



ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

REVISION: 01 PAGE: 1 of 8

SUBJECT / TITLE: Kennametal India Limited (KIL) Anti-Corruption and Anti-Bribery Policy

This page is a record of all revisions.

For convenience, the nature of the revision is / shall be briefly noted, under the remarks column here below. Unless otherwise stated, any revision/s should be implemented effective the date the Board of Directors of KIL approve this policy.

REV.	BY	PAGES	REMARKS	
00	Mr. Naveen C	1 - 8	Original Release	
01	Ms. Anupriya Garg	1 - 8	Amended and updated	
REV.	ISSUED BY		APPROVED BY	APPROVAL DATE
00	Mr. Naveen Chandra		Board of Directors of KIL	May 31, 2023
01	Ms. Anupriya Garg		Board of Directors of KIL	August 9, 2024



KENNAMETAL INDIA LIMITED

ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

I. SCOPE, APPLICABILITY AND INTERPRETATION

This Anti-Corruption and Anti-Bribery Policy (the “Policy”) of Kennametal India Limited (the “Company” or “Kennametal”) applies to all directors, officers and employees of Kennametal and its sales agents, representatives and distributors (collectively referred to as “Third Parties”) operating or located in the regions where Kennametal operates. All other parties providing goods or services to Kennametal are subject to the Global Sourcing Policy, which includes compliance with Anti-Corruption Laws (defined below) and applicable Company policies and procedures.

This Policy is an adoption from the existing Kennametal Inc’s Global Anti-Corruption and Anti-Bribery Policy (‘Global Policy’) in order to comply with the extant SEBI (Listing Obligations Disclosures Requirements) Regulations, 2015 (as amended from time to time). All terms mentioned in this Policy shall be strictly governed and shall be overruled by the terms of the Global Policy, a copy of which can be accessed at <https://www.kennametal.com/in/en/about-us/ethics-and-compliance.html>

The interpretation of this Policy shall be governed by the Global Policy and in case of any inconsistency between this Policy and the Global Policy, the terms of the Global Policy shall prevail. In case the users of this Policy need any assistance in interpreting this Policy or refer to other global policies of Kennametal Inc, they are advised to contact the coordinates mentioned at IV.B below.

II. DEFINITIONS

“Government Official” broadly includes an officer or employee of a government or any department, agency, or political party of a government, any official of a political party or candidate for political office or of a public international organization (such as the United Nations), or any person acting in an official capacity for or on behalf of any of them. An employee of a state owned or public sector enterprise or company may be a “government official” under the laws in India, U.S. Foreign Corruption Practices Act and other Anti-Corruption Laws.

“Anti-Corruption Laws” broadly includes all applicable local, national, and international anti-corruption and anti-bribery laws and regulations, including the Prevention of Corruption Act 1988, United States Foreign Corrupt Practices Act, the United Kingdom Bribery Act of 2010 and any updates or amendments thereto.

“Grievance Redressal Officer” means an officer appointed by the Grievance Redressal Committee for the purpose of redressing Grievances and updating the status of Grievances to the Grievance Redressal Mechanism Committee.

III. COMMITMENT TO COMPLIANCE

Kennametal is committed to complying with all applicable Anti-Corruption Laws. It is the responsibility of all Kennametal directors, officers, employees and Third Parties to know about, understand and comply with such laws and regulations in all aspects of Kennametal's business. This includes compliance with rules requiring the complete and accurate maintenance of financial books, records, and accounts involving both foreign and domestic payments and transactions.

Kennametal strictly prohibits its directors, officers, employees, and third parties from offering, accepting, or promising to offer or accept (for both Government Officials and private parties), bribes, improper payments, or inducements of any kind to obtain or retain business, or to gain an unfair business advantage. **This policy applies across Kennametal regardless of whether or not such conduct may be lawful as per applicable law for the time being in force in India or any given country or location in which Kennametal operates.**

Questions regarding this Policy, Anti-Corruption Laws, or whether an action or decision is permissible, must be directed to the Grievance Redressal Officer / Legal Counsel Region at anupriya.garg@kennametal.com **prior to proceeding with any action or decision.** See the "Obligation to Report" section of this Policy for more information on how to obtain guidance.

