



Neuland Laboratories Limited

Anti-Bribery, Anti-Corruption and Anti-Money Laundering Policy

1. Policy Statement and Purpose

Neuland Laboratories Limited (“the Company / we / our / us”) is committed to conducting its business ethically while maintaining the highest level of professional and ethical standards. The Company is committed to preventing bribery, corruption and money laundering in the conduct of its business operations around the world. This Anti-Bribery and Anti-Corruption (ABAC) & Anti-Money Laundering (AML) Policy (hereinafter referred to as “Policy”) outlines our stance and exhibits our commitment to meet ABAC and AML requirements. This Policy is aimed at providing guidance to all stakeholders, on compliance with the applicable laws and regulations.

The purpose of the policy is to safeguard and promote legitimate business throughout the Company and to prevent and prohibit corruption, bribery, money laundering and similar acts in connection with the Company.

This Policy draws from the Code of Ethical Conduct and the Whistle Blower Policy of the Company and shall be read in conjunction with the all the supplementary policies applicable to the Company. The intent of this Policy, as covered under the Company’s Code of Ethical Conduct, is accepted by all the new joinees and e-acknowledged and assessed by the Internal Stakeholders on an annual basis.

The Company relies on the Internal and External Stakeholders to exercise good judgment in ensuring compliance with the applicable laws and to speak up when they have either questions or concerns.

2. Scope and Applicability

This Policy shall be applicable to all Internal and External Stakeholders [hereinafter referred to as “Stakeholder(s)”], as the case may be.

This Policy shall apply exclusively to situations or transactions conducted in furtherance of the Stakeholder’s association with the Company and shall not extend to acts performed by the respective Stakeholder in his/her personal capacity.

Whenever an Internal or External Stakeholder is faced with a doubt regarding the applicability of this Policy, or if an act could be perceived as a breach of this Policy, it is advisable to consult the Compliance Officer in this regard.

3. Compliance Officer

The Company shall, from time to time, designate an employee of sufficient seniority, competence and independence as the compliance officer to ensure compliance with the provisions of this Policy (“**Compliance Officer**”) and the same shall be notified to the Internal Stakeholders. Chief Human Resource Officer (CHRO) of the Company has been designated as the Compliance Officer for the purposes of this Policy. All reports, complaints, doubts or concerns in relation to this Policy shall be raised by the Internal Stakeholders to the Compliance Officer. Every query or concern raised by any Internal Stakeholders in relation to any suspected violation of this Policy shall be investigated by the Compliance Officer.

Any action required to be undertaken under this Policy shall be taken by the Compliance Officer in accordance with the provisions of this Policy. The Compliance Officer shall have a functional reporting to the Chairperson of the Audit Committee and shall submit quarterly compliance reports to Audit Committee Chairperson. Any material cases of breach of this Policy shall be escalated to the Board of Directors of the Company (“**Board**”), on the recommendation of the Chairperson of the Audit Committee.

4. Definitions

- **Applicable Law** means all applicable anti-money laundering, anti-bribery and anti-corruption laws / statutes / regulations / guidelines / codes / circulars / notifications stipulated by relevant governmental authorities.
- **Bribery** includes the offering, giving, receiving, or soliciting of anything of value to influence an action or decision
- **Corruption** includes wrongdoing on the part of an authority, or those in a position to exercise power through means that are illegitimate, immoral, or incompatible with ethical standards to acquire or cause to acquire or secure any benefit or advantage including pecuniary advantage, for oneself or the other.
- **Facilitation payments** are unofficial payments made to public officials to secure or expedite the performance/non-performance of a routine action by authorized official.
- **Kickbacks** are typically payments made in return for a business favour or advantage.
- **Stakeholders:** include Internal and External Stakeholders. “*Internal stakeholder(s)*” include individuals working at all levels and grades at Neuland and/or its subsidiaries, including directors, employees including permanent, fixed term or temporary, contract workforce, trainees, interns, casual workers and agency staff, agents, consultants and such other persons, including those acting on behalf of the Company from time to time.



“*External Stakeholders / Third party*” include any individual or organization, who/which comes into contact with the Company or transacts with the Company, and also includes actual and potential customers, suppliers, vendors, service providers, contractors, consultants, advisors, retainers, agents, distributors, business associates and business partners, who work with or work for and on behalf of the Company.

