



# ANTI-CORRUPTION & ANTI-BRIBERY POLICY

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## FSN E-COMMERCE VENTURES LIMITED

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## 1. OBJECTIVE

We at Nykaa, are committed to maintaining the highest standards of ethical conduct, integrity and compliance in its business operations in line with our code of conduct.

- i. This policy guides us to act professionally, fairly and with utmost integrity and encourages all employees to stay true to the Nykaa Value - “Be bold and be good”.
- ii. This policy acknowledges anti-bribery and anti-corruption regulations, legislations including the (Indian) Prevention of Corruption Act 1988, and applicable laws in relevant jurisdictions by virtue of its operations.
- iii. This Policy is intended to help employees to understand where moral and ethical issues might arise and to support them in making the right decisions in line with our values and corporate position.
- iv. It aims to provide guidelines towards the prevention and identification of bribery and corruption & define procedures to follow if at all any fraud is found to exist in any area of business operations of the Company with the objective of zero tolerance.
- v. The policy provides guidance on reporting potential violations or raising questions when in doubt.
- vi. The policy aims to define the level of severity through examples and outline relevant disciplinary actions, which could potentially lead to separation or prosecution.

## 2. SCOPE

The scope of the policy covers the Company directors, officers, employees working for FSN E-Commerce Ventures Ltd (including its subsidiaries or affiliates, together referred as “the Company” or “Our Company” or “Nykaa”). The Policy further applies to anyone who acts for the Company, including employees (direct\indirect), contractors, suppliers, directors of Nykaa

## 3. APPLICABILITY

This policy is applicable with immediate effect post approval of the Board.

## **4. DEFINITIONS**

### **4.1 Bribery and Corruption to include:**

- i. The offer, promise or receipt of any gift, hospitality, loan, fee, reward or other advantage to anyone improperly to gain or retain business or to obtain or retain a business advantage to induce or reward behaviour which is dishonest, illegal or a breach of trust, duty, good faith or impartiality in the performance of a person's functions or activities (including but not limited to, a person's public functions, activities in their employment or otherwise in connection with a business); or
- ii. The offer or promise of any gift, hospitality, loan, fee, reward or other advantage to a public official with the intention of influencing the public official in the performance of their public function, to obtain a business advantage.
- iii. For the purpose of this, offer includes cash or financial advantage, gifts, hospitality, reward, forgiveness of a debt, loans, personal favours, entertainment, tickets to sporting events, meals, travel, sponsorships, political and charitable contributions, business opportunities, or complimentary products (excluding promotional and sample products for testing and experiencing), if any of those are construed to have been made to aid a possible business advantage to the company.

## **5. POLICY GUIDELINES**

### **5.1 General Guidelines**

- 5.1.1 Employees must ensure they abide by the policy guidelines, while acting directly or indirectly through any third party including the Vendors, suppliers or and Business Partners. Employees should be careful to avoid any situation involving a third party that might lead to a violation of any applicable anti-corruption laws.
- 5.1.2 Employee must not receive, offer, promise, or give any financial or other advantage, including facilitation payments, to a public official or to another person at that public official's request to influence the public official in order to obtain or retain business or any other advantage in the conduct of business.
- 5.1.3 Policy not just applies to the person who pays the bribe or offers anything of value – it also applies to the people acting in furtherance of the same. For example, Anti-



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corruption could apply to anyone who approves or authorises the payment; creates or accepts false invoices; relays email instructions to pay or accept a bribe or kickback; covers up an illegal payment; knowingly cooperates in the payment of a bribe; or suspects an illegal payment or kickback but turns a “blind eye” to it.

