



Anti-Money Laundering & Anti-Bribery And Anti-Corruption Policy (AML & ABAC Policy)

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Table of Contents

Sr. No.	Particulars	Page No.
1.	Policy Statement and Purpose	3
2.	Scope and Applicability	3
3.	Compliance Officer	4
4.	Definitions	4
5.	Bribes, Kickbacks, and Other Payments	4
6.	Government Interactions	5
7.	Political Contributions and Public Service	5
8.	Use of Third-Party Agents, Consultants and Other Intermediaries	5
9.	Conflict of Interest	6
10.	Training	6
11.	How to Raise Concerns	6
12.	Responsibility and Penalties	6
13.	Periodic Review and Evaluation	7
14.	Annexures:	
	I. Transactions Requiring Higher Scrutiny	8
	II. Employees Responsibilities	9

I. Policy Statement and Purpose

1. At Hindalco Industries Limited (“**Hindalco**”), we have always believed in sound, moral, ethical, and business principles. Having adopted the Aditya Birla Group (“**ABG**”) Corporate Principles and our own Code of Conduct, we are committed to act fairly with integrity and trust in all its business dealings and relationships wherever it operates.
2. This AML & ABAC Policy (‘Policy’) sets out essential steps Employees (as defined herein below) must take to avoid being implicated for money laundering and to prevent involvement in any activity relating to bribery, facilitation payments, or corruption, even where the involvement may be un-intentional.

II. Scope and Applicability

1. This Policy is applicable to all the employees working at all levels and grades including 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 the Company and such other persons, including those acting on behalf of the Company (collectively for the limited purpose of this Policy referred as ‘**Employees**’). This Policy governs all operations of Hindalco, whether domestic or international.
2. Regardless of the territory or location of your work, undertaken on behalf of Hindalco, this Policy and all applicable anti-bribery and anti-money laundering laws apply to you. Most countries have anti-bribery and anti-money laundering laws that prohibit bribing a governmental official or official performing public duty, such as the Prevention of Corruption Act, 1988 and the Prevention of Money Laundering Act, 2002 in India, US Foreign Corrupt Practices Act and the UK Bribery Act.
3. In the event this Policy is stricter than the laws that are applicable, including both applicable local laws and those laws with extra-territorial application, this Policy will prevail. However, if any part of this Policy conflicts with local laws in any location, the local law of the appropriate jurisdiction will prevail. The same principle will apply in case this Policy conflicts with sectoral laws, as may be applicable.
4. This Policy should be read in conjunction with the following policy documents of Hindalco and the Group:
 - a. The Corporate Principles and Code of Conduct of Hindalco;
 - b. The Supplier Code of Conduct of Hindalco;
 - c. The ABG’s Values Handbook;
 - d. The Whistle-blower Policy of Hindalco;
 - e. Any guidance published pursuant to this Policy;
 - f. Any other relevant policies as may be implemented from time to time.

Because no code of conduct or policy can cover every possible situation, one should exercise good judgement in being compliant of the applicable laws. In case of queries or concerns you should get in touch with your respective Compliance Officer, as defined herein below.

III. Compliance Officer

Company Secretary shall be the Compliance Officer to ensure that the right Governance process is in place for the compliance of this Policy (“**Compliance Officer**”).

IV. Definitions

1. “**Anti-Money Laundering Laws**”, “**Anti-Bribery Laws**” and “**Anti-Corruption Laws**” means all applicable anti-bribery and anti-corruption laws / statutes / regulations / guidelines / codes stipulated by relevant governmental authorities. (Collectively referred as ‘**AML & ABAC Laws**’).
2. **Corruption** means and includes misuse or abuse or intent to abuse or misuse entrusted power or use of or intent to use any wrongful design, either directly or indirectly, to acquire or cause to acquire or secure any benefit or advantage including pecuniary advantage, for oneself or the other.
3. **Bribery** includes offer, promise, giving, demand, acceptance, solicitation, or any combination thereof, whether direct or indirect, which is illegal, unethical or includes breach of duty or trust for securing any undue advantage, or influencing someone’s behaviour, especially individual performing public duty, to solicit or give any item of value or advantage.

Bribery and Corruption can take any form, including but not limited to the provision or acceptance of anything of value – providing/receiving inappropriate gifts, hospitality, and entertainment, inside information, or sexual or other favours, underwriting travel expenses, abuse of function, or other significant favours.

In case of any doubt, Employees should consult with the Unit Human Resources Team, Unit Legal Manager or Compliance Officer to seek any clarification in this regard.

The words and expressions used herein but not defined in this Policy shall have meaning as provided under applicable AML & ABAC Laws.

V. Bribes, Kickbacks, and Other Payments

1. Employee needs to ensure that the business decisions are never influenced by corruption or bribery. Employee shall not offer, promise, grant, authorize, demand, accept, or allow himself or herself to be promised or promise any bribe, kickback, illegal gratuity, illegal payment, or anything else illegal of value or advantage, directly or indirectly, to or from any person, organization, or governmental representative. Corrupt activities are not only a violation of Hindalco’s Code resulting in disciplinary action, but shall also tantamount to serious violation of criminal and civil anti-bribery and anti-corruption laws.
2. Employee 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 the Employee’s ability to perform official duties or to exercise judgment in a fair and unbiased manner.

3. Any gift, loan, favour or offer of entertainment that violates the Code must be returned promptly to the donor with an appropriate explanation. A gift or entertainment to a relative of an Employee is also treated as a gift to the Employee.

VI. Government Interactions

1. It is imperative to understand, acknowledge, and practise that while discharging our official duties, one needs to be apolitical and respectful towards the Government, the laws, and the institutions in the jurisdictions where we operate.
2. Doing business with the Governments is highly regulated and hence mandates strict adherence to the applicable legislations, rules, and guidelines. If you work with government officials/public servant/public official ('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 to avoid even the appearance of impropriety.

