



## **PDS Limited**

### **Anti-Bribery and Anti-Corruption Policy\***

*\* Version 2 of Anti-Bribery and Anti-Corruption Policy reviewed by Deloitte Touche Tohmatsu India LLP (DTTILLP) in March 2022. Adopted by Board of Directors on March 21, 2024*

*\*Note: Version 2 of Anti-Bribery and Anti-Corruption Policy is reviewed by Deloitte Touche Tohmatsu India LLP (DTTILLP). PDS Management is solely responsible for approval and implementation of these policies. Review by DTTILLP should not be construed as any endorsement or recommendation in favor of PDS Management or its services/products. DTTILLP shall not be responsible in any manner whatsoever, for any liability that may arise in this regard.*

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## 1. Purpose

- 1.1 The purpose of this policy is to:
- 1.2 Set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
- 1.3 Provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.
- 1.4 This Policy is an integral part of, and should be read in conjunction with, the PDS Group's Employee Code of Conduct. It is also available as a separate document for communicating its terms to Third Parties with which we do business.
- 1.5 We 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.
- 1.6 We uphold all laws relevant to countering bribery and corruption as applicable in relevant jurisdictions including but not limited to U.S Foreign Corrupt Practices Act ("FCPA"), the UK Bribery Act ("UKBA") and the Indian Prevention of Corruption Act, 1988 ("PCA").
- 1.7 It is essential that you carefully review and adhere to the principles set forth in this Policy

## 2. Definitions

- 2.1 "PDS Group" or "We" refers to PDS Limited (Erstwhile PDS Multinational Fashions Limited), its Subsidiaries, Affiliates and Joint Ventures
- 2.2 'Board' means the Board of Directors of PDS Limited
- 2.3 Bribery is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.
- 2.4 An advantage includes money, gifts, loans, fees, hospitality, services, discounts, and the award of a contract or anything else of value.
- 2.5 A person acts improperly where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any business or professional activities, public functions, acts in the course of employment, or other activities by or on behalf of any organisation of any kind.
- 2.6 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:
  - 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.
  - 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.
  - 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.
  - Any person authorized 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.
  - 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.
  - Any other person defined as a “public official” under the domestic law.
- 2.7 “State” means all levels and subdivisions of governments (i.e., local, regional, or national and administrative, legislative, or executive)
- 2.8 Under non-Indian ABAC 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.
- 2.9 The term “Third Party” includes any individual or organization, who/which comes into contact with PDS Group or transacts with PDS Group, and also comprises of actual and potential clients, vendors, factories, agents, consultants, business associates, contractors, suppliers, or service providers who work for and on behalf of PDS Group
- 2.10 Corruption is the abuse of entrusted power or position for private gain.
- 2.11 A bribe is an inducement or reward offered, promised, or provided in order to gain any commercial, contractual, regulatory, or personal advantage.

### **3. Applicability**

- 3.1 This policy applies to all individuals working at all levels and grades, including officers, directors, senior managers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as “Workers” or “You” in this policy).
- 3.2 This Policy complements and should be read in conjunction with our Code of Conduct and our Vigil Mechanism Policy.

### **4. Policy Responsibility**

- 4.1 The Board has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those associated with PDS Group are made aware of the requirements of the policy.

- 4.2 The Board will delegate the primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness to the Head of Legal and Company Secretary and Group CHRO of PDS Group
- 4.3 The Head of Legal and Company Secretary will conduct regular reviews on at least an annual basis of our risk profile. This policy and the training that goes with it are the company's main tools for combating any risks in relation to bribery.

### Examples:

#### ➤ **Offering a bribe**

You offer a potential customer tickets to a major sporting event, but only if they agree to do business with us.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential client to accept your offer.

#### ➤ **Receiving a bribe**

A supplier gives your relative a job but makes it clear that in return they expect you to use your influence in our organization to ensure we continue to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

#### ➤ **Bribing a foreign official**

You arrange for the business to pay an additional payment to a foreign official to speed up an administrative process (for example, clearing our goods through customs).

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

## 5. General requirements

It is not acceptable for you (or someone on your behalf) to:

- Give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.

- Give or accept a gift or hospitality during any commercial negotiations or tender process if this could be perceived as intended or likely to influence the outcome.
- Accept a payment, gift, or hospitality from a Third Party that you know, or suspect is offered with the expectation that we will provide a business advantage for them or anyone else in return.
- Accept hospitality from a Third Party that is unduly lavish or extravagant under the circumstances; Offer or accept a gift to or from government officials or representatives, or politicians or political parties, without the prior approval of Group CHRO/Head of Legal and Company Secretary of PDS Group.
- Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- Engage in any other activity that might lead to a breach of this policy.

