Anti-Bribery & Anti-Corruption Policy

OF

HDB FINANCIAL SERVICES LIMITED

October 2025

Introduction

At HDB Financial Services Limited ('HDBFS' or 'the Company') we recognise the paramount importance of ethics, integrity and accountability in all aspects of our business. In line with our legal obligations as a public entity and in alignment with applicable Indian anti-corruption regulations, HDBFS maintains a zero-tolerance approach to bribery and corruption in all its forms and is committed to conducting its business in an honest and ethical manner in accordance with the highest legal standards. HDBFS expects the highest standards of professionalism and integrity from all of its staff and those with whom we hold business relationships, including compliance with all applicable anti-corruption laws.

This Anti-Bribery and Anti-Corruption ('ABAC') Policy reflects our commitment to conducting business in a fair, transparent and lawful manner, consistent with:

- **a.** Section 177 of the Companies Act, 2013, mandating the establishment of effective vigil mechanisms and oversight through the Audit Committee;
- **b.** Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires listed entities to prepare Business Responsibility and Sustainability Report on the environmental, social and governance disclosures, and
- **c.** The Prevention of Corruption Act, 1988.

Where local laws or internal business unit policies prescribe more stringent requirements than those outlined herein, the stricter standard shall prevail.

APPLICABILITY

ABAC Policy applies to all employees of HDBFS, regardless of their role, level or location. The Policy covers everyone working for or representing HDBFS in any capacity, including all Board of Directors, Senior Management Team, employees across all grades and functions, including permanent, temporary, contract workers, interns and trainees.

This policy also extends to all third parties conducting business with or on behalf of HDBFS. This includes Director Selling Agents (DSAs), Collection and recovery agents, Vendors, service providers and suppliers, consultant, intermediaries, professional advisors, business correspondents and other external representatives. These third parties are expected to comply with this Policy while performing any activity related to HDBFS.

OBJECTIVE

The objective of this Policy is to ensure that none of the HDBFS employees engage in bribery or corrupt conduct in the course of their activities for or on behalf of HDBFS. This Policy sets out the minimum standard that must be followed at all the times. Where local regulations are stricter than this Policy, the local regulations will take precedence over this Policy.

This Policy provides guidance to prevent, detect, and report instances of bribery and corruption, ensuring that we maintain the trust of our stakeholders and regulators. It applies to all offices of HDBFS, wherever they are situated. This Policy applies to interactions with all those associated with HDBFS, both public officials and private parties. Under applicable anti-corruption law, HDBFS, its employees, including Directors and those on deputation, across all locations may be liable for bribes offered or accepted in the course of business

This Policy strictly prohibits the following conduct:

1. To give, promise to give, offer, or accept, a payment or anything of value, to obtain or retain any business opportunity or unfair advantage
2. To give, request/ demand or accept a payment, gift, entertainment or hospitality to influence any procurement process or commercial negotiations
3. The giving or receiving of gifts of cash or cash equivalents
4. The acceptance of a payment, gift, entertainment or hospitality from a third party that you know or suspect is offered with the expectation that it will secure a business advantage in return
5. Threatening or retaliating against individual who has refused to give or receive a bribe, or who has raised concerns under this Policy
6. Engaging in any other activity or conduct that may lead to a breach of this policy.

HDBFS also strictly prohibits the use of kickbacks and facilitation payments. Kickbacks are gifts, entertainment or hospitality which are typically made in return for a business favour or advantage. Facilitation payments or duress payments, such as typically small, unofficial payments made to secure or expedite a routine action (e.g., the issuing of licenses, visas or regulatory documents) are prohibited. The policy should be read in conjunction with the Code of Conduct & Ethics for Directors & Senior Management respectively.

DEFINITIONS

a. **Bribery:** A bribe is an offer or exchange of money, services or other valuables to influence the judgment or conduct of a person in a position of entrusted power. The benefit does not need to go to the official in question directly – it can go to a spouse, a child, another relative, a friend, or even to the official’s political party as a donation.

Bribes can take the form of money (including 'kickbacks' and 'facilitation' payments), gifts, loans, fees, entertainment, hospitality, services, discounts, the award of a contract, opportunity, or anything of value that would provide advantage or benefit.

Bribery is widely criminalised, and both the party paying the bribe and the party receiving may be liable.

b. **Undue advantage:** Undue advantage means any gratification, other than legal remuneration.

- The word “gratification” is not limited to pecuniary gratifications or to gratifications estimable in money.
- “Legal remuneration” means any salary, commission, fees, performance bonus/ incentives and other entitlements which a HDBFS employee is paid by HDBFS during the course of employment. The expression “legal remuneration” is not restricted to remuneration paid to a public servant but includes all remuneration which he is permitted by the Government or the organization, which he serves, to receive.

