

# Code of Conduct

Aarti Surfactants Limited

Compliance Department



## PREAMBLE

Aarti Surfactants Limited (hereinafter may be referred as ‘the Company’ or ‘ASL’ or ‘Aarti’) business practices have been governed by our Values, Care, Integrity, and Excellence. In this way we want to be a reliable partner for our customers, suppliers, employees, and the shareholders.

We want to continuously grow resulting in increased profitability profitably but not at all costs. Acting irresponsibly can lead to considerable damage. For this cause, compliance with applicable rules, regulations, codes, guidelines, and policies must be regarded as permanent feature of our corporate culture.

This Code of Business Conduct specifies and helps the continued implementation of the Company’s values by establishing certain non-negotiable minimum standards of behaviour. Let us consistently orient our daily conduct towards each other, our business partners and public accordingly.

Employees are guided by the following basic principles:

- avoid any conduct that could damage, or risk ASL or its reputation;
- act legally and put the Company’s interests above personal interests.

For the purpose of this Code, references to “employees” include employees, associates, officers and directors of ASL.

## I. COMPLIANCE

### **We respect the law always**

We respect and comply with all applicable local, national and international laws and regulations, wherever we do business. Compliance with these laws and regulations is a prerequisite for lasting corporate success. Violations can have severe consequences such as criminal convictions, fines, and reputational damage.

We do not tolerate such violations and expect our employees and business partners to conduct business according to applicable laws and regulations. Where national legal

requirements are more restrictive than the rules followed at Aarti Surfactants Limited, these national legal requirements are met first.

## **II. ETHICS**

### **A. Integrity, Bribery, and anti - corruption**

We act with integrity when dealing with others and expect business partners (e.g. private or business customers, suppliers, agents and consultants) to observe relevant legal requirements. We do business with third parties who conduct business ethically and do not subject the Company to criminal or other liability or cause the Company or Group reputational harm.

Bribe is offering, promising, giving or accepting any monetary or other advantage or something of value to improperly influence a decision in one's favour. Bribery may be active or passive and may include payment to government officials, public servants at national, local, or international level, political parties, to contractors for award of contract, obtain permits or regulatory approvals, break laws or regulations. It also includes kickbacks- the giving or receiving of personal payments to influence the awarding of a contract or other favourable business transaction.

### **B. Conflict of interest**

We expect loyalty and integrity from all our employees. This means that all employees will act solely in the interests of the Company within the scope of their employment in the Company. Private or personal business interests must not be allowed to interfere with or obstruct the business interests of the Company. A conflict of interest exists when actions or private interests interfere in any way – or even appear to interfere – with the interests of the Company.

Every employee is expected to disclose to the supervisor, manager, or HR the existence of any potential conflict of interest and take measures to get it resolved to bring to a level of fair business practices.

### **C. Anti-Competitive Behaviour**

The Company stands for fair and undistorted competition. The Company expects its employees to refrain from taking part in agreements or concerted practices with other companies that restrict competition or breach anti-trust laws.

#### **D. Protection of Data Privacy**

The Company places great importance on protecting the personal data of its employees and business partners. All personal data collected and held by the Company is processed fairly, transparently, carefully and in compliance with the locally applicable data privacy laws. Business information of our partners that is shared with us is kept confidential and shared with concern only on 'Need to know' basis for execution of the transaction. Confidential information shall not be disclosed / shared to anyone outside the company without proper authorization or unless required by law.

#### **E. Responsible marketing**

Respecting individuals, society and the environment, the Company's communication (whether marketing or otherwise) is to be made in the manner that is legal, ethical, transparent, and truthful. Communicators must not breach any laws, regulations, or industry codes of conduct.

#### **F. Insider Trading**

Connected persons and employees, possessing insider information i.e. specific confidential information that could have a potential influence on the price of Company's shares, are not allowed to use this information for the trading of shares or other financial instruments, nor can they pass on insider information to third parties or use it for recommending the purchase or sale of shares and other financial instruments. All concerns are therefore expected to adhere Company's 'Code on Prohibition of Insider Trading' and relevant regulation in that respect.

#### **G. Money laundering**

Money laundering is a process of taking the proceeds of serious criminal activities like drug trafficking or terrorist activities and making their origin appear legal. It allows criminals to transform illegally obtained gain into seemingly legitimate funds and prevents them from being confiscated by the police.

