

# Anti-bribery and Anti-corruption Policy



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# Policy Details

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## 1. Objective

HCL Technologies Limited ("HCL" or the "Company") is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices. It is HCL's policy to conduct all of its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforce its business practice, wherever it operates throughout the world, of not engaging in bribery or corruption.

## 2. Scope and applicability

This Anti-bribery and Anti-corruption Policy (this "Policy") applies to all individuals worldwide working for all affiliates and subsidiaries of HCL at all levels and grades, including directors, senior executives, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, casual workers, volunteers, interns, agents, or any other person associated with HCL (collectively referred to as "You" or "you" in this Policy).

In this Policy, "Third Party(ies)" means any individual or organization, who / which come into contact with HCL or transact with HCL and also includes actual and potential clients, suppliers, business contacts, consultants, intermediaries, representatives, subcontractors, agents, advisers, joint ventures and government & public bodies (including their advisers, representatives and officials, politicians and political parties).

## 3. Policy details

A bribe is an inducement, payment, reward or advantage offered, promised or provided to any person in order to gain any commercial, contractual, regulatory or personal advantage. It is illegal to directly or indirectly offer a bribe or receive a bribe. It is also a separate offence to bribe a government/ public official. "Government/ public official" includes officials, whether elected or appointed, who hold a legislative, administrative or judicial position of any kind in a country or territory.



A bribe may be anything of value and not just money -- gifts, inside information, sexual or other favors, 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. Corruption includes wrongdoing on the part of an authority or those in power through means that are illegitimate, immoral or incompatible with ethical standards. Corruption often results from patronage and is associated with bribery.

### 3. A. Examples of bribery:

- **Offering a bribe** - Antony, an employee of XYZ Company, offers a potential client, tickets to a major sporting event, but only if they agree to do business with XYZ Company. This would be an offence as Antony is making an offer to gain a commercial advantage. It may also be an offence for the potential client to accept Antony's offer. Providing clients with hospitality is acceptable, provided the requirements, set out in section titled "Gifts and hospitality" are followed.
- **Receiving a bribe** – Arjun works in the Supply Chain Management Department in Zen Automobiles. A regular supplier offers a job for Arjun's cousin, but makes it clear, that in return they expect Arjun to use his influence to ensure Zen Automobiles continue to do business with the supplier.
- **Bribing a government official** – Imran is asked to arrange for an of the record payment to be made to a customs official to speed up the administrative process of clearing our goods through customs.

"Red flags" that may indicate bribery or corruption are set out in [Annexure A](#) to this Policy.

## 4. Gifts and hospitality

Employees or members of their immediate families (spouse, mother, father, son, daughter, brother, sister or any of these step- or in-law relationships, whether established by blood or marriage including common law marriage) should not provide, solicit or accept cash or its equivalent, entertainment, favors, gifts or anything of substance to or from competitors, vendors, suppliers, customers or others that do business or are trying to do business with HCL. Loans from any persons or companies having or seeking business with HCL, except recognized financial institutions, should not be accepted. All relationships with those who HCL deals with should be cordial, but must be on an arm's length basis. Nothing should be accepted, nor should the employee have any



outside involvement, that could impair, or give the appearance of impairing, an employee's ability to perform his/her duties or to exercise business judgment in a fair and unbiased manner.

This Policy does not prohibit normal and appropriate gifts, hospitality, entertainment and promotional or other similar business expenditure, such as calendars, diaries, pens, meals and invitations to theatre and sporting events (given and received), to or from Third Parties. However, the key determining factor for appropriateness of the gift or hospitality and/or its value would be based on facts and circumstances under which such gift or hospitality is provided.

