



ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

OF

LLOYDS METALS AND ENERGY LIMITED

(CIN: L40300MH1977PLC019594)

Registered Office: Plot No. A 1-2, MIDC Area, Ghugus,
Chandrapur, Maharashtra - 442505

Tel. Nos.: 07172 285103 / 285398

Corporate Office: A-2, 2nd Floor, Madhu Estate,
Pandurang Budhkar Marg, Lower Parel, Mumbai 400 013

Tel. Nos.: 022 6291 8111

(This Policy is effective from 16th March, 2023)

1. Purpose:

One of the core principles set out in the Lloyds Metal Energy Limited (“the Company / “LMEL”) Code of Conduct states: “We are committed to operating our businesses conforming to the highest moral and ethical standards. We do not tolerate bribery or corruption in any form. This commitment underpins everything we do.”

- a. LMEL, having adopted the code / policy, is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates, and to implementing and enforcing adequate procedures to counter bribery and corruption. This includes compliance with all laws, domestic and foreign, prohibiting improper payments, gifts, or inducements of any kind to or from any person, including private or public officials, customers, and suppliers.
- b. The purpose of this Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”) is to outline guiding principles and adequate procedures to prevent any activity or conduct relating to bribery, facilitation payments, or corruption.

2. Scope And Applicability:

- a. This ABAC Policy is applicable to the Company, all its locations and all the activities undertaken for and / or by the Company directly or indirectly at any given point of time.
- b. This ABAC Policy is applicable to all individuals working at all levels and grades, including directors, 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 our Company and such other persons, including those acting on behalf of our Company, as designated by the Compliance Officer (as defined below) from time to time (all of the aforesaid being collectively referred to as “Llyod’s Metals & Energy Limited Personnel”)

3. Code of Conduct:

- a. We do not tolerate bribery or corruption in any form or manner. Our Company is committed to implementing and enforcing adequate procedures to prevent, deter, detect, and counter bribery and corruption in any form or manner.
- b. As a part of this commitment, offering, promising to offer, or accepting bribes, directly or indirectly, and being involved in corruption is prohibited. This commitment shall be reflected in every aspect of our business.

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- c. Our Company is committed to maintaining detailed and accurate books of accounts of all transactions, which will aid in detection of bribery or corruption.
- d. Any violation of this ABAC Policy by a LMEL Personnel will be regarded as a serious matter and shall result in disciplinary action.
- e. The guidelines in this ABAC Policy should be read in conjunction with
 - i. Lloyd's Metal Energy Limited.
 - ii. The Whistle-blower Policy.
 - iii. Any guidance published pursuant to this ABAC Policy.
 - iv. Any other relevant policies may be implemented from time to time.

4. GENERAL PRINCIPLES

a. Risk Assessment

- i. Bribery and corruption risks may vary due to various factors therefore, a risk-based approach shall be taken to build required safeguards.
- ii. A risk assessment shall be conducted to identify the risk profile of the Company related to bribery and corruption; in a manner the Management deems appropriate. This shall include review of external factors (like industry, geographic footprint, regulatory landscape, etc.) and internal factors (like policies, procedures, training program, analysis of data etc.).
- iii. Based on the risk profile identified necessary steps for its mitigation shall be taken. The risk assessment process shall be undertaken once every three years or earlier in case of a major change in factors impacting on the risk e.g., nature of business, new regulation, etc.

b. Facilitation Payments or Kickbacks

- i. Any Facilitation Payments and kickbacks are inappropriate payments, and any such payment during the Company's business or employment is strictly forbidden.

c. Interaction with Customer

- i. In the normal course of business, discounts and rebates are offered to customers in both the private and public sectors. While this is common industry practice, the wide variety of arrangements and the relative complexity of some of them creates a degree of risk that such arrangements could be used to disguise improper inducements to individual customer representatives (for example, selective dissemination of the fact that free products are being provided), and consequently great care needs to be exercised in the deployment of such arrangements.

