

22.0 Environment, Social & Governance
P22.8 Code of Conduct Policy
Vardhman Group

Document Attributes

Policy Document Number	VG/ ESG/ P22.8 Code of Conduct Policy	
Policy Owner(s)	Functional Head	
Process Approvers	Board Chairperson	
Process Council	ESG Committee	
Applicability	Vardhman Group	
Review Frequency	As & When	
Version and Issue Date	Version 01.0	January 2025

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22.8.1. Objective

The objectives of a Code of Conduct are designed to establish clear standards and guidelines that shape ethical behavior, promote a positive organizational culture, and ensure compliance with legal and regulatory requirements. The same shall be achieved by adopting a policy to conduct its business with responsibility, integrity, fairness, transparency, and honesty.

A well-defined Code of Conduct serves as a framework for employees, senior management personnel, and stakeholders to understand the values and expectations of the company. Below are the primary objectives of implementing a Code of Conduct within a company:

- Promote ethical behavior in all aspects of the company's operations.
- Prevent unethical practices such as money laundering, insider trading, and anti-competitive behavior.
- Ensure compliance with applicable laws and regulations.
- Foster an inclusive, safe, and environmentally conscious workplace.

A Code of Conduct provides a foundation for ethical decision-making and behavior in the workplace. While it may not address every situation, it outlines key ethical standards, ensures legal compliance, and promotes respect, inclusion, and environmental responsibility. This helps employees understand their role in maintaining the company's reputation and success, enabling the organization to navigate challenges, sustain growth, and contribute positively to society.

22.8.2. Scope & Applicability

This policy applies to:

- All Employees including Own and Contractual workers,
- Senior Management Personnel including Board Members and Stakeholders engaged with the company in any capacity,
- Stakeholders including Vendors, Customer, Contractors, and Any Value Chain Partner.

Further, all directors, officers, employees and trainees of the company, retainers, contract workers ("Employees") are expected to read and understand this Code, uphold these standards in day-to-day activities, comply with all applicable policies and procedures, and ensure that all agents, contractors, representatives, consultants, or other third parties working on behalf of the company (collectively referred to as "Third Party Agents") are aware of, understand and adhere to these standards, as applicable

22.8.3. Values & Ethical Conduct

1. Employees must uphold the organizational values as mentioned below:

- Excellence
- Commitment to focused growth in our field
- Believe in power of Human Potential
- Strong business ethics

2. Trust is earned from others as a result of our commitment to these values and the ethical manner in which we behave. Employees have a responsibility to protect the Company's reputation in everything they do and say. This includes:
 - Adhere to all applicable laws, regulations, and organizational policies. Employees are expected to understand and follow all guidelines relevant to their roles and jurisdictions;
 - Following Company policies and procedures;
 - Working with suppliers, third parties, and agencies to ensure high ethical standards are maintained;
 - If in doubt, seek guidance and always do the right thing.
 - Treat colleagues, clients, suppliers, and other stakeholders with dignity and respect. Discrimination, harassment, or any form of misconduct will not be tolerated.
 - Employees must avoid any personal, financial, or professional conflicts of interest that could compromise the organization's reputation or decision-making processes. Disclose potential conflicts promptly to your supervisor or the ethics committee.
 - Engage in fair and transparent business dealings. Avoid activities such as bribery, corruption, or unfair competition. All interactions with clients, suppliers, and partners must be based on honesty and mutual respect.
 - Employees must act responsibly towards the environment, ensuring sustainable practices in their professional activities. Strive to minimize waste and support initiatives that promote environmental stewardship.

22.8.4. Performance of Assigned Duties

To use due care and diligence in the performance of duties and to own up to the responsibilities for the results delivered. To refrain from accepting concurrent employment or doing any business or holding a position of responsibility or providing consultancy, for remuneration or otherwise.

22.8.5. Protection of Company's Right

1. To utilize the Company's assets, both tangible and intangible, including proprietary information most efficiently and economically and for legitimate and official purposes only.
2. To safeguard the Company's Property against loss, damage, misappropriation, theft, etc. Photography/videography on the shop-floor is prohibited for personal use as well as for purposes which may promote conflict of interest in any manner.

