
Hikal Code of Conduct

Purpose:

The primary objective of Hikal Code of Conduct is to establish a common understanding of the standards of behaviour expected of all Hikalites (employees) at work or otherwise throughout their association with the company.

Scope:

Hikal code of conduct applies to all Hikalites (employees) and consultants, including Directors of the Company as well as people engaged on contract across sites. Our vendors and suppliers are also expected to adhere to the said code of conduct.

This code of conduct is based on Hikal Core Values and Culture Pillars mentioned below:

Core Values

- Customer Oriented
- Quality Focus
- Innovative
- Integrity
- Transparency

Culture Pillars

- Ownership
- Flexible
- Reliable
- Team Work
- Sustainability

This Hikal code of conduct serves as a guideline for expected behaviour from every Hikalite reflecting the highest standard of our daily business interactions in line with our core values and culture pillars.

1. Being a Hikalite:

Every employee shall be proud to be a Hikalite. Being a Hikalite means:

- I'm proud to tell others that I work at Hikal
- I am making a positive difference everyday
- I enjoy what I do
- I like when I am being challenged
- My contributions are acknowledged
- I will grow along with the company

2. Employee's responsibilities:

- 2.1.** It is the responsibility of all Hikalites to get familiarized with this code of conduct available with respective HR and on Hikal Compass (intranet).
- 2.2.** Employees are expected to respect the company's values and ensure compliance with the code of conduct, all policies and procedures at all times.
- 2.3.** Every Hikalite has the responsibility to report any violation or breach of any principles set forth in this code of conduct knowingly or unknowingly, directly or indirectly.

3. Conflict of interest

- 3.1.** Each Employee is expected to avoid situations in which his or her financial or other personal interests or dealings are, or maybe, in conflict with the interests of the company. A conflict of interest occurs when one's private interests interfere in any way, or even appear to interfere, with the interests of the company.
- 3.2.** Hikal expects its employees to act in the company's interest at all times. Employees are advised not to engage in any other business, commercial or investment activity that may be in conflict with their ability to perform their duties and responsibilities to the company. Employees must not use company's assets, properties, information or position or opportunities arising from these for personal gain.

Potential Conflicts (not limited to):

- a) Contracting business activities partly or wholly to any business entity managed by a close friend and or family member, directly or indirectly, unless authorised by Hikal management in writing.
- b) Acting as a consultant, director or officer to a supplier, customer and / or competitor of HIKAL.
- c) Significant ownership interest: Being invested in companies which have or seek to have business relationship with HIKAL or which act as competitors of HIKAL. If such investment is made before accepting employment at Hikal, the same shall be disclosed in writing at the time of the interview or before accepting the offer of employment at Hikal.

2.3 HIKAL respects potential contractual obligations of its employees with their former employers and refrains from creating any conflict of interests hence, any person joining Hikal shall declare all relevant information at the time of interview or accepting the offer or before joining Hikal.

4. Concurrent Employment

4.1. Hikal employee shall not, without the prior written approval of the Chairman & Managing Director or President & Joint Managing Director of the company, accept employment or a position of responsibility (such as a consultant or a director) with any other company, nor provide “freelance” services to anyone. In the case of Chairman & Managing Director/President & Joint Managing Director, such prior approval must be obtained from the board of directors of the company.

5. Protecting company property

5.1. The assets of Hikal shall not be misused; they shall be employed primarily and judiciously for the purpose of conducting the business for which they are duly authorized. It is every employee’s responsibility to safeguard and properly use company assets and resources, as well as assets of other organizations that have been entrusted to the company. These include tangible assets such as IT assets, equipment and machinery, systems, facilities, materials and resources, as well as intangible assets such as information technology and systems, proprietary information, intellectual property, and relationships with customers and suppliers.

6. Integrity of Data Furnished

6.1. Every employee of Hikal shall ensure, at all times, the integrity of data or information furnished to the company.

7. Protecting Intellectual Property

7.1. Valuable intellectual property includes patents, trademarks, logo, copyrights, products, technology and trade secrets. Our employees have a responsibility to protect these assets. Written approval shall be taken from corporate communications department for usage of company’s logo or any other classified information by any employee.

