

Century Plyboards (India) Limited

Anti-Bribery and Anti- Corruption Policy

1. POLICY STATEMENT & PURPOSE

It is our policy to conduct all of our business in an honest and ethical manner. Our Company is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates, and to implementing and enforcing effective systems to counter bribery. This includes compliance with all laws, domestic and foreign, prohibiting improper payments, gifts or inducements of any kind to or from any person, including officials in the private or public sector, customers and suppliers. Our Company is equally committed to the prevention, deterrence and detection of bribery and other corrupt business practices.

Bribery and corruption can take many forms including cash or gifts to an individual or family members or associates, inflated commissions, fake consultancy agreements, unauthorized rebates, non-monetary favours and false political or charitable donations. These actions may be undertaken directly or through a third party. It is illegal and immoral to, directly or indirectly, offer or receive a bribe.

We uphold all laws relevant to countering bribery and corruption applicable to us in the conduct of our business across all the jurisdictions in which we operate. It would also be pertinent to note the amendments introduced through the Prevention of Corruption (Amendment) Act, 2018 are intended to strengthen the legislative framework of the Prevention of Corruption Act, 1988 (PCA) and include:

- 'supply' side of bribery (i.e. bribe giving) to be covered by making it a substantive offence under the PCA;
- a company could be held liable under the PCA as an offender if any person 'associated' with the company gives a bribe. However, a company would be able to defend itself by proving that it had in place adequate procedures (such as this policy) designed to prevent persons associated with it from undertaking such conduct; and
- every director, manager, secretary or other officer with whose 'consent or connivance' the offence was committed, to be made liable under the PCA.

The purpose of this Anti-Bribery and Anti-Corruption Policy ("**ABAC Policy**") is to ensure that our Company sets up adequate procedures in order to prevent our Company's involvement in any activity relating to bribery, facilitation payments, or corruption, even where the involvement may be unintentional. It requires employees, directors, officers of the Company and third parties subject to this ABAC Policy to recognize questionable transactions, behaviour or conduct, and to take steps to record, comply and follow procedures set in place to deal with such behaviour or conduct.

This ABAC Policy constitutes a minimum standard. It must be complied with in any country in which our Company does business even when the policy is stricter than the anti-bribery laws that are applicable, including both applicable local laws and those laws with extra-territorial application. However, when applicable anti-bribery laws are stricter than this policy, such laws must be complied with.

2. SCOPE AND APPLICABILITY

This ABAC Policy is applicable to our Company. Our Company shall recommend adoption of this ABAC Policy to the Boards of its subsidiaries, associates and joint ventures.

This policy applies to all individuals working for Century Ply boards (India) Limited or any of its subsidiaries and affiliates anywhere in the world (collectively referred to as the "**Company**") and at all levels and grades.

This includes senior managers, officers, directors, employees (whether regular, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home-workers, casual workers and agency staff, volunteers, interns, agents, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as "**associates**" in this policy).

In this policy, **third party** means any individual or organisation that an associate may come into contact with during the course of his/her engagement with the Company, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, business associates and government and public bodies including their advisors, representatives and officials, politicians and political parties.

Associates have a special responsibility to comply with this ABAC Policy and ensure that our Company's procedures and measures to combat ABAC risks and threats are upheld and strengthened. Whenever faced with a doubt on the applicability of this ABAC Policy, or if an act could be perceived to be a breach of this ABAC Policy, Associates are required to consult the 'Vigilance and Ethics Officer' of the Company.

3. DEFINITION:

Bribery

Bribery includes the offer, promise, giving, demand or acceptance of an undue advantage as an inducement for an action which is illegal, unethical or a breach of trust. Bribes often involve payments (or promises of payments) but may also include anything of value - providing lavish/inappropriate gifts, hospitality and entertainment, inside information, or sexual or other favours; offering employment to a relative; underwriting travel expenses; abuse of function; or other significant favours. Bribery includes advantages provided directly, as well as indirectly through an intermediary. This Policy prohibits Associates from giving bribes not only to any public/government official but also to any private individual. Bribery includes not only direct payments, but also authorising or permitting an associate or third party to commit any of the acts or take any part in the actions identified hereinabove.