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d. Use of Third-Party Agents, Consultants, and other Intermediaries

- i. Our Company may be held responsible for bribes paid on its behalf by third parties, with severe and often irreparable consequences, even if our Company did not authorize these payments. Therefore, it is critical that we are careful in the selection of third parties.
- ii. All dealings with third parties shall be carried out with the highest standards of integrity and in compliance with all relevant and applicable laws and regulations. LMEL must follow the Company's processes and adhere to the system of internal controls. Third party selection should never be based on receipt or expectation of a gift, hospitality, payment or favour of any kind or manner.
- iii. The following should be kept in mind prior to engaging a third party:
 - Appropriate due diligence is conducted and properly documented.
 - Appropriate anti-bribery and anti-corruption provisions in addition to Code of Conduct
 - Formal written commitment is sought from the third party to ensure compliance with these standards.

e. Government interaction

- i. Doing business with the government is highly regulated and typically follows stricter rules than those in the commercial marketplace. If you work with 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 avoid even the appearance of impropriety. Our Company may interact with the government, government officials and government agencies in multiple forms, such as: for seeking statutory or regulatory approvals, as a supplier, as a customer, etc. LMEL should always be truthful, accurate, cooperative and courteous while representing our Company before any government, government officials and government agencies.

f. Political, Community or Charitable Contributions and Sponsorships

- i. Any financial contributions considered by our Board of Directors in order to strengthen the democratic system of governance through a clean electoral process shall be extended only through the Progressive Electoral Trust in India, or by a similar transparent, duly authorized, non-discriminatory and non-discretionary vehicle outside India.

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- ii. LMEL Personnel are not allowed to make political contributions from the funds, properties or other resources of our Company except political contributions approved by the Board in accordance with the and in compliance with applicable law.
- iii. Our Company may make charitable donations for humanitarian needs and other factors, including emergency situations and disaster relief. Such contributions must be made in compliance with our Company’s Corporate Social Responsibility Policy (“CSR Policy”). However, it is important that we exercise reasonable caution when making donations, such that the donations made shall be without any demand or expectation, so as to ensure that our donations would not be considered inducements in any form or manner. Thus, contributions by the Company to community projects or charities need to be made in good faith and in compliance with our Code of Conduct, this ABAC Policy and all other relevant policies and procedures, as updated from time to time.
- iv. Before making such a contribution, LMEL Personnel should ensure that:
 - Such charitable contributions are not dependent on, nor made to secure, a business deal.
 - The contribution is always made to charity and not to any particular individual, except where donations or grants are provided directly to affected victims of natural disasters, pursuant to our Company’s CSR policy.
 - Contributions should be given to entities where the end use of the contribution is known and/or controlled.
 - Contributions should only be made to charitable organizations which are registered under the applicable laws of the country.
 - As far as possible, background checks on the charitable organizations should be carried out in all cases, especially to ensure that the charity does not act as a conduit to fund illegal activities in violation of anti-money laundering laws, antiterrorism laws and other applicable laws.
 - Only such charitable contributions shall be made that are legal and ethical under the local laws and practices.
- v. Sponsorships are closely allied to the various types of community / business activities undertaken by our Company. These could range from sponsoring educational scholarships to local sports teams. Any sponsorship must be for genuine business or charitable objectives without any element of quid pro quo. Any such sponsorship must be transparent, duly approved, properly documented, and duly reported as per our Company’s CSR or any other applicable policy.

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g. Mergers and Acquisitions, Joint Ventures, Partnerships

- i. Our Company will undertake appropriate and reasonable due diligence regarding compliance with anti-bribery and anti-corruption procedures, and on the reputation and integrity of any business in which it makes investments.

h. Books, Records, and Internal Control Requirements

- i. Accurate and complete recordkeeping is essential to the successful operation of our Company, as well as to our ability to meet our legal and regulatory obligations. Each LMEL Personnel has a responsibility to be accurate, complete, and honest in what they report and record in all internal and external documents of our Company, including but not limited to the accounting records, timecards, expense reports, invoices, payroll records, safety records, business records, performance evaluations, contracts, etc.
- ii. All business units and entities must maintain an effective system of internal control and monitoring of our transactions. Certain monitoring controls are identified in our policies, specifically regarding approval of travel and entertainment expenses.
- iii. Our records management and retention policies ensure to maintain the records required to meet legal, tax and regulatory requirements and securely dispose of records that are no longer needed or are beyond the statutory retention period.

5. RESPONSIBILITIES

a. Audit Committee / Board of Directors

- i. The Audit Committee/ Board of Directors of the Company (“Board”) shall have oversight of governance and compliance with this ABAC Policy. Aggravated cases of breach of this ABAC Policy shall be escalated immediately to the Audit Committee or Board.
- ii. The Audit Committee will monitor the effectiveness and review the implementation of this ABAC Policy, considering its suitability, adequacy and effectiveness.

b. Compliance Officer

- i. The Company shall, from time to time, designate an employee of adequate seniority, competence, and independence as the Compliance Officer to ensure compliance with the provisions of this ABAC Policy and the same shall be notified to the LMEL. The Company Secretary will be the Compliance Officer for the purpose of this Policy.