7.2. Employees should only disclose confidential information on a need-to-know basis subject to management approval and a non-disclosure or confidentiality agreement and to take measures to avoid unauthorized disclosure, e.g. by securing access to confidential company records.

7.3. Hikal is committed to dealing fairly with its business partners, relying on the merits of products, services and people. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other

unfair-dealing practice. Employees are expected not to show any favour or preference to any person or business based on anything other than the best interests of the company. Employees should not allow business dealings dealt on behalf of Hikal be influenced by their personal and or family interests.

- 7.4. Hikal respects copyright of others and expects all Hikalites to refrain from any violation of copyrights or patent infringement directly and or indirectly.

8. Research & Development

- 8.1. Hikal believes in respecting all relevant laws and regulations governing research and development and expects all Hikalites to abide by the same.
- 8.2. Any independent research work shall be initiated only after obtaining proper written approval from President – R&T or a Management Committee member.
- 8.3. All those who participate in any chemical research or related development activities anywhere in the world shall understand the nature and purpose of the research, that proper procedures for obtaining consent are followed and that appropriate confidentiality rules are applied.
- 8.4. All information from Lab research must be recorded, handled and stored in a way that complies with applicable data protection laws, and enables accurate and transparent reporting, interpretation and verification.
- 8.5. All research proposals must be ethically and scientifically reviewed in line with current laws and regulations, and all relevant internal reviews and approval procedures must be adhered to.

9. Environment, Health and Safety

- 9.1. Hikal shall strive to provide a safe and healthy working environment to all Hikalites and comply with, in the conduct of its business affairs, all regulations regarding the preservation of the environment of the territory it operates in.
- 9.2. Hikal is committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.
- 9.3. It's every Hikalite's responsibility to understand the complete Environment, Health and Safety norms, practices & systems and adhere to them at all times as well as contribute to strengthen the system through best practices.

10. Financial reporting and records

- 10.1. As part of good corporate governance, it is the company's policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations in all reports and documents that the company files with, or submits to, the Securities and Exchange Board of India, the Stock Exchange, Registrar of Companies and in all other public communications made by the Company. All Hikal employees must abide by applicable company policies and procedures designed to promote compliance with this policy.
- 10.2. Hikal shall prepare and maintain its accounts in a fair and accurate manner and 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 reflect, fairly and accurately, all of the company's business transactions and disposition of assets, and shall have internal controls to provide assurance to the company's board and shareholders that the transactions are accurate and legitimate.
- 10.3. All required information shall be accessible to company auditors and other authorized parties and government agencies. No employee shall make, authorize, abet or collude in an improper payment, unlawful commission and / or any case of bribery.

11. Shareholders

11.1. Hikal is committed to enhancing shareholder value and complying with all regulations and laws that govern shareholder rights. The company shall duly and fairly inform its shareholders about all relevant aspects of the company's business, and disclose such information in accordance with relevant regulations and agreements.

12. Insider trading

12.1. No employee shall buy or sell Hikal securities at a time when in possession of "material which is non- public information". Passing information to someone who may buy or sell securities ("tipping") is also prohibited. The prohibition on insider trading applies to Hikal securities and to securities of other companies, if employees learn of material "non-public information" about those other companies such as the company's customers or suppliers.

13. Securities transactions and confidential information

13.1. Hikal employee 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.

13.2. Hikal employee 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 Hikal on which such insider information has been obtained.

13.3. 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 re-evaluations
- Investment decisions/plans
- Restructuring plans
- Major supply and delivery agreements
- Raising finances
- Salary related information
- MIS
- Any other information that is construed as being confidential and not in the public domain

14. Competition

14.1. Hikal and its employees shall fully support the development and operation of competitive open markets in the country and the market in which it operates. No Hikal employee shall engage in restrictive trade practices, abuse of market dominance or similar unfair trade activities.