Corruption

Corruption includes wrongdoing on the part of an authority, or those in power, through means that are illegitimate, immoral, or incompatible with ethical standards.

Public Official (Government Official or Public Servant) / Foreign Public Official

In the Indian context, a public official would include (but not be limited to) the following:

- a. any person holding a legislative, executive or administrative office of the government (domestic or foreign), or acting in the official capacity for or on behalf of a legislative, executive, or administrative office of the government (domestic or foreign), whether appointed or elected, whether permanent or temporary, whether paid or unpaid, irrespective of that person's seniority;
- b. any person in the service or pay of the government or of a corporation established by or under a central, provincial or state statute, or an authority or a body owned or controlled or aided by the government or a government company or is remunerated by the government by fees or commission for the performance of any public duty;
- c. any judge, including any person empowered by law to discharge, whether by himself/herself or as a member of any body of persons, any adjudicatory functions;
- d. any person authorised by a court of justice to perform any duty, in connection with the administration of justice, including a liquidator, receiver or commissioner appointed by such court;

- e. any person who performs a public duty, including for a public agency or public enterprise, or provides a public service, as defined in the domestic law of the country and as applied in the pertinent area of law; and
- f. any other person defined as a “public official” under the domestic law.

Foreign public official

Foreign Public Official includes officials from all branches of government, as well as public international organizations, regardless of whether the official is a paid or unpaid employee. The term also includes political parties, party officials, and candidates for public office. Further it includes employees or agents of state-owned or state-controlled enterprises and means any person acting in an official capacity on behalf of any government department, agency, instrumentality, or corporation, family members of the official, as well as a political party official or any candidate for political office.

4. WHAT IS NOT ACCEPTABLE

It is **not** acceptable to:

- a) give, promise to give, or offer, a payment, gift or hospitality to secure or award an improper business advantage;
- b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to facilitate, expedite, or reward any action or procedure;
- c) accept payment from a third party knowing or suspecting it is offered with the expectation that it will obtain a business advantage for them;
- d) induce another individual or associate to indulge in any of the acts prohibited in this policy;
- e) threaten or retaliate against another associate who has refused to commit a bribery offence or who has raised concerns under this policy;
- f) give or accept any gift where such gift is or could reasonably be perceived to be a contravention of this policy and / or applicable law; or
- g) engage in any activity that might lead to a breach of this policy.

5. GIFTS, ENTERTAINMENT AND HOSPITALITY

This policy does not prohibit normal business gifts, entertainment and hospitality, so long as it is reasonable, appropriate, modest, and bona fide corporate hospitality, and if its purpose is to improve our company image, present our products and services, or establish cordial relations.

Gifts, entertainment and Hospitality:

- **Must be duly approved.** Normal business hospitality must always be approved at the appropriate level of Company management.
- **Must not be intended to improperly influence.** Associates should always assess the purpose behind any hospitality or entertainment. Hospitality or entertainment with the intention of improperly influencing anyone's decision-making or objectivity, or making the recipient feel unduly obligated in any way, should never be offered or received. Associates should always consider how the recipient is likely to view the hospitality. Similarly associates must also decline any invitation or offer of hospitality or entertainment when made with the actual or apparent intent to influence their decisions.
- **Must not have the appearance of improper influence.** Gifts can in some cases influence, or appear to influence, decision-making, for example by persuading the recipient to favour the person who made the gift over his own employer. Associates should think very carefully before making, or receiving, gifts. Gifts can occasionally be offered to celebrate special occasions (for example religious holidays or festivals or the birth of a child) provided such gifts are occasional, appropriate, totally unconditional, and in-fitting with local business practices. No gift should be given or accepted if it could reasonably be seen improperly to influence the decision-making of the recipient.