IV. REPORTING CONCERNS & SEEKING GUIDANCE

A. Who Must Report:

1. **Employees:** Employees must immediately report any suspected or actual violations of Global Anti-Corruption Laws, this Policy, or the Code of Conduct to Kennametal's Grievance Redressal Officer / Legal Counsel Region or at the coordinates mentioned at IV.B below. Once an employee has made a report, the employee also has an obligation to update the report as new information comes into his or her possession.

Under no circumstances shall the reporting of any such information serve as a basis for retaliatory actions against the employee making the report if that employee has acted in good faith. A copy of the Global Non-Retaliation and Global Reporting Obligation Policy can be accessed at <https://www.kennametal.com/in/en/about-us/ethics-and-compliance.html>

2. **Third Parties:** All Third Parties are expected to report any suspected or actual violations of Anti-Corruption Laws or this Policy to either their Kennametal business contact or Kennametal's Grievance Redressal Officer / Legal Counsel Region or at the coordinates mentioned below.

B. How to Report:

1. Office of Grievance Redressal Officer / Legal Counsel Region: 8/9th Mile, Tumkur Road, Bangalore - 560073; 080 43281345
2. anupriya.garg@kennametal.com or

Office of the General Counsel: 525 William Penn Place, Suite 3300, Pittsburgh, PA U.S.A. 15219 +1 (412) 248-8210 or +1 (412) 248-8275; k-corp.ethics@kennametal.com

3. Kennametal Helpline (reports can be made anonymously where allowed by law) <https://kennametal.ethicspoint.com> or by calling the telephone access number for your country on Kennametal's external ethics and compliance website (<https://www.kennametal.com/en/about-us/ethics-and-compliance.html>).

V. IMPROPER PAYMENTS AND BUSINESS COURTESIES

A. Prohibition on Improperly Influencing Business Decisions

1. Payments, Business Courtesies (including gifts and entertainment) or "Anything of Value": **No offers, payments, promises to pay or authorizations to pay any money, make any business courtesies or provide anything of value may be made by or on behalf of the Company to any Government Official, government - owned (or even partially government-owned) company, private company or anyone affiliated with a private company doing business with Kennametal anywhere in the world, except when authorized by this Policy and the Kennametal Inc's Global Business Gifts and Entertainment Policy.**

All gifts and entertainment involving government officials or government- owned entities are prohibited, regardless of value, unless advance written approval is provided by the Office of the General Counsel, Kennametal Inc.

The following are prohibited activities under this Policy:

- (i) Improperly influencing any act or decision of such person or party in his, her or its official capacity;
- (ii) Improperly inducing such person or party to do or omit to do any act that violates that person's or party's lawful duty; or
- (iii) Improperly inducing such person or party to use influence with a government or organization to affect or influence any act or decision of such government or organization.

2. Level of Knowledge Required for a Violation of Law: Actual knowledge of a violation is not required to violate the Anti-Corruption Laws. If an individual knows or has reason to know that an illegal act is likely to occur or is aware of a high probability of the existence of corrupt conduct by a Third Party, there may be a violation of one or more of the Anti-Corruption Laws. Deliberate avoidance of knowledge, willful blindness or conscious disregard of such knowledge may result in both the Company and the individual being deemed to have knowledge of the unlawful action.

3. Red Flags of Potential Corrupt Activity: The following are examples of activity that may indicate a “high probability” of an Anti-Corruption Law violation and must be promptly brought to the Officials whose coordinates are mentioned at IV.B above for further guidance:

- Excessive commissions to third-party agents or consultants;
- Unreasonably large discounts to third-party distributors;
- Third-party ‘consulting agreements’ that include only vague descriptions of service;
- Third-party consultant is in a different line of business than that for which it has been engaged;
- Third-party is related to or closely associated with a Government Official;
- Third-party became part of the transaction at the express request or insistence of a Government Official;
- Third-party is merely a shell company incorporated in an offshore jurisdiction; and
- Third-party requests advance payment or payment to offshore bank accounts.