- 5.1.4 If any employee is asked to make a payment on behalf of the company, he/she should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. In case of any suspicion, concern or query regarding a payment, please raise these with your reporting manager or compliance officer or People partner without delay or hesitation
- 5.1.5 Anyone acting in violation to this policy shall be treated acting against the company's code of conduct and would warrant strict disciplinary action up to termination.
- 5.1.6 While no code of conduct or policy can cover every possible situation, our Company relies on the employees to use good judgment and to speak up when they have either questions or concerns.
- 5.1.7 We encourage our employees to be vigilant to any such practices and escalate issues where further investigation or due diligence is necessary.

## **5.2 Business Scenarios**

Some of the common examples where the policy applies in the corporate are presented below, and shall be referred for the explanation purpose

### **5.2.1 Procurement of Goods & Services**

When discussing tenders or award of contracts to provide goods or services to the Company, the employees must not accept:

- i. Payment of any travel or accommodation costs by the potential supplier.
- ii. Kickbacks for awarding the business to that supplier.
- iii. Tickets to international business conferences or entertainment events or coupons for purchasing.

### **5.2.2 Facilitation Payments or Kickbacks**

Facilitation payment is financial payment or payment in kind that may constitute a bribe and are made with the intention of expediting an administrative process. It is a payment made to a public or government official that acts as an incentive for the official



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to complete some action or process expeditiously, to the benefit of the party making the payment. Kickbacks are typically payments made in return for a business favour or advantage. As a representative of the company, you must not make any facilitation payment or kickbacks.

#### 5.2.3 Working with Government Agencies

Nykaa shall not offer or give any company funds or property as donation to any government agency or its representative, directly or through intermediaries, in order to obtain any favour. Nykaa shall comply with government procurement regulations and shall be transparent in all its dealings with government agencies.

#### 5.2.4 Political contributions

Nykaa to maintain the policy of not contributing financial support to political parties or individual politicians. The company's conduct shall preclude any activity that could be interpreted as mutual dependence / favour with any political body or person and shall not offer or give any company funds or property as donations to any political party, candidate or campaign. Any request to contribute funds toward organisations or entities that engage in political processes should be referred to the compliance officer.

#### 5.2.5 Gifts, hospitality and entertainment

Gift, hospitality or entertainment can be anything of value given to / received from a third party. We acknowledge that exchange of nominal gifts and sharing of entertainment is customary during national, cultural and religious occasions. At the same time the test to be applied is whether in all the circumstances the gifts, hospitality and entertainment is modest, desirable, reasonable, and not viewed as lavish regardless of actual monetary value and justifiable. The scope of it would include extending or receiving any gifts, hospitality and entertainment by third party or internally within the organization. The third party could mean a vendor, supplier, government official, or any external person\agency beyond Nykaa.

You may receive\give a small customary gift if it: (1) is not cash or a cash equivalent (e.g., securities); (2) is not offered in exchange or as a reward for any action or



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inaction; (3) is permitted under both local law and the guidelines of the recipient's employer; (4) in accordance with local custom, such as sweets or dry fruits given during festivals such as Diwali or other local holidays; and (5) is presented with complete transparency.

As a guidance, any gift or hospitality of excessive value are not permitted and for the purpose of this policy the value should not be more Rs 5,000. If you are unsure whether something is a gift or not, please contact your line manager or your People partner.

If someone with whom the Company does business offers employee or their Family a gift, the same rules apply.

**Exclusions:**

Given the nature of our business, we do understand employees would receive promotional and sample products for testing or experiencing them, basis which they would be listed on our website or sold through our stores or other sales channels. At the same time, Nykaa trusts the good judgement of its employees, who would use such products for the right business reasons and not for any personal gain or benefit.

## **6. RECORD-KEEPING**

As a company we will ensure that all records will be fair and accurate and reasonably detailed.

The Company shall keep financial records and have appropriate internal controls in place, which shall evidence the business reason for making payments to third parties.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, shall be prepared and maintained with strict accuracy and completeness. No accounts shall be kept off-book to facilitate or conceal improper payments.

