



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

*(Approved by Board of Directors in its 135<sup>th</sup> Board Meeting held on 18<sup>th</sup> March 2024)*

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## Board's Commitment

*Dear Stakeholders,*

*We, the Board of Directors of IRCTC, hereby reaffirm our unwavering commitment to fostering a corporate environment that is free from bribery and corruption for flawless delivery of services. At IRCTC, we recognize the critical importance of upholding the highest ethical standards in all our business operations. As a part of our commitment to integrity, transparency, and ethical behaviour, we have made significant strides in our endeavour to combat bribery and corruption within our company.*

*In line with our commitment, we are pleased to announce our dedicated efforts to implement the ISO 37001:2016 standard for Anti-Bribery Management Systems all across the company. This internationally recognized standard will serve as the backbone of our stringent anti-bribery management system. By embracing ISO 37001:2016, we aim to enhance accountability, transparency, and ethical conduct across all levels of the company.*

*IRCTC's commitment to fighting bribery and corruption is underscored by strategic initiatives. We are implementing ISO 37001:2016, ensuring a systematic approach to address bribery and corruption. Transparent reporting mechanisms will encourage employees to report concerns, safeguarded through a confidential channel. Continuous training will empower our workforce to identify and prevent risks. Collaborating with regulatory bodies and peers, we aim to contribute significantly to the broader fight against corruption, affirming our dedication to integrity and ethical conduct.*

*By undertaking these initiatives, we are committed to embedding a culture of integrity and ethical behaviour throughout IRCTC. Our commitment aligns with the Business Responsibility and Sustainability Reporting (BRSR) 2022-23, reflecting our dedication to creating enduring value for our stakeholders and society. We call upon every member of the IRCTC family to embrace this commitment wholeheartedly. Together, we will ensure that IRCTC remains a beacon of ethical conduct, setting new standards in the industry.*

### Signatories

1. *Chairman & Managing Director*
2. *Director, Tourism and Marketing*
3. *Director, Finance & CFO*
4. *Director, Catering Services*
5. *Government Directors*
6. *Independent Directors*

## **1. Introduction**

IRCTC operates on the highest standards of integrity and professionalism, which are fundamental to its identity. It aims to achieve a business environment free from bribery and corruption, exemplifying ethical conduct.

From top management to employees, contractors, and partners, strict compliance with anti-bribery and corruption laws is emphasized. The policy serves as a blueprint for ethical conduct, outlining expected behaviours for every member of the IRCTC family. Furthermore, it provides comprehensive information and guidance on procedures in place to prevent bribery and corruption. Recognizing the importance of awareness and education in combating corruption, IRCTC equips its stakeholders with knowledge to identify, prevent, and address any issues related to bribery and corruption.

In compliance with the Prevention of Corruption Act, 1988 (PCA), acceptance or attempted acceptance of any form of illegal gratification (i.e., anything of value other than a legal entitlement) by a public servant is a punishable offense. The Companies Act, 2013, also has provisions to prevent corruption in the corporate sector. Additionally, IRCTC adheres to the Indian Penal Code, 1860 (“IPC”), Prevention of Money Laundering, 2002, and the Central Vigilance Commission Act, 2003, further reinforcing its commitment to combating bribery and corruption in all spheres of its operations. These legal frameworks, in conjunction with IRCTC's stringent ABC Policy, serve as powerful tools in upholding the company's pledge to maintain the highest standards of ethical conduct.

## **2. Purpose of the Policy**

By implementing the policy, IRCTC strives to create a culture of integrity that permeates every facet of its company. The belief is that upholding ethical values is not just a corporate responsibility but also a moral obligation. The commitment extends not only to stakeholders but also to the larger community served. IRCTC's ABC Policy serves as a testament to its resolve to operate with transparency, fairness, and integrity, ensuring that every transaction and interaction reflects an unwavering commitment to ethical business practices.

In embracing these principles, IRCTC reaffirms its position as a leader not only in the realm of public service but also in the ethical conduct of business. The ABC Policy stands as a living testament to the dedication to a future where honesty, integrity, and transparency are the cornerstones upon which the company stands.

