

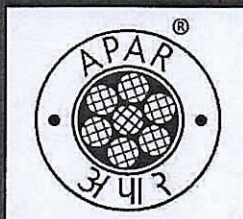
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**Tomorrow's Progress Today**

# **Apar**

# **Code of Conduct**



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## Statement of Ethics and Integrity

For more than 60 years, Apar has demonstrated a steady commitment to performance with integrity. At the same time we have evolved into a diversified USD 850 million conglomerate offering value added products and services in the areas of power transmission conductors, power distribution and other specialized cable and petroleum specialty products. We have built a great record of sustained growth through Innovation. We have built a reputation for lawful and ethical conduct.


Our Reputation implies Reliability, Innovation, Adaptability and Leadership.

It is therefore imperative on our part to ask each member of the Apar family to make a personal commitment to follow our Code of Conduct. This Apar Code of Conduct guides each and every one of us in upholding our ethical commitment and maintaining integrity in every department particularly in the Procurement and Sales department and to those who are involved in financial dealings.


**If you have a doubt or concern about what is proper conduct for you or anyone else, promptly raise the issue with your manager, an Apar ombudsperson or through one of the many other channels** the Company makes available to you. Do not allow anything to compromise your commitment to integrity.

Apar leaders are also responsible not only for their own actions but for fostering a culture in which compliance with Apar policy and applicable law is at the core of business-specific activities. Leaders must address employees' concerns about appropriate conduct promptly and with care and respect.

There is no conflict between excellent financial performance and high standards of governance and compliance - in fact, the two are mutually reinforcing. Doing Business with Ethics and Integrity is not an option. Its non-compliance will not be accepted under any circumstances. As we focus on becoming the pre-eminent growth company of the 21st century in India, we must recognize that only one kind of performance will maintain our reputation, increase our customers' confidence in us and our products and services, and enable us to continue to grow, and that is performance with integrity.

