

## **CODE OF CONDUCT**

### **OUR RELATIONSHIP WITH EACH OTHER**

#### **Successful working relationships built on mutual respect and trust**

Your relationship with those you work with should be as a member of a winning team. People working in harmony and focused on a set of mutual objectives are the driving momentum behind our business. Each individual must fulfill his or her responsibilities — and feel assured that others will also. This means providing the necessary support to others, at every level, to get the job done. No individual or business unit can let its own priorities supersede those of the Company.

Your relationship with those you work with or supervise should set an example of mutual trust, respect, decency, fairness and integrity in dealing with others. As a leader, you are responsible for clearly defining standards of performance and creating an environment that is conducive to team work.

The Company views internal politicking amongst employees seriously. It is expected of employees to desist from such activities, and instead create an atmosphere of trust and mutual respect to resolve work issues amicably.

Employees of the company shall be treated with dignity and in accordance with the policy of maintaining a work environment free of sexual harassment, whether physical, verbal or psychological.

#### **Meritocracy**

Employee policies and practices shall be administered in a manner that ensures that in all matters equal opportunity is provided to those eligible and that decisions are based on purely on merit.

#### **Equal opportunity employer**

Company shall 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 and disability.

## OUR RELATIONSHIP WITH THE COMPANY

### **Conflicts of interest**

Any employee shall not engage in any business, relationship or activity, which might detrimentally conflict with the interest of Ester. A conflict of interest, actual or potential, may arise where, directly or indirectly:

- Any employee is engaging in a business, relationship or activity with anyone who is party to a transaction with the company.
- Any employee is in a position to derive a personal benefit or a benefit to any of his or her relatives by making or influencing decisions relating to any transaction.
- An independent judgement of the company's best interest cannot be exercised.

The main areas of such actual or potential conflicts of interest would include the following:

- An employee of the company conducting business on behalf of the company, or being in a position to influence a decision with regard to the company's business with a supplier or customer of which his/her relative is a principal, officer or representative, resulting in a benefit to him/her or his/her relative.
- Acceptance of gifts from existing or potential suppliers, customers or other third parties, which have business dealings with the company.

Notwithstanding that, such or other instances of conflict of interest may exist, and full disclosure by the interested employee should be made to the company's management. It is also binding upon every employee to make a full disclosure of any interest which the employee or the employee's immediate family, which would include parents, spouse and children, may have in a company or firm which is a supplier, customer, distributor of or has other business dealings with his or her company.

Every employee who is required to make a disclosure as mentioned above shall do so, to his or her immediate superior, or the CMD, and, upon a decision being taken in the matter, the employee concerned will be required to take necessary action as advised to resolve/avoid the conflict.

### **Trade secrets and proprietary information**

Protection of the company's trade secrets and proprietary information, including maintaining its secrecy, plays a vital role in its continued growth and ability to compete.

Proprietary information and trade secrets may consist of any formula, design, device or information that is used in our business, and that gives Ester an opportunity to obtain a competitive advantage. Your obligations with respect to Ester's trade secrets and proprietary information are:

- Not to disclose this information to persons outside of Ester.
- Not to use this information for your own benefit or the benefit of persons outside of Ester.
- Not to disclose this information to other Ester employees except on a "need to know" or "need to use" basis and, that too, with a strong statement that the information is an Ester trade secret.

### **Responding to inquiries from press and others**

Only authorized personnel are authorized to respond to queries about the company.

It is critical that no employee should respond to any such inquiry or contact themselves because any inappropriate or inaccurate response, even a denial or disclaimer of information, may result in adverse publicity and could otherwise seriously affect the company's legal position.

This policy does not apply to requests for publicly available financial information, such as Annual and Quarterly Reports, or promotional publicity activities of the Company.

### **Company records and reports**

It is Company policy, as well as a requirement of the law, to maintain books, records and accounts that in reasonable detail accurately and fairly reflect the business transactions and disposition of assets of the Company.

The integrity of the Company's accounting and financial records is based on the accuracy and completeness of the basic information supporting entries to the Company's books of accounts. Everyone involved in creating, processing and recording such information is held responsible for its integrity.

### **Protecting Company's assets**

Use Company assets, facilities or services only for lawful, proper and authorized purposes. Theft of money, property or services is strictly prohibited. The Company's equipment, systems, facilities and supplies must be used only for conducting company

business or for purposes authorized by management. You are personally responsible not only for protecting Ester property entrusted to you, but also for helping to protect the Company's assets in general. You should be alert to any situations or incidents that could lead to the loss, misuse or theft of Company property. And you must report all such situations to the management as soon as they come to your attention.

Only certain officers and other senior employees have authority to make commitments affecting the Company's assets. You should not make commitments affecting Company assets unless properly authorized. If you need to clarify your or another individual's authority to commit the Company, you should contact the finance head.