The practice of giving gifts and hospitality is recognized as an established and important part of doing business. However, it is prohibited when they are used as bribes. Giving gifts and hospitality varies between countries and sectors and what may be normal and acceptable in one country may not be so in another. To avoid committing a bribery offence, the gift or hospitality must be:

- a. Reasonable and justifiable in all the circumstances
- b. Intended to improve the image of HCL, better present its products and services or establish cordial relations

The giving or receiving gifts or hospitality is acceptable under this Policy if all the following requirements are met:

- a. It is not made with the intention of influencing a Third Party to obtain/ retain business or a business advantage or to reward the provision or retention of business or a business advantage or in explicit or implicit exchange for favors/ benefits or for any other corrupt purpose
- b. It complies with local laws and customs
- c. It does not include cash or a cash equivalent (such as gift certificates or vouchers)
- d. It is appropriate in the circumstances. For example, in U.S. it is customary for small gifts to be given at Christmas time
- e. Taking into account the reason for the gift or hospitality, it is of an appropriate type and value and given at an appropriate time
- f. It is given openly, not secretly and in a manner that avoids the appearance of impropriety

Examples of Token Gifts: Corporate calendar, pens, mugs, books, T-shirts, wine bottles, bouquet of flowers or a pack of sweets or dry fruits.

If the gifts or hospitality given or received is more than a token gift or modest meal/ entertainment in the ordinary course of business, you must obtain prior written approval from your vertical head



and must notify the Whistleblower Committee at [whistleblower@hcl.com](mailto:whistleblower@hcl.com) for recording in the gift and hospitality register.

The Whistleblower Committee will maintain a gift and hospitality register as a written record, setting out full details of the gift or hospitality given or received including the approximate value, the purpose or intention of the gift or hospitality, the name of the recipient and provider of the gift or hospitality and their relationship.

Examples of hospitality:

- (i) Abhishek, a customer relationship manager, invites an important existing client to attend a fine dining or a football match as part of a public relations exercise designed to cement good relations and enhance the client's knowledge of our services. Is this acceptable?

Yes. This hospitality seems to be reasonable and justifiable in all the circumstances and the intention is to improve HCL's image, better present our products and services and improve cordial relations.

- (ii) Samantha invites a potential client to watch Wimbledon a week before the deadline for RFP opening for a large IT deal, which she hopes to secure in order to persuade them to accept her company's RFP. Is this acceptable?

No. This hospitality would constitute bribery as it would be made with the intention of influencing the potential client to obtain business. The timing of this hospitality is important. If there was no RFP deadline you may be able to entertain the potential clients without breaching the law. This is because the intention of the hospitality would be then to improve the Company's image, better present the products and services and establish cordial relations with the potential client.

- (iii) Employees of XYZ company are invited to be a guest of an outside company or person at meetings, trips, etc, usually overnight, that have an emphasis on recreation of some type. Is it ok for you to participate?

The employee participation in such events should be limited only to those, where a benefit to XYZ Company is expected and as much of the employee expenses, as is possible and practical, should be paid by XYZ Company. The sponsor of the event should be in good standing with XYZ Company based on past performance.



(iv) A vendor offers a five-star, seven-day holiday package to Hawaii or Singapore to Aman, a Sales Manager at XYZ Company and his family as a token of his appreciation for a contract awarded to the Vendor. Can you go?

No. Taking into account the reason for the gift, the value of the holiday is excessive and unreasonable in the circumstances. Aman should politely decline the gift and explain that you cannot accept such an offer.

(v) A potential sub-contractor delivers a case of expensive wine to the office of Philip, a week before Philip has to make an purchase decision of the services or goods. Can Philip accept the gift?

No. The gift appears to have been made with the clear intention of influencing Philip to award the contract to the sub-contractor. Philip should return the case of wine explaining that he cannot accept the gift and Philip should assess the quote for the supply of services impartially with quotes Philip has obtained from other sub-contractors.