B. Prohibition on Facilitation Payments

A “facilitation payment” (also known as a “grease payment”) is a small payment to a government official or clerk, which is primarily made for the purpose of expediting or ensuring the performance of a routine, non-discretionary government function. Facilitation payments are illegal under some Anti-Corruption Laws, and **Kennametal therefore prohibits facilitation payments.** A few examples of situations where facilitation payments may occur in order to expedite a function, yet are prohibited include: (i) obtaining permits or travel visas; (ii) connecting electricity or telephone service; and (iii) obtaining police protection. Immediately contact the Office of the General Counsel with any questions regarding facilitation payments.

C. Gifts, Entertainment and Hospitality

Kennametal prohibits offering or promising to offer improper gifts, entertainment and hospitality, such as the payment of hotel, transportation, meal and entertainment expenses, to both government and private company officials. Kennametal Inc’s **Global Business Gift and Entertainment Policy** defines when and how gifts and entertainment can be offered and accepted by Kennametal employees. Under approved circumstances, certain reasonable hospitality, nominal gifts and entertainment may be offered for legitimate business purposes.

Gifts, entertainment and hospitality must be:

- In compliance with Kennametal Inc's Global Business Gifts and Entertainment Policy (with necessary pre-approvals, where required) and the Code of Conduct;
- In compliance with applicable Kennametal travel and expense policies;
- Directly related to the Company's business, be of a reasonable amount, and provided in good faith;
- Any hospitality, travel, gift, or entertainment involving a government official or employee of a state-owned entity must be pre-approved by the Office of the General Counsel, Kennametal Inc, regardless of value;
- Permitted under the local law of the applicable country; and
- Gifts bearing the Company logo or other items must be of small monetary value and distributed for approved promotional or commemorative purposes only (unless exceptions are approved under the Kennametal Inc's Global Business Gifts and Entertainment Policy).

D. Prohibition on Cash and Cash Equivalents

The offer, acceptance, or promise to offer or accept cash gifts, payments, or cash equivalents (including gift cards and coupons) of any kind (regardless of amount) from or to a Government Official or private company in connection with doing business with Kennametal anywhere in the world is strictly prohibited under this Policy and the Kennametal Inc's Global Business Gifts and Entertainment Policy.

VI. ACCOUNTING PROVISIONS

All Kennametal bank accounts, books and records must be kept in reasonable detail to accurately and fairly reflect both foreign and domestic financial activities and expenditures. Applicable Finance policies and procedures must be followed. Contact your Finance business partner or the Corporate Controller for guidance.

VII. DUE DILIGENCE REQUIREMENTS FOR THIRD PARTIES

Kennametal and its directors, officers and employees are potentially liable for the unlawful acts of Third Parties who provide anything of value to improperly influence a decision when acting on behalf of or in connection with its representation of the Company or its products or services. As defined above, third parties for purposes of this Policy means sales agents, representatives, and distributors. Suppliers of goods and services to Kennametal anywhere in the world are subject to the Kennametal Inc's Global Sourcing Policy and associated review processes.

Risk appropriate due diligence and on-going monitoring of Third Parties is required by this Policy, as specified in more detail below. **Attachment A** of the Policy defines the risk factors used to evaluate Third Parties and determine appropriate risk-based due diligence steps. The Kennametal business unit or partner is responsible for ensuring the due diligence required by this Policy is completed in coordination with the Kennametal Inc's Office of the General Counsel and Office of Ethics and Compliance.

A. Initial Due Diligence Requirement

All proposed new Third Parties of Kennametal or any of its affiliates globally must complete the anti-corruption risk assessment and due diligence process defined by the Kennametal Inc's Office of Ethics and Compliance ("OEC") prior to signature of the contract with the proposed business partner. Completion of this due diligence is a required approval step in the electronic contract management workflow process.