The words and expressions used herein but not defined in this Policy shall have the same meaning as provided under the Applicable Law.

5. Policy Statement

- The Company does not tolerate bribery, corruption, improper payments or money laundering in any form or manner. As part of this commitment, offering, promising to offer or accepting bribes, directly or indirectly, and being involved in corruption is prohibited. This commitment shall reflect in every aspect of its business.
- Being a signatory to United Nations Global Compact, Neuland is committed to upholding all the relevant Applicable Laws and other laws applicable in the conduct of its business across all jurisdictions in which it operates, including and wherever applicable, the U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act (UKBA).

6. Key Principles

6.1 Bribes, Corruption and Other Payments

- Stakeholders shall ensure that business decisions are never influenced by corruption or bribery. Stakeholders shall not offer, promise, grant, authorise, demand, accept, or allow himself or herself to be promised or promise any bribe, kickback, illegal gratuity, facilitation payment, illegal payment, or anything else illegal of value or advantage, directly or indirectly, to or from any person, organization, or governmental representative.
- Stakeholders shall not borrow or lend money, or accept or grant gifts, entertainment, or favours, directly or indirectly, from or to any company, government or government representative, organization, or individual if doing so might impair or appear to impair such Stakeholder’s ability to perform official duties or to exercise judgment in a fair and unbiased manner or if it violates the Company’s Code of Ethical Conduct.

6.2 Gifts, Hospitality and Entertainment



- Gifts, entertainment and hospitality may be acceptable if they are reasonable, transparent, made in good faith, not intended to influence decisions and in compliance with the Company's policies.
- Stakeholders are prohibited from offering gifts or granting favours outside the ordinary course of business to current or prospective customers, their employees or agents or any person with whom the Company or its business associates have a contractual relationship or intend to negotiate an agreement.
- If the gift, entertainment or favour received is significant, approval shall be obtained from the appropriate authority.

6.3. Political Contributions

- The Company is committed to not influencing the outcome of public elections and does not support any political party or candidate for political office.
- Company funds shall not be, directly or indirectly, used to make political contributions or make contributions or other payments, or provide property or services to any candidates for public office or to political parties of any country, even if such contributions are permitted by a country's written laws or regulations. No Internal Stakeholder shall therefore make any sort of political contribution from Company funds under any circumstances whatsoever.
- Any Internal Stakeholder who makes a political contribution personally should ensure that he or she does not imply that it is a contribution from the Company.

6.4. Charitable Contributions

- All charitable donations for humanitarian needs or any other social requirements shall be made in compliance with the Company's Corporate Social Responsibility Policy ("**CSR Policy**") (policy available on the Company's website) and this Policy. However, reasonable caution shall be exercised when making any charitable donation, such that the donations shall be made without any demand or expectation, so as to ensure that such donations would not be considered inducements in any form or manner. Thus, contributions by the Company to community projects or charities need to be made in good faith and in compliance with the Company's policies and procedures, as updated from time to time.
- The Company and/or the Internal Stakeholders shall not, unless mandated or permitted under the Applicable Law and our CSR Policy, offer or give any Company funds or property as donation to any government agency or its representative, directly or through intermediaries.

6.5. Government Interactions

- Doing business with the government is highly regulated and mandates strict adherence to applicable legislations, rules, guidelines, etc. The Company may interact with the government, its officials and agencies in multiple forms such as for seeking statutory and regulatory approvals, as a supplier, as a customer, etc. The Company and the Stakeholders shall be committed to being truthful, accurate, co-operate and courteous while representing the Company before any government, government officials or agencies. The Company shall comply with the applicable laws and regulations and shall be transparent in its dealings with government agencies, if any. The Company shall adhere to highest standards of integrity while dealing with government agencies, if any.

6.6. Facilitation Payments or Kickbacks

- All Facilitation Payments and Kickbacks are corrupt payments and any such payment in the course of the Company's business is strictly forbidden.