## 5. What is not acceptable?

It is not acceptable for for any employee of HCL (or someone on his / her behalf) to:

- a. Accept an offer of a gift of any size from any Third Party which is in negotiation with, or is submitting a proposal with HCL
- b. Give, promise to give or offer, any payment, gift, hospitality or advantage with the expectation or hope that a business advantage will be given or received or to reward a business advantage already given
- c. Give, promise to give or offer, any payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure
- d. Accept or solicit any payment, advantage, gift or hospitality from a Third Party that you know or suspect is being offered with the expectation that it will obtain a business advantage for them
- e. Threaten or retaliate against, another employee who has refused to commit a bribery offence or who has raised concerns under this Policy
- f. Engage in any activity that might lead to a breach of this Policy

The points stated above are illustrative in nature and in no way intend to limit the applicability of this Policy.



## 6. Willful blindness

If an employee willfully ignores or turns a blind eye to any evidence of corruption or bribery within his / her department and/or around him / her, it will also be taken against the employee. Although such conduct may be "*passive*", i.e. the employee may not have directly participated in or may not have directly benefited from the corruption or bribery concerned, the *willful blindness* to the same can, depending upon the circumstances, carry the same disciplinary action as an intentional act.

## 7. Facilitation payments and kickbacks

Neither an employee of HCL nor any person acting on behalf of HCL shall make and shall not accept facilitation payments or "kickbacks" of any kind. "Facilitation Payments" are typically small, unofficial payments (sometimes known as "grease payments") made to secure or expedite a routine government action by a government official. "Kickbacks" are typically payments made to commercial organizations in return for a business favor/ advantage, such as a payment made to secure the award of a contract. You must avoid any activity that might lead to or suggest that a Facilitation Payment or Kickback will be made or accepted by HCL.

Facilitation Payments are known to be prevalent in many countries and industry sectors. There You may be concerns, that the inability to make such payments may cause difficulties in doing business in some jurisdictions and that this may result in loss of income or contract. The guidance set out below is intended to help support you in circumstances when you are asked to make Facilitation Payments.

### 7. A. Guidance on how to avoid making Facilitation Payments

Corrupt government officials demanding payments to perform routine government actions may often put people acting on behalf of HCL in very difficult positions. Therefore, there is no easy solution to the problem. However, the following steps may help:

- Insist on official receipts for any payments you make
- Report suspicions, concerns, queries and demands for Facilitation Payments to the higher ups and to local enforcement authorities and refuse to make such payments





## 8. Blackmail/ extortions

We remain committed to our policy of not making Facilitation Payments. The only limited exception to this is in circumstances where you or the Third Parties are left with no alternative but to make payments in order to protect against loss of life, limb or liberty. In such circumstances, you make the payment and it is your immediate responsibility to contact your Manager and the Whistleblower Committee via [whistleblower@hcl.com](mailto:whistleblower@hcl.com) as soon as possible after the event, so that the incident can be properly recorded, reviewed and accounted for with the authorities.

## 9. Charitable donations

As part of its corporate citizenship activities, HCL may support local charities or provide sponsorship, for example, to sporting or cultural events. We only make charitable donations that are legal and ethical under local laws and practices and also within the corporate governance framework of the organization.

## 10. Political activities

We are apolitical, advocate government policies on sustainability and do not contribute financial or in-kind to political parties, politicians and related institutions in any of the countries.

We do not make contributions to political parties, political party officials or candidates for political office. Payment or use of corporate assets of any type as payment, directly or indirectly to any person, business, political organization or public official for any unlawful or unauthorized purpose is prohibited. You should not make any political contribution on behalf of HCL, use any HCL resources to assist a candidate or elected official in any campaign or coerce or direct another employee to vote a certain way. You should never attempt to offer any incentives to public officials in the hopes of influencing the decision of that individual.

## 11. Business relationships

HCL expects all Third Parties doing business with HCL to approach issues of bribery and corruption in a manner that is consistent with the principles set out in this Policy. HCL requires all Third Parties to cooperate and ensure compliance with these standards, to continue the business relationship.