## **3. Coverage and Scope**

This policy applies universally to all departments, offices and individuals affiliated with IRCTC, encompassing employees, contractors, vendors, and third-party entities associated with the company's operations. Regardless of their role, be it a dedicated employee contributing to service enhancement, a contractor engaged in projects, a vendor collaborating on business ventures, or a third-party entity involved in specific initiatives, each bears the responsibility of complying with and upholding all the elements specified in the policy.

## 4. Guiding Principles

The guiding principles form the foundation of a robust Anti-bribery and Anti-corruption Policy, ensuring ethical conduct and safeguarding the company's reputation and integrity. By adhering to these principles and policies, IRCTC reaffirms its commitment to transparency, integrity, and ethical conduct in all business dealings.

- **Leadership's commitment to Integrity:** Commitment to integrity establishes a moral foundation, shaping ethical conduct within the company. This dedication influences employees, stakeholders, and the public, fostering trust and credibility. It is essential for maintaining public trust and upholding IRCTC's industry reputation, as reflected in the Board's opening commitment.
- **Zero-Tolerance:** The zero-Tolerance principle creates an uncompromising anti-corruption culture within the company. It sends a clear message that corrupt practices will not be tolerated, safeguarding the company's integrity, financial resources, and reputation. IRCTC adopts a zero-tolerance approach towards bribery and corruption in any form, whether direct or indirect, by employees or third parties acting on behalf of IRCTC.
- **Compliance with Laws:** Compliance with laws establishes IRCTC's dedication to ethical conduct and shields it from legal repercussions. Adherence to anti-bribery and corruption laws, including the Prevention of Corruption Act, demonstrates IRCTC's commitment to lawful practices.
- **Transparency and Accountability:** IRCTC emphasizes transparency through accurate financial records, ensuring accountability and traceability of all transactions. Simultaneously, the company holds individuals accountable for policy violations, promoting openness and integrity within the company.
- **Protection and Non-Retaliation:** Ensuring protection for whistle-blowers fosters a safe reporting environment. This principle encourages individuals to report concerns without fear of retaliation, reinforcing IRCTC's commitment to accountability, integrity, and ethical practices.

## 5. Definitions

### Definition of Corruption:

Corruption involves the exploitation of entrusted authority for personal gain, encompassing diverse acts like **bribery, embezzlement, nepotism, fraud, and extortion**. It spans across both public and private sectors, posing a threat to the foundational **principles of fairness, transparency, and accountability**. This misconduct corrodes trust in institutions, yielding severe repercussions for social, economic, and political development.

### Definition of Bribery:

Bribery, specifically, is defined as the giving or receiving of anything (typically money, gifts, loans, rewards, favors, commissions, or entertainment) as an **improper inducement or reward** for securing business, employment, or any other benefit. Bribes may encompass various forms, such as:

- **Gifts** and excessive or inappropriate **entertainment, hospitality, travel, and accommodation expenses**.
- **Payments** from employees or business partners (e.g., recruiters, labour service providers, or consultants).
- Other undue **favours** to supervisors, like unwanted advances, payments, or promises.

## 6. Policy Statements

- IRCTC shall strictly prohibit any form of bribery, corruption, or facilitation payments that may influence business decisions or provide an unfair advantage. The organization shall outline a detailed list of prohibitions, clearly defining actions strictly prohibited within its operations.
- IRCTC shall comply with all relevant laws concerning anti-bribery and anti-corruption. Clear consequences associated with bribery violations shall be delineated, ensuring a fair and consistent approach to addressing any breaches.
- IRCTC shall provide a comprehensive overview of its Anti-Bribery Management System, underscoring the organization's commitment to combating bribery. Strategies to address and mitigate identified bribery risks shall be developed, demonstrating a proactive stance in managing and preventing potential issues.
- IRCTC shall establish an Anti-Bribery Compliance Function/Committee responsible for overseeing the design and implementation of the anti-bribery system. This dedicated function/committee shall provide guidance to personnel, ensure compliance with established policies, and directly report on the system's performance to the board.
- IRCTC shall establish rigorous due diligence procedures for various processes to enhance transparency and integrity. Before entering into business relationships, the organization shall conduct due diligence on third-party partners, including an assessment of their anti-bribery and anti-corruption practices, reputation, and business history.
- IRCTC is committed to implementing a robust decision-making process, incorporating controls to ensure appropriateness and freedom from conflicts of interest for decision-makers. This commitment aims to uphold the highest standards of integrity and transparency in our organizational practices.
- IRCTC shall provide a clear delineation of roles and responsibilities, ensuring accountability in preventing and addressing bribery within the organization.
- IRCTC encourages individuals with concerns or suspicions of bribery or corruption to report them through a confidential reporting mechanism, without fear of retaliation. All reports shall be

investigated promptly and thoroughly, with appropriate action taken in accordance with organizational policies and procedures.