14.2. Hikal and its employees shall act in accordance with all applicable Competition Act and Regulations and should not engage in any activity in violation of the applicable Competition Act.

15. Gifts and Donations

15.1. Hikal and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits that are intended, or perceived, to obtain uncompetitive favours for the conduct of its business. The company shall cooperate with governmental authorities in efforts to eliminate all forms of bribery, fraud and corruption.

15.2. No employee may offer a gift, entertainment, payment or anything of value in contravention of any applicable anti-bribery legislation or any applicable code of practice. If any employee

has any doubt about whether it is appropriate to offer or to accept a gift, he / she must promptly disclose the situation to his / her immediate supervisor or the Company Secretary and seek appropriate guidance before taking action. In certain circumstances, Hikal employees may, with full disclosure, accept and offer nominal gifts, provided such gifts are customarily given and / or are of a commemorative nature.

- 15.3.** The give-aways or gifts for any specific trade shows, conferences, events or customers (as per the local culture) shall be planned with written permission from a respective MC member.

16. Government agencies

- 16.1.** Hikal employees shall not, unless mandated under applicable laws, offer or give any company funds or property as donation to any government agency or its representative, directly or through intermediaries, in order to obtain any favourable performance of official duties. All employees shall comply with government procurement regulations and shall be transparent in all its dealings with government agencies.

17. Anti Corruption and Bribery

- 17.1.** Bribery and any other forms of unethical business practice are prohibited. Employees must not pay, offer, promise, or authorize payment of money, inducements or anything of value to government officials or any private parties for the purpose of influencing any act or decision of such government official or any private parties in favour of Hikal.
- 17.2.** Under no circumstance shall any Hikal employee, agent or representative make, offer, promise or authorize any payment or gift:
- To gain any business advantage;
 - To influence the policy of any government, or;
 - That could bear the appearance of impropriety.

18. Political contributions or Public Connect

- 18.1.** Hikal shall not support any specific political party or candidate for political office. The company will not make political contributions from corporate resources to any political party, candidate or holder of public office, or political committee. This includes monetary contributions as well as in-kind contributions (such as the use of corporate property, personnel services or facilities).
- 18.2.** Even any lawful support to any political or local bodies shall be referred to Corporate HR but in no situation it shall be handled locally.
- 18.3.** Any person associated with Hikal directly or indirectly shall not engage in dialogue with governments and other public bodies to inform or influence public policy or otherwise unless authorized by the management for specific situation. In case of any authorized communication an employee must ensure that all communications are done by an authorised person and on the facts & evidence and are not misleading or open to misinterpretation.
- 18.4.** All interactions with government officials and other third parties must also be in accordance with Code of Prevention of Bribery and Corruption.

19. Communication & Disclosures

- 19.1.** It's essential to disclose information in a timely manner, as necessary, to comply with all relevant legal and regulatory requirements. All such disclosures must be accurate and not misleading, with no material omissions. This policy applies to all information, whether favourable or unfavourable to Hikal.
- 19.2.** All our communications, through which ever channel, must be fair, accurate, timely and appropriately authorised. All employees must be mindful of situations in which they may be perceived to be communicating on the Company's behalf.

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- 19.3.** In case of any doubt or such situation wherein any specific or general information is sought by any channel or agency, the same shall be referred to corporate communications or Head – HR at corporate office.

20. Contribution to Society

- 20.1.** Hikal is committed to making a positive contribution to local communities around company sites through contributions, sponsorships and other initiatives in accordance with our CSR policy – ‘Srijan’. All those involved in CSR activities must ensure that any relationship with a social group is transparent and based on trust and a shared objective in line with CSR policy.