In order to maintain the highest standards of integrity, with respect to any dealings with a Third Party, you must ensure that:



- a) Employees and associates shall conduct due diligence enquiries to review the integrity records of any Third Party before entering a commercial relationship with them
- b) Employees and associates shall fully document the engagement process and the final approval of the selection of any Third Party
- c) Employees and associates shall implement a program to provide appropriate information on this Policy to all Third Parties engaged in business relationship with HCL
- d) Employees and associates shall ensure that:
  - Each Third Party within your work area are fully briefed on this Policy and have made a formal commitment in writing to abide by it
  - Fees and commissions agreed will be appropriate and justifiable remuneration for legitimate services rendered
  - Contractual agreements will include appropriate wording making it possible to withdraw from the relationship if any of the Third Parties fail to abide by this Policy

In the event of any doubt on the integrity of a Third Party, it is the employee's responsibility to contact his / her Manager and the Whistleblower Committee via [whistleblower@hcl.com](mailto:whistleblower@hcl.com) as soon as possible.

## 12. Offset or similar obligations

Many government contracts (particularly in defense/ aeronautics sector) require companies to make offset commitments. The purpose of these offset commitments is to invest in the country and create local jobs. Similarly, a government in a country or a particular state giving a grant or other facilities to HCL may require preference to be given to the residents of such country or state in any hiring. All these transactions per se do not violate this Policy. In case there is an iota of doubt regarding any violation of this Policy at any stage of the transaction, you are strongly encouraged to connect with the Whistleblower Committee.

## 13. What we expect of an HCLite

HCLites, are the pillars of this organization and are behind each HCL success story. Every employee must ensure that he / she shall read, understand and comply with this Policy. If any employee has doubts or concerns, he / she should contact his / her Manager or the Whistleblower Committee.



The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for HCL or under HCL's control. Employees are required to avoid any activity that might lead to or suggest a breach of this Policy.

Employees must notify his / her Manager and the Whistleblower Committee via [whistleblower@hcl.com](mailto:whistleblower@hcl.com) as soon as possible if you believe or suspect that a breach of or conflict with this Policy has occurred or may occur in the future.

Any employee who breaches this Policy will face disciplinary action, which could result in dismissal. We reserve our right to terminate our contractual relationship with you if you breach this Policy. Any breach of this Policy would also result in imposition of large fines/ imprisonment on the individual/ the Company as the case may be or termination of contract with a Third Party.

#### **14. Record-keeping**

Employees must ensure all expenses claims relating to hospitality, gifts or expenses incurred to Third Parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts will be kept "off-book" to facilitate or conceal improper payments and the same is ensured through effective monitoring and auditing mechanisms in place.

Employees must follow all the procedures laid out in other policies (available in the respective intranet portal) which help in anti-bribery and corruption due diligence on suppliers, potential joint venture parties, clients and other Third Parties.

#### **15. What are the governing legislations?**

All national laws relating to bribery and corruption, especially such laws that are in place in jurisdictions where HCL has an office(s) or carries out its work, are of importance to the Company. In setting out the principles included in this Policy particular attention has been paid to the requirements of:



- The UK Bribery Act 2010 which entered into effect on 1 July 2011 ("UKBA") and which has extra-territorial reach. HCL has substantial presence in UK and this law has particular relevance to the manner in which the company conducts itself.
- The Foreign and Corrupt Practices Act 1977 ("FCPA"). This Act is in effect in the US and it assumes extra-territorial effect. Adherence to its requirements is mandatory for HCL as well as many of HCL's clients.

HCL has also assumed contractual obligations to its clients on its compliance with UKBA and/or FCPA.

## 16. How to raise a concern

Every person, to whom this policy applies too, is encouraged to raise their concerns about any bribery issue or suspicion of malpractice 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 their respective Manager and/or the Whistleblower Committee via [whistleblower@hcl.com](mailto:whistleblower@hcl.com).