It is the obligation of the Kennametal business unit representative to ensure timely and sufficient information, including the initiating due diligence questionnaire, is provided to the OEC to enable the OEC to complete the required anti-corruption due diligence review process for proposed new Third Parties. The level of anti-corruption due diligence required is determined by the proposed Third Party's risk score: low, medium, or high. The risk score is determined based upon predefined factors established by the Company, including country of operations and sales, projected revenue, potential for government interaction, and affiliations with governmental authorities or officials. The OEC will provide the results of the anti-corruption due diligence review to the Kennametal business representative for review and discuss any notable findings or concerns. The OEC and/or Office of the General Counsel will offer recommendations to the Kennametal business representative on how or whether to complete on-boarding of the Third Party based upon the diligence results and risk factors. Copies of the due diligence report are maintained by the OEC in the global electronic diligence system. All other documentation is maintained by the relevant Kennametal business representative.

Third Party contracts must contain approved anti-corruption and anti-bribery compliance terms and conditions that includes compliance with and reference to this Policy, which is also posted on Kennametal Inc's external ethics and compliance website in multiple languages.

B. On-going Monitoring and Follow-Up Due Diligence

The Kennametal business representative is required to actively monitor existing Third Parties for compliance red flags, such as those listed in Section V. of this Policy, as well as other indications of suspicious or corrupt activity. Any concerns must be promptly reported to the OEC and/or the Kennametal Inc's Office of the General Counsel so an appropriate investigation can be conducted and mitigation measures implemented.

Once the initial due diligence process is completed by the OEC, Third Parties will be subject to periodic follow-up due diligence (monitoring) during the life of the relationship. The OEC will collaborate with the Kennametal business units to complete periodic due diligence follow-up reviews. The reviews of existing Third Parties will be conducted using risk-based factors.

VIII. DISCIPLINARY ACTION AND LEGAL PENALTIES

Failure of employees to comply with this Policy and associated Company policies and guidelines may result in disciplinary action, up to and including termination of employment from Kennametal.

IX. COMPANY POLICY REFERENCES

The following documents are available to all employees on the Legal and Ethics section of the [Policies SharePoint site](#) from The Hub:

- Code of Conduct
- Global Business Gifts and Entertainment Policy
- Global Records Management Policy
- Non-Retaliation and Reporting Obligation Policy
- Conflicts of Interest Policy
- Global Sourcing Policy

Attachment A – Summary of Risk Factors and Due Diligence Steps

Anti-corruption due diligence is performed on all new Third Parties as detailed in this Policy. In addition, selected Third Parties are reviewed periodically based on relevant risk factors (e.g. country of operation, government interaction, sales volume, etc.).

The Third-Party due diligence process begins with the completion of the due diligence questionnaire by the Kennametal business representative, with input from the proposed Third Party; the questionnaire is maintained by and communicated from the Office of Ethics and Compliance (OEC) to the business units. The responses to this questionnaire are entered into the electronic due diligence platform by the OEC for risk scoring.

The following factors are used to determine the risk score for the Third Party:

- Country of headquarters and countries where product is marketed/sold;
- Expected / historic annual sales revenue;
- Government ownership of the Third Party;
- Sale or marketing of products / services to a government entity; and
- Method of compensation other than Kennametal standard contract terms.

Based on the above factors, a risk score is calculated and assigned to the Third Party. The risk scores are: Low, Medium or High. Based upon the risk scores, due diligence procedures are performed on the Third Party by the OEC and communicated to the Kennametal business representative.

- Low Risk will be focused on a continuous assessment of the management team and the company appearing on any government sanctioned party list or the Politically Exposed Persons (PEP) List.
- Medium Risk incorporates the Low Risk screening and also includes assurances from Third Party management that the business is run in a compliant manner; red flags are examined in more detail. A second-level questionnaire that focuses on Third Party business organization, ownership, key personnel, and financials is used for Medium Risk.
- High Risk incorporates both the Low and Medium Risk elements but also includes a detailed comprehensive anti-corruption review, with evidentiary requirements from the Third Party.

Upon successful completion of the anti-corruption due diligence process, the Third Party will receive risk-appropriate anti-corruption compliance awareness training.
