

Anti-Bribery & Anti-Corruption Policy



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I. Policy Statement and Purpose

1. Core principle: The Company and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of its business and shall participate in efforts to eliminate such forms of an ‘illicit payment’, bribery, fraud and corruption.

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.

2. 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.
3. 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 including, wherever applicable, the U.S Foreign Corrupt Practices Act (“FCPA”), the UK Bribery Act (“UKBA”) and the Indian Prevention of Corruption Act, 1988 (“PCA”). Different statutes adopt different yardsticks to determine whether or not a particular act or omission is an offence thereunder; thus an act may be an offence under one statute, but not under another. The FCPA makes it a federal crime for companies or individuals to bribe government officials in non-U.S. countries in order to obtain or retain business, or to secure improper business advantages. The FCPA also requires public companies or issuers (U.S. and non-U.S companies that trade securities on a U.S. stock exchange), to keep accurate books and records, and to have an adequate system of internal financial and accounting controls. The UKBA prohibits bribery in both, the public and private sectors. Under the PCA, bribery of government officials and agents, whether directly or indirectly, is strictly prohibited.
4. In addition to the PCA, the following laws in India also presently apply to offences relating to or resulting in corruption and bribery and resolutions available in case of occurrence of corruption or bribery:
 - i) Indian Penal Code, 1860 (“IPC”);
 - ii) Prevention of Money Laundering, 2002;
 - iii) Central Vigilance Commission Act, 2003;
 - iv) Lok Ayukta Acts of various states.
5. 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;
 - be alert to warning signs in relation to bribery and corruption;
 - report actual or suspected violations of this ABAC Policy;
 - report any evidence that an agreement or arrangement with a third party lacks business integrity;
 - report any direct or indirect approach that involves any activity relating to bribery or corruption;
 - co-operate with any investigation or audit activities relating to matters covered by this ABAC Policy; and
 - otherwise fully comply with and follow procedures set in place to deal with such behaviour or conduct.

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6. The guidelines in this ABAC Policy supplement the Tata BlueScope Steel Code of Conduct 2015 (“TBSLCoC 2015”) and should be read in conjunction with:
- a) TBSLCoC 2015;
 - b) the Whistle blower Policy;
 - c) any guidance published pursuant to this policy or TBSLCoC 2015; and
 - d) any other relevant policies as may be implemented from time to time.

II. SCOPE AND APPLICABILITY

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

This ABAC Policy is applicable to:

- all individuals working at all levels and grades, including directors, senior managers, officers, other employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, interns, seconded staff, casual workers and agency staff, agents, or any other person associated with our Company; and
- such other persons, including those acting on behalf of our Company, as designated by the Compliance Officer (as defined below) from time to time,

(all of the aforesaid being collectively referred to as “**Designated Persons**”).

Designated Persons have a special responsibility to comply with this ABAC Policy, and ensure that our Company’s procedures and measures to combat bribery and corruption risks and threats are upheld and strengthened. If in doubt whether an act would breach this ABAC Policy, the Designated Person must take a step back and ask oneself the following on a contemplated action:

- What is the intent – is it to build a relationship or is it something else?
- How would it look if these details were on the front page of a major newspaper?
- What if the situation were reversed – would there be a double standard?

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, consult the Ethics Counsellor or the Compliance Officer.

On an exceptional basis, payments which would otherwise be prohibited may be made in circumstances where your personal safety is compromised. Any such payments must be reported as quickly as reasonably practicable to the Ethics Counsellor or the Compliance Officer.

III. 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 ABAC Policy (“Compliance Officer”) and the same shall be notified to the Designated Persons. The Company Secretary has been designated as the Compliance Officer. All reports, complaints, doubts or concerns in relation to matters covered by this ABAC Policy should be raised by the relevant Designated Persons to the Compliance Officer or to the Company Ethics Counsellor. Every query or concern raised by any Designated Person in relation to any suspected violation of this ABAC Policy shall be investigated by the Compliance Officer.