### **Use of Information Technology Resources**

We must use Ester's Information Technology Resources responsibly. Ester's Information Technology Resources include all computer equipment that is owned, leased or rented by Ester, regardless of the physical location, including, but not limited to, personal computers, portable computer devices, network servers, access to the Internet, Ester's Intranet and e-mail access devices. Information Technology Resources also includes access to Ester's network and e-mail from a computer that is not owned, leased or rented by Ester.

All of Ester's Information Technology Resources are the property of Ester, which includes the information created, stored or transmitted using Ester Information Technology Resources. Ester's Information Technology Resources should be used for Ester business purposes. The following uses are prohibited:

- Harassing, discriminating, offensive, defamatory, disruptive, fraudulent, or threatening messages.
- Unauthorized distribution of Ester proprietary, confidential or trade secret information.
- Causing or permitting security breaches or disruptions of network communication, circumventing user authentication or security of any computer, network, application or other technology, and/or revealing your password to others or allowing others to use your password.
- Violations of the privacy rights of any person protected by applicable Indian laws.
- Unauthorized solicitation for commercial ventures, for religious or political causes, or for any outside organizations, or for any unauthorized personal gain or advancement.

Except as limited by applicable laws, Ester reserves the right to monitor equipment, systems, and network activities, including, but not limited to, e-mail, voice mail, Internet usage, and any stored information, in appropriate circumstances and pursuant to applicable laws. In addition, for operations maintenance, security, business, legal or regulatory requirements, authorized personnel and third party service providers may have unrestricted access to information in Ester Information Technology Resources to the fullest extent permitted by law or mutual non-disclosure agreements.

Ester reserves the right to terminate any user's access to Ester Information Technology Resources at any time, with or without advance notice.

## **OUR RELATIONSHIP WITH OUTSIDE BUSINESS ENTITIES**

### **Ethical dealings with suppliers and customers**

Our aim in conducting our purchasing operations is to insure continuing, reliable sources of supply. Honest dealing with customers and suppliers is essential to sound, lasting relationships. Thus, we view our suppliers as partners and expect them to make a reasonable profit. We give all potential suppliers fair and uniform consideration. Decisions are based on objective criteria such as price and quality as well as a vendor's capability, reliability and integrity. Giving or receiving any kickbacks, bribes or a similar payment of any sort is prohibited. This shall be communicated to suppliers and vendors. They are advised of the requirement to adhere to the Code when working with us or face the possibility of losing the business for failure to do so.

### **Accepting gifts**

It is not acceptable to receive gifts to influence any business decision. If you intend to receive a gift that is more than nominal in value, then you must contact your Division or Associate General Counsel for approval before doing so. Do not accept or allow a close family member to accept gifts, loans or preferential treatment from anyone doing business with the Company. Follow this rule: never accept a gift or service if it will compromise you or could appear to compromise you. This does not include occasional business meals, which can be reciprocated, or gifts of purely nominal value.

### **General Standards of Conduct**

Each of us is a representative of the Company in the eyes of the public. We must report to work properly groomed and wearing appropriate clothing. Employees are expected to dress neatly and in a manner consistent with the nature of the work performed.

Misusing controlled substances, or selling, manufacturing, distributing, possessing, using or being under the influence of illegal drugs and alcohol on the job is absolutely prohibited.

## **OUR RELATIONSHIP WITH GOVERNMENT AND THE LAW**

### **Compliance with laws**

It goes without saying that we obey all laws that regulate Ester's business. Indeed, it is our policy to go within the letter of the law and comply with its spirit.

### **Compliance with securities laws**

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

An employee of a Ester 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 the company on which such insider information has been obtained.

Such insider information might include the following:

- Acquisition and divestiture of businesses or business units
- Financial information such as profits, earnings and dividends
- Announcement of new product introductions or developments
- Asset revaluations
- Investment decisions/plans
- Restructuring plans
- Major supply and delivery agreements
- Raising finances.

### **Ester does not engage in political activity**

Ester shall be committed to and support a functioning democratic constitution and system with a transparent and fair electoral system in India. Ester shall not support, directly or indirectly, any specific political party or candidate for political office. The company shall not offer or give any company funds or property as donations, directly or indirectly, to any specific political party, candidate or campaign.

## OUR RELATIONSHIP WITH THE ENVIRONMENT

### Environment as integral part of Ester business

The Company is committed to protecting the environment. Therefore, we must each comply with the applicable environmental laws and regulations and the public policies they represent. No individual or manager in the Company has authority to engage in conduct that does not comply with this policy, or to authorize, approve or condone such conduct by any other person.

### Reducing waste

We are committed to reducing waste and minimizing the impact of our products and packaging on the environment. We are dedicated to source reduction, recycling and other responsible methods of waste management.

