

Anti-Bribery Anti-Corruption (ABAC) Policy Guide

Background

Vedanta group ('Group' or 'Vedanta') is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices. It is the group's policy to be honest in every situation and ethical in all business practices. Our reputation is important and we must do everything to protect it by making sure that our actions and policies are not only legal, but also in line with the highest level of business ethics and personal integrity.

The Group is bound by various laws, including anti-bribery laws like the UK Bribery Act, 2010 and Foreign Corrupt Practices Act. The Group is committed to upholding laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. The Group policy forbids employees and associated persons from offering or accepting bribes in any form – monetary or otherwise.

This guide consolidates Group's ABAC policies for ease of reference of the employees.

Applicability of ABAC policies

The ABAC policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, seconded staff, casual workers and agency staff, agents, or any other person associated with us, or any of our subsidiaries.

Definitions

Bribery: Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

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

Government/Public official: Government/ public official include officials, whether elected or appointed, who hold a legislative, administrative or judicial position of any kind in a country or territory.

Facilitation payment: Facilitation payments are small or minor payments made to secure or speed up routine legal government actions

Associated person: An associated person is who 'performs services' for or on behalf of the organisation. This person can be an individual or an incorporated or unincorporated body. The capacity in which a person performs services for or on behalf of the organisation does not matter, so employees (who are presumed to be performing services for their employer), agents and subsidiaries are included.

Improper performance: Breach of an expectation that a person will act in good faith, impartially, or in accordance with a position of trust

Stakeholders: Stakeholders may include public or government officials and law enforcement agencies along with various village sarpanchs', and any other individuals controlling the business

Bribery and Corruption

The UK Bribery Act ("UKBA") prohibits a company and its associated persons from offering, promising or giving any financial or other advantage to bring about the improper performance by another person of a relevant function or activity, to influence a foreign public official in performance of his or her official functions with an intention to obtain or retain business or an advantage in the conduct of business.

It is illegal to directly or indirectly offer a bribe or receive a bribe. A bribe may be anything of value and not just money - gifts, inside information, sexual or other favours, corporate hospitality or entertainment,

offering employment to a relative, payment or reimbursement of travel expenses, charitable donation or social contribution, abuse of function - and can pass directly or through a third party (For details, refer "Code of Business Conduct and Ethics")

Gifts and Entertainment

Vedanta discourages all its team members from receiving gifts except those of insignificant commercial value. Team members include all employees/retainers/advisors etc. of the Group. If gifts are to be accepted then the same should be reported to the immediate superior and deposited with the Company Secretary.

Employees dealing with suppliers should carefully guard their objectivity, specifically no employee should accept or solicit any personal benefit from a supplier or a potential supplier that might compromise, or appear to compromise their objective assessment of the suppliers' products and prices.

Offering gifts is often a legitimate contribution to building good business relations. However, those gifts must never unduly influence business decision making. However, if you have contact with government officials during your work, never offer anything of value to obtain an actual or perceived improper advantage.

As a general rule, you may give or receive hospitality / gift only if the same would not be viewed as an inducement or reward for any particular business decision.

Consider the following principles prior to accepting/offering gifts or hospitality

- *It is bona-fide and made in normal course of business*
- *Complies with the anti-corruption laws applicable to the Group*
- *Disclosure of the same should not cause embarrassment to the giver or receiver*
- *It is fully documented and supported by original receipts and accurately recorded in the books of accounts*
- *It is not offered/accepted at the time of tendering process or price negotiations or approval process*

(For details, refer "Code of Business Conduct and Ethics")

Facilitation payments

Facilitation payments are bribes and are prohibited both as per the group policy and under the UK Bribery Act.

(For details, refer "Code of Business Conduct and Ethics")

Political Contribution

Direct contributions to any political party or for any political purposes are specifically prohibited. Any contributions of political nature can be made to 'Political and Public Awareness Trust' after obtaining appropriate approval.

(For details, refer "Code of Business Conduct and Ethics" and "Donation Policy")

Charitable Donation/Sponsorships/CSR

Donations/sponsorship/CSR activities are payments made to third parties for a social or charitable cause that includes promoting sustainable community development, combating poverty and disease, protecting the environment, promoting sports, religious purposes and developing the capacities of people or institutions in the countries where we operate.

Following points should be considered before making such donation/sponsorship/CSR payments

1. *It should be legal, ethical and permissible as per local laws and customs*
2. *Should be transparent and properly documented*
3. *Appropriate due diligence must be conducted on the proposed recipient and factors like basic needs of the community, discussion with village panchayats, other stakeholders, priority of the project etc. should be considered*
4. *While making such a payment, ensure that it is not made to pass any undue favour to specific business partner/third party/ government official/political party/politically connected person.*

If you receive a request from supplier/customer/third party regarding investment in any social or community initiative / donation escalate it to your line manager.