6.7. Due Diligence and Third-Party Dealings

- All dealings with third parties, including but not limited to suppliers, agents, contractors, service providers, intermediaries, consultants and advisors, shall be carried out with the highest standards of integrity and in compliance with the all the relevant laws and regulations. Selection of a third party shall never be based on receipt or expectation of a gift, hospitality, payment or favour of any kind or manner.
- The following shall be kept in mind prior to engaging a third party:
 - Appropriate and periodic due diligence is conducted and properly documented.
 - Appropriate ABAC provisions are incorporated in the contracts in consultation with the Company's legal team, including the right to audit, clause on termination in the event of any bribery or corruption, etc.
- Due diligence process shall be based on the level of risk to which the Company is exposed to due to contracting with the third party.

6.8. Record Keeping

- We operate within a rigorously regulated environment and our accountability extends to various domestic and international regulatory bodies. This is especially critical as our products form part of finished dosages consumed by patients. Internal stakeholders are responsible for accurate, complete and honest reporting and record keeping to fulfil

regulatory requirements. This commitment extends to both internal and external documents within the organization.

- The Company is required to maintain all financial records and have appropriate internal controls in place which will evidence the business reason for making payments to or receiving payments from third parties. Falsifying records is strictly prohibited. Internal Stakeholders who see or suspect financial misconduct should notify their supervisors immediately and contact the Compliance Officer.
- We have a robust records management and retention policies in place to ensure that we maintain the records we need to meet our legal, tax and regulatory requirements and securely dispose of records that are no longer needed or are beyond the statutory retention period. Internal Stakeholders should take care never to dispose of information that may be relevant to current or threatened litigation or subject to a legal prohibition or stipulation until they are authorized in writing to do so by the relevant department.

6.9. Conflict of Interest

- Any conflict of interest, even if it is perceived or potential, must be promptly reported to the Compliance Officer or any appropriate authority, who in turn must report it to the Ethics Committee, as defined under the Whistle Blower Policy. Appropriate action shall be taken as per the guidance provided by the Ethics Committee or the Audit Committee, as the case may be.

7. Operating Process for Implementation

7.1. Risk Assessment

- Bribery and corruption risks may vary due to various factors. A risk-based approach shall be taken to build required safeguards. Risk assessment shall be conducted to identify bribery, corruption and money laundering-related risks associated with the Company, its operations, markets and business relationships.

7.2 Communication and Training

- To ensure that all Internal Stakeholders, are completely familiar with the provisions of this Policy, the Applicable Law and the Company's procedures and measures, the Company shall conduct periodic training and awareness sessions. An Internal Stakeholders shall ensure that he/she complies with the responsibilities as mentioned in **Annexure No. 2**. The details of the Company's whistleblowing procedures shall also be disseminated throughout the Company on a periodic basis.



- The Company may also, at its discretion, extend such training programs to third parties if it is envisaged that the work profile allocated to them carries a significant risk as per this Policy.

7.3. Reporting and Whistleblowing

- Internal stakeholders are encouraged to raise concerns about any bribery issue or suspicion of malpractice or money laundering or any case of corrupt practice or any breach of this Policy or the Applicable Law at the earliest possible stage. If he/she is unsure whether a particular act constitutes bribery or corruption or money laundering or if he/she has any other queries, these should be raised with the respective reporting manager and the Compliance Officer at whistleblower@neulandlabs.com. Internal stakeholders may also raise a concern using whistleblowing mechanism available under the Company's Whistleblower Policy available on the Company's intranet, Basecamp, and on its website, www.neulandlabs.com.
- Any Internal Stakeholder who, in good faith, reports a violation of this Policy shall not suffer harassment, retaliation or adverse employment consequences.
- Any person reporting any misconduct, if he/she so desires or requests, his/her identity would be not be disclosed and shall be kept secret.
- Each Internal Stakeholder has an obligation under this Policy to immediately, and, without delay, report to the Compliance Officer any Suspicious Transaction or suspicious activity or a Red Flag indicator (Refer **Annexure No. 1**).
- A "Suspicious Transaction" includes an attempted transaction, whether or not made in cash, which to a person acting in good faith:
 - gives rise to a reasonable ground of suspicion that it may lead to a violation of this Policy; or
 - appears to be made in circumstances of unusual or unjustified complexity; or
 - appears to have no economic rationale or bona-fide purpose; or
 - gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism or other forms of criminal activity.