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- ii. The Compliance Officer should ensure that regular and relevant on-going training and awareness sessions are made available to LMEL Personnel in relation to this ABAC Policy.
- iii. All reports, complaints, doubts, or concerns in relation to this ABAC Policy shall be raised to the Compliance Officer. Any query, concerns or complaint received by any LMEL Personnel including Company Ethics Counsellor regarding bribery or corruption issue should be promptly reported to the Compliance Officer.
- iv. Every query or concern raised in relation to any suspected violation of this ABAC Policy shall be reviewed/investigated by the Compliance Officer. Any action required to be undertaken shall be taken by the Compliance Officer in accordance with this ABAC Policy.

c. LMEL Personnel

- i. LMEL Personnel should familiarize themselves with this ABAC and ask oneself the following for the contemplated action:
 - What is the intent – will this act be perceived as taking or giving undue advantage?
 - How would it look if these details were on the front page of a major newspaper or social media?
- i. Whenever faced with a doubt on this ABAC Policy, or about any act that can be perceived to be a potential breach of this ABAC Policy, the LMEL shall consult Compliance Officer/ Ethics Counsellor.
- ii. LMEL are required to ensure that all expense claims relating to hospitality, gifts, charitable donations, or payments made to third parties are submitted in accordance with applicable policies and that all such expense claims specifically record or state the reason for such expenditure.
- iii. LMEL who are in managerial positions shall ensure that their team members are familiar with this ABAC Policy and other related policies herein. They shall guide and ensure that the guidelines in this ABAC Policy are upheld and adhered to by their team members and the third parties working with them.
- iv. It will be the duty of each employee of LMEL to report any non-compliance, or any Red Flag indicators (Refer Annexure B) noted so that necessary action can be taken by the Company promptly to mitigate the risks and other consequences arising therefrom.

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- v. LMEL shall provide full cooperation for any enquiry or investigation conducted or to be conducted by the Company for potential violation of this ABAC Policy.

6. REPORTING & CONCERNS

a. Reporting and Concerns:

- i. Every LMEL is encouraged to raise concerns about any bribery issue or any case of corrupt practice or any breach of this ABAC Policy or applicable ABAC law at the earliest. If they are unsure whether a particular act constitutes bribery or corruption or if they have any other queries, these should be raised with their respective reporting manager and the Compliance Officer of the company the following email complianceofficer@lloyds.in
- ii. LMEL may also raise concerns or queries to the Ethics Counsellor through 'Raising Concerns' mechanism under the Code Of Conduct or through the 'Whistle-blower Policy'
- iii. No personnel who in good faith reports a violation of this ABAC Policy shall suffer any harassment, retaliation or adverse employment consequences.
- iv. For the reported concern(s) of potential or actual violation(s) of this ABAC policy, the Compliance Officer shall take appropriate steps such as:

b. Investigation:

- i. Enquiry or investigation of the reported concern for potential violation of this ABAC Policy shall be conducted by or with oversight of the Compliance Officer. The objective of such enquiry or investigation would be to determine the facts.
- ii. All investigations shall follow principles of natural justice and shall ensure that the relevant LMEL are provided with an opportunity to make their case before the investigation team.
- iii. Experts with the right knowledge and skills may be appointed to investigate the reported concern.
- iv. The investigation process and the report should be kept confidential and shall be shared only with such persons who have a "need to know" under applicable law or Company's standard investigation process.

c. Corrective Action:

- i. If necessary, corrective actions shall be prescribed or suggested to appropriate managers, officers, and employees for implementation.

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d. Disciplinary Action:

- i. The Compliance Officer, after considering inputs from relevant stakeholders shall recommend appropriate disciplinary action, including but not limited to suspension and termination of service of such a defaulting employee of LMEL. The Compliance Officer shall also recommend if the violation is potentially criminal in nature and should be notified to the relevant authorities under applicable law. In the event of criminal or regulatory proceedings, concerned employees of LMEL shall co-operate with relevant authorities. Depending on the nature and scale of default the Compliance Officer may also recommend to the Board to commence civil and/or criminal proceedings against such Personnel of LMEL Employee to enforce remedies available to the Company under applicable laws.

7. Penalties

- i. Any violation of this ABAC Policy by a LMEL will be regarded as a serious matter and shall result in disciplinary action, including but not limited to termination of employment, consistent with applicable law and the employee's terms of employment.
- ii. Bribery is a criminal offense. LMEL will be accountable whether they pay a bribe themselves or if such. LMEL, assists, or conspires with someone else in contravention to the anti-bribery and anti-corruption laws. Punishments for violating the law against an individual includes imprisonment, probation, and monetary fines (which will not be paid by the Company). For example, punishment under the PCA ranges between 3 years and 7 years, along with a fine (There is no limit on the maximum fine payable).