  
Kushal N Desai  
Chairman & Managing Director  
November 5, 2018

SK,

  
Chaitanya N Desai  
Managing Director  
November 5, 2018

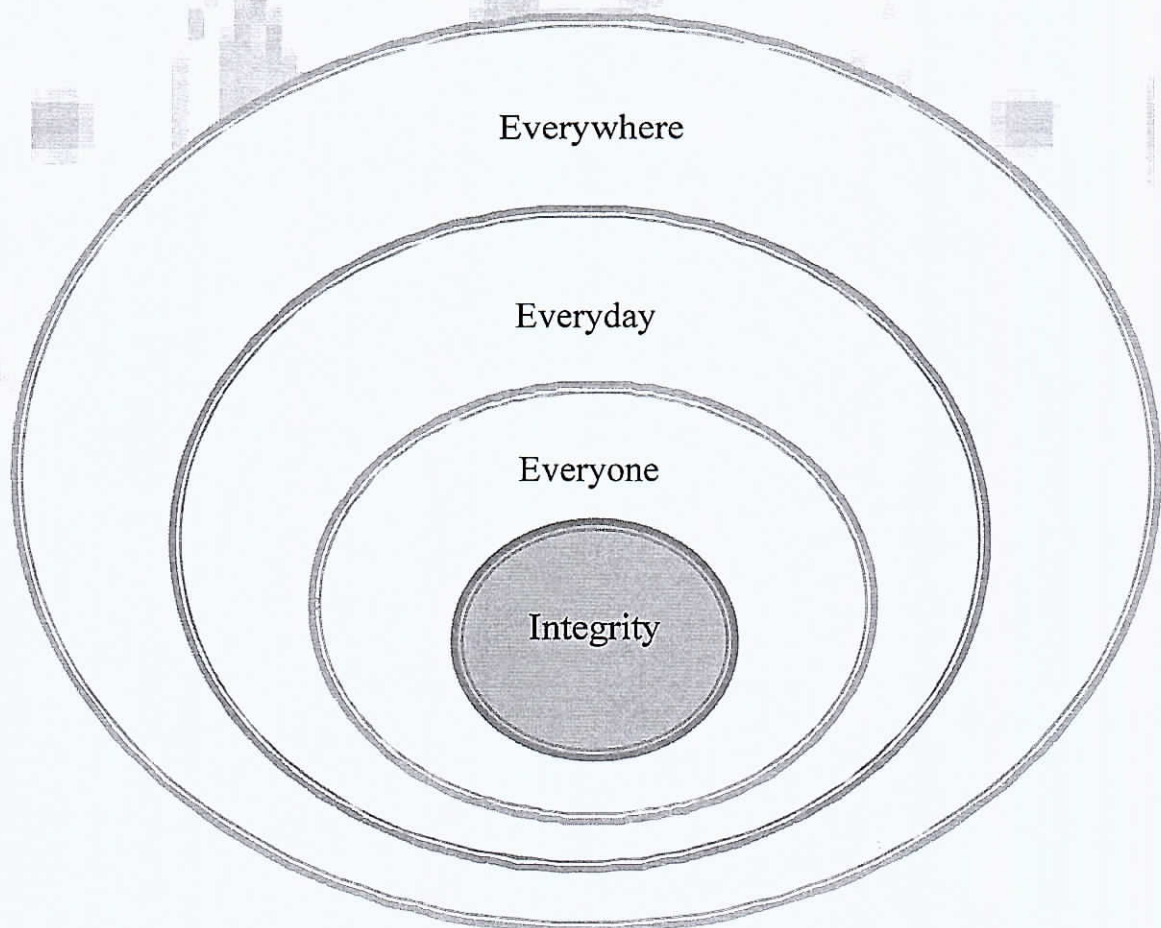
SK,

## Apar Code of Conduct:

### Guiding the way we do business

Every day, everyone at Apar has the power to impact our company's reputation. The Code of Conduct provides the moral compass that has guided us for more than 60 years. We still conduct our affairs with integrity in both letter and spirit.

Apar's Code of Conduct articulates the essence of Integrity by setting out general principles of conduct everywhere, every day and by every Apar employee.





## Apar Code of Conduct

Abide by the applicable laws, policies and regulations governing our business conduct globally.

- Be ethical, unbiased, trustful and respectful to everyone around our activities. Trust and Respect is the basis of Human Relations at Apar.
- Keep away from any conflicts of interest between work and personal gains in all decisions and transactions.
- Protect the confidentiality of all critical information, intellectual property and assets of Apar. Even if these are developed by an individual, as an employee of the Company it belongs not to the Individual but to Apar.
- The Company's interest comes first; the individual's is subordinated to the former.
- Strive to create a very safe workplace with zero accident and to protect the environment.
- Through leadership at all levels, sustain a culture where ethical conduct and actions that demonstrate integrity are recognized, valued and exemplified by all employees.



- Embrace the Apar DNA in each and every task you perform.

Reliability - Build trustworthiness through consistency with our stakeholders.

Innovation - Anticipating and Leading change in our Product and Services.

Adaptability - Change with the demands of a volatile and uncertain Business Environment.

Leadership - Expect the best from us in Product Quality, Competitiveness and Service.



## Your personal commitment

You will be asked to acknowledge your awareness. Every apar employee must follow the Apar Code of Conduct and raise concerns about possible violations of law or policy with your reporting manager / supervisor, HR, Apar Ombudsperson or other Apar compliance specialist.

Please remember the golden world – “When in doubt ask, escalate the matter for clarity. If the issue is important and has consequences, don’t take the burden to decide only on your own!

For the complete text of policies, visit [aparhrms.com](http://aparhrms.com) or contact your Divisional HR.

## Who must follow the Apar Code of Conduct

- Apar Directors
- Apar Employees
- Suppliers/Vendors/Business Associates and any other Third Parties representing Apar
- Subsidiaries and Controlled Affiliates of Apar.



## Salient Features

- All Apar Employees must understand the Code of Conduct in letter and spirit and enforce its compliance.
- Our leaders must frame a culture of compliance with the Code of Conduct and encourage every employee to follow it and allow a channel of communication for employees to raise their doubts and ask clarification.
- Integrity in Purchase and in financial dealings must be maintained – improper payments must not be taken. There is no compromise on this and its violation will lead to termination.
- Every employee should raise integrity concerns without any fear of any kind of discrimination, harassment, victimization etc.
- Any malpractice, impropriety, financial wrongdoing, using Company position for personal financial gain, violation of the Code of Conduct etc. can be considered as an unethical conduct.
- An employee should raise an integrity concern to his reporting manager/supervisor, HR, Apar ombudsperson or other Apar compliance specialist in a signed written Document / Email / SMS or Telephone, Fax of any other method, but not later than three months of the day on which he/she knew of the Concern. (for more details, kindly also refer the Apar Whistle Blowers Policy along with this Apar Code of Conduct).
- When an integrity concern is raised, it will be thoroughly investigated. Confidentiality will be maintained through the investigation.
- Employees and Leaders who violate the Apar Code of Conduct will be subject to disciplinary action as mentioned in the Code of Conduct and the model standing orders. If the offence is malicious and significant, the consequences will be severe.
- As Apar operates in various locations in and outside India, it is necessary to understand which laws and policies apply to the employee and operations of the company subject to the local laws and Regulations. This is required to avoid any violation. No employee can cite ignorance of the local law as that will not absolve him or the company from non-compliance, if any.



- Governance of the tender process must be followed strictly as per the following parameters.
  - The tender specifications must be written down in elaborately to the minutest detail. It should also be comprehensive.
  - The entire process must adhere to the law of the land.
  - Truthfulness in information and claims is non-negotiable.
  - Governance of the entire tender process is sacrosanct and will be under the supervision of the ethics committee.
- The ethics committee comprises the following members
  - Mr. Ashwin Shah, Senior Vice President Marketing
  - Mr. Sanjay Kumar, Vice President HR and Admin
  - Mr. VC Diwadkar, Chief Financial Officer
  - Mr. V. K. Lele, Vice President Finance

The review of the decisions of the committee can be done by the CMD/MD.