7.4. Enforcement and Investigation

- Any violation of this Policy shall be regarded as a serious matter and shall result in disciplinary action, including termination of employment, consistent with the principles of natural justice, the Applicable Law and the Internal Stakeholder's terms of employment. The defaulting Internal Stakeholder will be accountable for any act, whether directly or indirectly, in violation of this Policy or the Applicable Law.
- For any concern raised regarding potential or actual violation of this Policy, the Compliance Officer shall take appropriate steps including (a) constituting an investigation team, if required, consisting of experts with right knowledge and objectivity; (b) conducting an investigation along with such investigation team with an intent to determine the facts; (c) suggesting corrective actions, wherever necessary, for implementation of this Policy; and (d) levying penalties in consultation with the Ethics Committee and Chairperson of the Audit Committee in case of any violation of this Policy or the Applicable Law. The Compliance Officer shall also recommend if the violation is potentially criminal in nature and should be notified to the appropriate authorities.
- Internal Stakeholders shall co-operate with the Compliance Officer and the investigation team and promptly respond to all requests for information. It is clarified that the report prepared by the investigations team, shall be kept confidential and shall be shared on a "need to know" basis only.

8. Review of / Amendment to the Policy

- The Company shall regularly monitor the effectiveness of this Policy and review its implementation on a need basis. Any changes/modifications made to this Policy shall be placed before the Board of Directors for approval.
- In the event of inconsistency between this Policy and the Applicable Law, the Applicable Law shall prevail.
- The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

Annexure No. 1

Transactions Requiring Higher Scrutiny

Internal Stakeholders should be careful about the following transactions or situations which, when appearing together or individually, should raise a 'red flag':

- A contract requires the use of a third-party consultant where the third party's principal or owner is a government official;
- The business lacks qualifications or resources i.e., the potential business partner does not appear capable of performing the services being offered. Sham service contracts, under which corrupt payments are disguised using a consulting agreement or other arrangement are typical modalities for indulging in bribery or corrupt activities;
- Any potential partner who provides guarantees of success or claims to have the ability to obtain licenses or other government approval without providing a description of a legitimate manner by which those goals will be accomplished;
- A potential counterparty who refuses to accept an anti-bribery and anti-corruption or anti money laundering clause in the proposed contract;
- Based on pre-acquisition / counterparty due diligence, it becomes apparent that the potential counterparty has a reputation for offering bribes or violating other laws or indulging in unusual, structured transactions.
- Inflated pay-outs to, or questionable role in the project of potential counterparty or its affiliate;
- A proposed counterparty who resists or fails to provide details of parentage or has undisclosed principals, associates, or subcontractors with whom it splits fees.
- Authorising or funding any transaction that is undisclosed or unrecorded in our books, records and accounts;
- Omitting, falsifying, or disguising entries in any of our books and records or inducing or facilitating any third party to do so on their own.

Annexure No. 2

Internal Stakeholder's Responsibilities

1. Internal Stakeholder shall ensure that he/she reads, understands, and complies with this Policy. They must avoid any activity that might lead to, or suggest, a breach of this Policy. The prevention, detection and reporting of any form of Bribery / Corruption / Money Laundering shall be the responsibility of each Internal Stakeholder.
2. Internal Stakeholder shall:
 - Report, if they are offered a bribe, are asked to give one, suspect that this may happen in future, or believe that they are a victim of any other form of unlawful activity or are aware of any bribe paid or received by any colleague or third party;
 - Accurately record payments or any other type of compensation made to a third party in the Company's corporate books, records, and accounts;
 - Regularly monitor and / or review suppliers, customers, and other third-party service providers to identify business activity or governance that could indicate that money laundering is taking place.
 - Only deal with representatives that they believe are legitimate businesses and have a reputation for integrity. Signs that a representative is unethical or could be paying a bribe should not be overlooked;
 - Conduct transactions transparently and make sure that contracts accurately reflect the economics of the transaction.
3. Internal Stakeholder shall not:
 - Deal with any undisclosed or unrecorded funds, such as 'off-book' amounts, for any purpose;
 - Make false, misleading, incomplete, inaccurate, or artificial entries in the Company's books and records or forge any documents or records of the Company;
 - Use personal funds or third parties, including partners, to circumvent the Company's procedures and controls, or to accomplish what is otherwise prohibited by this Policy;