- **Certain gifts are always prohibited.** Some types of gifts are never acceptable including gifts that are illegal or unethical, or involve cash or cash equivalent (e.g. loans, stock options, etc.). Furthermore, by way of non-exhaustive example, an invitation to his/her family to join him on a foreign business trip, or the extension of a trip at the customer's expense to include a holiday, are at all times unacceptable, and associates should not participate in such practices.
- **Modest promotional gifts are permitted.** It is acceptable to offer modest promotional materials to contacts e.g. branded pens. Use of one's position with the Company to solicit a gift of any kind is not acceptable. However, the Company allows associates occasionally to receive unsolicited gifts of a very low intrinsic value from business contacts provided the gift is given unconditionally and not in a manner that could influence any decision-making process.
- **Personal payment does not cure.** Associates may never pay on their personal account for gifts or hospitality in order to avoid this policy.

In some cultures / countries, it may be seen as an insult to reject a gift, and refusals may adversely affect business relationships. In these circumstances, and if the gift is anything other than moderate, the gift should be reported to the reporting manager who will decide whether such gift will be retained or returned. If your reporting manager is uncertain how to treat the gift, s/he should seek clarification from his/her relevant Human Resource (HR) contact.

Gifts and Hospitality can put the Company at risk if used to facilitate unethical business practices. The Company will develop procedures for giving and receiving gifts and hospitality which will seek to ensure that associates act ethically and otherwise comply with the Anti-Corruption and Bribery Policy and Code of Ethical Business Code when giving and receiving gifts and / or hospitality. These procedures must be followed by associates.

6. FACILITATION PAYMENTS AND KICKBACKS

The Company prohibits making or accepting, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine action by an official. Kickbacks are typically payments made in return for a business favour or advantage. All associates must avoid any activity that might lead to a facilitation payment or kickback being made or accepted.

If you are asked to make a payment on behalf of the Company, you must consider the purpose of the payment and whether the amount requested is proportionate to the goods or services provided. Any request for a facilitation payment should be refused unless you feel you are at risk of injury, of detention, or for your life, if you refuse. If one of these exceptions applies, a receipt should be obtained and the matter reported, as soon as possible, 'Vigilance and Ethics Officer' of the Company.

7. DONATIONS

The Company may make donations but only if they are ethical and in compliance with this policy and applicable laws. No donation should be made which may, or may be perceived to breach applicable law, or any other section of this policy. The Company and its employees shall not, unless mandated under applicable law and the Company's Corporate Social Responsibility ("CSR") Policy, offer or give any company funds or property as donation to any government agency or its representative, directly or through intermediaries. However, in the Indian context for example, donation of our Company's funds or property to the Prime Minister's Relief Fund or donations towards disaster relief may be permitted pursuant to the Company's CSR Policy.

8. THIRD PARTIES

The term "third party" includes any individual or organization, who/which comes into contact with the Company or transacts with the Company, and also includes actual and potential clients, vendors, consultants, retainers, agents, advisors, distributors, business associates, partners (including academic institutions), contractors, suppliers or service providers who work for and on behalf of the company.

Third parties can put the Company at risk if they do not follow ethical business practices. For that

reason, the Company will develop procedures for conducting appropriate risk-based due diligence on third parties, and the implementation of appropriate steps to address any identified risks, to ensure compliance with applicable anti-corruption laws. Associates must carefully follow the procedures that are established under this policy.

9. RESPONSIBILITIES OF ASSOCIATES

Associates must ensure that they have read and understood this policy and, must at all times comply with the terms and conditions of this policy.

Prevention, detection and reporting of corruption are the responsibility of all those working for us or under our control. All associates are required to avoid any activity that might lead to, or suggest, a breach of this policy.