# Apar Code of Conduct

## Part I

### COMPANY CODE OF CONDUCT

*(Pursuant to the requirement of Corporate Governance Code)*

#### **“Responding Responsibly”**

Company's management believes in its company motto of **“Tomorrow's Progress Today”** and backed by **“A culture of High – Tech Innovation and Quality”**. Apar's quality policy for ISO-9001 is **“To satisfy customer needs and retain leadership by manufacturing and supplying quality products and services through continuous improvement by motivated employees”**.

**Apar Industries Limited (APAR)** is committed to this Code of Conduct

All employees and directors on the board of the Company including the senior management and the independent directors are expected to adhere to the following tenets of the code:-

#### **1. National Interest:**

APAR shall try and strive in its actions to benefit the economic development of States and Union Territories of India, in which it operates, and will try and avoid engaging in activities that could adversely affect such objectives.

APAR shall try and conduct its business affairs in accordance with the economic development and foreign policies, objectives and priorities of the nation's government and shall strive to make a positive contribution to the achievement of such goals at the international, national and regional level as appropriate.

#### **2. Financial Reporting and Records:**

APAR shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the Country in which the Company conducts its business affairs.

Internal accounting and audit procedures shall fairly and accurately reflect all of the Company's business transactions and disposition of assets. All required information shall be accessible to Company auditors – Statutory as well as Internal and other authorised parties and government

agencies. There shall be no wilful omissions of any Company transactions from the books and records, no advance income recognition and no hidden bank account and funds.

Any wilful or intentional material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of the code, apart from inviting appropriate civil or criminal action under the relevant laws.

### **3. Competition:**

APAR shall strive for fair trade practices in all the markets that it operates in.

APAR shall market its products and services on its own merits and shall not make unfair and misleading statements about competitors' products and services.

### **4. Equal - Opportunities to Employees:**

APAR shall run a meritocracy and provide equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality, disability and veteran status.

Employees of APAR shall be treated with dignity and in accordance with the policy to maintain a work environment free of sexual harassment, whether physical, verbal or psychological. Employee policies and practices shall be administered in a manner that would ensure that in all matters equal opportunity is provided to those eligible and the decisions are merit-based.

### **5. Ethical Conduct:**

APAR and its employees shall carry out all transactions with professionalism, honesty and integrity. They will not accept directly or indirectly, any illegal payments, remuneration or comparable benefits which are intended to or perceived to obtain business or un-competitive favours. However, APAR and its employees may accept and offer nominal gifts, which are customarily given and are of commemorative nature for special events. The value of these nominal gifts should not exceed Rs. 1000/-.

Unethical conduct shall include:

- a. Interfere with the laid down process.
- b. Not adhere to the process.
- c. Keep a supplier(s) out.
- d. Not allow new vendors and suppliers, products to go through a planned process.
- e. Lay down specifications that favour a particular supplier without complete transparency in terms of optimising the equation of Cost, Quality and Service.



## **6. Political Non-alignment:**

APAR shall be committed to and support the functioning of democratic constitution and system with a transparent and fair electoral system in India. APAR employees shall not support directly or indirectly any specific political party or candidate for political office.

## **7. Health, Safety and Environment:**

APAR shall strive to provide zero tolerance to unsafe practices, a healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in. APAR shall be committed to prevent the wasteful use of natural resources and minimise any hazardous impact of the development, production, use and disposal of any products and services on the ecological environment.

## **8. Corporate Citizenship:**

APAR shall be committed to be a good corporate citizen not only in compliance with all relevant laws and regulations but also by actively assisting in the improvement the quality of life of the less fortunate sections of this society through sponsorship of social welfare, education and other programs.

## **9. Public Representation of the Company:**

APAR honours the legitimate information requirements of the public and its stakeholders. Employees should avoid any unauthorised disclosure of Company or business information in all public appearance with respect to disclosing Company and business information to public constituencies such as the media, the financial community, employees and shareholders, APAR shall be represented only by specifically authorised directors and employees.

## **10. Third-party representation:**

Parties which have business dealings with the Company but are not members of the group such as consultants, agents, sales representatives, distributors, contractors, suppliers, etc. shall not be authorised to represent APAR, if their business conduct and ethics are known to be inconsistent with the code.

## **11. Shareholders:**

APAR shall be committed to enhance shareholders' value and comply with all regulations and laws that govern shareholders' rights. The Board of Directors of APAR shall duly and fairly inform its shareholders about all relevant aspects of the Company's business and disclose such information in accordance with the respective regulations and agreements.

## **12. Regulatory Compliance:**

Every employee of APAR shall, in his business conduct, comply with all applicable laws and regulations, both in letter and in spirit, where he / she operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the code then the standards of the code shall prevail.

## **13. Code for Independent Directors:**

All Independent Directors of Apar shall abide by the provisions specified in Para III of SCHEDULE IV (CODE FOR INDEPENDENT DIRECTORS) [Section 149(8) of the Companies Act, 2013] as enumerated below;

### **The independent directors shall—**

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which they are member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the company;
6. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
7. keep themselves well informed about the company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
10. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
11. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;



13. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **14. Duties of Directors**

All Directors of Apar shall abide by the provisions specifying the duties laid down in Section 166 of the Companies Act.

## Part II

### EMPLOYEE CODE OF CONDUCT

#### **1.1 PREAMBLE:**

- Apar Industries Limited expects all its employees to act in accordance with the highest level of professional and ethical standards. You must be committed to integrity (financial, moral and intellectual) in all aspects of your activities and comply with all applicable laws, regulations and internal policies. Intellectual integrity entails avoidance of proffering professional advice to the senior/decision maker even when one is aware of the contingent implications that may arise from the same. This tacit knowledge may be an outcome of the said functionary's background, experience, expertise or position, etc.
- In accepting a position with Apar Industries Limited or any of its subsidiaries, each of you becomes accountable for compliance with the law, with the Apar Industries Limited Code of Conduct (the Code), with the Apar policies and the practices of your respective business units. 'Ignorance is bliss' is not an acceptable dictum.
- The standards of the Code are not necessarily prescribed by the regulators - they are something which a well-respected institution must have in place and adhere to on an ongoing basis. We therefore expect a high level of ethical conduct.
- You must conduct your duties according to the language and spirit of this Code and seek to avoid even the appearance of improper behaviour. You should be aware that even well intentioned actions that violate the law or this Code may result in negative consequences for Apar Industries Limited and for the individuals involved.
- While covering a wide range of business practices and procedures, these standards cannot and do not cover every issue that may arise, or every situation where ethical decisions must be made, but rather set forth key guiding principles that represent Apar Industries Limited's policy

#### **1.2 CONFLICT OF INTEREST AND OUTSIDE ACTIVITIES**

##### **1.2.1 Conflict Of Interest – general principles**

- Conflict of interest can occur if our business practices sacrifice interests of one set of customers in favour of another or place business interests ahead of customers.



- You would be expected to be sensitive to any activities, interests or relationships that might interfere with or even appear to interfere with, your ability to act in the best interests of Apar Industries Limited and its customers.
- Examples of situations that could involve conflict of interest include:
  - a) Selling a product that is profitable for Apar Industries Limited but not appropriate for the customer;
  - b) Ownership, by employees or their family members, of a significant interest in any outside enterprise, which does or seeks to do business with the company, customer, competitor; should be disclosed.
  - c) Acting as a broker, finder, go-between or otherwise for the benefit of a third party in transactions involving or potentially involving Apar Industries Limited or its interests;
  - d) Working, in any capacity, for a competitor, customer, supplier or other third party while employed by Apar Industries Limited;
  - e) Competing with Apar Industries Limited for the purchase or sale of property, products, services or other interests;
  - f) Having an interest in a transaction involving Apar Industries Limited, a competitor, customer or supplier (other than as an employee of Apar Industries Limited and not including routine investments in publicly traded companies);
  - g) Directing business to a supplier owned or managed by, or which employs, a relative or friend.
  - h) Accepting bribe from suppliers, vendors and competitors etc.

### **1.2.2 Conflict of interest arising out of personal Investments**

While undertaking the personal investments, it should be borne in mind that such investments might not:

- Affect or appear to affect your ability to make unbiased business decisions for Apar Industries Limited;
- Be contrary to Apar Industries Limited's interests (e.g. using proprietary knowledge obtained through the course of employment to make investments that are not in the best interest of Apar Industries Limited);
- Be in the businesses of Apar Industries Limited's customers, suppliers, or competitors that could cause divided loyalty, or even the appearance of divided loyalty.
- Apar Industries Limited is a listed Company and employees need to comply with insider trading regulations while dealing in equity shares of Apar Industries and avoid any disclosure of sensitive information.

### **1.2.3 Conflict of Interest – Dos and Don'ts**

#### Do's

- Ensure complete integrity (conscious or otherwise) in all activities that you perform as an employee.
- Act in the best interests of Apar Industries Limited and its customers and handle activities, interests or relationships in a sensible manner.
- Disclose/declare to Apar Industries Limited about any employment/position (honorary/salaried) or support given to any external entity competing/ not competing with Apar Business.
- Integrity in Purchase and Financial dealings etc.
- Handle Conflict of interest as mentioned above.

#### Don'ts

- Receive improper benefits direct or through your relatives, friends or any other person.
- Undertake personal investments or outside activities that create conflicts of interest.

## **1.3 PRIVACY /CONFIDENTIALITY**

### **1.3.1 Proprietary and Confidential Information**

- You must always protect the confidentiality of proprietary and confidential information you obtain or create in connection with your activities for Apar Industries Limited, in accordance with the applicable law. Your obligation to protect such proprietary and confidential information continues even after you leave the company, and you must return all proprietary information in your possession upon leaving Apar Industries Limited.
- Proprietary and confidential information include any system, information, design, technical-drawings, formula or process that gives Apar Industries Limited or its licensors or collaborators an opportunity to obtain an advantage over competitors; non-public information about Apar Industries Limited businesses, its customers and its employees, any other non-public information received.
- Proprietary and confidential information of Apar Industries Limited, collaborators, a customer, supplier or distributor, should not be disclosed to anyone (including other employees) not



authorized to receive it or has no need to know the information, unless such disclosure is authorized by the customer, etc., or by law, appropriate legal process or appropriate internal authorities and you should not duplicate/copy such proprietary or confidential information.

- Intellectual property of Apar Industries Limited such as design, drawings, bill of materials, packaging, process information, raw materials, machinery and spare parts specifications, trade secrets, patents, trademarks and copyrights, as well as business, research and new product plans, objectives and strategies, records, databases, salary and benefits data, employee medical information, customer, employee and suppliers lists and any unpublished financial or pricing information must also be protected.
- Unauthorized use or distribution or copy or duplicating of proprietary information violates the internal policies and is prohibited. Such use or distribution could result in negative consequences for both Apar Industries Limited and the individuals involved, including potential legal and disciplinary actions.
- Acts of ignorance that could lead to such proprietary information, especially through electronic means – like CDs, pen drives, DVD, etc., may lead to investigation and probe against the employees (refer IT Security Policy).
- We at Apar Industries Limited respect the proprietary rights of other companies and their proprietary information and require you also to observe such rights.

### **1.3.2 Privacy of Employee Information at Apar Industries Limited,**

We recognize and protect the privacy and confidentiality of employee medical and personal records. Such records would be shared strictly on need to know basis or as required by law, rule and regulation or when authorized by the employee or as per subpoena or court order and requires approval by company empanelled counsel.

### **1.3.3 Securities Transactions and Confidential Information:**

An employee of APAR and his immediate family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company or the group, which is not in the public domain and thus constitutes insider information.

An employee of APAR shall not use or proliferate information which is not available to the investing public and which therefore constitutes insider information for making or giving advice on investment decisions on the securities of APAR on which insider information has been obtained.

Insider information might include the following:-

- Acquisition and divestiture of businesses or business units;
- Financial information such as sales turnover, profits, earnings and dividends;
- Announcement of new product introductions or developments;
- Asset revaluations, investment decisions / plans, restructuring plans;
- All Supply and delivery agreements, raising finances.

The designated employees under the Code on Insider Trading shall adhere strictly to the code formulated by the Board of Directors under the SEBI (Insider Trading) Regulations.

#### **1.3.4 Privacy and Confidentiality – Do's and Don'ts**

##### Do's

- Properly control access to your work areas and computers.
- Ensure appropriate destruction of business related documents when not required for work.
- Obtain any relevant information directly from the person concerned.
- Protect the physical security of official information.
- Access to information or data by outsourced will also be subjected to the relevant employee's accountability, in case such data is misuse.
- Keep customer information secured at all times and uphold Apar Industries Limited Privacy Promise for customers.
- Limit access to information strictly to those with a legitimate business reason for seeking that information.
- Comply with local data protection and privacy laws that affect the collection, use and transfer of personal customer information.
- While accessing Intranet and Internet, ensure compliance with internal policies and procedures.



- Ensure that worldwide electronic information exchange and dialogue, electronic business dealings are all as per internal policies and procedures.

#### Don'ts

- Discuss sensitive matters or confidential information in public places.
- Transfer official information into personal databases or carry hard copies of official information (otherwise than for official purposes) outside the office, without prior permission from your superior.
- Pass information, in any manner, directly or indirectly to any recruitment/search agencies or to competitor or any other organizations.

### **1.4 Protecting Apar Industries Limited's Assets**

Protecting Apar Industries Limited's assets against loss, theft or other misuse is the responsibility of every employee. Loss, theft and misuse of Apar Industries Limited's assets directly impact our profitability. Any suspected loss, misuse or theft should be reported to your supervisor or HR.

#### **1.4.1 Protecting Apar Industries Limited's Assets – Dos and Don'ts**

##### Do's

- Use Apar Industries Limited assets (physical and intellectual) only for official purposes.
- Report any misuse by any employee, outsourced or agents of Apar Industries Limited that comes to your notice.

##### Don'ts

- Copy, sell, use or distribute information, software and other forms of intellectual property in violation of licenses.
- Misappropriate Apar Industries Limited assets as it is a breach of your duty and may constitute an act of fraud against Apar Industries Limited.
- Use official resources in another business in which you, a friend or family member is involved.
- Use official stationery, supplies, and equipment for personal or political matters.

## **1.5 WORKPLACE RESPONSIBILITIES**

### **1.5.1 Fair Employment Practices and Diversity**

- Apar Industries Limited is committed to adoption of fair employment practices. It ensures diversity of workplace through efforts to recruit, develop and retain the most talented people from a diverse candidate pool. It upholds the principle that advancement is based on talent and performance and there is a commitment to equal opportunity.
- As a fair employment practice, we expect that you shall not (during the course of your service or upon cessation of your service for a period of twelve months from the date of cessation) directly or indirectly on your own accord or on behalf or in conjunction with any other person, convey or solicit or attempt to work or induce any employee or business associate to leave their current employment with Apar Industries Limited and join the service of any competitor.

### **1.5.2 Fair Treatment of counter-parties**

- The quality of our relationships with our suppliers and other external counter-parties often has a direct bearing on the quality of our products, services and ultimately our customer relationships. We therefore expect our suppliers to operate to the same standards as we expect of ourselves.
- All such relationships with external counter-parties should be conducted in professional and impartial manner. Vendor selection and hiring decisions must be made objectively and in best interest of Apar Industries Limited, based on evaluation of integrity, suitability, price, delivery of goods/ service, quality and other pertinent factors. You should commit to fair contract and payment terms with them in return of good service at a good price supplied in a responsible manner. Purchase process must be followed with at least 3 technically suitable alternatives in place.
- Your personal relationship with contractors, suppliers and vendors should be disclosed to your superior at the time of entering into the transaction and should not influence decisions made on behalf Apar Industries Limited. Negotiations with customers and potential customers should be conducted in a professional manner.
- Vendors or suppliers should not be used for any personal purposes, so as to have any conflict of interest while dealing with them.

### **1.5.3 Corporate Opportunities**



- Employees are prohibited from taking for themselves business opportunities that arise through the use of corporate property, information or position. No employee may use corporate property, information or position for personal gain, and any employee, may compete with Apar Industries Limited.
- Competing with Apar Industries Limited may involve engaging in the same line of business as Apar Industries Limited, or any situation where the employee takes away from Apar Industries Limited opportunities for sales or purchases of property, products, services or interests.

#### **1.5.4 Contact with Media**

In order to pro-actively manage our reputation with the media and to ensure consistency of messages, interaction with media must only occur with the prior approval of the CMD, MD, CFO, COO, CS or the Corporate HR Head.

#### **1.5.5 Workplace responsibilities – Do's and Don'ts**

##### Do's

- Respect personal dignity, privacy, and personal rights of every individual.
- Work together with women and men of various nationalities, cultures, religions, and races in a professional manner.
- Be open and honest and stand by your responsibility.
- Treat our customers, suppliers, competitors and employees fairly.
- Maintain the safe and healthy working environment provided by the company.
- Be committed to prevent wasteful use of natural resources.

## Don'ts

- Discriminate, harass or offend anybody by whatever means, be it sexual or otherwise.
- Use Apar Industries Limited systems to transmit or receive electronic images or text of a sexual nature or containing ethical slurs, racial epithets or other harassing, offensive or lewd materials.
- Involve or create situations where there are inappropriate sexual advances or behaviours with other employees, especially using position of power. (refer Policy for Prevention of Sexual Harassment at Workplace)
- Obtain competitive information by unethical or illegal means, such as corporate espionage or improper access to confidential information.
- Engage in contacts with competitors that could create even the appearance of improper agreements, whether the contact is in person, in writing, by telephone or through e-mail.
- Take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.
- Do not issue directives to violate the terms of vendor's contracts.
- Approval of expenses without checking eligibility.
- Approval of Voucher without thoroughly checking original bills, receipt, aggregate amount, etc.
- Offer/consume alcohol unless with key customers. These expenses must be separately disclosed. The employee needs to provide justification if alcohol cost is more than Rs. 1000/-.

## **1.6 RAISING ETHICAL ISSUES**

Apar Industries Limited encourages employees to report to their supervisor / HR / compliance/ Ombudsmen, concerns and suspected violations of the Code, internal policies, external legal and regulatory requirements etc. You may choose to remain anonymous if you wish. All significant breaches should be escalated immediately.

- Apar Industries Limited will conduct prompt and thorough investigations of alleged violation and take appropriate corrective action.
- Retaliatory action against an employee for making a good faith report is prohibited.
- HR takes appropriate actions against individuals who have broken laws, rules and regulations.



- An employee who knowingly violates the internal policies and guidelines shall be subject to disciplinary action, including demotion or dismissal.
- In case of any doubts in undertaking any new role, assignment or responsibilities, please ensure all dos and don'ts are well understood, so as to avoid pleading ignorance by overstepping on some protocols.
- For more information on raising ethical issues, refer the Apar Whistle Blower Policy.

### **1.6.1 Investigations**

You are required to cooperate fully with authorized internal and external investigations. Making false (or misleading) statements to regulators/auditors/ Apar Industries Limited representatives during investigations can be a criminal act that can result in heavy penalties. Impeding investigation or withholding information needed to properly conduct the investigation will amount to your obstructing this act with a malicious intent inviting severe penalties.

### **1.6.2 Raising ethical issues – Dos and Don'ts**

#### Do's

- Report to your supervisor/HR/compliance, concerns and suspected violations of the Code, internal policies, external legal and regulatory requirements etc.

#### Don'ts

- Knowingly withhold information that raises ethical questions and bring such issues to the attention of senior management or ensure reporting as per the applicable Whistle Blower Policy.
- Destroy records that are potentially relevant to a violation of law or any litigation or any pending, threatened or foreseeable government investigation or proceeding.

## **1.7 SPECIAL RESPONSIBILITIES OF SUPERIORS AND MANAGERS**

In addition to responsibilities as employees, supervisors and managers must abide by the:

- Duty of selection - Carefully select the employees for a job in light of their personal and professional qualifications. The duty of care increases with the importance of the obligation to be entrusted to the employee.

- Duty of instruction - Formulate obligations in a precise, complete, and binding manner, especially with a view to ensure compliance with provisions of instructions.
- Duty of monitoring - Ensure that compliance with provisions of applicable laws / regulations is monitored on a constant basis (duty of monitoring).
- Duty of communication - Communicate to the employees that any violation of the applicable laws / regulations are disapproved of and would have disciplinary implications.
- Approval of travel expenses – Senior most person should pay for entertainment, lunch/dinner etc. and claim it.

## 1.8 KEY IRREGULARITIES

- While the Company believes that the employees would realize and appreciate the need to follow this Code in letter and spirit, in an unfortunate incident or act of breach, corrective and deterrent action becomes unavoidable. Therefore any breach of the stipulations mentioned in the Code should be treated as misconduct for which appropriate penalty would be imposed.
- Based on the intent, seriousness and mitigating/extenuating circumstances of such non-compliance the breaches can be broadly classified into four categories as detailed hereunder.

### Habitual Irregularities

- Repeated negligence in performing duties, depending on the gravity and consequences to the Company may fall under this category.
- Unpunctual or irregular attendance, leaving workplace without permission, habitual or prolonged absence without leave.
- Negligence or failure to take due care while obtaining and preserving documents/records.
- Negligence or failure to ensure accuracy and timely completion of work.
- Indecent/discourteous behaviour with customers, employees, superiors etc.
- Not following the prescribed dress code.
- Showing an intransigent or unreasonably negative attitude to management and/or fellow employee's.

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- Minor breach of health and safety requirements.
- Smoking in a non-designated area.
- Careless use of the Company's equipment or furniture.
- Refusing to attend nominated training programs unless agreed upon with superior.
- Use of foul or abusive language (whether verbal or in writing).
- Refusing a reasonable request to moderate changes in responsibilities if such a change is a business necessity.
- Being under the influence of alcohol and/or drugs not medically prescribed when at work (whether on Apar Industries Limited premises or otherwise).
- Consumption or being under the influence of drugs not medically prescribed and/or excessive alcohol at a management sponsored event.
- Indulging in habitual errors, negligence while performing duties.

#### Gross/serious violations

Any act which is in breach of the Code, internal policies/procedures and which may cause financial loss or reputation risk to the company falls under this category. Illustrative behaviour under this category includes:

- Failing to comply with Apar Industries Limited policies, procedures, rules and working practices.
- Repeated negligence in performing duties, depending on the gravity and consequences to the Company may fall under this category.

## 1.9 DISCIPLINARY PROCEDURES

The primary objective of the disciplinary procedure is to make employees aware of the instance(s) of apparent and reported breach of the Code on their part and to afford such employees with an opportunity of making submission against such reported instance(s) including improving their attendance, work performance or amending/rectifying their conduct as the case may be, should they fall below the standards expected by Apar Industries Limited.

- When deciding upon the appropriate way to deal with any potential issues an employee has in meeting Apar Industries Limited standards, the reasons behind this difficulty will be considered. There may be occasions when problems are due to an employee's incapability to do his/her job, personal circumstances or health rather than there being any measure of personal blame. In such cases, the employee will be informed by the immediate manager that he/she is not meeting the required standards.
- The immediate manager will discuss his or her concerns with the employee and where appropriate, will agree objectives with the employee to be achieved over a reasonable period of time. The immediate manager will also discuss any assistance the employee may require, including where practicable - training. If after a reasonable time, an employee is still unable to reach the required standards, the matter may be dealt with within the context of the disciplinary procedure.
- In deserving cases such investigation may be carried out independent of the respective business team.
- If the problem stems from the employee's failure to demonstrate satisfactory conduct, or there are problems with the employee's performance e.g. due to the employee's inattention or lack of motivation, the disciplinary procedure will be implemented.
- Usually disciplinary procedure would start after detailed fact finding exercise/internal investigation including one-to-one discussion with the concerned employee, wherever possible - by the respective business team, is carried out and a detailed report to that effect is submitted to HR. In deserving cases such investigation may be carried out independent of the respective business team.

**1.9.1** Disciplinary action depending upon the nature and seriousness of non-compliant behavior, the Company may take corrective action against the erring employees. The Company may prefer civil or criminal action against errant employees. Such actions may include penalties as deemed appropriate considering the nature of violation and its implications on the Company. The extenuating / mitigating circumstances, if any, may also be considered while taking action. These actions could be – Cautionary Action, Deterrent Action and Capital Action.

### **1.9.2 Cautionary action**

The cautionary or exemplary action(s) may be in the form of:

- Condoning, advising, warning, censuring etc.
- Imposition of fine.
- Suspension from employment for a certain period of time.
- Adversely impacting annual performance rating.



- Withholding of increment.
- Withholding of performance linked bonus / incentive (partly).

### **1.9.3 Deterrent action**

The deterrent action(s) may be in the form of:

- Recovery of full/partial monetary loss caused or likely to be caused to Apar Industries Limited.
- Suspension from employment for a certain period of time.
- Withholding of increments.
- Withholding of Performance linked bonus / incentive.
- Withholding of promotion.
- Demoting to the lower grade or level.
- Reduction in basic salary.

### **1.9.4 Capital action**

The capital action may be in the form of:

- Dismissal/Termination of Services.
- Discharge from Services

### **1.9.5 Process for taking disciplinary action**

- It must be clearly understood that the Company will be the sole judge to decide on the categorization of breaches as also the form of corrective actions.
- All disciplinary action would start on the basis of the report received by the HR from the respective business team after following the process as described in the foregoing.
- Depending upon the nature of such report employee/s would be informed in writing of the gist of the instance/s of breach of the Code reported against them and would be afforded with an opportunity to make their submission/s in writing within specific time frame to the designated official in HR. On receipt of such communication from HR employees would be required to make

their submission/s in writing which would be taken into consideration while arriving at a decision. However, in case employee(s) choose not to avail of such an opportunity within the specific time frame or within extended time frame, if allowed by HR in deserving cases, it would be construed that the employee concerned has no submission to make and accordingly the matter would be decided upon ex-parte and any decision taken in that circumstances would be binding on the concerned employee.

- The range of possible actions outlined above should not be regarded as necessarily either sequential or cumulative. Apar Industries Limited reserves the right to omit any or all of the levels of action where it considers it appropriate. It is for the relevant manager to decide which of the possible responses is appropriate in any given case. For example, if a single breach of discipline is serious (albeit it may be the employee's first breach of discipline) the employee may be given a final warning notwithstanding the fact that no previous warnings have been given.

## **1.10 COMPLIANCE WITH THE CODE**

- Apar Industries Limited recognizes the need for this Code to be applied equally to everyone it covers. All employees are expected to comply with all of the provisions of this Code. The Code will be strictly enforced and violations will be dealt with immediately, including subjecting persons to corrective and/or disciplinary action such as dismissal or removal from office.
- Apar Industries Limited encourages all employees to report any suspected violations promptly and intends to thoroughly investigate any good faith reports of violations. Apar Industries Limited will not tolerate any kind of retaliation for reports or complaints regarding misconduct that were made in good faith. Open communication of issues and concerns by all employees without fear of retribution or retaliation is vital to the successful implementation of this Code. You are required to cooperate in internal investigations of misconduct and unethical behaviour.



### Part III

#### Supplier/ Vendor/ Business Associate Code of Conduct

M/s XYZ (Supplier/ Vendor/ Business Associate) hereby confirms that its employees or its representative in its dealings with Apar Industries Limited or its agents/representative/strategic partners and its employees conducting business with Apar Industries Ltd:

- Shall conduct all its dealings with Apar Industries Limited, its management, employees and other business associates in an ethical manner and shall not try to influence the decision of any Apar Industries Limited employee in an unethical or coercive manner;
- Shall not give or accept any favours, any gifts, sponsorship or any entertainment that is outside of normal business dealings. However in case you find any person guilty of such conduct, you may write to us at [sanjay.kumar@apar.com](mailto:sanjay.kumar@apar.com)
- Shall not have any other business or personal arrangements (outside of this contract) with any Apar Industries Limited employee, either directly or indirectly through other associated companies or partnerships/ arrangements with our knowledge or authorized by us.
- Shall not disclose or use any Confidential /business /technical Information of Apar to any third Party except when expressly permitted in writing by Apar and also agrees to take all reasonable measures for maintaining the confidentiality of all Apar information in its possession or control.
- Shall ensure exhaustive documentation in cases where only a few vendors are there. A truthful comparative representation of facts must be made. However, in all cases the attempt should be to solicit quotations from an adequate number of vendors.
- Shall be transparent in its dealings
- Shall always refrain from giving, receiving or attempting to pay illegal gratification/bribes/kickbacks. Any attempts to provide such personal gratification to any employee of Apar Industries Limited or its relatives or associates shall be viewed in a very serious manner and where there is confirmation of such instances, it may lead to:
  - Cessation of all business dealing including termination of Agreement(s) with Apar Industries Limited;
  - Blacklisting with Apar Industries Limited and its associates/affiliates for any future business;

- Levy of a financial penalty;
  - Reporting of matter to law enforcement agencies;
  - Appropriate legal action, where necessary;
- 
- Shall be eligible for Business with Apar after they go through the two stage review process i.e.  
a) Technical Review b) Commercial Review.
  - Shall consciously attend to Vendor Development.
  - Shall provide all possible assistance to investigate any possible instances of unethical behaviour or Code of Conduct violation by any employee of Apar Industries Limited or an employee of the Business Associate.
  - Shall disclose forthwith any breach of Code of Conduct or present stipulations that comes to its knowledge.
  - Apar shall not encourage favouritism to vendors including creation of artificial obstacles through trials, etc.

Date: November 5, 2018

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# Apar DNA