## **H. Fraud**

Fraud is intentional deception or illegal, unethical, dishonest, or improper conduct that could result in gain, profit or advantage to an employee or harm or loss to the Company or another party. Engaging in fraud is a fundamental breach of our core value of care and integrity and the Company treats it as a most serious breach of Code of Conduct. Fraud can occur in part of the company, in many ways, employees must protect the company's assets and to this end, employees must not commit any fraud or be complicit and report any suspected or attempted fraud, unexplained disappearance of funds or assets, or other suspected criminal activity. All cases of fraud will be investigated, recovery of losses arising will be pursued and disciplinary procedures fully enforced against employees engaged in or complicit in fraudulent acts.

## **I. Intellectual Property [IP]**

Intellectual Property, including competitively sensitive proprietary information, copyrights, patents, trademarks, service marks, trade secrets, design rights, technology, process, R&D, information, business plan, logos, brands and know-how, should be protected by every employee of the Company. To the extent permitted by law, the rights to all IP created using the Company's resources shall be the property of the Company. Employees should promptly disclose any works, inventions or developments they create to obtain legal protection over them.

## **III. LABOR PRACTICES AND STANDARDS**

As we give highest priority to the health, safety, and security of our employees we provide humane working conditions to our employees, value their dignity and ensure that their human rights are not violated.

### **A. Working conditions**

No employee should work in an unsafe or hazardous working condition and should immediately report to seniors or safety committee if any such situation is found.

All the employees, especially those who deal with hazardous chemicals should undergo safety training and should also be aware of the emergency plan.

### **B. Human Rights**

Respect for human rights is an integral part of our corporate responsibility. We respect the dignity and individual rights of every employee and colleague as well as third parties with whom we do business.

#### **C. Career Management & Employee Development**

A great deal of importance is attached to the further development of employees, who are the most valuable assets for the future of company and investment in their training is important. We expect active participation of all the employees in the designed career management programs and undergoing training to achieve the required skillsets.

#### **D. Child & Forced Labour**

The Company does not accept any form of forced labour or child labour within the Company. It condemns any form of exploitation or discrimination and strictly complies with legal regulations.

#### **E. Discrimination**

The Company works consistently to provide workplaces free of discrimination and harassment based on gender, ethnic background, religion, age, disability or sexual orientation.

This diversity is promoted and respected without exception. All employees deserve mutual respect. Every person is entitled to fair and respectful treatment. The Company is committed to a diverse working environment, in which each person's uniqueness is recognized and every individual is treated with courtesy, honesty and dignity. Harassment, bullying or intimidation is not tolerated.

### **IV. ENVIRONMENTAL, HEALTH AND SAFETY**

Protection of the environment is an integral part of Aarti's corporate responsibility. The Company is committed to continue complying with all environmental regulations and standards applicable to its operations and using environmentally conscious practices at all its locations.

The Company provides a safe working environment for its employees by meeting applicable legal requirements or Company guidelines with regard to health and safety. Managers, in

particular, have the task of ensuring that appropriate health and safety precautions and measures are in place to ensure compliance with the company's requirements.

## **V. BOARD DIVERSITY AND INDEPENDENT DIRECTORS**

Aligning with regulatory requirements the basic philosophy behind an endeavour towards better corporate governance is to achieve business excellence. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's long term sustainability, success and image. The Company's Board encompasses optimum number of independent directors, who are additionally governed by Code of Conduct consisting their duties, role & responsibilities.

## **VI. REPORTING AND CONTACT PERSONS**

Our employees always find an open door and are encouraged to speak up freely and without fear of repressive measures. Reprisals against employees who express their concerns in good faith are forbidden. To clarify questions with regard to this Code of Conduct or address misconduct, employees can always contact a person in their immediate working environment.

Notifications about substantial violations of the Aarti Group Code of Conduct, specifically illegal business practices, can be made using Company's Vigil Mechanism at any time. Whistle Blower Policy is made available on the Company's Website.

## **VII. DISCIPLINARY ACTIONS**

The matters covered in this Code of Conduct are of utmost importance to the Company and its stock-holders and are essential to the Company's ability to conduct its business in accordance with its high standards of inherited rich values. All our Directors, top management team, employees, agents, contractors and consultants are expected to adhere to these rules in carrying out their duties for the Company. The Company will take appropriate disciplinary action against the person whose actions are found to violate this code.

## **VIII. COMPLIANCE WITH THIS CODE**

This Code sets out the principles and practices that must be observed in letter and spirit by all the directors, senior management, and employees, as we also expect it to be followed by

our business partners. It may not cover all possible situations that may occur, but it is designed to provide a frame of reference against which we can measure our activities and take decisions. A guidance can be obtained in doubt about the proper course of action in a given situation, as it is the ultimate responsibility of each one of us to “do the right thing, in a right manner and at right time”.

\*\*\*\*\*