VII. Political Contributions and Public Service

1. Hindalco does not directly or indirectly make contributions or other payments, or provide property or services, to any candidates for public office or to political parties, except in compliance with applicable laws. Hindalco also makes charitable contribution in line with applicable laws and systems of authority.
2. Any Employee who makes a political contribution personally should ensure that he or she does not imply that it is a contribution from Hindalco.
3. While Hindalco encourages its Employees to be actively involved in the civic affairs of the communities in which they live, when speaking on public issues, however, Employees should do so only as individual citizens of the community and must be careful not to create the impression that they are acting on behalf of or representing the views of Hindalco. The only exception to this is Employees who have appropriate authorization to represent or speak on behalf of Hindalco.

VIII. Use of Third-Party Agents, Consultants and Other Intermediaries

1. Hindalco may be held responsible for bribes paid on its behalf by third parties, with severe and often irreparable consequences, even if Hindalco did not authorize these payments. Therefore, it is critical that we are careful in the selection of third parties/ consultants / intermediaries, that is, those people or companies who act on our behalf. Few examples of questionable transactions, behaviour, conduct along with Employees responsibilities can be referred from **Annexure-I & II**.
2. All dealings with suppliers, agents, contractors, service providers, intermediaries, consultants, and advisors, 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. The following should be kept in mind prior to engaging a third party:
 - a) Appropriate due diligence is conducted and properly documented;
 - b) Periodic audits of the third-party vendors/contractors/suppliers is conducted in align with applicable laws and regulations and the same are documented. In case of any violations, appropriate actions are forthwith taken;
 - c) Appropriate anti-bribery and anti-corruption provisions are incorporated in the contracts in consultation with the Company's Legal team, including the right to audit, as well as a clause on termination, if the partner/party fails to abide by the anti-bribery and anti-corruption terms.

IX. Conflict of Interest

All potential and actual conflicts of interest or material transactions or relationships that reasonably could be expected to give rise to such a conflict, or the appearance of such a conflict, must be promptly communicated to the Compliance Officer. In the event Employee believes that Compliance Officer himself is in conflict then such matter should be reported to the Values Standing Committee of the Company.

X. Training

To ensure that all Employees and all its business partners, relevant third parties, are completely familiar to the provisions of this Policy and applicable AML & ABAC Laws, the Group shall provide training and resources, as appropriate.

XI. How to Raise Concerns

1. Every Employee is encouraged to raise concerns about any bribery issue or suspicion of malpractice or any case of corrupt practice or any breach of this Policy or applicable AML & ABAC Laws 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 should be raised with the Compliance Officer of the Company.
2. All concerns, dilemma or complaints for violation of this Code can be raised anonymously or openly at Email id: abg.ethicshelpline@integritymatters.in. Toll free Hotline no.: 1800-102-6969. Web portal: abgethicshelpline.integritymatters.in. All the matters raised to ethics helpline will be addressed to the appropriate Hindalco Value Committee and will be dealt with in terms of detailed guidelines framed for this purpose. Employees may also choose to reach out directly to Values Committee members, HR, or their Manager. We encourage open and direct communication of grievances and complaints.
3. No personnel who in good faith, reports a violation of this Policy shall suffer harassment, retaliation or adverse employment consequences.

XII. Responsibility and Penalties

Hindalco takes violations pertaining to money laundering, corruption, and bribery seriously. Any non-compliance of this Policy will be regarded as a serious matter and shall result in disciplinary action, including termination, consistent with applicable law, Hindalco's Code of Conduct, Policies, Procedures, Guidelines and Terms of Employment.

XIII. Periodic Review and Evaluation

1. The Values Committee will monitor the effectiveness and review the implementation of this Policy, considering its suitability, adequacy, and effectiveness from time to time.
2. Hindalco reserves the right to vary and/or amend the terms of this Policy from time to time.

ANNEXURE- I: Transactions Requiring Higher Scrutiny

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

1. A contract requires the use of a third-party consultant where the third party's principal or owner is a government official;
2. 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;
3. 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;
4. Transactions involving unusual payment patterns or financial arrangements or where consideration is disproportionately higher in relation to goods or services sought to be obtained or given. Accordingly, a request to pay unusually high commissions is a warning sign of possible corruption. A request to deposit commissions in multiple bank accounts, perhaps in offshore banks, also justifies additional scrutiny;
5. A potential counterparty who refuses to accept an anti-bribery and anti-corruption or anti-money laundering clause in the proposed contract;
6. 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.
7. Inflated pay-outs to, or questionable role in the project of potential counterparty or its affiliate;
8. A proposed counterparty resists or fails to provide details of parentage or has undisclosed principals, associates, or subcontractors with whom it splits fees.
9. Authorising or funding any transaction that is undisclosed or unrecorded in our books, records and accounts;
10. 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-II: Employees Responsibilities

1. Each Employee 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 are the responsibility of all Employees.
2. Employees 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 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 money laundering is taking place.
3. Employees 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 Hindalco's books and records or forge any documents or records of Hindalco;
 - Use personal funds or third parties, including partners, to circumvent Hindalco's procedures and controls, or to accomplish what is otherwise prohibited by this Policy;
 - Employees should only deal with representatives that they believe are legitimate businesses and that have a reputation for integrity. Signs that a representative is unethical or could be paying a bribe should not be overlooked;
 - Conducting transactions transparently reduces the risk of bribery. Employees should make sure that contracts accurately reflect the economics of the transaction. If payment terms are confusing, clarifications should be sought;
 - Simply assume relevant third-party screening has already taken place: failure to check or update screenings periodically may put Group and its Employees at risk.
