



NHPC ANTI-CORRUPTION & ANTI-BRIBERY POLICY

1. INTRODUCTION

The Anti-Corruption & Anti Bribery Policy (the 'Policy') of NHPC Limited has been developed in accordance with Code of Conduct, policies, rules and regulations adopted by NHPC in order to conduct all of our business in an honest and ethical manner.

We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate, and to implementing and enforcing effective systems to counter bribery.

Our designated persons (as defined below) are prohibited from engaging in any bribery or potential bribery. This includes a prohibition against both direct bribery and indirect bribery, including payments through third parties. If any associate suspects or becomes aware of any potential bribery involving NHPC Ltd., it is the duty of that designated persons to report their suspicion or awareness to the Chief Vigilance Officer.

The most prevalent forms of bribery and corruption stem from:

- Payments to a company's employees or their relatives, or to a third party, to secure advantage in business transactions.
- Political contributions made to secure advantage in business transactions.
- Sponsorships used to secure advantage in business transactions.
- Facilitation payments made to secure or accelerate routine or necessary business actions.
- Gifts, hospitality and expenses payments made to secure advantage in business transactions.

2. OBJECTIVE

The aims and objectives of Policy are:

- a) To set out our responsibilities to comply with laws against bribery and corruption.
- b) To provide guidance on how to recognise and deal with bribery and corruption issues.
- c) To ensure that the Organisation's business is conducted in socially responsible manner.
- d) To initiate steps to reduce the bribery and corruption risks to the business of the Organisation by setting out clear guidelines.



NHPC ANTI-CORRUPTION & ANTI-BRIBERY POLICY

- e) To encourage all employees to be vigilant and to act diligently in good faith.
- f) To form a common understanding for all stakeholders that NHPC prevents the corruption in any form.
- g) To set responsibility for the employees of NHPC 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.

3. SCOPE

This policy applies to all individuals working at all levels and grades, including Directors, employees (whether regular, fixed- term or temporary), consultants, contractors, trainees, deputationist, business partners and third-party representatives anywhere in the world, or any other person associated with us, or any of our Joint Ventures/subsidiaries or their employees, wherever located who may be acting on behalf of NHPC Ltd.

In this policy, third party means any individual or organisation that an associate may come into contact with during the course of his/her engagement with the NHPC , and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, business associates and government and public bodies including their advisors, representatives and officials, politicians and political parties.

4. POLICY

Corruption is the abuse of public or private office for personal gain.

Bribery is the offering, promise, giving, accepting or soliciting of an advantage as an inducement for action which is illegal or a breach of trust. A bribe is an inducement or 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.

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealing and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.

5. COVERAGE



NHPC ANTI-CORRUPTION & ANTI-BRIBERY POLICY

This policy covers:

- a) Bribes;
- b) Gifts and hospitality;
- c) Facilitation payments;
- d) Political contributions;
- e) Charitable contributions.
- f) Red Flag Instances (Annexure 1)

a) **Bribes**

- i) Employees must not engage (give or take) in any form of bribery, either directly or through any third party (such as an agent or distributor).
- ii) Bribery here would mean dishonestly persuade (someone) to act in one's favour by a gift of money or other inducement; dishonestly persuade (someone) to act in one's favour by a gift of money or other inducement.
- iii) Bribe includes “anything of value” such as, gift cards, home repairs, tickets to a theatre or sporting event, guest passes to a private club, a no-bid contract, a summer job for a teenage family member, free courtesy car service rides, and more.

b) **Gifts and hospitality**

- i) No employee of the Company shall accept or permit any member of his family or any person acting on his behalf, to accept any gift.

EXPLANATION:

The expression "Gift" shall include free transport, boarding, lodging or other service or any other pecuniary advantage when provided by any person other than a near relative or a personal friend having no official dealing with the employee.

NOTE:

- (i) A casual meal, lift or other social hospitality shall not be deemed to be a gift
 - (ii) An employee shall avoid acceptance of lavish or frequent hospitality from an individual or firm having official dealings with him.
- ii) On occasions such as weddings, anniversaries, funerals or religious

NHPC ANTI-CORRUPTION & ANTI-BRIBERY POLICY

functions, when the making of a gift is in conformity with the prevailing religious or social practice, an employee of the Company may accept gift from his near relatives but he shall make a report to the competent authority, if the total value of the gift exceeds Rs.25,000/- in case of Executives and Rs.15,000/- in case of Non-executives.