Cash, cash equivalents (such as gift cards), items such as jewellery, mobile phones, i-pads, excessive business promotional activities, meals, entertainment of any kind (such as tickets to concerts/ sporting events), offers of employment, promotion, transfers and posting etc. and personal favours or other advantages are some examples of the many things that would qualify as ‘Undue advantage’.

c. **Employee** shall include all permanent, probationary, temporary or fixed term contractual employees directly engaged by the Company irrespective of their function, level or standing.

d. Entertainment generally includes vacation, trips, use of recreational facilities, ticket or pass for plays/concerts/sports events. Hospitality and entertainment may also qualify as a gift unless they fall within reasonable bounds of value and occurrence.

e. Gift is anything of value and would encompass any gratuitous monetary or non-monetary benefit. It includes tangible items such as cash, precious metals and stones, jewellery, art, and any of their equivalents, and intangible items such as discounts, services, loans, favours, special privileges, advantages, benefits and rights that are not available to the general public.

f. Hospitality generally includes refreshments, meals, travel and accommodation.

g. Public duty means a duty in the discharge of which the State, the public or the community at large has an interest. Explanation: In this clause, "State" includes a corporation established by or under a Central, Provincial or State Act, or an authority or a body owned or controlled or aided by the Government or a Government company.

h. Public Servant is any person in the service or pay of the Government or remunerated by the Government by fees or commission for the performance of any public duty. The term "public servant" is equivalent to the term "public official" or "foreign public official" or "Government Official"

Section 8 of the POCA states that 'any person who gives or promises to give an Undue advantage to another person or persons, with intention

- to induce a Public Servant to perform improperly a public duty; or
- to reward such Public Servant for the improper performance of public duty,

shall be punishable with imprisonment for a term which may extend to seven years or with fine or with both'

Thus, not only taking bribe but also giving bribe is a punishable offence under POCA. Similar anti-corruption laws in other jurisdictions also prohibit giving and accepting bribes and those jurisdictions may be able to convict and punish offenders even if the misconduct occurred in India

i. Commercial Organisation shall mean a body which is incorporated inside or outside India and which carries on a business, whether in India or outside India. A partnership firm or any association of persons formed inside or outside India and which carries on a business whether in India or outside India. "Business" includes a trade, profession, or providing service. A person is said to be associated with the Commercial Organisation, if such person performs services for or on behalf of the Commercial Organisation

j. Conflict of interest issues may arise in dealings between employees and third parties because of various activities/ roles of HDBFS. A Conflict of interest may arise when any dealing with any of the entities may be or may appear to be influenced by your relationship with them. Such relationships may impair an objective or impartial assessment of the dealing/ transaction or give the impression that it may have done so, and may not, therefore, be in the best interests of HDBFS.

Conflicts of interest may also arise for HDBFS in respect of its reporting lines and information flows between HDBFS and its other group entities. Such reporting/ business and information flow may lead to emergence of conflicts of interest.

Conflicts of interest may also arise when the personal interest of any employee of HDBFS interferes or appears to interfere in any manner with the interests of HDBFS or its clients or where the interests of two or more clients appear to be in conflict with each other.

k. Acts of Corruption is the abuse of power or authority for private gain, whether pecuniary or otherwise and includes 'Bribery' as a form of Corruption. Corruption includes three common elements: abuse (misuse, violation) of entrusted power (duty, office, etc.) and private benefit.

POLICY STATEMENTS

➢ ACTIONS / BEHAVIOUR THAT MAY BE CONSTRUED AS BRIBERY

While deciding whether an action and behaviour can be interpreted or perceived as an intended bribe, the following should be kept in mind:

- Intent of the transaction
- Whether or not there is a 'quid pro quo' involved, that is, that the payment or gift is offered in order to obtain a business opportunity or unfair advantage
- Whether the offendor is engaged in any activity which may raise an appearance of impropriety, for example procurement or re-tendering of a contract;
- The person/ entity at the receiving end is a Government Official/ Government Department.
- The person/ entity at the receiving end is an employee in Commercial Organisation.
- Whether or not adequate approvals and documentation exist for the transaction.
- Whether it would create an actual or perceived 'Conflict of interest'.

Bribery risks are not limited to cash payments and may arise from an offer or transfer of anything of value including an opportunity to participate in future transactions.

➢ STAFF HIRING

All employees undergo background verification check including Identity and Financial history as part of their joining process.

➢ POLITICAL CONTRIBUTIONS

Employees must not make political contributions on behalf of HDBFS to any political party official or political party unless such contribution is expressly permitted by law/ regulation/ directive and has been pre-approved by the appropriate authority in HDBFS.

➢ REPORTING

HDBFS has a well-established whistle-blower system, ensuring that staff and stakeholders can report concerns without fear of reprisal, retaliation, discrimination, or harassment of any kind.

- **Breach / Penalties**

Failure by employees to comply with this Policy will be grounds for disciplinary action, up to and including dismissal. HDBFS will take appropriate action against any third party who fails to comply with this Policy and any applicable anti-bribery and corruption laws. This may include termination of the business relationship.

- **POLICY REVIEW**

The Policy will be reviewed/ updated “any time at the discretion of the management” or annually, whichever is earlier to ensure that it remains effective, recognising the dynamic and high-risk environment in which HDBFS operates.