shall make it clear that the refusal is final and non-negotiable. If an employee encounters any difficulty making this refusal, he shall seek assistance from his Manager/Head of Department or seek advice from the Ethics Committee. In addition, an employee shall also report any such incident through company's whistle blower procedure to monitor the unlawful act.



## 16. PROTECTION

Those who refuse to accept or offer a bribe or those who raise concerns or report another's wrong-doing, are sometimes worried about possible repercussions. The Company shall encourage openness and support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken. The Company shall ensure that no one suffers any detrimental treatment as a result of refusing to take part in bribery or corrupt activities or because of reporting their suspicion in good faith that an actual or potential bribery or other corruption offence has taken place or may take place in the future. Every person, to whom this policy applies too, shall raise their concern about any bribery issue or suspicion of malpractice at the earliest possible stage. The concern/incident shall be raised within 1 (One) month of the date of incident in writing to any member of Ethics Committee.

If any employee believes that he has suffered any such treatment, he shall have the authority to report such matter to the Company Ethics Committee. Similarly, if any third party believes that they have suffered any such treatment, they shall have the authority to report such matter to our Company Ethics Committee or/and to their own Committee as deemed fit. In case the third party has questions about whether a certain activity is permitted under the Third-Party Guidelines, they shall raise it either to the Company employee with whom they are working with or to the Company's Ethics Committee who shall be available to answer questions and address such concerns.





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The company shall not tolerate retaliation in any form against anyone for raising concerns or reporting what they genuinely believe to be improper, unethical or inappropriate behavior. All reports shall be treated confidentially.



## 17. COMPLIANCE

It shall be the responsibility of each of the employees and third parties to act with integrity and to ensure that they have read, understand and comply with the policy. In addition, all employees and third parties shall be required to confirm that they have understood and complied with the policy annually. The prevention, detection and reporting of bribery and other forms of corruption shall be the responsibility of all those working for the Company or under company's control. All the employees shall sign a declaration at the time of Joining as per **Annexure – II**.

Violation/Breach of this policy or refusal to cooperate shall result in disciplinary action, up to and not limited to termination of contract (applicable to third party), suspension or termination of employment with the Company.



## 18. INVESTIGATING AND DEALING WITH BRIBERY

The Company shall define and implement an investigation bribery procedure which shall include an:

assessment and, where appropriate, investigation of any bribery, or violation of the anti-bribery policy or the anti bribery management system, which shall be reported, detected or reasonably suspected;

require appropriate action in the event that the investigation reveals any bribery, or violation of the anti-bribery policy or the anti-bribery management system;

empower and enable investigators;

require co-operation in the investigation by relevant personnel;

require that the status and results of the investigation shall be reported to the anti-bribery compliance function and other compliance functions, as appropriate;

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require that the investigation shall be carried out confidentially and that the outputs of the investigation are confidential.

The investigation shall be carried out by, and reported to, personnel who are not part of the role or function being investigated in Company. The Ethics Committee shall be responsible to conduct the investigation and report the results to personnel who are not a part of the role or the function being investigated.



## 19. SUPPORT

### A. Resources

The Company shall identify the resource requirements and provide timely resources in terms of qualified personnel, infrastructure and automation system. The resource for establishment, implementation and maintenance of Anti-bribery management system as well as improving its effectiveness shall be provided. Adequacies of these resources shall be reviewed during Management Review, Internal Audit Results & Interested parties Complaint Review. The Ethics Committee shall consider the capabilities and constraints on existing internal resources. In cases in house resources are limited then services of external providers shall be taken.

### B. Competence

The Ethics Committee shall identify the competency of employees performing activities affecting anti-bribery performance based on performance review and shall provide necessary training and on the job training for the staff for upgrading the knowledge and achieve the necessary Competency. The skill matrix and competency matrix and training records shall be prepared. Also during routine work due to change in area of work or any other reason the training needs shall be identified and provided.

The Company shall ensure that the necessary competence has been achieved and appropriate records for the education, experience, training and qualification shall be maintained as per the Company's competency model. The new employee shall be trained properly in the identified area. The effectiveness of the training provided and action taken shall be evaluated afterwards. The competence and training shall also be evaluated and provided to the contract employees.

