



ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

OF

PARAG MILK FOODS LIMITED

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The Anti-Corruption and Anti-Bribery Policy of Parag Milk Foods Ltd has been developed in accordance with Code of Conduct, charters, policies, rules and regulations adopted by Parag Milk Foods Ltd and in conformance with the legal and statutory framework of Anti-Corruption Legislation prevalent in India.

The Policy reflects the commitment of Parag Milk Foods Ltd and its management for high ethical standards doing open and fair business for improving the corporate culture, following the best practices of corporate governance and supporting the business reputation at the appropriate level

Purpose and Objective

The aims and objectives of the Policy are:

- To initiate the steps to reduce the bribery and corruption risks to the business of the Company by setting out clear guidelines.
- To encourage employees and Directors to be vigilant and to act diligently in good faith.
- Monitoring and investigating instances of alleged corruption.
- Taking firm and vigorous action against any individual(s) involved in corruption or any unethical practices.
- To minimize the risk of involvement of all employees and Directors in corruption related activities
- To form a common understanding for all stakeholders that Parag prevents corruption in any form
- To summarize and explain the key requirements of Indian anti-corruption regulations; and
- To set responsibility for the employees of Parag to know and comply with the principles and requirements of the Policy, the key rules of the applicable anti-corruption laws, as well as adequate procedures to prevent corruption.

Scope

The Policy would be applicable to:

- All employees (including off roll employees) and Directors of Parag,
- All employees of subsidiaries of Parag, and
- Business Partners/Vendors and Representatives or any other persons/individuals, who may be acting on behalf of Parag.

Key Principles

- The Members of the Board of Directors, the President, the Board members, and Senior Managerial Personnel of Parag should form an ethical standard of uncompromising attitude to all forms and demonstration of corruption at all levels setting an example by their own behaviour.
- Parag requires its own business partners/ vendors to comply with all applicable laws, regulations and industry codes as well as Parag integrity standards. Therefore, we conduct adequate due diligence before entering into a contract and continuously monitor their activities.
- The Policy is available on the corporate website. Parag openly expresses its opposition to corruption; welcomes and encourages compliance with the principles and requirements of the

Policy by all contractors, employees, associated parties/companies, its managerial bodies, and other persons.

Applicable Anti-Corruption Laws and Key Provisions

The applicable Anti-Corruption Laws under the Indian Statutory Framework are as follows:

- Indian Penal Code, 1860 as amended up to date,
- Prevention of Corruption Act, 1988 as amended up to date,
- Prevention of Money Laundering Act, 2002 as amended up to date,
- Right to Information Act, 2005 as amended up to date,
- Central Vigilance Commission Act, 2003
- Lok Ayukta Acts of States e.g. Maharashtra Lok Ayukta and Upa-Lok Ayukta Act, 1971, and
- Any other Act/statutes as may be notified by the Government of India from time to time.

Restricted Practices

Illustrative List of acts /practices which are restricted/prohibited under the policy framework is given below:

- Dishonest misappropriation of property/money.
- Criminal breach of trust.
- Cheating.
- Receiving or giving bribes.
- Acceptance /giving of Gifts over and above the extent and the manner as allowed hereunder :-

(A) Gifts and representative expenses including the hospitality business expenses which the employee may provide on behalf of the Company to the individuals or organizations, or which the employees may receive in connection with their work in the Company from other persons and organizations, must meet a set of five criteria mentioned below:

(a) to be directly related to the legitimate activity of the Company, for example, a presentation or completion of business project(s), or the successful execution of contracts, or either with common holidays such as the Christmas, Diwali, New Year, International Women's Day, anniversaries, birthdays;

(b) to be reasonable, proportionate and not be a luxury;

(c) to be not a hidden fee for the service, act, omission, conniving, protection, provision of rights, making of certain decision on transaction, agreement, license, permit, etc. or attempt to influence the recipient to indulge in any illegal or unethical activity;

(d) not to create a reputational risk for the Company, employees, and other persons, in case of disclosure of information on gifts or representative expenses;

(e) not to be in conflict with the principles and requirements of the Policy, the Code of Ethics, other internal documents of the Company and the rules of applicable law.

(B) Gifts on behalf of the Company, its employees and representatives to third parties shall be subject to the guidelines specified under Code of Conduct of the Company.

(C) Charity in order to obtain commercial advantages.

(D) Participation/Contribution in/to Political Activities.

(E) Payment of any costs for government officers and their relatives (or in their interests) in order to obtain commercial advantages, and

(F) Any other unethical act or omission.

(G) To use partners, agents, joint ventures, intermediaries, or other persons for any actions that are contrary to the principles and requirements of the Policy or the rules of the applicable anti-corruption laws.

Implementation and Compliance

The policy would be implemented by order of the Chairman of Board of Directors of Parag. It is sole responsibility of the employees (including all persons/officials covered under the Policy) to abide by the Policy and to restrict their actions/conduct within the set framework of the Policy.

Reporting and Actions

Any violation/non-adherence of the policy would be reported to the respective Executive Level Disciplinary Committee and the respective Committee will take appropriate action(s) in consultation with the Legal Department.

In case any employee or any other person to whom this policy applies, is found to be indulged in corruption related activities, violation of any provisions of the Policy, he /she may be subject to disciplinary action(s) including termination of services and such other administrative, civil or criminal action(s) as per the applicable statutes as mentioned in the Policy.

The Executive Level Disciplinary Committees will submit its report on violations of the Policy, to **Corporate Conduct and Ethics** Committee on periodical basis and the report would be reviewed by the Committee at its meeting(s).

Procedure for reporting of Violations

Reporting against Employees /Officials/ Other Persons when any employee or other persons doubt the legality or ethics of their actions or the action, inaction, violation, deficiencies or proposals of other employees, contractors or other persons, who act on behalf of Parag, they may report it by the following mode(s):

- E-Mail: complaints@parag.com
- Direct Reporting: to Head of the Department of respective employee and/or to the respective Executive Level Disciplinary Committee.

The Head of Department / Legal Department will communicate all violations to the respective Executive Level Disciplinary Committee with a copy to the Legal Department, which have been reported by the employees through email.

Reporting against Board Member(s) In case of alleged corruption in respect of Board member(s), the violation(s) would be reported to the Chairman of the Board and he shall take the appropriate action(s) as may be considered necessary. It is the duty of the Head of Department, Legal Department, members of Executive Level Disciplinary Committees and Board members to take all reasonable steps to protect the identity of the person(s), who has/have reported the violations. It is also their responsibility to take all reasonable steps to safeguard such information, which they come across during the reporting/investigation process, to use such information only for the reasons it was supplied and not to share it with third parties, unless in compliance with applicable laws and regulations.

Responsibility for Failure of the Policy

The members of the Board of Directors, the President, the members of the Management Committee and employees of all functions of Parag, regardless of position and designation, are personally responsible for compliance with the principles and requirements of the Policy, as well as the actions (inaction) of their subordinates, who violate these principles and requirements.

Amendments to the policy

Any or all provisions of this policy would be subject to revision / amendment as per any guidelines issued by the Government from time to time and as approved by the Board of Directors of Parag.

The company reserves the right to modify, cancel, add or amend rules/ provisions specified in this policy.

Dissemination

The contents of this Policy shall be disclosed on the Company's website and shall also be incorporated in the Company's Contracts with its Vendors.

The Board had adopted this Policy at its meeting held on August 5, 2023.