22.8.6. Relationship with Business Associates

1. To deal with the customers, suppliers, bankers, financial institutions, and other business associates like vendors, contractors, transporters, agents, etc. with respect and dignity so as to build a relationship of trust and confidence.
2. To act in the best interest of the Company to the exclusion of considerations of direct or indirect personal preference or advantage when dealing with customers, suppliers, contractors, or any person doing or seeking to do business with the Company.

22.8.7. Bribery & Corruption

1. Employees shall not give or accept improper payments or gifts in order to conduct business. Employees shall agree to the terms of supplier payments at the start of business and pay in accordance with our contractual obligations.
2. Employees shall not get involved in any business transactions that could result in personal benefit. Employees shall not use their position as a company employee to get discounts from contractors/suppliers unless they are corporate agreed discounts notified and made available to all employees, or do personal business unless expressly authorized by management.
3. **Bribery, Gifts, and Entertainment:** Employees shall not offer, give or receive bribes, any payments including facilitation payments, gratuities or gifts, directly or through a supplier, third party or agent, to obtain, retain, or conduct business in any jurisdiction in which they operate. Employees shall refuse entertainment unless it is within the bounds of accepted business hospitality. Always seek guidance and approval from the Unit Head/ Business Head before accepting or giving a gift or entertainment. Unit Head/ Business Head shall be the approving authority to approve any vendor and external parties.

22.8.8. Conflict of Interest

1. To be scrupulous in avoiding situations wherein personal and financial considerations tend to compromise the exercise of professional judgments in discharging of duties and not to allow personal interest to conflict with the interest of the Company.
2. To abstain from engaging in any business dealing, relationship or activity with business associates where one is directly or indirectly interested through relatives or otherwise, if it conflicts with the interest of the Company or impairs the ability to make objective and fair decisions while performing the job.
3. To refrain from exploiting for own personal gain any opportunities that arise through the use of the Company's property, information, or position.
4. To refrain from involving and engaging in any other activity that could create the appearance of a conflict of interest and thereby impair Vardhman's reputation.

22.8.9. Confidentiality

1. To respect and maintain the confidentiality of all information acquired in the course of the performance of duties and not to disclose such information except when it is authorized or legally required.
2. To abstain from deriving any benefit or assisting others to derive any benefit from the access to and possession of information about the Company which is not in the public domain and thus constitutes insider information.

22.8.10. Participation in Political Activity

1. To refrain from contributing Company's funds, directly or indirectly, to any political party or committee, domestic or foreign, or to any candidate for or holder of any office of the government-national, state, local, or foreign, unless it is legally permissible and is appropriately authorized.
2. Employees are discouraged from actively participating in any of the political activities and avoid linkages with political parties.

22.8.11. Gift & Donation

To refrain from seeking, accepting, or receiving, directly or indirectly, any gift, payment, or favour whatsoever form including exclusive hospitality from the Company's business associates (as defined in Relationship with Business Associates) and to ensure that the Company's interests are never compromised.

22.8.12. Adherence to Law & Company's Policy

1. Compliance with applicable Laws & Regulations so far as conducting the affairs of the Company is a norm to be adopted. Within one's area of responsibility, one should try to be fully conversant with the latest legal provisions.
2. To adhere to various policies, rules, and procedures laid down by the Company from time to time.
3. To bring it to the notice of the Management immediately if someone finds any other employee not complying with the Company policies.

22.8.13. Innovation & Intellectual Property

1. As a term of employment with the Company, the Company owns any inventions, discoveries, and improvements employees make during the course of employment and all related intellectual property rights. The Company shall be entitled to the exclusive use of these rights, as far as the law permits and employees shall have no right to use them for their own purposes unless otherwise agreed in writing.
2. Copyright and similar rights in work created during employment shall also be owned by the Company and employees agree to waive any moral rights they may have. It is also a term of employment that employees do everything necessary, during or after their employment, to enable the Company - at its request and expense - to obtain patents, design, copyright, trade mark, and similar protection.

