

Policy Number	Policy/Ethics/ 01	Effective date	17/08/2020
Policy Title	<b>Business Gifts &amp; Hospitality Policy</b>	Revision No.	Rev: 01
Functional Area	Ethics	Section	<b>Employee and Business Associates</b>

1. **PREAMBLE: (Tata Code of Conduct: Section D (11) and Section G (4) respectively)** : “Business gifts and hospitality are sometimes used in the normal course of business activity. However, if offers of gifts or hospitality (including entertainment or travel) are frequent or of substantial value, they may create the perception of, or an actual conflict of interest or an ‘illicit payment’. Therefore, gifts and hospitality given or received should be modest in value and appropriate, and in compliance with our company’s gifts and hospitality policy.”

We shall ensure that any gifts or hospitality received from, or given to, our suppliers or service providers comply with our company’s gifts and hospitality policy.” Section G (4 of Tata CoC).”

2. **PURPOSE & SCOPE:** Tata Steel Long Products Limited (the “**Company**”) is committed to undertake business with integrity and responsibility. This commitment is reflected in every aspect of our business conduct, including the offering and acceptance of gifts and hospitality. Business gifts and hospitality are occasionally used in the course of business activity as a means to build goodwill and strengthen working relationships among business associates. However, gifts and hospitality may create conflict of interest or illicit payment. This Gift and Hospitality Policy (“**Policy**”) aims to provide guidance on what is appropriate and acceptable, and what is not acceptable, for offering, giving and accepting gifts and hospitality and appropriate record keeping of gifts and hospitality to maintain accountability and transparency.

This Policy must be read together with the Tata Code of Conduct and Tata Steel Long Products Limited’s Anti-Bribery and Anti-Corruption Policy.

3. **APPLICABILITY:** The Company may be held guilty if its directors, officers and employees or persons who perform services for or on behalf of the Company accept or receive gifts and hospitality which may be seen as illicit. This Policy therefore, applies to all directors, officers, and employees of Tata Steel Long Products Limited and their immediate family members, together with persons who perform services for or on behalf of the Company including suppliers, distributors, dealer, vendors, lessors, lessees (collectively “**Tata Steel Long Products Personnel**”).

For the purpose of the paragraph above, it is clarified that the capacity in which the person performs services for or on behalf of the Company shall not matter irrespective of whether such person is employee or agent or subsidiary of the Company. Further, whether the person is a person who performs services, for or on behalf of the Company, is to be determined by reference to all the relevant

circumstance and not merely by reference to the nature of the relationship between such persons and the Company.

Tata Steel Long Products Limited will encourage its subsidiaries, associates and joint ventures to adopt this Policy as model or use a similar policy with respect to offering, giving and accepting of gift, entertainment and hospitality.

**OTHER COMMONLY USED TERMS:**

Term	Description
appropriate authority	means an officer of the company holding E1 position of the respective business division//Chief Ethics Counsellor
business associate	means suppliers, customers, vendors, dealers, distributors, franchisees, lessors, lessees or such other persons with whom the Company has any business or transactional dealings
Chief Ethics Counsellor	means the person holding the designation of Chief Ethics Counsellor in the Company
gifts	means and includes any gratuitous monetary and/or non-monetary benefit which can be used or consumed
Government official	means and includes any officer or employee or persons in the service or pay (including remuneration, fee or commission for performance of government duty) of a Government or any Government department, agency, branch (and includes any legislative, executive or judicial or quasi-judicial body) or Government held and controlled companies or any political party (all the above, whether domestic or foreign), party official or candidate for political office or an employee of a public international organization and any person acting on behalf of one of these persons, and/or family members of each of these persons and any other person as defined as “public official”/ “public servant” under the domestic law.
Hospitality	means and includes any form of travel, accommodation, food, drinks, entertainment or any events (participating or watching) such as sporting events, theatrical events, awards or ceremonies

**4. POLICY STATEMENT:** Tata Steel Long Products Personnel must not, directly or indirectly, give or promise to give or accept any gift and hospitality:

- With the intention of obtaining or retaining business for the Company; or
- With the intention of obtaining or retaining an advantage in the conduct of business for the Company;

- If there is any suggestion or expectation that the recipient will do something in return; or
- If such act of offer or acceptance could be perceived as creating a conflict of interest

**5. INTRODUCTION:** The Policy does not seek to provide a ‘prescriptive list’ of gifts and hospitality that can be offered, given or accepted, but rather seeks to provide the ethical framework for decision making to Tata Steel Long Products Personnel, when offering, accepting and giving gifts and hospitality. The following are certain minimum standards that are expected to be followed with regard to offering, giving and accepting gift and hospitality to/from business associates. It is clarified that, any monetary thresholds stated below, must not be breached unless otherwise provided under this Policy.