21. Working environment and Employment

- 21.1.** Hikal provides safe and healthy working conditions in order to prevent harm to, and promote the health of all employees and other stakeholders. In order to do so, health and safety programs, rules and regulations apply at all sites. It is the responsibility of each employee to comply with health and safety regulations. Hikal and its employees must do what is in its power to prevent any injuries at work, both for our own employees and those present at site.
- 21.2.** It is every employee’s responsibility to prohibit any form of harassment including demeaning, insulting or intimidating remarks or inappropriate behaviour, related to gender, age, physical or mental disability, religion, creed, sexual orientation, racial background, pregnancy, national origin, caste, political affiliation or regional origin directed at any employee.
- 21.3.** Any employee shall not spread / get involved in office gossip or spreading any kind of rumours. Any gossip or rumour must be killed at the earliest and be reported to senior management. Employee involved in spreading rumours or unacceptable gossips shall be dealt with appropriately.
- 21.4.** Hikal is committed to promoting and maintaining a culture of diversity and equal opportunity to people based on merit, performance and future potential to promote meritocracy.
- 21.5.** Primarily hiring of spouse or direct relatives shall not be encouraged, however, for specific skill & competences against existing vacancy, candidature of spouse or a relative may be considered purely based on merit. Such position shall not be in a department wherein conflict of interest will arise. If such information is concealed by the employees or their relative / spouse and even if offer is made based on merit, the same shall be considered to be in contravention of this code of conduct and shall be null & void. Any consideration for hiring of spouse or relative must be approved by CEO routed through Head-HR and respective MC member.
- 21.6.** All decisions about recruitment, selection, compensation, development and promotion must be made solely on the basis of a person’s ability, quality of experience, behaviour, work performance and demonstrated potential for the job in order to stimulate employee’s individual and professional development, and to provide safe and healthy working conditions. Any influence on the decision, directly or indirectly shall be viewed as serious violation of the Code of Conduct and be dealt with accordingly.

22. Harassment/Unacceptable/Inappropriate behaviour

- 22.1.** Hikal is committed to providing a work environment that is free of inappropriate behaviour of all kinds which is objectionable and harassment on account of gender, age, physical disability, marital status, race, religion, caste, sexual orientation & identity. Employees are responsible for supporting the company in its endeavour to protect others from any form of such harassment.
- 22.2.** In the course of business conduct of any employee, wherever harassment occurs to any such employee engaging in any hostile physical contact, intimidation, threat or violence the company shall take all necessary and reasonable steps to assist such affected employee in terms of support and preventive action.

23. Employee Privacy

- 23.1.** Hikal recognizes the importance of protecting personal data of its employees. Hikal shall only process personal data for specified purposes and information may be shared with a limited number of external parties for the administration of benefits, business or legal purposes.
- 23.2.** Any employee shall not divulge any detail (personal, business, employment etc.) to any person or agency without written consent of the respective employee or Head – HR.

24. Alcohol and Substance Abuse

- 24.1.** Alcohol and substance abuse can have devastating consequences in general, at any work place and especially at a production site. Therefore, the use of any illegal drugs and alcohol on Hikal premises is strictly forbidden.
- 24.2.** The use or possession of alcohol, illegal drugs, and other controlled substances in the workplace and being under the influence of these substances on the job and during working hours is strictly prohibited. However, possession of prescription medication for medical treatment is permitted.
- 24.3.** There may be company-sponsored events where management approves the serving of alcoholic beverages. In these cases, all appropriate liquor laws must be followed, including laws regarding the prohibition of serving of alcohol to those under the legally permissible age. However, under all such cases, excessive drinking, intoxication and misbehaviour at these events is prohibited and will be dealt with severely.

25. Information and communication systems

- 25.1.** All employees avail the Information Technology (IT) facilities at Hikal. These facilities are provided to employees for the sole purpose of conducting company's business.
- 25.2.** IT-related resources and facilities should not be used in a way that is in any way unethical or illegal, or that could embarrass, defame, misrepresent, or convey an unjust or unfavourable impression of Hikal or its business affairs, employees, suppliers, customers, competitors, or stakeholders. Unauthorized access to information and information systems is prohibited; access must be authorized by the owners of the information and in line with the user's job description.
- 25.3.** These facilities must be used responsibly by everyone, since misuse by even a few individuals has the potential to negatively impact productivity, disrupt company business and interfere with the work or rights of others. Any action that may expose the company to risks of unauthorized access to data, disclosure of information, legal liability, or potential system failure is prohibited and may result in disciplinary action up to and including termination of employment and/or criminal prosecution.
- 25.4.** The management reserves the right to monitor employee use of company provided tools like email, telephone etc. without intimation to the employee. All Hikalite's shall refrain from engaging in any kind of communication directly to any external agency / person / customer / suppliers unless specifically authorized by a respective MC member.