22.8.14. Smoking

All Vardhman Units and Corporate Office are smoke-free. This means that smoking is not allowed anywhere on Company premises, including our colonies, bachelor hostels, or in company cars. To protect the image and reputation of the Company, smoking is not allowed in areas visible to customers/ visitors entering or leaving any company premises.

22.8.15. Social Networking Sites

1. Social Media policy of the company lays down guidelines for employee use of social media such as blogs, wikis, microblogs, message boards, chat rooms, electronic newsletters, online forums, social networking sites, and other sites and services that permit users to share information with others in a contemporaneous manner.
2. The guidelines aim to help employees establish and maintain respectful, knowledgeable interaction with people on the internet in a way that mitigates risk for employees and the Company.
3. Employees are encouraged to consider carefully what they post online and follow the guidelines in the Social Media Policy.

22.8.16. Zero Tolerance

1. The company has a zero-tolerance policy and shall not tolerate violence, threats, harassment, intimidation, and other disruptive behavior, either physical or verbal, that occurs in the workplace or other areas.
2. If any employee observes or experiences such behavior, he/she shall immediately report it to HR/ Unit Head.
3. Following are the examples of behaviors but not limited to that are not acceptable in work premises including colony/hostel or when employees are elsewhere on Company business:
 - assault or threatening behavior;
 - threatening or abusive language involving excessive swearing or offensive remarks;
 - derogatory racial or sexual remarks;
 - malicious allegation relating to members of staff, other patients or visitors
 - Offensive sexual gestures or behaviors;
 - inappropriately consuming alcohol on our premises;
 - use, possession, or supply of illegal drugs;
 - corruption or any other financial offence;
 - wilful damage to Company property;
 - theft;
 - threatening behavior;
 - violence;
4. If an employee is found guilty of engaging in any of the above-listed behaviors, he/she shall be immediately terminated.

22.8.17. Harassment & Abuse

1. Every employee is entitled to work in an environment free from harassment or discrimination. The code expects that all employees will treat other employees equally with courtesy and fairness. The company will not accept behavior by employees that could be considered offensive, humiliating, intimidating, bullying, or construed as harassment or discrimination on the basis of Age, Gender,

Caste, Creed, Religion, Language, Ethnicity, Disability, Sexual orientation, Race/Racial, Colour, Marital Status and any other status protected by appropriate laws; or unfairly causing harm to the reputation and career prospects of other employees either at the time of recruitment or during employment.

2. In order to provide a safe working environment for all employees, the Company has adopted a policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and The Indian Penal Code, 1860 (Bharatiya Nyaya Sanhita, 2024) Section 503 & 504. The policy expressly prohibits sexual harassment at the workplace and provides an effective grievance procedure. It will be the responsibility of all employees to adhere to the policy in letter as well as spirit. The words “Sexual harassment” includes unwelcome acts or behavior namely:
 - physical contact & advances;
 - a demand or request for sexual favors;
 - sexually colored remarks;
 - showing pornography;
 - Any other unwelcome physical, verbal, or non-verbal conduct of a sexual nature.
3. The following circumstances may amount to sexual harassment of all employees:
 - implied or explicit promise of preferential treatment in their employment;
 - implied or explicit threat of detrimental treatment in their employment;
 - implied or explicit threat about their present or future employment status;
 - interferes with their work or creates an intimidating or offensive or hostile work environment for them
 - humiliating treatment likely to affect their health & safety

22.8.18. General Guidelines

1. To act in accordance with the highest standards of personal and professional integrity, honesty, and ethics so that the conduct is free from fraud and deception and helps foster a culture of honesty, truthfulness, reliability, accountability, and respect for human values in the organization.
2. To display high character and conduct that is in line with the organizational values outside the workplace where an employee is acting as an ambassador of the organization.
3. To immediately disclose to the Personnel Department the appointment of any of the relatives including spouse, children; brothers, sisters, and parents of self and spouse.
4. To encourage the persons who are in relation and applying for a job in the company, to declare their relation to the personnel department.
5. To report to work properly groomed, wearing appropriate clothing consistent with the nature of work performed.