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IV. Definitions

1. **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. TBSLCoC 2015 and this ABAC Policy prohibits Designated Persons from giving bribes not only to any public/government official but also to any private individual. Bribery in any form will not be tolerated.

2. **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, such as misuse of public office or power for private gain or misuse of private power in relation to business outside the realm of government.

3. **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.

"State" means all levels and subdivisions of governments (i.e., local, regional, or national and administrative, legislative, or executive).

Foreign public official

Under non-Indian anti-bribery and anti-corruption laws, what constitutes a "foreign official" or "foreign public official" is interpreted broadly and 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.

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4. *Facilitation payment or kickbacks*

“Facilitation Payments” are unofficial payments made to public officials in order to secure or expedite the performance/non-performance of a routine or necessary action. They are sometimes referred to as 'speed' money or 'grease' payments or 'good-will money'. The payer of the facilitation payment usually already has a legal or other entitlement to the relevant action. “Kickbacks” are typically payments made in return for a business favour or advantage.

5. *Third party*

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.

6. *Improper performance*

Breach of an expectation that a person will act in good faith, impartially or in accordance with a position of trust amounts to improper performance. This would also include obtaining, agreeing to receive, accepting, or attempting to obtain, an undue advantage for acts to be performed properly.

V. WHAT IS CORRUPTION

1. Corruption can take place in many types of activities. It is usually designed to obtain financial benefits or other personal gain. For example, bribes are intended to influence behaviour – they could be in the form of money, a privilege, an object of value, an advantage, or merely a promise to influence a person in an official or public capacity. Usually, two people are involved and both would benefit. Examples of a bribe include offering or receiving of cash in the form of a kickback, loan, fee or reward, or giving of aid, donations, or voting designed to exert improper influence.
2. The areas of business where corruption, including bribery, can most often occur include:
 - a. Gifts, Entertainment and Hospitality;
 - b. Facilitation Payments;
 - c. Procurement Process;
 - d. Political, Community or Charitable Contributions;
 - e. Improper Performance of Duties;
 - f. Favours Regarding Recruitment Opportunities.

VI. GIFTS, ENTERTAINMENT AND HOSPITALITY

1. Gifts, entertainment, and hospitality may be acceptable if they are reasonable, proportionate, made in good faith and in compliance with the Company’s policies, inclusive of Clause 5 of the TBSLCoC 2015, our Company’s Gifts & Hospitality Policy and various advisories issued from time to time under the foregoing. Any doubts in this regard should be clarified with the Company Ethics Counsellor or the Compliance Officer.

VII. FACILITATION PAYMENTS OR KICKBACKS

1. All Facilitation Payments and kickbacks are corrupt payments, and any such payment in the course of our Company’s business is strictly forbidden.
2. Facilitation Payments are often involved in obtaining non-discretionary permits, licenses or other official documents, expediting lawful customs clearances, obtaining the issuance of entry or exit visas, providing police protection, whether or not such actions are connected to the award of new business or the continuation of existing business.

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VIII. PROCUREMENT PROCESS

Designated Persons must follow our Company's processes and adhere to the system of internal controls around supplier selection. Supplier selection should 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 (often called a 'tender'), it is most important we maintain documentation supporting our internal controls. Designated Persons must familiarise themselves with our Company's procurement processes and must adhere to the same.

IX. INTERACTION WITH CUSTOMERS

1. Where a Designated Person is responsible for relationships with customers, she/he may entertain customers for bona-fide purposes only in accordance with our Company's Gifts & Hospitality Policy. Records of such entertainment should be maintained as per our Gifts & Hospitality Policy.
2. Bribery may also occur on the sales side, for example an employee might accept a bribe to prefer one customer over another, again with potentially damaging consequences for relationships with other customers, as well as the legal consequences to our Company.
3. In the normal course of business, discounts and rebates are offered to customers in both the private and public sectors. While this is common industry practice, the wide

variety of arrangements and the relative complexity of some of them creates a degree of risk that such arrangements could be used to disguise improper inducements to individual customer representatives (for example, selective dissemination of the fact that free products are being provided), and consequently great care needs to be exercised in the deployment of such arrangements.