### C. Employment process

The Company shall implement employment and induction training procedure such that:

- a) conditions of employment shall require the personnel to comply with this policy and anti-bribery management system, and shall give the Company the right to discipline personnel in the event of non-compliance;

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The Company shall implement employment and induction training procedure such that:

- a) conditions of employment shall require the personnel to comply with this policy and anti-bribery management system, and shall give the Company the right to discipline personnel in the event of non-compliance;
- b) within a reasonable period of employment commencing, personnel receive a copy of, or are provided with access to, the anti-bribery policy and training in relation to that policy;
- c) Establish procedures which enable to take appropriate disciplinary action against personnel who violate the anti-bribery policy or anti-bribery management system;
- d) personnel shall not suffer retaliation, discrimination or disciplinary action (e.g. by threats, isolation, demotion, preventing advancement, transfer, dismissal, bullying, victimization, or other forms of harassment) for:
  - i. refusing to participate in, or turning down, any activity in respect of which they have reasonably judged there to be a more than low risk of bribery that has not been mitigated by the Company; or
  - ii. concerns raised or reports made in good faith, or on the basis of a reasonable belief, of attempted, actual or suspected bribery or violation of the anti-bribery policy or the anti-bribery management system (except where the individual participated in the violation).

In relation to all positions which shall be exposed to more than a low bribery risk, as determined in the bribery risk assessment, and to the anti-bribery compliance function, the Company shall implement procedures which provide that:

- a) Due diligence shall be conducted on persons before they are employed, and on personnel before they are transferred or promoted by the Company, to ascertain as far as is reasonable that it is appropriate to employ or redeploy them and that it is reasonable to believe that they shall comply with the anti-bribery policy and anti-bribery management system requirements;

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b) Performance bonuses, performance targets and other incentivizing elements of remuneration shall be reviewed periodically by governing body and verify that there are reasonable safeguards in place to prevent them from encouraging bribery;

c) The Ethics Committee shall file a declaration at reasonable intervals proportionate with the identified bribery risk, confirming their compliance with this policy.



## 20. AWARENESS AND TRAINING

- A.** To ensure that all directors, officers, employees, consultants and contractors of the Company are aware of the Policy, a copy of the Policy shall be provided to them and they shall be advised that the policy is available on company's website for their review. They shall also be informed whenever significant changes are made and a copy of this policy shall be provided to them and shall be educated about its importance.
- B.** Training on this Policy shall be provided to all suppliers, business contacts, consultants, intermediaries, representatives, subcontractors, agents, advisers, joint ventures and government & public bodies (including their advisers, representatives and officials, politicians and political parties). All the existing employees and third parties shall receive relevant training on how to implement and adhere to this policy.
- C.** The company's zero-tolerance approach to bribery and corruption shall be communicated to all the third parties at the outset of our business relationship with them and as appropriate thereafter. Such training shall address the following issues:
  - a) The Company's anti-bribery policy, procedures and anti-bribery management system, and their duty to comply;
  - b) The bribery risk and the damage to them and the Company which shall result from bribery;
  - c) The circumstances in which bribery can occur in relation to their duties, and how to recognize these circumstances;
  - d) Recognize and respond to solicitations or offers of bribes;
  - e) Prevent and avoid bribery and recognize key bribery risk indicators;
  - f) Contribution to the effectiveness of the anti-bribery management system, including the benefits of improved anti-bribery performance and of reporting suspected bribery;

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- g) The implications and potential consequences of not conforming with the anti-bribery management system requirements;
- h) How and to whom they are able to report any concerns;
- i) Information on available training and resources.

At the time of joining, the Company shall provide anti-bribery awareness training and shall conduct the training on regular basis as appropriate to their roles, the risks of bribery to which they are exposed, and any changing circumstances. The Company shall maintain the training calendar and training report as a part of its documented information.



## 21. COMMUNICATION

- A. The Company shall ensure internal and external communication between Functional Heads and various levels of employees regarding the processes of the Anti-bribery management system and their effectiveness. Such communication related to anti bribery management system shall include:
  - A) What it will communicate;
  - B) When to communicate;
  - C) With whom to communicate;
  - D) How to communicate;
  - E) Who communicates?
  - F) the languages in which to communicate?
- B. The anti-bribery policy shall be made available to all the Company's personnel and business associates, it shall be communicated directly to both personnel and business associates who pose more than a low risk of bribery, and shall also be published at prime location and on website through the Company's internal and external communication channels.



## 22. DOCUMENTED INFORMATION



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The Company shall establish, document, implement and maintain an Anti-bribery management system and shall continually improve its effectiveness in accordance with the standard requirements.

- a) The Company shall determine the critical processes needed for the anti bribery management system and their application throughout the Company and listed in the process flow **Annexure I**
- b) The standard operating procedures shall be documented as good practices
- c) Risk assessment Forms shall be prepared and filled up to retain documented information.

Employees shall ensure all expenses claims relating to hospitality, gifts or expenses incurred to Third Parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, shall be prepared and maintained with strict accuracy and completeness. No accounts shall be kept "off-book" to facilitate or conceal improper payments and the same is ensured through effective monitoring and auditing mechanisms in place. Employees shall follow all the procedures laid out in the policy which help in anti-bribery and corruption due diligence on suppliers, potential joint venture parties, clients and other Third Parties.