6. To refrain from communicating with any member of the press or publicity media or any other outside agency on matters concerning the Company except through the designated spokespersons or authorized otherwise.
7. To use electronic resources in an effective, ethical, and lawful manner and to prohibit the usage of Internet facilities from accessing unauthorized, illegal, and immoral websites.
8. To refrain from forwarding unnecessary and undesirable e-mails and SMS within and outside the organization.
9. Not to involve oneself in active trading of stocks and shares.

22.8.19. Roles & Responsibilities of Employees in Supporting Code of Conduct

1. Avoid any conduct that could damage or risk the company, its officers, directors, and promoters, or their reputation.
2. Act legally and honestly.
3. Put the Company's interests ahead of personal or other interests,
4. Decisions made, and actions taken, must be consistent with company values & objectives.
5. If in doubt about a decision, escalate to a higher level of management for broader consideration.
6. Should you ever see a deviation from the above principles, utilize appropriate channels to report the violation.
7. You should also check the company policies, procedures, and employees handbook as adopted at the respective location where you are posted for specific instructions.
8. Attend all required EHS & other mandatory training and maintain certifications.
9. Report hazards, unsafe practices, or environmental concerns promptly.
10. Comply with PPE (Personal Protective Equipment) requirements.
11. Act in accordance with the principles outlined in the Whistleblower Policy and Equal Opportunity Policy.
12. Report misconduct or discrimination promptly and fairly.

22.8.20. Roles & Responsibilities in Managerial Role for Supporting Code of Conduct

1. It is of particular importance that those with management responsibilities lead by example and act with integrity, making ethical behavior a cornerstone of conduct at the Company. If an employee leads or manages others, the employee shall :

- Be a positive role model by showing what it means to act with integrity;
 - Ensure that others have the knowledge and resources they need to adhere to the Company's standards.
 - Set clear, measurable, and challenging goals that promote ethical behavior.
 - Enforce the Company's standards consistently and fairly, and promote compliance with those he/she leads.
 - Be prepared to be held personally accountable for his/her integrity shortcomings as well as those of the people he/she leads.
 - Respond appropriately to those who raise questions and concerns in good faith.
2. If an employee observes any activity that qualifies under the following activities, it is a fundamental duty of the employee to report the matter to senior management of the organization:-
- Illegal
 - Unethical
 - Violation of code of conduct
 - Violation of company's rules & regulations
 - Any other matter which damage the organization's business and reputation.

22.8.21. Unethical Conduct

1. Unethical conduct refers to an act, actions, behaviors, or practices that contravene prevailing societal norms or are deemed unacceptable by a company or society at large. Such conduct often leads to disappointment or disapproval within the given social or organizational framework.
2. Every employee shall be responsible for the implementation of and compliance with this code in their professional & workplace environment.
3. Failure to adhere to the code of conduct could attract the most severe consequences, including verbal or written warnings to suspension, termination, and even legal ramifications, depending on the severity of the violation, as the case may be.
4. Following are some examples of unethical behavior, practices, act, or actions, but not limited to, of circumstances or instances under which disciplinary action can be pursued against the employees.
 - i. Found to engage in any act of moral turpitude and subsequently convicted by the Apex Court under any law pertaining to offenses involving suppression of significant information or giving false information, having regard to the nature of employment.
 - ii. If convicted under cognizable & non-cognizable offence, defined as actions contrary to principles of justice, honesty, modesty, or good morals, shall be arrested by police or any law enforcement agencies in accordance with applicable law/ legislation.
 - iii. Conviction in any Court of Law for any criminal offence involving moral turpitude.
 - iv. Arrest by police in any offence.