Additionally, it should be noted that an offer does not need to be described as either gift, entertainment or hospitality to fall within the scope of this Policy. For instance, a ‘prize’ offered to a Tata Steel Long Products Personnel at a conference should be treated in the same way as a gift.

**6. GIFTS**

Tata Steel Long Products Personnel must be very careful when it comes to either offering, giving or accepting gifts to/from business associates. As a general rule, the practice of offering, giving or accepting gifts should be discouraged. The following table depicts what is appropriate and what is not when it comes to gifts:

What is permitted	What is NOT permitted
<ul style="list-style-type: none"> <li>✓ that is occasional including during festivals or other ceremonial occasions or during the new years, commensurate</li> </ul>	<ul style="list-style-type: none"> <li>✓ discounts made available to an individual that are not available to Tata Steel Long Products Personnel generally.</li> </ul>
<ul style="list-style-type: none"> <li>with the culture and occasion, business-related, modest in value, appropriate in all the circumstances and consistent with reasonable business practice and is limited to diaries, calendars, flowers, sweets or any other eatables and consumables;</li> <li>✓ the business purpose of which can be documented clearly;</li> <li>✓ In all the above cases, the market value, of the gift should not exceed Rs.<b>3000</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ gifts being monetary in nature (gold or other precious metals, gems or stones or cash or equivalents e.g. gift cheques, vouchers, cheques, loans, shares etc.)</li> <li>✓ gifts being given outside the workplace or venue of the business event;</li> <li>✓ gifts given in the form of service or other non-cash benefit (e.g., a promise of employment);</li> <li>✓ Any other form of undue advantage</li> </ul>

**7. HOSPITALITY**

Business hospitality (e.g., meals, tickets to a theatre or a sporting event, accommodation) may be provided to strengthen working relationships among business associates. However, hospitality applies to situations in which the host is present. Tickets to sporting or cultural events and not attended by the host are essentially “gifts” and not “hospitality” and hence should be dealt in accordance with the gift guidelines specified above. As a general rule, invitation relating to entertainment or hospitality should be directed to the relevant organization and not to an individual(s).

What is permitted	What is NOT permitted
<p>Is infrequent, rational and appropriate in the context of the business occasions</p> <p>Is related to a legitimate business purpose, e.g. accompanying a customer or supplier to a business meal, attending business conferences</p> <p>Providing reasonable and proportionate meals and entertainment to representatives of private Non-Government companies.</p> <p>Occasional and reasonable meetings over lunch or dinner.</p> <p>Reasonable hospitality for legitimate business purpose, stakeholder engagements and/or on humanitarian grounds.</p> <p>Accommodation provided otherwise, in certain regions where plants and factories are located, as they tend to be in less- accessible or poorly-connected regions in India.</p> <p>Additionally, depending on the remoteness of the location and other extraneous factors like (bad weather, communal disturbances, riots, natural calamities, unsafe travel conditions, etc.), hospitality may extend to providing/accepting accommodation in guest houses.</p> <p>Travel or hospitality extended as part of agreed contracts with any third party pursuant to legitimate business purpose including site and plant visits, training.</p>	<p>Is lavish or extravagant business entertainment (e.g., travel to golf outing in an exotic location, side trip from business meeting city)</p> <p>Which can be viewed as creating any affiliation of Tata Steel Long Products or Tata brand with any particular political party;</p> <p>Interaction in locations / establishments generally not recognized as appropriate for the conduct of business.</p> <p>Interactions in adult entertainment clubs or at adult / inappropriate events are expressly prohibited</p> <p>daily allowances, cash advances or cash payments of any nature must not be accepted from the business associate for trips</p> <p>Any other form of undue advantage</p>

It is acknowledged that hosting business associates at our premises to promote our business interests and reciprocal visits to our business associates are an important aspect of our business relationships. However, in addition to the guidance on appropriateness of gift and hospitality given and received, one should also consider the guidelines below in the case of trips for **promotional activities**:

- Daily allowances, cash advances or cash payments of any nature must not be accepted from or given to, the business associate for such trips;
- No airline travel, whether domestic or international, is to be accepted from or given to, a business associate, except in case of events and seminars, customer and distributor promotional events organized by the Company;
- No overnight accommodation is to be accepted from or given to, a business associate, except in case of events and seminars, customer and distributor promotional events organized by the Company;
- In circumstances where participation in a business associated-supported event is deemed necessary for a business and bulk booking arrangements are made by the business associate for travel and/or accommodation, the pro-rata costs should either be reimbursed to the business associate or preferably paid directly to the provider of travel and/or accommodation.

#### 8. EXCEPTIONAL CIRCUMSTANCES AND RECORDING

The offer or acceptance of gift and hospitality is determined by reference to all relevant circumstances and not merely by reference to the nature of the relationship between such person and the Company.