## **7. POTENTIAL VIOLATIONS**

As a general rule, the Company expects you to use your good judgment to spot and report potential violations. A particular transaction of relationship may present a potential bribery



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or corruption issue. However, some “red flags” that may give you grounds for suspicion, indicative and not exhaustive, are listed below.

- i. A potential partner or any representative who is intending to list their products on Nykaa platform and using unfair means like bribe, gifts etc. to influence the concerned employee.
- ii. Hiring consultants trying to influence the recruiter through gifts, kickbacks or any other form of hospitality to empanel or give exclusive mandates to them.
- iii. A vendor or supplier of laptops/desktop/IT assets providing complimentary laptop or any other form of gifts or kickback to award the contract to them.
- iv. A call center outsource agency extending kickbacks, gifts or hospitality to gain the contract.
- v. Any form of gifts, hospitality or kickbacks through a mall representative or real estate broker to opt for higher rentals than the market or agree to a location of store which is not value for money for business.
- vi. In the sales and distribution channel, passing of higher margins as agreed in contracts; preferential promotional displays in exchange of favours.
- vii. Giving gifts / money to the buyer at a retailer to list our products
- viii. Making inflated claims to the company for returns/damages received from the retailer / channel partner
- ix. In warehouse giving preferential treatment to courier partners / transporters in exchange of favours

## 8. CONSEQUENCE MANAGEMENT

At Nykaa we maintain zero tolerance on corruption and bribery

- i. Any violation of this policy will be regarded as a serious matter and may result in disciplinary action, including termination, consistent with applicable law and the employee’s terms of employment.
- ii. When an incidence of non-compliance comes to light, the Compliance Officer in discussion with CHRO would constitute an investigation committee. Basis the findings they would recommend appropriate action against the employee, to the management.
- iii. The appropriate action would be in line with the misconducts (minor\major\gross) as defined under the “Code of conduct” or any other appropriate action as deem fit by the





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management. The action for defaulting on this policy could range from warning letter, probation extension, suspension, withholding increment or promotions or termination.

- iv. The defaulting employee will be accountable whether they pay a bribe or authorizes, assists, or conspire with someone else to violate this policy or applicable laws.
- v. Punishments for violating the law are against a defaulting employee and may include imprisonment or significant monetary fines for which the defaulting employee would be solely responsible, and company would not be held accountable under any circumstance.
- vi. If you have any suspicion that an Employee, Vendors, suppliers, Public Servant, or Business Partner may be making or receiving bribes, you must report the issue right away. You may report through the Company's through [whistleblower.employees@nykaa.com](mailto:whistleblower.employees@nykaa.com) to report the same for appropriate investigation. The Company will ensure protection for the Whistleblowers and will not tolerate any form of reprisal or retaliation under the Policy. Retaliation may include discrimination, reprisal, harassment, hostility or vengeance in any manner.

## **9. COMMUNICATION OF THE POLICY AND AWARENESS**

Awareness and sensitization on the policy would be done through

- i. Induction process for new employees at all levels.
- ii. Communication of the policy for existing employees through mailers and sessions.
- iii. These trainings could happen through the online mode or in person or hybrid approached.
- iv. The policy will be available for reference on the employee portal of the company and the website as may be required under applicable laws.

## **10. POLICY IMPLEMENTATION**

The Compliance Officer & Group CHRO will be responsible for the interpretation and implementation of the provisions of the policy. Any exceptions to the enforcement of this policy needs to be approved by Compliance Officer & Group CHRO. This policy is subjected to change at any given point of time. The decision of the company shall be binding. Any amendment or additions to this policy would be communicated in writing or through the employee portal and shall form part of this policy.



## 11. POLICY REVIEW

This policy shall be reviewed regularly and shall be amended to reflect any changes in law or practice. The company would have the right to decide the amendments needed from time to time.

## 12. VERSION HISTORY

Sr. No	Version	Created by	Approved by	Effective Date	Amendment Summary
1.	1.1	Internal	Board of Directors	27/09/2021	Policy drafted