X. USE OF THIRD PARTIES

1. Our Company may be held responsible for bribes paid on its behalf by third parties, with severe and often irreparable consequences, even if our Company did not authorize these payments. Therefore, it is critical that we are careful in the selection of third parties who act on our behalf or with whom we deal or are otherwise associated.
2. All dealings with third parties shall be carried out with the highest standards of integrity and in compliance with all relevant laws and regulations. We expect all our third parties to share our values and our ethical standards.
3. You must ensure that all third parties with whom you deal are aware of the Company's policies and expectations with respect to bribery and corruption. Due diligence must be carried out on all third parties with whom business is conducted by the Company. The extent of due diligence should be proportionate to the risk associated with the relevant country and/or activity. All contracts with third parties must be in writing, on commercial terms and be reviewed by the Company's legal team.

Payments to all third parties must only be made to the contracting party in its home country, not to an offshore account or entity, other than with the prior written approval of the Compliance Officer.

XI. GOVERNMENT INTERACTION

1. Clause 18 of TBSLCoC 2015 states "Every employee of the Company shall, in his business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the Code then the standards of the Code shall prevail. Doing business with the government is highly regulated and typically follows stricter rules than those in the commercial marketplace. If you work with government officials or a government-owned (or partially-owned) company, you have a special duty to know and comply with applicable laws and regulations, adhere to the highest standards of integrity and avoid even the appearance of impropriety. Our Company may interact with the government, government officials and government agencies in multiple forms, such as: for seeking

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statutory or regulatory approvals, as a supplier, as a customer, etc. Designated Persons should always be truthful, accurate, co-operative and courteous while representing our Company before any government, government officials and government agencies.

2. Our Company and employees shall not, unless mandated under applicable law and our Company's Corporate Social Responsibility ("CSR") Policy¹, 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 our Company's CSR Policy. The Company shall comply with government procurement regulations and shall be transparent in all its dealings with government agencies.

¹ Available at tatabluescopesteel.com.

XII. POLITICAL COMMUNITY AND CHARITABLE CONTRIBUTIONS

Clause 7 of TBSLCoC 2015 states: " The Company shall be committed to and support functioning democratic constitutions and governance systems with transparent and fair electoral systems. The Company shall not support directly or indirectly any specific political party or candidate for political office. The Company's conduct shall preclude any activity that could be interpreted as mutual dependence / favour with any political body and shall not offer or give any company funds or property as donations, directly or indirectly, to any specific political party, candidate or campaign".

Designated Persons are not allowed to make political contributions from the funds, properties or other resources of our Company except political contributions approved by the Board in accordance with the TBSLCoC and in compliance with applicable law.

Designated Persons may incur reasonable costs for attendance at an event hosted by a political party only where:

- a. the event is for briefing purposes or for the purpose of meeting and having dialogue with political figures which contributes to the public debate of policy issues that may affect the Company; and
- b. such payment is approved by the Compliance Officer.

Our Company may make charitable donations for humanitarian needs and other factors, including emergency situations and disaster relief. Such contributions must be made in compliance with our Company's CSR Policy. However, it is important that we pay special attention when making donations such that they shall be made without demand or expectation, so that our donations would not and could not be considered inducements, as this would be a violation of the anti-corruption laws, the TBSLCoC and this ABAC Policy. Thus, contributions by the Company to community projects or charities need to be made in good faith and in compliance with our TBSLCoC, this ABAC Policy and all other relevant policies and procedures.

XIII. SPONSORSHIPS

Sponsorships are closely allied to the various types of community / business activities undertaken by our Company. These could range from sponsoring educational scholarships to local sports teams. Any sponsorship must be for genuine business or charitable objectives without any element of quid pro quo. Any such sponsorship must be transparent, duly approved, properly documented and duly reported as per our Company's CSR Policy.

XIV. MERGERS AND ACQUISITIONS

1. A company that does not perform adequate due diligence regarding compliance with anti-bribery and anti-corruption procedures of the target company prior to a merger or acquisition may face both legal and business risks. Our Company will undertake appropriate and reasonable due diligence on the reputation and integrity of any business in which it makes investments.