8. Review of ABAC Policy

- i. Our Company reserves the right to vary / review the terms of this ABAC Policy from time to time.

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ANNEXURE A- RED FLAG INDICATORS

While an exhaustive list cannot be provided, set out below are indicative questionable transactions or situations that LMEL should be careful about – which, when appearing together or individually, should raise a ‘Red Flag’ to the Reporting Manager or the Compliance Officer:

i) A contract requires the use of a third-party consultant where the third party’s principal or owner is a government official.

ii) 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.

iii) 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.

iv) Transactions involving unusual payment patterns or financial arrangements. 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.

v) A potential third party who refuses to accept an ABAC or anti money laundering clause in the proposed contract – in such a case external agency may be engaged for due diligence; (may be checked with Senior leaders)

vi) Based on pre-acquisition due diligence, it becomes apparent that the potential counterparty has a reputation for offering bribes or violating other laws or indulging in unusually structured transactions.

vii) Inflated payouts to, or questionable role in the project of potential counterparty or its affiliate.

viii) A proposed third-party resists or fails to provide details of parentage or has undisclosed principals, associates, or subcontractors with whom it splits fees.

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ix) A third-party counterparty refuses access to its books and records were requested under the proposed contract. (May be checked with Senior leaders)

x) A Public Official suggests, requests, urges, insists, or demands that a particular third party, company, or individual be selected or engaged, particularly if the official has discretionary authority over the business at issue.

xi) The third party insists on dealing with government officials without the participation of the Company.

xii) The fee, commission, or volume discount provided to the third party is unusually high compared to the market rate.

xiii) Third party has a reputation for paying bribes, or requiring that bribes be paid to them, or has a reputation for having a "special relationship" with government.

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viii) A proposed third party resists or fails to provide details of parentage or has undisclosed principals, associates, or subcontractors with whom it splits fees.

ix) A third-party counterparty refuses access to its books and records were requested under the proposed contract. (May be checked with Senior leaders)

x) A Public Official suggests, requests, urges, insists, or demands that a particular third party, company, or individual be selected or engaged, particularly if the official has discretionary authority over the business at issue.

xi) The third party insists on dealing with government officials without the participation of the Company.

xii) The fee, commission, or volume discount provided to the third party is unusually high compared to the market rate.

xiii) Third party has a reputation for paying bribes, or requiring that bribes be paid to them, or has a reputation for having a "special relationship" with government officials

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ANNEXURE B - RELEVANT REGULATIONS

The Prevention of Corruption Act, 1988 (PC Act) and many other Anti-Bribery and Corruption (ABAC) laws and regulations around the world make it clear that bribery and corruption is prohibited and illegal. Violation of these regulations lead to fines, penalties, reputational damage, and in some cases criminal liability. The key provisions of these regulations have been summarized below. For more information on these regulations and prevalent regulation in the geography of operations, it is advisable to refer to the relevant government websites or seek guidance from legal experts.

I. Prevention of Corruption Act, 1988 (PC Act)

India The Prevention of Corruption Act, 1988 (PC Act) was enacted to prevent corruption in government departments and to prosecute and punish public servants involved in corrupt practices. An amendment was enacted (Amendment Act) and brought into force on 26 July 2018.

The Amendment Act provides that any public servant who obtains or accepts or attempts to obtain from any person, any 'undue advantage', either for himself or for any other person, with the intent to perform or cause performance of public duty improperly or dishonestly or to forbear or cause forbearance to perform such duty, shall be punishable with imprisonment for a minimum term of 3 (three) years and maximum of 7 (seven) years and shall also be liable to fine. The Amendment Act has defined 'undue advantage' to mean any gratification (not limited to pecuniary gratifications or to gratifications estimable in money), other than legal remuneration.

As per the Amendment Act, giving an undue advantage by a person to a public servant is considered an offence punishable with imprisonment up to 7 (seven) years or fine, or both. However, if a person is forced / coerced to give an undue advantage but reports the same to the concerned authority within 7 (seven) days of doing so, he shall not be liable for the same.

The Amendment Act prescribes the offence relating to bribing a public servant by a commercial Organization, wherein a commercial Organization has been defined to include not just a body or partnership incorporated and carrying on business in India, but also a body or partnership incorporated or formed outside India but carrying on business in India. The Amendment Act has a specific provision for offences committed by commercial Organizations and persons associated with it. It provides that if a commercial Organization commits any of the offences listed out in the PC Act, then every director, manager, secretary or other officer with whose 'consent or connivance' the offence was committed, is to be made liable as specified under the PCA.

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