The respective Functional Heads/HOD shall be responsible for ensuring that the latest relevant versions of applicable documents are available at point of use where and when it is needed. The Company shall establish system to define the control needed for identification, storage, protection, retrieval, retention and disposition of documented information. They shall be kept legible, retrievable and readily identifiable. The system is described as below:

- A. Proper control shall be established for storage and preservation of documented information to ensure that such information is available when it is needed. The hard copy of documented information shall be stored in safe places with Ethics Committee. The soft copy shall be kept with authorized access control by password and back up shall be taken.



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Control of changes (e.g. version control) shall be established with the help of changed revision number, it shall be changed to identify the latest copy of documented information.



## 23. PERFORMANCE EVALUATION

### A. Monitoring, measurement, analysis and evaluation

The Company shall plan and implement the monitoring, measurement, analysis and improvement processes needed to evaluate the effectiveness and efficiency of the anti-bribery management system. The Company shall retain the documented information like Risk Assessment Form, Third Party Declaration, Management review and internal audits, as an evidence.

### B. Internal audit

Audits shall be performed regularly and the interval between audits of any particular department shall not be greater than 12 months. Unscheduled audits may be carried out at the discretion of the top management or Ethics Committee based on the requirement.

An Internal audit of Anti-bribery Management System shall be carried out at least once in a 6 months to:

- a) Determine whether Anti-bribery Management System
  - i. Shall confirm to the planned arrangements for Anti-bribery Management System and standard requirements,
  - ii. Shall be implemented and maintained in accordance with the requirements our Anti-bribery Management System as given in this policy,
  - iii. Shall be effective in meeting the Anti-bribery policy and objectives
- b) Provide information on the results of audits to the Top Management for verify effective implementation of Anti-bribery Management System.

The Company Ethics Officer shall be responsible for planning and implementation of the audit. The auditors, who are selected normally from within the company, shall however assist the responsible team. It shall be ensured that the auditors are independent of the specific activities or areas being audited by them and shall be provided audit training. If need arises, outside auditors shall be employed at the discretion of Company Ethics Officer. Internal Auditors shall be responsible to execute audit as per plan and verify the

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effectiveness of implementation of Anti-bribery Management System. The internal audit shall be scheduled in the Company on the basis of the status and importance of activity to be audited and the previous audit results. The Company Ethics Officer shall prepare the audit plan covering the scope, schedule and other details. The audit plan shall be prepared and circulated before 1 week of audit execution to ensure availability of respective HODs and auditors. The auditor shall verify the implementation of documented Anti-bribery Management System in all the areas and objective evaluation of bribery or suspected bribery, violation of the anti-bribery policy or anti-bribery management system requirements, failure of business associates/stakeholders to conform to the applicable anti-bribery requirements of the Company, weaknesses in, or opportunities for improvement to, the anti-bribery management system risk and opportunities identified and effectiveness, verify documented information etc.

## **C Audit Report and Follow-Up**

The Auditor shall prepare a non-conformity report on completion of the audit and the non-conformity shall be brought to the notice of auditee. Audit findings shall be documented and used as the main formal means of resolving problems and deficiencies detected in the Anti-bribery Management System. The respective HOD shall close the non conformity within maximum 45 days internal audit findings are closed. The copies of such non-conformity reports shall be given to the auditee and after taking timely corrective action on non-conformity reports, it shall be verified to close the Non-Conformity. After verification of actions taken, the audit findings shall be closed. During the next audit, the implementation and effectiveness of the corrective action taken on non-conformity reports shall be reviewed and documented. All the audit findings and verification of audit results shall be reported to the top management for the review and evaluation of the system shall also be discussed in the management review meetings. The audit plan/schedule, audit non conformity reports and audit checklist shall be maintained as an evidence.

## **D Third Party Audit**

The Company shall conduct audits at suppliers' premises to check anti-corruption requirements and their compliance with local laws and codes. An audit shall be carried out at least once in a 12 months to determine whether third party Anti-bribery System complies the requirements of the Company's Anti-bribery Management system. The Company Ethics Officer shall be responsible for planning and implementation of the third party audits. All the audit findings and verification of audit results shall be reported to the top management for the review. It shall also be shared with the respective third party, if a non-conformity is identified, then the Company shall take an appropriate action regarding the consequences of the non-conformity. Company Ethics Officer/HOD shall maintain the audit plan/schedule, audit non conformity reports and audit checklist shall be maintained as an evidence.



## **24. MANAGEMENT REVIEW**

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## A. Top Management Review

The Anti-bribery system shall be established and systematically reviewed for its continuous suitability and effectiveness in confirming the standard requirements in our company. The review shall include implementation of this policy and objectives to identify any area, which requires improvement, and evaluate need for changes for effective functioning of the system. This review shall be carried out at least once in 12 months by Company Ethics Officer by holding Management Review Meetings, which shall be attended by Ethics Committee and all Functional Heads.