Associates must notify their reporting manager or consult the 'Vigilance and Ethics Officer' of the Company as soon as possible, if they believe or suspect, or have a reason to believe or suspect, that a breach of this policy has occurred, or may occur in the future - for example, if a customer or potential customer offers an associate something to gain a business advantage with the Company or indicates to an associate that a gift or payment is required to secure their business.

Any associate who breaches any of the terms of this policy will face disciplinary action, which could result in dismissal for gross misconduct. The Company reserves its right to terminate a contractual relationship with other associates and other associated persons, as the case may be if they breach any of the terms and conditions of this policy.

10. RECORD KEEPING

The Company will keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to, and receiving payments from, third parties.

Associates must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to review by the respective Departmental Heads.

Associates must ensure that all expense claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with the Company's applicable policy and specifically record the reason for such expenditure. Associates shall further ensure that all expense claims shall comply with the terms and conditions of this policy.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness.

No records shall ever be kept "off-book" to facilitate or conceal improper payments.

11. RAISING A CONCERN OR COMPLAINT

Associates are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, you should raise the matter with your reporting manager or consult the 'Vigilance and Ethics Officer' of the Company. Concerns should be reported by following the procedure set out in the Whistleblower Policy of the Company.

12. WHAT TO DO IF YOU ARE A VICTIM OF BRIBERY OR CORRUPTION

If you are offered a bribe by a third party, or if you are asked to make a bribe, or if you suspect that you may be asked to commit such a violation, or if you believe that you or anyone else is a victim of any form of unlawful activity, you must comply with this policy.

13. PROTECTION

Associates who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. The Company encourages

openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

The Company is committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in corruption, or because of reporting concerns under this policy in good faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

If you believe that you have suffered any detrimental treatment as a result of refusing to take part in corruption, or because of reporting concerns under this policy in good faith, you should inform your reporting manager or a member of the Human Resources team of the Company immediately. If the matter is not remedied, and if you are an associate, you should raise the matter by following the procedure laid out in the Whistle Blower policy of the Company.

14. TRAINING AND COMMUNICATION

Dissemination of this policy for new joiners shall be carried out at the time of induction. This policy will also be shared with all existing associates. If you have any query about this policy, you should contact your reporting manager. The Company's zero-tolerance approach to bribery and corruption should be communicated to all agents, suppliers, contractors and business partners at the outset of the Company's business relationship with them and as appropriate thereafter. Wherever possible, all third parties should be sent a copy of this policy at the outset of the business relationship.

15. WHO IS RESPONSIBLE FOR THE POLICY?

The Risk Management Committee has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The Departmental Heads has primary day-to-day responsibility for implementing this policy in their respective departments/ units. Management at all levels are responsible for ensuring that those reporting to them are made aware of and understand this policy and, if necessary and appropriate, are given adequate and regular training on it.

16. MONITORING AND REVIEW

The Departmental Heads of the respective departments/ units will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvement identified will be made and incorporated as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

All associates are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

Associates are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the 'Vigilance and Ethics Officer' of the Company. This policy does not form part of the associate's contract of employment and it may be amended at any time by the Company. The Company reserves the right to vary and/or amend the terms of this ABAC Policy from time to time.

17. POTENTIAL RISK SCENARIOS – "RED FLAGS"

This section contains a list of possible red flags that may arise during the course of business. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of the following red flags you must report them promptly by following the procedure set out in the Whistle Blower policy:

- (a) Being aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) Learning that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;

- (c) A third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- (d) A third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- (e) A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) A third party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) A third party requests that a payment is made to "overlook" potential legal violations;
- (i) A third party requests that you provide employment or some other advantage to a friend or relative;
- (j) You receive an invoice from a third party that appears to be non-standard or customised
- (k) A third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) You observe that the Company has been invoiced for a commission or fee payment that appears large compared to the service stated to have been provided
- (m) A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the Company; and/or
- (n) You are offered an unusually generous gift or lavish hospitality by a third party.