## 6. Facilitation payments and kickbacks

- 6.1 We do not make, and will not accept, facilitation payments or “kickbacks” of any kind.
- 6.2 Kickbacks are typically payments made in return for a business favour or advantage.
- 6.3 All workers must avoid any activity that might lead to a facilitation payment or kickback being made or accepted by us or on our behalf, or that might suggest that such a payment will be made or accepted. If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt, which details the reason for the payment. If you have any suspicions, concerns, or queries regarding a payment, you should raise these with the Group CHRO of PDS Group/Business Head

## 7. Gifts and hospitality

- 7.1 PDS Group does not prohibit exchange of Gifts and Hospitality. However, any gifts and hospitality must meet the following standards:
  - It is not made with the intention of influencing a Third Party to obtain or 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 favours or benefits.
  - It complies with local law.
  - It is given in our name, not in your name.
  - It does not include cash or a cash equivalent (such as gift certificates or vouchers).
  - It is appropriate in the circumstances. For example, in the UK it is customary for small gifts to be given at Christmas time.
  - Taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time.
  - It is given openly, not secretly; and
  - Gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of Head of Legal and Company Secretary .

7.2 Further, all gifts and hospitality must be within the limits provided and must be consistent with the other criteria given below:

- Gifts Given:
  - Gifts given to Third Parties must be within a limit of USD 25 or its equivalent. These gifts must be only for special occasions, based on cultural subtleties.
  - Gifts may be given on more than one occasion to the same recipient. However, the total value of gifts given in the year to the same recipient must not exceed USD 50 or its equivalent
- Gifts Received:
  - Any gift offered must be refused, unless they are in the form of modest gifts such as diaries, calendars, pens, etc. Such modest gifts may be accepted after informing the Business Head.
  - If you are not in the position to refuse gifts delivered to you by a Third Party, these gifts must be reported, in writing to your Business Head, who in turn, should report any exceptions to the Group CEO/ Group CFO.
- Hospitality:
  - All hospitality given and received must be within reasonable limits. Any claim for hospitality which exceeds USD 50 would require approval of the Business Head.
- Company Events:
  - Business Heads of respective businesses/subsidiaries/affiliates/joint ventures should approve entertainment events involving Third Parties in advance, including the expense statements.

7.3 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. 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.

## 8. Donations

8.1 We do not contribute to political parties.

8.2 Any charitable donation made on behalf of PDS Limited should be as per the CSR Policy (which details the guidelines with regards to making charitable contributions). In case of respective businesses/subsidiaries/affiliates/joint ventures, Business Heads can make charitable donations in consultation with the Vice Chairman and Group CEO.

8.3 Any Sponsorship / Grants must have approval of the respective Business Head in consultation with the Vice Chairman and Group CEO.

## 9. What is not acceptable?

9.1 It is not acceptable for you (or someone on your behalf) to:

- Give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.
- Give, promise to give, or offer, a payment, gift or hospitality to a government official, agent, or representative to "facilitate" or expedite a routine procedure.

- Offer employment to individuals working in a government position that has any business with the PDS Group or any references of such Government Official should be purely based on their merit and skill.
- Accept payment from a Third Party that you know, or suspect is offered with the expectation that it will obtain a business advantage for them.
- Accept a gift or hospitality from a Third Party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return.
- Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- Engage in any activity that might lead to a breach of this policy.

## 10. Due diligence and Third Parties

- 10.1 PDS may be liable for acts of bribery by Third Parties, anywhere in the world.
- 10.2 Before working with a Third Party, Employees are required to carry out due diligence and a risk assessment on the Third Party to understand the Third Party's background and reputation and to understand any bribery and corruption risks that may exist.
- 10.3 The minimum level of due diligence required to be performed and documented is:
  - Perform a company search to ensure that the company is properly constituted and registered with the appropriate authority (e.g., search the MCA records).
  - Review the Third Party and potential business relationship for any red flags
  - Review the proposed project or business transaction in order to identify as far as possible the risk of corruption or bribery.
  - Ensure that an agreement between PDS Group and a Third Party is entered into which captures the business relationship and contains an Anti-Bribery, Anti-Corruption, and termination clauses, including the right to audit the Third Party for compliance with the requirements of the clause; and
  - Document the steps that were taken for the review of the Third Party including due diligence checks and all supporting documents. The documents will evidence to auditors, regulators and PDS Group that a proper due diligence process has been undertaken
- 10.4 If any red flags or other concerns arise during due diligence, you must contact the Anti-corruption Officer who will advise further, including on any additional checks to be carried out before engaging the Third Party.
- 10.5 Any unethical practice, such as bribery in the form of cash or kind to facilitate any process paid by our Suppliers is a Zero-Tolerance Violation. If it is determined that there is any violation based on the investigation conducted by PDS Group, then remediation measures will be put into place and the violation may also result in disciplinary action which may range from warnings issued to termination of contracts.

## 11. Potential risk scenarios: "red flags"

- 11.1 The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anticorruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.