We are committed to manufacturing, packaging and selling quality products that meet or exceed health and safety rules and regulations.

The health and safety of our employees and the communities in which we operate is paramount in all that we do. We are committed to operating our facilities safely and in a manner that is sensitive to employee and community conditions. We will look ahead to improvements in our facilities and processes to further protect the environment. We will make environmental issues and concerns an integral part of our business decisions and transactions.

## OUR RELATIONSHIP WITH SHAREHOLDERS

### Good corporate governance

The Company's corporate governance policies and programs, of which this Code of Conduct is a key component, serve as an important shareholder safeguard. The directives issued by SEBI to promote ethical corporate behavior have been standard practice at Ester for many years. Shareholders are well served by an independent board, made up of a substantial majority of independent directors, independent committees that oversee audit, compensation and governance matters and recently updated charters and guidelines that clearly define director roles and responsibilities and the Company's corporate governance principles.

### Strong audit programs

Every employee of Ester shall ensure, at all times, the integrity of data or information furnished by him or her to the company. Ester 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 and other authorized parties and government agencies. There shall be no willful omissions of any company transactions from the books and records, no advance income recognition, and no hidden bank account and funds.

### **Keeping shareholders informed**

Each year shareholders are invited to attend the Company's annual meeting where the progress of the Company during the past year is reviewed and shareholders have the opportunity to ask questions of the senior management of the Company. In the intervening months, shareholders may visit the Company's website, [www.esterindustries.com](http://www.esterindustries.com) for information about financial results and other business developments.

## **RESPONSIBILITY FOR COMPLIANCE**

### **Communication and disclosure**

The act of producing a written code of conduct is not enough – the standards of conduct must be communicated to and agreed upon by those who are asked to follow them. In accepting employment with Ester, each of us becomes accountable for compliance with these standards of conduct. Managers are responsible for communicating these standards to those they work with, for ensuring that they understand and abide by them.

This Code cannot provide definitive answers to all questions. For that we must ultimately rely on each person's good sense of what is required to adhere to the Company's standards, including a sense of when it is proper to seek guidance on the appropriate course of conduct.

In most instances, you should bring questions concerning the guidelines described in this Code to the attention of your direct manager, who may in turn refer such matters to the top management as he or she sees fit. You may also contact higher levels of management for further counsel.



## **Reporting violations**

If you know of or suspect a violation of the Code or other Company guidelines, you must immediately report that information to your manager. Alternatively, you should feel free to go to higher levels of management without fear of reprisal. Ester will not retaliate against any individual who reports information concerning potential violations, or who participates in any investigation or proceeding by the Company or the government.

If an employee fails to make a disclosure with regard to a Conflict of Interest situation, and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the employee, the management shall take a serious view of the matter and consider suitable disciplinary action against the employee.

## **Duties of Independent Directors**

The independent directors of the Company have the same duties and responsibilities as other directors and the Board together is collectively responsible for the management of the organization. In addition, they are also bound by the mandatory “code for independent directors” provided under Schedule IV of Companies Act, 2013, as amended from time to time. Some of the important duties and functions stipulated under the code include:

- safeguarding the interest of all stakeholders particularly minority shareholders
- balancing conflict of interest of stakeholders
- assisting the company in implementing the best corporate governance practices
- satisfying themselves on the integrity of financial information and that financial controls and the systems of risk management are robust
- ensuring adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company
- ensuring that there is an adequate and functional vigil mechanism in the company
- conducting at least one exclusive meeting without presence of Management or its representatives
- bringing an objective view in the evaluating the performance of board and management
- undertaking appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- seeking external advice in appropriate matters.

## **Whistle Blower Policy**

Vigil Mechanism/Whistle Blower Policy is framed with a view to provide a mechanism for employees of the Company to raise concerns of suspected frauds, any violations of legal/regulatory requirements or code of conduct/policy of the Company, incorrect or misrepresentation of any financial statements and reports, etc. The purpose of this Policy is to encourage employees and directors who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The policy aims to provide an avenue for employees and directors to raise concerns and reassure them that they will be protected from reprisals or victimization for whistle blowing in good faith.

The practice of the Whistle Blower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee. Employee who wish to report his/her concern should refer the Whistle Blower Policy for further details.

### **Code applicability**

The Code is applicable to all directors and staff members of the Company. Copies of the Code shall be provided to all persons to whom the Code is applicable. The directors and staff members must sign a statement of compliance with this Code of Conduct annually. The Code is also applicable to vendors and suppliers and adherence to the Code is a condition for conducting business with Ester.

### **Acknowledgement**

I have read the Company's Code of Conduct and understand the standards and policies contained in the code. I agree to comply with the Code.

Signature\_\_\_\_\_

Name\_\_\_\_\_

Designation\_\_\_\_\_

Dated\_\_\_\_\_