26. Misconduct and non-compliance

- 26.1.** Non-observance of this Policy shall be construed as misconduct that could warrant disciplinary action, including but not limited to a letter of reprimand, demotion, loss of merit increase, loss of bonus, suspension without pay, termination without pay. The decision in this regard will lie with the Head HR and shall be binding on all employees concerned.

27. Compliance and Reporting

- 27.1.** Every Hikal employee shall promptly report to the management, when she / he becomes aware of any actual or possible violation of the Code or an event of misconduct, act of misdemeanour or act not in the company's interest. Such reporting shall be made applicable to suppliers and partners, too.

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- 27.2.** The company shall ensure protection to the whistle-blower and any attempts to intimidate him / her would be treated as a violation of the Code. No adverse action will be taken against anyone for complaining about, reporting, participating or assisting in the investigation of a suspected violation of the code of conduct, unless the allegation made or information provided is found to be intentionally false. To the maximum extent possible, Hikal will maintain the confidentiality of all complaints.
- 27.3.** Disciplinary action may also be initiated by the Head of HR for authorizing or participating in a violation, failing to report a violation or suspected violation, refusing to cooperate with the investigation of a suspected violation and or retaliating against an individual who reported a suspected violation in good faith.

28. Legal Rights

- 28.1.** This Code is a general statement of expectations for individual and business conduct. It is not intended to and does not in any way constitute an employment contract or assurance of continued employment, and does not create any legal rights for any director, officer, employee, client, supplier, competitor, shareholder or any other person or entity.

29. Ethical Business Practices

- 29.1.** Hikal expects employees to adopt ethical practices while representing the company in its day to day business and while dealing with external agencies.
- 29.2.** While not intended to list all forms of practices / behaviour that are considered unethical and unacceptable in the workplace, following are examples of misconducts that may result in disciplinary action, including termination of employment.
- Theft or inappropriate usage, removal or possession of company property
 - Working under the influence of alcohol or illegal drugs
 - Fighting or threatening violence in the workplace
 - Disruptive activity in the workplace
 - Negligence or improper conduct leading to damage of company-owned property
 - Insubordination or other disrespectful conduct
 - Violation of environment, health and safety rules
 - Unauthorized display of business secrets or confidential information
 - Sexual harassment and /or sexual advances or other unlawful or unwelcome harassment

30. Regulatory Compliance

- 30.1.** Every Hikal employee shall, in his business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he 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.

31. Corporate Dress Code:

- 31.1.** In keeping with the company's professional image, employees are expected to maintain appropriate standards of dress and behaviour. All employees are expected to be formally dressed during office hours.

31.1.1. CBD, Nariman Point And Pharma Marketing office
Monday – Friday – Formals

Ladies – Formals meaning saree, salwar kameez, full length trousers (capri's – three quarter length pants, corduroys and jeans are not classified as formal trousers) with formal tops (please avoid tops with bright colors and large prints) formal sandals or shoes (sneakers are not classified as shoes)

Men – Formals i.e. shirts (full sleeve or half sleeve) tucked in and trousers with dark belt (black or brown) and polished shoes (corduroys and jeans are not classified as formal trousers). A tie and jacket / suit could also be worn.

No jeans or sports shoes, slippers or sandals are permitted.

31.1.2. All manufacturing sites and R & T

Company's prescribed uniform along with formal footwear.

31.1.3. On specific occasions (as informed by HR / Administration) – Smart casuals

Ladies – Trousers, tops / t-shirts with collar only and shoes/ sandals.