- v. Theft, fraud, or dishonesty in connection with the business or property of the establishment and employees.
- vi. Taking or giving any illegal gratification whatsoever in connection with the employer's business or his/her interest.
- vii. Willful insubordination, or disobedience, whether alone or in conjunction with another or others, or of any lawful or reasonable order of a superior. The order of the superior should normally be in writing.
- viii. Habitual absence without leave or unauthorized absence from duty for consecutive ten days or more without sufficient justification or cause.
- ix. Drunkenness or intoxicating or disorderly or riotous behavior during working hours at the establishment or conduct and endangering the life or safety of any person.
- x. Gambling within the premises of the establishment.
- xi. Engaging in trade or business.
- xii. Advancing or collecting money within the premises of the establishment without the permission of the employer.
- xiii. Canvassing for trade union membership and collection of Union dues within the premises of the establishment except as permitted by the management.
- xiv. Striking work or engaging in a strike that contravenes legal provisions.
- xv. Inciting or instigating other employees to take part or otherwise act in furtherance of a strike of the employees of the establishment in contravention of the provisions of law or these standing orders.
- xvi. Disclosing to any unauthorized person confidential information related to the establishment.
- xvii. Taking or smuggling or being found in possession of any lethal weapon in toxicants, explosive material, etc. in the establishment.
- xviii. Willful falsification, defacement, or destruction of records of the establishment.
- xix. Unauthorized occupation or use of company quarter, telephone, conveyance, or other property
- xx. Sexual harassment including such unwelcome sexually determined behavior (whether directly or by implication) such as:
 - Physical assaults of a sexual nature, such as rape or sexual assault, attempt to commit such acts or physical intent such as touching, pinching, fondling, or any other gesture against the body of another individual;

- Sexual advances, sexual proposals or comments with sexual connotations such as equivocal gestures, noises, remarks, jokes or comments about a person’s sexuality or sexual experiences;
 - Preferential treatment or promise of preferential treatment in exchange for sexual favours from a person including solicitation only
 - Intimidation, threats, or barriers to career progression because of the gender of the person concerned;
 - Reprisals in response to a sexual harassment complaint.
 - Showing pornography
- xxi. Preaching of or inciting to violence
- xxii. Causing willful damage to work in progress or to the property of the employer
- xxiii. Abetment of or attempt at abetment of any of the above acts of misconduct
- xxiv. Breach of any legal act, rules, regulations, or by-laws there under or of any Certified Standing orders.
- xxv. Any other circumstances or instances that management or committee consider pertinent regarding unethical conduct by the employee.
- xxvi. If, at any time, the company becomes aware of a compromise to the aforementioned conduct or any violations of the above guidelines, such infractions (a violation or infringement of a law or agreement) may result in disciplinary action against the involved employee by the company.

22.8.22. Anti-Trust

We believe fair competition provides an incentive for innovation and high-quality products for the benefit of consumers. We do not engage in or support any business behavior that has the objective or the effect of preventive, restricting, or distorting competition. We support all efforts to promote and protect competition including the legitimate protection of intellectual property in marketing rights. Employees who have to deal with competition issues in their work are expected to understand the basic ethical principle of competition and the importance of compliance with such principles. We are committed to complying with local laws and regulations with regard to prevent practices from having an appreciable adverse effect on competition.

22.8.23. Reporting Concern

Employees, Senior Management Personnel & Stakeholders can report any actual or possible violation of the code or an event that could affect the business or reputation of the Company through the following channels:

- i. Writing to ethics@vardhman.com.
- ii. Direct submission to the respective unit grievance committee/ in writing to the HR department, outlining the issue and desired resolution.

22.8.24. Governance

- The Environment, Social & Governance (ESG) Committee of the Board shall govern the Code of Conduct Policy.
- A designated committee oversees the implementation and adherence to this policy.
- This committee is responsible for periodic assessments and reporting compliance to the management.

22.8.25. Policy Review

This policy will be reviewed As & When needed, to ensure it will support continuous improvement in the code of conduct through regular assessments and stakeholder engagement.

22.8.26. Compliance Acknowledgement

- Refer to Annexure-1, Compliance Acknowledgement by Employees

Annexure-1, Compliance Acknowledgement

I have received and read the Company's Code of Conduct. I understand the standards and policies contained therein. I further agree to comply with the Company's Code of Conduct in letter and spirit.

Signature _____

Employee Name/ Employee Code _____

Unit / Company Name _____

Department _____

Date _____

(Please sign and return the acceptance of this Code to the Human Resource Department).