- iii) On such occasions as are specified in sub-rule (b) an employee of the Company may accept gifts from his personal friends having no official dealings with him, but he shall make a report to the competent authority if the value of any such gift exceeds Rs. 7000/- or such value as notified.
- iv) In any other case, an employee of the Company shall not accept or permit any member of his family or any other person acting on his behalf to accept any gifts without the sanction of the competent authority if the value thereof exceeds Rs.5,000/- in case of Executives and Rs.2,000/- in case of Non-executives.
- v) Provided that when more than one gift has been received from the same person/firm within a period of 12 months, the matter shall be reported to the competent authority if the aggregate value of the gifts exceeds Rs.25,000/- in case of Executives and Rs.15,000/- in case of Non-executives.

c) **Facilitation payments and kickbacks**

- i) NHPC Limited representatives may not make any facilitation payments - these are a form of bribery made for the purpose of expediting or facilitating the performance of a public official or of a private official, and not to obtain or retain business or any improper business advantage.
- ii) Our strict policy is that facilitation payments must not be paid.

d) **Political Contributions**

We do not make donations, whether in cash or kind, in support of any political parties or candidates, as this can be perceived as an attempt to gain an improper business advantage.

e) **Charitable contributions**

- i) Charitable support and donations are acceptable (and indeed are encouraged), whether of in kind services, knowledge, time, or direct financial contributions.
- ii) However, employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery.
- iii) We only make charitable donations that are legal and ethical under local laws and practices.



NHPC ANTI-CORRUPTION & ANTI-BRIBERY POLICY

6. EXCEPTIONS:

- a) We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another.
- b) The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

7. RESTRICTED PRACTICES

It is not acceptable for any designated persons 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 NHPC Limited.
- 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 if it is known or suspected of 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
- g) Charity in order to obtain commercial advantages.
- h) Participation/Contribution in/to Political Activities.
- i) Payment of any cost for government officers and their relatives
- j) To use partners, agents, joint ventures, intermediaries, or other for any actions that are contrary to the principles and requirements of the Policy or the rules of the applicable anti-corruption law.
- k) Any other unethical act or omission.



NHPC ANTI-CORRUPTION & ANTI-BRIBERY POLICY

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

8. COMPLAINT /DISCLOSURES

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 s/he is unsure whether a particular act constitutes bribery or corruption or if s/he has any other queries, these should be raised with Coordinator, Whistle Blower Policy of Company.

Alternatively a complainant can send the disclosure on the e-mail id "whistleblower@nhpc.nic.in.

Where a disclosure is being made in relation to a senior management, employee or Director of the Company, such a disclosure may be made to the Chairman & Managing Director of the Company. In such cases Chairman & Managing Director shall forward the complaint with suitable noting to the Coordinator for suitable action . The address of the Chairman & Managing Director is as follows:

NHPC Limited
NHPC Office Complex, Sector -33 Faridabad
Haryana-121003

A Complaint shall be in writing, signed by the complainant and shall bear the identity of the complainant. Anonymous or pseudonymous Complaints shall not be entertained.

9. INVESTIGATION

The investigation and Disciplinary action will be in accordance with NHPC Whistle Blower Policy.

10. CONFIDENTIALITY AND THE RIGHT TO PRIVACY:

NHPC will preserve the confidentiality of all individuals make such complaint. The preservation of confidentiality may be affected by the employer's duty to prevent such activities in NHPC and by alleged respondent's right to know the nature of the complaint being made against them and who had made it so that they can respond.

11. ACTION ON FALSE OR FRIVOLOUS COMPLAINTS /DISCLOSURES

If an employee knowingly makes a false complaint/disclosure under this policy, such employee shall be subject to disciplinary action in terms of NHPC CDA Rules.



NHPC ANTI-CORRUPTION & ANTI-BRIBERY POLICY

If any contractor/vendor knowingly makes false complaints/disclosures under this policy, such contractor/vendor shall be liable to be black listed for a period of not less than two years.

12. COMMUNICATION

The Anti-Corruption and Anti-Bribery Policy shall be placed on the website of the company and once placed, it shall be construed that the employees have been communicated about the contents of the policy.

13. TRAININGS

NHPC will conduct regular trainings, online or in-person sessions across all our departments in relation to our Anti-corruption and Anti Bribery Policy, obligations of Designated Persons, company procedures and measures.

14. AMENDMENT

The CMD may, at any time, depending upon the requirement of the Company modify/amend and or alter any of the rules/procedure of the policy in the overall interest of the Company.



NHPC ANTI-CORRUPTION & ANTI-BRIBERY POLICY

Annexure 1 – Red Flag Instances

In an individual encounters any of these red flags he/she report them promptly as per the procedure .

1. Being aware that third party engages in, or has been accused of engaging in, improper business practices;
2. Learning 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.
3. A third party insists on receiving a commission or free payment before committing to sign up to a contract with us, or carrying out a government function or process for us .
4. A third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made.
5. A third party request an unexpected additional fee or commission to facilitate a service.
6. A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services .
7. A third party requests that you provide employment or some other advantage to a friend or relative.
8. A third party requests that the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the organization.
9. A third party insists on the use of side letters or refuses to put terms agreed in writing.