Men – Trousers, shirts (full sleeve or half sleeve) / t-shirts with collar only - tucked in. The shirts and t-shirts should not have any indecent or graphic prints.

31.1.4. Hair/Makeup

Hair should be nice, clean, neat and well groomed. There is no specific hairstyle recommended.

Women should wear natural looking makeup that will flatter and compliment, not overpower their outfit.

In the case of men, clean shaven / beards and other facial hair should be neatly trimmed.

31.1.5. Nails

Nails should be clean and manicured. Women do not have to wear nail polish; however, if polish is worn, make sure that it is a natural, conservative colour and not chipped.

31.1.6. Perfume

Do not wear excess or overpowering perfume or cologne as many people have strong, adverse or even allergic reactions to it.

31.1.7. Jewellery

Wear only a conservative amount of jewellery. Also, wear jewellery that flatters but doesn't overpower.

31.1.8. For Hikal events

All Hikal staff should come dressed as follows:

Men to wear full / short sleeves shirt tucked in and trousers with polished shoes.

Ladies to wear salwar kameez, western formal wear or saree with formal foot wear.

No jeans or sports shoes, slippers or sandals are permitted.

If you experience any doubt about acceptable professional, business or casual attire at work, please clarify with site HR and or Corporate HR.

32. Do's and Don'ts under the code of ethics

Every employee shall practice the following illustrative "Do's" and "Don'ts" at his /her work place

32.1. Do's

- Maintain absolute integrity at all times
- Commitment to High Quality work
- Maintain dignity at the workplace

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- Follow all protocols including Hikal corporate dress code
 - Maintain discipline at all the times
 - Be punctual & adhere to official work timings
 - Respect and adhere to the company's policies, systems and procedures
 - Work in teams with a shared purpose and value individual ability and diversity
 - Treat all people with respect and courtesy
 - Ensure effective and economical use of resources in the areas of energy, fuels, chemicals, water etc.
 - Devote time and energy in the best interests of the company

32.2. Don'ts

- Improper handling of customer complaints and violation of policies
- Misuse of any privilege or other concessions given by Hikal
- Indulging in any unethical, malicious or immoral activities
- Don't accept employment or a position of responsibility with any other company, nor provide "freelance" services to anyone
- Don't receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits from anyone without prior consent of the Management.
- Don't disclose any valuable intellectual property including patents, trademarks, copyrights, products, technology and trade secrets or business strategies.
- Don't refuse to do assigned work.
- Maligning or sabotage or abetment of any company property.
- Absconding from duty or unauthorized absenteeism.
- Don't exhibit directly or indirectly any inappropriate behaviour, related to gender, age, physical or mental disability, religion, caste, creed, sexual orientation, racial background, pregnancy, national origin, political affiliation or regional origin directed at any employee.
- Do not use abusive and indecent / foul / threatening language.

32.3. Indulging in any of the "Don'ts" listed above, but not limited to, shall construe as gross violation of core values and culture of the company, therefore, appropriate disciplinary action shall be initiated against such person. Those who indulge in such activity are guilty but those who observe or are aware of such act & don't report to seniors are considered equally responsible.

33. Every Hikalite at all the times shall follow the defined Code of Conduct. In case of any clarification reach out to corporate HR or respective MC member.

34. Right to amend, alter or modify and interpret

Management reserves the right to amend, alter or modify this code of conduct and management's interpretation of this code of conduct shall be final.

Declaration

I have read and understood the principles set forth in the Hikal Code of Conduct (revision -1 dated October 20, 2016).

I, _____, hereby undertake the complete responsibility of compliance in accordance with the Hikal Code of Conduct (revision -1 dated October 20, 2016) and also take responsibility to report to senior management, any breach of the Code of Conduct that comes to my knowledge directly or indirectly. I agree that in future any revision in the Hikal Code of Conduct as published by the company shall be applicable and I shall abide by that.

Full Name:
Employee Code:

Signature:

Location:
Date:
