



Code of Conduct

Emami Limited & Its Subsidiaries

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1. Guiding Principles

1.1 Policy Objective

The objectives of the Emami Limited and its subsidiaries (Hereby referred to as Emami or simply the Company) Code of Conduct (Hereby to be referred to as 'theCode') are as follows:

- a) To set a clear Emami Code of Conduct Policy statement.
- b) To acquaint Emami employees with the kind of professional conduct expected of them.
- c) To promote culture of Transparency, Equal Opportunity and Fairness along with the subsequent strengthening of Ethical Practices and Redressal Mechanisms.

1.2 Scope

The Code of Conduct is applicable to all the members of Emami Limited and its subsidiaries. Members to include Chairman, Managing Director, any Board Member and all other employees & staff.

1.3 Shared Responsibility

The overall responsibility of ensuring compliance of the Code lies with the Head of HR and the Head of Departments. However, keeping with Emami's values of stewardship, Employees are expected to contribute their part as well. Some of the ways in which Employees can share the responsibility are as follows:

- a) Every Employee must help create and foster a culture of high ethical standards with a commitment of compliance to the law of the land in letter and spirit, business as well as organisational rules and regulations.
- b) Every Employee is expected to act in good faith, with due care, diligence and without letting their better judgements be compromised.
- c) It is the company's policy to make timely and accurate disclosure in reports intended for perusal by Governmental Regulatory Bodies or in the public domain.
- d) Employees are expected to report all the material information asked of them to higher management so that senior executives can take informed disclosure decisions.



- e) Emami Employees must keep abreast with knowledge of all the legal requirements pertaining to their duties within their respective functions so as to avoid legal complications that can tarnish the reputation of the company. It is advisable for Employees to seek counsel with the Legal Department whenever required.
- f) Employees should raise an alarm when they stand witness to any violation to the Code as by doing so, they have an opportunity to arrest escalation of the concerning issues in the form of violation of the law and the Company's reputation.
- g) Emami is committed to provide good physical working conditions and encourages high standards of hygiene and housekeeping. Weekly physical checking of the pantry is to be undertaken by the maintenance department to maintain hygiene standards.
- h) Particular attention should be paid to training of employees to increase safety awareness and adoption of safe working methods, particularly designed to prevent serious or fatal accidents.
- i) Emami is committed to Best Practices in environmental matters arising out of its business activities and expects each business to fully demonstrate this commitment.
- j) Every employee must promptly report to the Company any violations of law or ethical principles or Company policies that come to the employee's attention, and cooperate fully in any audit, enquiry, review or investigation by the Company.
- k) Every employee shall provide the Company's External Auditor with access at all times to the Company's records and accounts (in whatever form they are held) and provide additional information as requested by the External Auditor. If such requested information is legally privileged the employee must contact the Legal Department before responding to the request.
- l) No employee shall misuse Company facilities. In the use of Company facilities, care shall be exercised to ensure that costs are reasonable and there is no wastage. Employees should use office stationery judiciously and avoid printing unless otherwise required.



1.4 Amendments to the Code

The Management reserves the right to change, amend, delete or modify the contents of this code in the future under any circumstance. Prospective changes made will be communicated to all the concerned Employees.

1.5 Exceptions

All exceptions to the Code must be submitted to the Ethics Committee for discussion and shall have the approval of the MD.

1.6 Acknowledgement

All Employees must sign an acknowledgement form indicating that they have read the Code and agree to abide by all its provisions. Failure to read the Code or acknowledging the same does not in any way exempt the Employee from compliance. The Code and the Acknowledgement form are to be provided to the Employees at the time of joining.

2. Policy Statement

2.1 Business Integrity

2.1.1 Dress Code

All members of the Organisation will require to adhere to the following guidelines^{*1} on Dress Code failing which appropriate measures including disciplinary process may be referred to :

Dress Code for Men – Business Formal (collared, formal full- sleeve/half sleeve shirts, formal trousers, black/ brown/dark/ tan leather shoes with dark socks) or Business Casual wears (Shortsleeves, T- Shirts , Khaki style pants). Suits, Blazers, V-neck sweaters, Cardigans may be worn during winter season. Sports-wear would be considered inappropriate other than on Weekends. Skin tight T-shirts, low waist jeans or any other revealing wear are considered inappropriate.

Dress Code for Women – Business Formal (Business suits, Formal shirts with pants, Salwar Kameez with Dupattas, Sarees, Shawl and Cardigan sweaters, Leather shoes, sandals. Clothing like T-shirts, floral skirts would be considered inappropriate other than weekends. Capri, Skin tight T-shirts, low waist jeans, sleeveless tops or any other revealing wear are considered inappropriate.

**1- Appropriate alterations as per customary norms of applicable territory in abroad in case of foreign subsidiaries.*



2.1.2 Professional Integrity

2.1.2.1 Personal Work

Employees of Emami will at all times during office hours refrain from engaging in any personal work such as checking personal emails, making personal phone calls, using office assets for personal purposes, etc, unless under exigency.

2.1.2.2 Representation of Organisation

Being an employee of Emami will not automatically entail a right to act on behalf of the Company. This will also pertain to the right to make statements to the press or to any other persons or body on behalf of the Company.

All media queries and interactions are to be strictly routed through Corporate Communications Department, located at Emami Towers, Kolkata. The department is designated as the Organisation's principal media contact and company spokesperson.

Employees will not be permitted to use the Company letterheads and stationery for personal correspondence or in connection with activities not related to the Company's business.

No employee should criticise the company's policies and procedures in public. He/she should be encouraged to bring his/her reservations to such policies to the HOD or higher authorities.

2.1.3 Transparency

Emami strives to conduct its operations with the highest degree of ethical and business standards.

Transparency in dealings will be the clear focus of the Company. Emami will be committed to fulfilling its responsibilities to its customers, employees, suppliers and the community in accordance with these standards.

The integrity of the corporation will be measured by the conduct of its Employees, their relationships with customers, suppliers, competitors, the business and local communities, and the general public.



2.1.4 Avoidance of Corrupt Practices

Emami affirms in maintaining high ethical standards in all activities. Proven offences such as -

- Company Fund / Property embezzlement / Theft.
- Lobbying for any kind for personal gains.
- Any fraudulent behaviour / indulging into any type of fraudulent practice.
- Conducts leading to lack of honesty and integrity.
- Acts of Personal Violence or instigating the same.

would lead to termination as per discretion of Management.

2.1.5 Inventions and Innovations

All process innovations, new designs/products, innovative techniques, systems and operational enhancements by employees in the course of their employment with Emami will be the intellectual rights of the company and the company will claim sole proprietorship.

The company reserves complete freedom to decide what action, if any, will be taken in respect of any such invention, improvement, development or enhancement being implemented in other organisations by separated employee/s.

2.1.6 Protection of Company Assets and Financial Integrity

In line with the Company values of trust and transparency, the Employee is expected to be forthright about operational performance, codifying and reporting of accurate data while ensuring protection of company assets and organizational resources.

Employees in charge of book keeping, accounts, records, etc. must ensure that their practices conform to general accounting principles and other relevant standardised practices along with the set organizational reporting policies.

Sharing of company's information with competitors or any other outsiders is strictly prohibited. Use of personal emails, USBs or any other external storage device should be restricted. However, if otherwise required, the same can be used after taking CEO/HOD's approval.



2.1.7 Conflict of Interest

All the Employees, Officers and the Directors (Hereby referred to as simply members) of Emami, have a duty of loyalty to the company and must therefore; avoid any such eventuality during their professional tenure that might be a conflict of interest, be it apparently or in actuality.

A “Conflict of Interest” arises when a member stands to make unethical personal gains of any kind from his or her social, political and financial activities that compromises his or her objectivity at work, diminishing his or her better judgements and thus causing harm to the Company either directly or indirectly.

Members are always appreciated for going out of their way and beyond their immediate role in the Company to further the Company’s reputation and standing in the interests of the Company’s long term benefits. However, members must keep in mind that the business of the Company must take priority at all times and in no way must they indulge in activities under selfish motives that might distract them from their immediate duty towards the Company.

A Conflict of Interest can arise from the following scenarios:

2.1.7.1 Simultaneous Employment

No member shall be allowed to engage, either during or outside working hours, in any other gainful employment or any other forms of business activity, either personally or through the agency of another.

Emami prohibits members from accepting employment outside the company be it with suppliers, customers, competitors, third party agencies or any other firm.

A salaried member must make a written declaration in light of the following circumstances:

- a. It is required by all members to declare relationship (if any) with any vendor or service provider, with whom the member directly deals on behalf of the organization or has any interest in.



- b. Before becoming, a director, officer or Consultant in any other business including Non Profit Charitable Institutions.

The written declaration shall be sent to the Head of Department who in turn shall inform the same to Head of HR, Head of Finance, Head of Legal and the CEO & MD for approval if any.

2.1.7.2 Financial transactions from Non Company Sources

Members may not accept compensation, in any form, for services provided to other businesses including Non Profit Charitable Institutions.

Loan transactions with vendors, customers, etc. should be prohibited, unless the concerned customer/vendor does it in the normal course of business like banks and NBFC etc.

2.1.7.3 Relationship of members with Third Parties

Members shall not engage in any conduct or activities that are inconsistent with the Company's best interests or that disrupt or impair the Company's relationship with any person or entity with which the Company has or proposes to enter into a business or contractual relationship.

2.1.7.4 Investments

Members need to keep in mind that their investments do not create conflicts of interest, which is any investment that may adversely affect or appear to affect their ability to make objective decisions on behalf of the Company. Members must declare through their immediate supervisor any 'substantial interest' they have in a competitor, supplier or customer (substantial interest may be commonly understood as anything more than 1% of the stocks of a public company). However, if the member has a discretionary authority in dealing with that company, investments should not be made at all.

2.1.7.5 Close Relatives

Discretion is advised on the part of the members when it comes to professional interaction with close relatives who could be prospective members, business associates, vendors, competitors where a situation of conflict of interest can arise.



It is imperative that the members disclose the employment of close relative with competitors, business associates, third parties and vendors, where either the member or the close relative can influence decisions or business transactions directly or indirectly.

A Conflict of Interest arises when a member has the ability to hire, supervise, affect terms and conditions of employment, or influence the management of any close relative, regardless of whether that close relative is an Emami member or employed by any organisation that has any business or contractual relationship with the Company.

2.1.7.6 Miscellaneous Situations

All the major probable scenarios have been listed above. Members are encouraged to seek guidance in case of any doubt/confusion from the respective HOD/ Head of HR/Head of Legal/Head of Finance with respect to their activities both personal and professional keeping in mind this Conflict of Interest clause in the Code.

2.1.8 Gifts and Entertainment

“Gifts and Entertainment” mean anything of value, e.g. discounts, loans, favourable terms on any product or service, services, prizes, transportation, use of another company’s vehicles, use of vacation facilities, stocks or other securities, participation in stock offerings, home improvements, tickets, and gift certificates and any other favours which implies value in any manner whatsoever.

Employees should not accept any offers, payments, promise to pay any money, gift or anything of value from customers, vendors, other employees etc that is perceived as intended, directly or indirectly, to influence any business decisions or any commitment of fraud.

Gifts given by the employees to business associates or received from them should be appropriate to the circumstances and should never create an impression of impropriety.

In case an inappropriate gift is offered or received, the employees must return and/or intimate the same to the concerned party immediately, as is applicable in conjunction with this code. The



employees must also report the same through the immediate supervisor.

If unable to classify the gift received, the employees should seek guidance from the immediate supervisor and act appropriately.

Each Employee is expected to act in the best interests of the company. Personal relations with suppliers, vendors, dealers and customers must not cloud the Employee's judgement and create any impression of impropriety.

2.1.9 Securities transactions

An employee of Emami Limited and its subsidiaries (Emami) and his / her immediate family shall not derive any benefit or counsel, or assist others to derive any benefit, from access to and possession of information about the company that is not in the public domain and which constitutes insider information (price-sensitive information).

"Price-sensitive information" means any information, which relates, directly or indirectly, to a company and which if published is likely to materially affect the price of securities of the company. The Company has its Code as required under the applicable provisions of SEBI^{*2} (Prohibition of Insider Trading) Regulations 1992, which is posted at "SAMPARK". This code is applicable to the Directors, Employees working at the level of Head of Department (HOD) and who are having access to insider information / price sensitive information in respect of securities of the company.

Confidential information

An employee of Emami Ltd shall also respect and observe the confidentiality of information pertaining to intellectual property rights, trademarks and inventions; and strictly observe a practice of non-disclosure.

**2 shall be read and construed as applicable Body/ Authority in respective Foreign territory for foreign subsidiaries.*



2.1.10. Anti-Espionage Rule

No disclosure of Non Public information (not on the company's annual/quarterly reports, reports published on the internet/intranet) such as financial, product, bid information and other valuable trade secrets related to the company can be communicated by any member to any entity outside of the Company for personal gain and/or the profit of competitors, analysts/institutional investors and the media.

2.1.10 Whistle Blower Policy

Emami will protect any individual employee or associate who raises concerns about integrity issues, violation of code of ethics, false accusations, lobbying for personal gain, conflict of interest indulged in by any co-employee and or group of employees/associates.

The Company will initiate investigations without disclosing the source of information and take appropriate steps in the matter based on the investigation report.

The Code establishes that the concerned authority will try and maintain anonymity and confidentiality of the whistle blower through the process of subsequent redressal.

Emami has an unwavering policy against retaliation of any form against the complainant member raising a concern. Any retaliation against the complainant member is a violation of the Code and disciplinary action can be initiated against perpetrating member or members.

2.2.1 Personal Conduct

Behavior and Discipline

All members of the Organisation are to normally adhere to the standard of conduct as mentioned in the Code of Conduct. In case of violation of any of the conducts mentioned across the Code of Conduct, necessary action including disciplinary action as deemed appropriate would be referred to.

However, some indicative acts and omissions/commissions that will be considered as misconduct is mentioned hereinafter and an employee will be liable for suitable disciplinary action, if considered responsible for the same.

The Management will give a fair opportunity to the employee keeping in view the principles of natural justice to prove his/ her innocence, before subjecting him/ her to disciplinary action.



- i. No employee is allowed to take any office assets, books or working papers, digitally maintained data away from the office without approval from the concerned authority.
- ii. No employee shall use the name of the Company or his/ her title (designation) or position for his/ her personal gain through people internal or external to the organization.
- iii. Employees should not use fake designation to external parties to gain undue advantage.
- iv. Collections, betting and trading within the office will be strictly forbidden. However, under special circumstances certain collections - i.e. for charity, disasters, wedding gifts, etc may be permissible but only by persons assigned for the job and the same being authorized by the Department Head.
- v. Disrespectful behaviour towards members, customers, suppliers and other business partners.
- vi. Misuse of or intentionally causing damage with regard to Company property.
- vii. Taking or giving of bribes or an illegal gratification whatsoever in connection to the Company or in the employee's own interest.
- viii. Wilful insubordination or disobedience, whether alone or in combination with others, to any lawful and reasonable orders of a superior.
- ix. Frequent repetition of any act or omission for which Employee has been cautioned earlier.
- x. Habitual negligence of work.
- xi. Public conduct detrimental to the Company image.
- xii. Continuous absence without permission and without satisfactory cause for more than ten days.
- xiii. Giving false information regarding one's name, age, father's name, qualification or previous service at the time of the employment.
- xiv. Leaving work without permission or sufficient reason.
- xv. Disclosure to any unauthorized person of any confidential information in regard to the working or process of the Company.
- xvi. Failure to adhere to the Information Security Policy of the Company.
- xvii. Wilful violation of an established Company Policy.
- xviii. Striking work or inciting others to strike work in contravention of the provisions of any law or rule having the force of law of India.
- xix. No culture condones violence of any kind and Emami has a strict anti-violence policy. Fighting or riotous behaviour and disorderly conduct while at work is banned.
- xx. Use of indecent gestures and abusive language will be considered in violation of the Code. Threatening or assaulting an associate will be considered a violation of the Code as well and will be subjected to criminal investigation.
- xxi. Any act against the law of the land.



Smoking and Alcohol

Emami has a strict policy against smoking within and around office premises.

Members are expected to not report to office in a drunken state. Such acts cause inconvenience and make other members within the office premises uncomfortable.

Violation of the above rules will be considered as violation of the Code and members indulging in such acts can face strict disciplinary action that can result in suspension or even termination

Substance Abuse

Banned substance abuse is considered to be in violation of the law. Members must refrain from entering the office in an inebriated state or under influence of banned substances.

2.2.2. Equal Opportunity Workplace

Emami is committed to building a work environment of mutual trust, where all members are treated with dignity and respect within the span of pervading values of equality, equal opportunity and natural justice.

There shall be no discrimination with respect to employment decisions, including but not limited to the following: choice for recruitment, remuneration, training, promotions, compensation, benefits, disciplines, discharge and transfers on the basis of gender, race, caste, creed, religion, sexual orientation, national origin, handicaps or any disability, age, height, weight, veteran or marital status.

The company will reserve discretion with respect to the provision of accommodation to otherwise qualified individuals with a disability on a case to case basis.

2.2.3 Discriminatory Harassment Policy

Harassment in the form of unwelcome or unsolicited verbal or physical conduct that will unreasonably interfere with an Employee's job performance or create a hostile, offensive or abusive working environment is considered to be a violation of the code.

Examples of harassment will include, without being limited to: disparaging remarks about a person's gender, race, colour, creed,



religion, national origin, disability or handicap, age, height or weight; unwelcome or unsolicited touching or threats of physical harm; and the use of degrading words, nicknames, pictures, stories or Jokes.

All Employees of Emami, as well as other persons or entities affiliated or connected with Emami, will be prohibited from engaging in any behaviour that will construe such harassment.

Any Employee who feels that he or she is the victim of harassment is required to bring the matter to the attention of his or her Department Head, Human Resource Department or the CEO/MD. An Employee who will be uncomfortable for any reason in bringing such a matter to the attention of his or her Department Head may report the matter in writing to the Head of HR.

Emami will promptly investigate all allegations of harassment with utmost confidentiality. Any employee found to be engaging in discriminatory harassment will be subject to disciplinary action, up to and including termination of employment.

Emami will prohibit retaliation against any person bringing a complaint of discriminatory harassment or taking part in investigating such a complaint.

2.2.4. Policy on prevention, prohibition and redressal of SexualHarassment of Women at workplace.

Employees are required to go through a separate policy on prevention, prohibition and redressal of Sexual Harassment at workplace for Emami Ltd and its subsidiaries.

2.2.4. Safety Policy

The Company will do its utmost to maintain safe working conditions. However, safety is also a matter of individual responsibility. Each employee will be responsible for thinking and practicing safety in every activity.

If an accident occurs at the place of work or in the course of duty, it shall be reported immediately to Human Resource Department and the Department Head.



2.2.5. Ethics Committee

Formation

The proposed Ethics Committee in Emami is meant to comprise at least the following members:

- a) Chairperson: MD of Emami Limited;
- b) Two CEOs heading functional clusters to be appointed by MD;
- c) Head HR;
- d) Line HR Manager if and when required according to circumstantial specifications.

Members of the committee will hold office till further reviewed by the Chairperson of the committee.

Complaint Procedure

In case any employee would wish to file a complaint against another employee/group of employees, he or she can choose to contact any of the touch points for redressal:

- a) Line Manager.
- b) HR Line Manager.
- c) Any member of the Ethics Committee.

Investigative Procedure

The procedures for handling potential violations of the Code have been developed to ensure consistency in the process across the organization. Within this framework, Emami will ensure it follows local grievance procedures, if any specified by the local laws.

All concerns regarding code violation will be directed to the office of the Ethics Committee, irrespective of who receives it. Care must be taken that the first person who receives the concern does not exercise personal judgement regarding the same.



If the defendant is the Chairman, Managing Director/ Member of the Ethics Committee / Member of the Prevention of Sexual Harassment Committee/ Any Board Member and/ or any other Member in a supervisory role, then the Investigation Team will comprise of one Independent Director, one member from the Corporate Governance Committee & a retired Senior Legal Advisor of Calcutta High Court.

The general procedure for taking action against a member found to be violating the Personal Conduct clause of the Code is as follows:

- a) The disciplinary action will be initiated based on prima- facie case and it will be conducted in accordance with the disciplinary procedures following the principle of natural justice.
- b) On receipt of a written complaint, a charge sheet by the competent authority shall be issued to the employee detailing the charge against the employee asking for his explanation, in writing within 48 hours of receipt of such charge sheet.
- c) On receipt of explanation from the employee, an enquiry will be conducted as per situation. In case the explanation is found to be unsatisfactory or if the charges are denied, the management will invariably hold an enquiry.
- d) Based on the findings of the enquiry and merit of the case if found guilty and after issuing second show-cause notice wherever applicable as per Law, appropriate action will be taken by management.

Disciplinary Action

The following quantum of punishments^{*3} will apply to the Employees based on the gravity of their misconduct:

- a) Warning;
- b) Monetary punishment like stoppage of increment or thelevying of a disciplinary fine;
- c) Demotion;
- d) Suspension of employment without pay;
- e) Dismissal from services.

^{*3} shall be subject to and as per applicable HR/Labor Law of foreign territory for respective Foreign subsidiaries.



2.2.6. Governing law

This Code of Conduct and all questions relating to its validity, interpretations, performance and enforcement (including without limitation, provisions concerning limitations of actions) shall be governed by and construed in accordance with laws of India with jurisdiction of the courts at Kolkata, India.