- IRCTC shall provide regular training and awareness to employees and third-party partners on its anti-bribery policy, as well as relevant laws and regulations. The training shall be tailored to the specific needs of each group, emphasizing the organization's commitment to a culture of integrity.
- IRCTC shall establish mechanisms for evaluating the performance of anti-bribery measures and adjusting them as needed. Robust systems for record-keeping shall be implemented to track and document compliance efforts, ensuring a transparent and accountable process.
- As part of its commitment to continuous improvement, IRCTC shall regularly review and enhance its anti-bribery measures to align with evolving best practices and changing regulatory requirements.

## 7. General Prohibition

IRCTC strictly prohibits all forms of bribery and corruption in connection with its business activities. All IRCTC employees, officers, directors, and business partners must adhere to all applicable anti-bribery and corruption laws in India. The core principles of this policy are as follows:

- **DO NOT GIVE BRIBE**
- **DO NOT ACCEPT BRIBE**
- **DO NOT ASK FOR BRIBE**
- **DO NOT OFFER BRIBE**

All employees are expected to understand and comply with these basic principles. If there is any doubt about the application of this policy or related laws, employees should promptly contact the Vigilance Department. Any suspicion or uncertainty about potential breaches should be reported immediately. Employees are encouraged to follow the principle:

**"ALWAYS ASK AND REPORT WHENEVER IN DOUBT OR SUSPICION."**

Engaging in bribery or corrupt practices can lead to severe consequences for both individuals and IRCTC. Penalties may include dismissal, fines, imprisonment, and damage to the company's reputation.

## 8. Sensitive Areas

IRCTC has identified specific activities and processes where acts of bribery may potentially occur. These include, but are not limited to:

- Supplier assessment, contract award, and management.
- Bookkeeping, preparation of Financial Statements, and tax compliance.
- Payments, collections, financing, insurance claims.
- Corporate transactions on capital and debt.

- Disposal and/or acquisition of significant assets.
- Issuing/obtaining permits and licenses.
- Staff recruitment and hiring.
- Sponsorship and donations.

## **9. Anti-bribery Training & Awareness**

IRCTC is committed to promoting awareness of this Policy, ensuring that all personnel understand:

- The content and principles outlined in the Policy.
- The bribery and corruption risks relevant to their roles.
- The elements of the Policy impacting their role within the company and the Anti-Bribery Management System.
- The preventive actions to be taken and the reporting mechanisms for malpractice.

Training requirements and materials shall undergo regular review and updates, leveraging the collective expertise of the anti-bribery compliance function/committee, the Human Resource department, and the Vigilance department to collaboratively enhance their quality and relevance.

## **10. Compliance, Reporting, and Non-Retaliation**

At IRCTC, unwavering adherence to the Anti-Bribery and Corruption (ABC) Policy is a fundamental expectation for both employees and business partners. We foster a culture of transparency and accountability, urging all individuals associated with IRCTC to fully comply with the stipulations outlined in our Anti-Bribery Management System.

We actively promote a reporting environment that values integrity and accountability. IRCTC encourages every member of its personnel to promptly report any instances of bribery or violations of the Anti-Bribery Management System. It is our firm commitment that individuals reporting such concerns will be safeguarded against any form of retaliation or discrimination.

By upholding a culture of non-retaliation, we aim to create an environment where individuals feel secure and empowered to raise concerns, thereby contributing to the continuous improvement of our anti-bribery efforts. This commitment underscores our dedication to maintaining the highest ethical standards and fostering an atmosphere that prioritizes accountability and integrity at every level of our organization.

## **11. Periodic Review of Policy and Procedures**

The anti-bribery compliance function/committee shall periodically review the sufficiency of the ABC Policy and convey their findings to the IRCTC Board of Directors, in consultation with the Vigilance Department. Amendments shall be made as necessary to address evolving risks and ensure compliance with Anti-Corruption Laws.

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