There may be situations where a Tata Steel Long Products Personnel may have to offer or give gifts and/or hospitality that is beyond the scope of this Policy including a greater value than the limits imposed by this Policy. In such situations, a prior written approval of the appropriate authority must be taken in writing recording the reason for offering and giving such gift and/or hospitality. In the rarest of rare cases, an approval may be sought from an officer of the company holding an E1 position of the respective business division.

Additionally, if a Tata Steel Long Products Personnel is offered gift or hospitality that is beyond the scope of this Policy including a greater value than the limits imposed by this Policy, then the Tata Steel Long Products Personnel should politely reject it, explaining that accepting it would be against the Company's Gifts and Hospitality Policy unless specifically approved by an appropriate authority. However, in exceptional circumstances such as, where:

- there is no opportunity for the gift or hospitality to be approved in advance or rejected; and/or
- returning/rejection of the gift or hospitality would result in embarrassment,

the gift or hospitality may be accepted, but such gift or hospitality must be reported to the department head/ E1 and Chief Ethics Counsellor as soon as possible thereafter.

All gifts and hospitality received or given under this Section 4, must be declared in the Ethics Compliance Register on the “DARPAN” portal available on the intranet of the Company, within 3 days of giving or accepting such gift or hospitality. Further any such gifts received should be deposited in the office of the Chief Ethics Counsellor, who is responsible for a proper disposition of the gift.

#### **9. GOVERNMENT OFFICIALS (EXTRA CAUTION!)**

All Tata Steel Long Products Personnel must exercise extra care and caution when interacting with Government officials and they should act with the highest level of integrity in situations including:

- when obtaining new businesses, licenses or approvals;
- when renewing current business contracts;
- during a tender or bidding process involving a Government department;
- other official purposes like inspection related activities involving Government departments

Tata Steel Long products Personnel should not be seen as offering or giving undue advantage to any Government official which contradicts with the Policy Statement, stated at the beginning of this Policy. Tata Steel Long products Personnel dealing with Governmental officials must always act within the scope of this Policy. It is critical to note that, any gift or hospitality extended to or from Government officials in all situations, must have the prior written approval of the appropriate authority and must be declared in the Ethics Compliance Register on the “DARPAN” portal available on the intranet of the Company, within 3 days of giving or accepting any gift or hospitality. However, if a Tata Steel Long Products Personnel is compelled to give any gift and/or hospitality which contradicts with the Policy Statement, such instances must be reported to the department head and Chief Ethics Counsellor within 24 hours of its occurrence along with reasons and situation, under which, the gift and/or hospitality was given. Such instances must also, subsequently be declared on the Ethics Compliance Register on the “DARPAN” portal as mentioned above.

#### **10. GIFT AND HOSPITALITY TO FAMILY MEMBERS**

Gift and hospitality invitations are sometimes extended beyond the main invited party to additional guests such as spouses or other companions. Such persons, should ideally not join and accept these invitations. If they do under exceptionally situations, their expenses should be fully paid up by the concerned employee of the Company. Moreover, such instances of travel should be informed to the appropriate authority prior to travel to ensure transparency through disclosures.

**11. INCLUSION OF POLICY IN THIRD PARTY AGREEMENTS**

Employees of the Company, must ensure that, when they enter into an agreement(s) with any third party for performance of any service(s) for or on behalf of the Company, this Policy must be annexed to such agreements, such that the third parties are aware about the need to comply with the terms of this Policy.

**12. BREACH OF THIS POLICY**

Tata Steel Long Products Personnel who breach this Policy may face disciplinary action, up to and including the termination of their employment or other engagement, as the case may be.

**13. SEEKING GUIDANCE**

For further guidance on whether any gift or hospitality is acceptable, please contact the Chief Ethics Counsellor at [rkmanchanda@tatasteellp.com](mailto:rkmanchanda@tatasteellp.com)

**14. REPORTING ACTUAL OR POTENTIAL VIOLATION**

Any Tata Steel Long Products Personnel, who learns information about an actual or potential violation of this Policy may write to the Chief Ethics Counsellor or to the Compliance Officer of the Company through various mechanisms including emails and mail boxes. The Company prohibits retaliation against any person who makes a report of a suspected violation of this Policy in good faith. In addition, if a Tata Steel Long Products Personnel is not comfortable raising their concern directly to the Chief Ethics Counsellor/Compliance Officer of the Company, such concerns can be raised through the Company's third party helpline, "Speak Up".

**15. MONITORING AND REVIEW**

The Internal Audit function will monitor the effectiveness and review the implementation of this Policy, considering its suitability, adequacy and effectiveness.

Further, the Internal Audit function will review the gifts and hospitality declared in the Ethics Compliance Register on the "DARPAN" portal on a periodic basis.

The expenses and reimbursements (in case of gifts and hospitality) will be reviewed on an ongoing basis.

This Policy will be available at all times on the Company's intranet. The Chief Ethics Counsellor will be responsible to make any required amendment and updates to this Policy.

Prepared & Maintained By:	Recommended By:	Approved By:
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