## B. Management review inputs

The agenda, time and date of management review meeting shall be circulated to all HODs and Ethics Committee members to attend the management review meeting with supporting documents related to agenda points to discuss in the meeting. Inputs to management review shall include current performance and improvement opportunities related to the items listed as under:

- a) The status of actions from previous management reviews;
- b) Changes in external and internal issues relevant to anti bribery management system;
- c) Information on the performance and effectiveness of anti bribery management system, including trends in:
  - i. Nonconformities and corrective actions;
  - ii. Nonconformities and corrective actions;
  - iii. Monitoring and measurement results;
  - iv. Audit results;
  - v. Reports of bribery;
  - vi. Investigations;
  - vii. Nature and extent of the bribery risks faced by the Company
  - viii. Effectiveness of actions to address bribery risks;
- d) Opportunities for continual improvement of the anti-bribery management system

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## 25. IMPROVEMENT ACTIONS

### A. Nonconformity and corrective action

The company shall establish the system for identification, documentation, evaluation, segregation and disposition of non-conformity including audit results and customer complaints. The concerned persons shall be informed for disposal of non-conformity. If a non-conformity is identified, then the Company shall take an appropriate action regarding the consequences of the non-conformity. The details of non-conformity and concession accepted by the Company Ethics Officer, end user or other body as applicable shall be reported and retain documented information. The Documented information of the nature of non-conformities and any subsequent actions taken, including concessions obtained shall be maintained.

### B. Corrective action

The corrective action planning shall include the evaluation of the significance of problems affecting Anti-bribery system. The major or repetitive non-conformities shall be identified for taking corrective action in the areas as defined below:

- A. The Functional Head shall review the non-conformities (including customer complaints) as identified in their areas and analyse it.
- B. The root cause of non-conformities shall be identified.
- C. Considering the evaluation and aspects like costs of non-conformance, vs. action taken, random failure, customer satisfaction etc. need for action shall be evaluated to ensure that non-conformities do not recur. For non-conformities or random failure shall be reported and recorded.
- D. After analysis of the non-conformities or deficiencies for major or repetitive problems the need for corrective action shall be taken.
- E. Based on root cause analysis, corrective action to be taken shall be determined. Necessary corrective action shall be implemented.
- F. The results of action taken shall be recorded and compared for results in non-conformity V/s results after action taken. If it is found not satisfactory, then the whole process shall be repeated.



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After completion of corrective action, the report shall be forwarded to Ethics Committee for review of the corrective action taken. The effectiveness of the corrective action shall be reviewed to check the adequacy of such measures. The summary of effectiveness of corrective action shall be discussed and reviewed in management review meeting. The Company Ethics Officer/HOD shall maintain documented information on nonconformity identified and the subsequent action taken. The respective Company Ethics Officer/HOD shall take corrective action and maintain records including result of the action taken.

## Continual improvement

The process shall be laid down for the follow up of process for continual improvement of the Anti-bribery Management System. The Ethics Committee shall take the necessary action for continuous improvement in the suitability, adequacy, and effectiveness of the anti bribery management system. The continual improvement of anti bribery management system shall be facilitated through the use of this policy, objectives, and audit results, analysis of data, corrective action and output of management review to determine need or opportunities which shall be identified as a part of continual improvement.



## 26. POWER TO AMEND

- A. Any change of the guideline shall be approved by the Head – Group Corporate HR.
- B. The management shall have the overriding right to withdraw and/or amend the guideline at its own discretion as it deems fit from time to time. The decision of the management shall be final and binding.

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	Where ?	What?	Potential Corruption	Effect?			Why?			Current Controls?			RPN Rating			Actions Recommended	Action Owner
No	Function Name	Process Name	What might occur	Potential Effect?	Severity Rating	Severity Category	Potential causes?	Occurrence Rating	Occurrence Category	What existing processes / controls are in place to manage this risk	Detection Rating	Detection Category	Risk	RPN Category	Time for Addressing Risk	What could be done to reduce risk?	Who has ownership?
1.																	
2.																	
3.																	
4.																	
5.																	
6.																	
7.																	
8.																	
9.																	
10.																	

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## Annexure II – Declaration by the Employee

To,  
The Company Ethics Officer

### DECLARATION: ANTI-BRIBERY AND CORRUPTION DECLARATION

I, Mr/Ms.....Employee Code .....confirm that I have gone through the Guideline on Anti-Bribery and Corruption of Gujarat Fluorochemicals Limited and having understood the same I declare that our Company will not engage in any activity, practice or conduct which are in contravention of the clauses of the Guidelines, including but not limited to the Prevention of Corruption Act 1988 or any equivalent local law that our company is subjected to. In case any violation or intended violation by any party, I will report immediately the same to you.

Signature\_\_\_\_\_

Date\_\_\_\_\_



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