(For details, refer “Donation policy”)

Interaction with Government

“The Group” seeks to have open and constructive relationships with governments. Always be truthful, accurate, cooperative and courteous when dealing with government or regulatory agency officials. Notify and seek advice from your Legal representative if you receive a non-routine request from a government or regulatory agency official. Stand firm against possible corruption.

(For details, refer “Code of Business Conduct and Ethics” and “Whistleblowing policy”)

Conflict of Interest

A conflict of interest can occur when an employee’s private interest interferes, or appears to interfere, with the interest of the Group as a whole. *You must excuse yourself from any decision making process that influences your ability to act in the interest of the Group or that makes it difficult to perform your work objectively and effectively.* You are required to disclose actual or perceived conflict of interest situations to your line manager *in writing and record it in the conflict of interest register.*

(For details, refer “Code of Business Conduct and Ethics”)

Relationship with Third party

Third party includes suppliers, agents, contractors, service providers, intermediaries, consultants, advisors and joint venture partners.

Any third party engaged by the Group would be an Associated Person provided the third party represents or acts on behalf of the company or group before external parties. For example, a supplier of material would normally not be considered as an Associated Person, but if the supplier in the course of supply of material acts as an agent and obtains permissions and clearances for the company then he would be considered as an Associated Person

In order to maintain highest standards of integrity in all our dealings with third parties, you must ensure that:

- *Appropriate due diligence is conducted and properly documented prior to engaging a third party*
- *Any potential conflict of interest is resolved prior to engaging the third party*
- *ABAC policy is communicated to all third parties*
- *Formal commitment (in writing) is sought from third party to ensure compliances to these standards*
- *ABAC contracting provisions are incorporated in the contracts in consultation with legal team*
- *Contracting provisions include clause on termination in case the third party fails to abide with the ABAC policy*

(For details, refer “Code of Business Conduct and Ethics”, “Supplier Code of Conduct”, “Gift Policy” “Third party due diligence” and “Potential Red Flags”)

Books and records

All Company business transactions must be fully and fairly recorded in accordance with the Company's accounting principles and other appropriate requirements. Both applicable law and our policies require the disclosure of accurate and complete information regarding the Company's businesses, financial condition and results or operations.

The approver of expense must ensure that expense incurred was for business reasons and relevant receipts are attached

(For details, refer "Code of Business Conduct and Ethics" and "Reimbursement policy")

Mergers and Acquisitions

There is presence of investment risk related to target companies (entity being considered for investment or acquisition). Employees should understand the investment risk involved such as, financial data being falsified, regulatory action against the target company, past instances of corruption, unethical culture etc.

Therefore, it is advised to undertake anti-bribery due diligence in the course of mergers and acquisitions on a risk based approach.

(For details, refer "Due diligence for M & A transactions")

Hiring Former Government officials

Care must be exercised while hiring former government officials as an employee, agent, consultant or retainer. Perform background checks / due diligence as appropriate prior to entering in such a relationship.

(For details, refer "Third party due diligence")

Training and Communication

All employees must be made aware of the principles, policies and procedures of the Group. This can be achieved through multiple approaches such as induction training, posters, web portal and periodic communication. In addition focused training should be provided to employees working in high risk countries/functions. These include:

- *All New joiners must receive training and confirm that they have understood this policy as part of their on-boarding process.*
- *Additional training for select employees, as decided by compliance team/ethics committee from time to time, like government facing, finance and accounts, senior management, client facing employees and employees having relevant exposure.*
- *Training programs should also be extended in case of lateral hiring*
- *Periodic confirmation should be sought from relevant personnel on ABAC policy compliance*

Training programs should also be extended to third parties if it is envisaged that the work profile allocated to them carries a significant risk as per the anti-bribery policy.

Consequences and Penalties

Failure to adhere to the policy would invite severe disciplinary action up to and including termination of employment.

Periodic Review and Evaluation

Regularly monitor ethical conduct and ensure that accessible systems are in place for employees or others to report potential violations.

Whistleblowing

All employees have a duty to report any known or suspected violations of the Code of Conduct or other policies of the Company. You may report known or suspected violations through Email to : sql.whistleblower@vedanta.co.in

All reports of known or suspected violations of the law or this Code will be handled sensitively and with discretion. The Company will protect your confidentiality to the extent possible, consistent with law and the Company's need to investigate your concern

(For details, refer "Whistleblowing Policy")

The Code of Conduct, this Guide and the ABAC framework shall be reviewed at regular intervals to assess the internal controls set for ABAC within the Group and to ensure that it remains applicable to the challenges we face in a dynamic business environment. Based on the assessment modification / changes shall be affected in the current ABAC policies and procedures.