## 17. What to do if you are a victim of bribery and corruption?

It is his / her responsibility to inform / report it to their respective Managers and the Whistleblower Committee via [whistleblower@hcl.com](mailto:whistleblower@hcl.com) as soon as possible if you are offered a bribe by a third party, you are asked to make one, suspect that this may happen in the future or believe that you are a victim of another form of corruption or other unlawful activity. You must refuse to accept or make the payment from or to a third party, explain our policy against accepting or making such payment and make it clear that the refusal is final and non-negotiable because of this Policy. If you encounter any difficulty making this refusal, you should seek assistance from your Manager.

## 18. Protection

Those who refuse to accept or offer a bribe or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken. We are committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in bribery or corrupt activities or because of reporting their suspicion in good faith that an actual or potential bribery or other corruption offence has taken place or may take place in the



future. If any employee believes that he / she has suffered any such treatment, he / she should inform your Manager or the Whistleblower Committee via [whistleblower@hcl.com](mailto:whistleblower@hcl.com) immediately.

## 19. Who is responsible for the Policy?

The Chief Executive Officer has overall responsibility for ensuring that this Policy complies with our legal and ethical obligations and that all those under our control comply with it.

Managers at all levels are responsible for ensuring that those reporting to them are made aware of and understand this Policy, undertake training on how to implement and adhere to it and also monitor compliance of it.

The Compliance/ HR team is responsible for this Policy and for monitoring its use and effectiveness (and dealing with any queries on its interpretation). Management at all levels is responsible for ensuring that those reporting to them are made aware of and understand this Policy and attend regular training on how to implement and adhere to it.

Every person to whom this policy applies is responsible for the success of this Policy and should ensure that he / she should use it to disclose any suspected activity or wrong-doing.



## 20. Waiver and amendment of the policy

We are committed to continuously reviewing and updating our policies and procedures based on the learning. This is so even when HCL enters new market/ sector/ country which may pose a risk under this Policy. The Compliance/ HR team will monitor the effectiveness and review the implementation of this Policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Therefore, this document is subject to modification. Any amendment or waiver of any provision of this Policy must be approved in writing by the Company's Board of Directors. The Policy will be reviewed and audited from time to time which requires cooperation from all concerned.



## Annexure A

### Potential risk scenarios: "red flags"

The following is a list of possible red flags that may arise during the course of your employment for HCL and which may raise concerns under anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for HCL, you have responsibility to report them promptly to your Manager and the Whistleblower Committee as set out in "[How to Raise a Concern](#)".

- a. You suspect or become aware that a Third Party engages in, or has been accused of engaging in, improper business practices
- b. You learn that a Third Party has a reputation for paying bribes or requiring that bribes are paid to them or has a reputation for having a "special relationship" with foreign government officials
- c. A Third Party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us
- d. A Third Party requests payment in cash and/or refuses to sign a formal contract or to provide an invoice or receipt for a payment made
- e. A Third Party requests that payment is made to a country or geographic location different from where the third party resides or conducts business
- f. A Third Party requests an unexpected additional fee or commission to "*facilitate*" a service or an RFP
- g. A Third Party demands lavish entertainment, hospitality or gifts before commencing or continuing contractual negotiations or provision of services
- h. A Third Party requests that a side payment (not an SLA credit for an SLA violation) be made to "overlook" potential legal violations
- i. A Third Party requests that you provide employment or some other advantage to a friend or relative
- j. You receive an invoice from a Third Party that appears to be nonstandard or customized
- k. A Third Party insists on the use of side letters (i.e. agreed terms in a letter or other document outside the written contract between the parties) or refuses to put the agreed terms in a written contract
- l. You notice that we have been invoiced for a commission or fee payment that appears large given the services stated to have been provided



- m. Third Party requests/ requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- n. You are offered an unusually generous gift or offered lavish hospitality by a Third Party
- o. You become aware that a colleague, other employee or contractor working on our behalf requests a payment from a Third Party (such as a client) to expedite an activity (such as an inspection or paperwork) or to “overlook” potential legal or regulatory violations