11.2 If you encounter any of these red flags while working for us, you must report them promptly to the Group CHRO or using the procedure set out in the Whistle-blower policy and the Navex Hotline 0808 234 4661 / Case Management System ([www.pdsltd.com/ethics-hotline/](http://www.pdsltd.com/ethics-hotline/))

- You become aware that a Third Party engages in, or has been accused of engaging in, improper business practices.
- 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.
- 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.
- 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.
- A Third-Party request that payment is made to a country or geographic location different from where the Third Party resides or conducts business.
- A Third Party requests an unexpected additional fee or commission to "facilitate" a service.
- A Third Party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services.
- A Third-Party request that a payment is made to "overlook" potential legal violations.
- A Third-Party request that you provide employment or some other advantage to a friend or relative.
- You receive an invoice from a Third Party that appears to be non-standard or customised.
- A Third Party insists on the use of side letters or refuses to put terms agreed in writing.
- You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided.
- A Third Party requests or requires the use of an agent, intermediary, consultant, distributor, or supplier that is not typically used by or known to us; or
- You are offered an unusually generous gift or offered lavish hospitality by a Third Party.

## 12. Your responsibilities

- 12.1 To act in accordance with PDS Group's values.
- 12.2 To protect PDS Group's reputation
- 12.3 To ensure compliance with all anti-corruption laws applicable to PDS Group
- 12.4 To strengthen the international enforcement and awareness of anti-bribery laws
- 12.5 You must ensure that you read, understand, and comply with this policy.
- 12.6 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 12.7 You must notify the Group CHRO or Navex Hotline 0808 234 4661 / Case Management System [www.pdsltd.com/ethics-hotline/](http://www.pdsltd.com/ethics-hotline/) or at [whistleblower@pdsltd.com](mailto:whistleblower@pdsltd.com) as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future. For

example, if a client or potential client offers you something to gain a business advantage with us or indicates to you that a gift or payment is required to secure their business.

- 12.8 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with other workers if they breach this policy.

### **13. Record keeping**

- 13.1 We must keep financial records and have appropriate internal controls in place, which will evidence the business reason for making payments to Third Parties.
- 13.2 You must declare and keep a written record of all hospitality or gifts accepted or offered to your Business Head, who in turn, shall report any exceptions to the Group CEO/Group CFO.
- 13.3 You must ensure all expense claims relating to hospitality, gifts or expenses incurred to Third Parties are submitted in accordance with our policy and specifically record the reason for the expenditure.
- 13.4 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 must be kept "off book" to facilitate or conceal improper payments.

### **14. When in doubt, seek guidance**

If you are ever unsure of how to react to a situation or whether certain conduct may be improper or contrary to the Policy, you should always seek guidance from your Group CHRO/Head of Legal and Company Secretary of PDS Group before you take action.

### **15. How to raise a concern**

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage by writing to the vigilance officer at [whistleblower@pdsltd.com](mailto:whistleblower@pdsltd.com) or through our Navex link. If you are unsure of whether any act constitutes a bribe or corruption, you may seek clarification from the Group CHRO/ Head of Legal and Company Secretary of PDS Group.

### **16. What to do if you are offered a bribe**

If you are offered a bribe by a Third Party, immediately report the same to your Group CHRO.

### **17. Zero-Tolerance**

- 17.1 The Company applies a "zero tolerance" approach to violations of this Policy. All employees have an obligation to uphold the ethical standards of the Policy and must take responsible steps to prevent any Policy violations. You will be reprimanded and/or terminated for any wilful violation of this Policy or for failing to report and violations of which you are aware.
- 17.2 Breaches may also be reported to law enforcement agencies and may result in criminal proceedings being issued against you. Bribery is a crime punishable by severe prison sentences

### **18. Protection**

- 18.1 Workers 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 aim to encourage openness

and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

- 18.2 We are committed to ensuring no one suffers any detrimental treatment because of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats, or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform your line Manager/Business Head/ Group CHRO immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure, which can be found in the Employee Code of Conduct.

## 19. Training and communication

- 19.1 PDS Group holds mandatory training programs annually to ensure that employees understand all applicable anti-bribery and anti-corruption laws and act in compliance with those laws. These training programs are developed by PDS Group's Legal Department to target specific risks faced by each region. It is imperative that you attend these training programs..
- 19.2 Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors, and business partners at the outset of our business relationship with them and as appropriate thereafter. A copy of this policy should be provided to any supplier, contractor, and business partner prior to the commencement of any new commercial relationship.
- 19.3 If a Worker has any reason to suspect that entering into any commercial relationship with a Third Party may create or increase the risk of a breach of this policy, they should raise their concerns with the Group CHRO of PDS Group immediately.

## 20. Monitoring and review

- 20.1 The Group CHRO and Head of Legal and Company Secretary of PDS Group 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. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 20.2 All employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 20.3 This policy does not form part of any employee's contract of employment, and it may be amended at any time.

**For any queries, kindly contact – [teamhr@pdsLtd.com](mailto:teamhr@pdsLtd.com)**