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2. Our Company, when it is acquiring a potential target, will train new employees, re-evaluate third parties under company standards and where appropriate, conduct audits on new business units.

XV. CONFLICTS OF INTEREST

1. Clauses 20 of TBSLCoC 2015 provides detailed guidance on assessment of potential situations of conflict of interest. Any conflict of interest, even if it is perceived or potential, must be reported to the Company Ethics Counsellor or the Compliance Officer, must be in turn reported to the appropriate competent authority as defined in TBSLCoC 2015, and actioned as per the guidance provided in the TBSLCoC.

XVI. BOOKS, RECORDS, AND INTERNAL CONTROL REQUIREMENTS

1. Accurate and complete recordkeeping is essential to the successful operation of our Company, as well as to our ability to meet our legal and regulatory obligations. Each Designated Person has a responsibility to be accurate, complete and honest in what he/she reports and records to meet regulatory requirements, as well as in all internal and external documents of our Company, including accounting records, time cards, expense reports, invoices, payroll records, safety records, business records, performance evaluations, etc.
2. Expenses must never be hidden or purposefully misclassified. Many serious global bribery and corruption scenarios are found to involve inaccurate record-keeping. To prevent this, international anti-corruption laws generally require detailed and accurate accounting records for transactions, including cash and bank accounts. All Designated Persons must ensure that the Company maintains accurate books, records and financial reporting.

XVII. COMMUNICATION AND COMPLIANCE TRAINING

1. It is our commitment to ensure that our Company has adequate procedures to combat ABAC risks and threats. To meet this objective, regular training will be made available to all business units in relation to our ABAC Policy, obligations of Designated Persons, company procedures and measures. The details of our Company's whistleblowing procedures will be disseminated throughout our Company and will be so done on a regular basis.

Designated Persons must undertake compliance training when it is offered to them.

XVIII. HOW TO REPORT CONCERNS

1. Every Designated Person report any concerns they have about any bribery issue or suspicion of malpractice or any case of corrupt practice or any breach of this ABAC Policy or applicable anti-bribery or anti-corruption law (whether actual or suspected) at the earliest possible stage. If he/she is unsure whether a particular act constitutes bribery or corruption or if he/she has any other queries, these must be raised with the respective reporting manager and the Compliance Officer at the following email address [ethicscounselor@tatabluescopesteel.com].

Each Designated Person must:

- a. be alert to warning signs in relation to bribery and corruption;
- b. report actual or suspected violations of this ABAC Policy;
- c. report any evidence that an agreement or arrangement with a third party lacks business integrity;
- d. report any direct or indirect approach that involves any activity relating to bribery or corruption; and
- e. co-operate with any investigation or audit activities relating to matters covered by this ABAC Policy.

XIX. RESPONSIBILITY AND PENALTIES

1. Our Company takes the subject of corruption and bribery very seriously. Any violation of this ABAC Policy (including a failure to report a breach, co-operate with audit, or perform adequate due diligence) will be regarded as a serious matter and shall result in disciplinary action, including termination, consistent with applicable law and the employee's terms of employment.

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2. Bribery is a criminal offense. The defaulting Designated Person will be accountable whether she/he pays a bribe herself/himself or authorizes, assists, or conspires with someone else to violate this ABAC Policy or an anti-corruption/anti-bribery law. Punishments for violating the law are against a defaulting Designated Person as an individual and may include imprisonment, probation, and significant monetary fines which will not be paid by the Company. For example, punishment under the PCA ranges between 6 months and 5 years, along with a fine. In certain cases of habitual offenders imprisonment could be as high as 7 years. There is no limit on the maximum fine payable.

XX. PERIODIC REVIEW AND EVALUATION

1. Our Company's Audit Committee will monitor the effectiveness and review the implementation of this ABAC Policy, considering its suitability, adequacy and effectiveness.
2. Our Company reserves the right to vary and/or amend the terms of this ABAC Policy from time to time.