

FINOLEX INDUSTRIES LIMITED

EMPLOYEE CODE OF CONDUCT

Objective:

Finolex Industries Limited is committed to adhere to the highest standards of ethical, moral and legal principles for the purpose of ensuring efficiency in the conduct of its business operations. Any actual or potential violation of the ethics, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company.. The role of the employees in pointing out such violations of ethical behavior in accordance of the Whistle Blower Policy (available at www.finolexwater.com) cannot be undermined.

1.0 Business Practices

FIL shall prepare and maintain its financial records in accordance with the accounting and financial reporting standards that represent the generally accepted guidelines, principles, standards, laws and regulations of India and such that they fully and accurately report the transactions which they purpose to reflect and fully comply with statutory and stock exchange listing requirements.

Internal accounting and financial controls 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 authorised parties and government agencies. FIL will design, manufacture and deliver quality products which meet the needs of consumers and are not harmful to consumers. Operating policies will be implemented which ensure that the products are produced in an environmentally responsible way.

All the directors, senior management and employees have the obligation to conduct themselves in an honest and ethical manner and act in the best interest of the Company at all times. They are expected to demonstrate exemplary personal conduct through adherence to the following:

2.0 Avoidance of Conflict of Interest.

All the directors, senior management or employees (the “Person”) of the Company shall not engage in any business, relationship or activity, which might detrimentally conflict with the interest of the Company and must avoid situations in which their personal interest could conflict with the interest of the Company. This is an area which is wide in scope hence the Company do not provide comprehensive guidance but the guiding principle is that conflict, if any, or potential conflict must be disclosed to higher management for guidance and action as appropriate. Every person who is required to make a disclosure as mentioned above shall do so, in writing to his immediate superior who shall forward the information along with his comments to the Managing Director and/or Executive Chairman and upon a decision being taken in the matter, the person concerned will be required to take necessary actions as advised to resolve *avoid* the conflict.

If a person fails to make a disclosure as required herein and the management of its own

accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the person, the management would take a serious view of the matter and consider suitable disciplinary action against the person.

In addition to aforesaid, independent directors are bound by the code for independent directors.

3.0 Transparency and Auditability

The Person shall ensure that his/her actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise. Such transparency shall be brought about through appropriate policies, systems and processes, including as appropriate, segregation of duties, tiered approval mechanism and involvement of more than one manager in key decisions and maintaining supporting records. It shall be necessary to voluntarily ensure that areas of operation are open to audit and the conduct of activities is totally auditable.

4.0 Protection of Confidential information

The Person will agree that the protection of business information is very important and trade data is vital to the interests and the success of the Company. All the data generated during the working for the Company and company operations is Confidential Information which includes but are not limited to, the following examples:

Information or data in IT infrastructure in soft or hard form, all the information is secret, customer lists, financial information, pending and upcoming projects or "proposals, pricing / costing information, employee information and compensation data, any data or information relating to business information, strategies, list of present or potential clients or vendors, equipment, software, designs, marketing plans, pricing information, processes, ideas, inventions (whether patentable or not), schematics and other technical business, models, design, performance specifications, concepts, progress reports and the production processes employed by the Company in the operation and development of its business or otherwise. Such Confidential Information may be in writing, or presented electronically, orally or visually, in readable form whether on floppy diskettes, compact discs, magnetic media, on cloud, his/her tablets, PC or any such electronic devise or in any form whatsoever and stored in any medium.

In the course of the person's work he/she may acquire or have access to information and it is a condition of his/her employment and working with the Company that he/she treat this as confidential property of the Company and refrain from disclosing it to any unauthorized person (s), part with possession of or remove confidential information, now or at any time in future, whether during the person's employment or thereafter at any time, under any circumstances, without prior written permission from the Executive Chairman.

The persons are hereby prohibited from using for his/her own purpose or for any purpose other than for the Company purposes or any private or confidential or secret purpose or know-

how generation and use or writings or records, notes, letters, drawings, plans or any other personal purpose by using the Confidential Information belonging to the Company, which the person may have obtained or come across by virtue of employment with the Company.

The person are requested to note that breach of this policy will attract appropriate disciplinary action including but not limited to the prosecution under the Civil and/or Indian Penal Code/criminal laws.

The person may disclose Data which is required to be submitted mandatorily under any statutory laws, rules and regulations thereunder as applicable to the Company, to the banks for business transactions payment processing, to the statutory and internal auditors, production schedules to the listed vendors for future supplies and enquiry for quotations on need to know basis. However the person must ensure to retain one copy of such Confidential Information disclosed either in soft and/or hard copy format.

Dealing in Securities of the Company by Employees

The Person shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company which is not in the public domain and thus constitute confidential insider information. The person shall not use or proliferate information which is not available to the investing public and which therefore constitute insider information for making or giving advice on investment decisions on the securities of the Company on which such insider information has been obtained.

The Person shall not deal, on the stock market or off the stock market with the securities of the Company unless the procedure in the CODES OF PRACTICE AND PROCEDURES FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION AND CODE OF CONDUCT UNDER THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015 is fully complied.

5.0 Company Facilities

The Person shall not misuse Company facilities such as housing, transport, office equipment and stationary etc. In the use of Company facilities, care shall be exercised to ensure that costs are reasonable and there is no wastage.

All the persons shall seek to protect The Company's property from loss, damage, misuse, theft, fraud, embezzlement and destruction. These obligations cover both tangible and intangible assets, including but not limited to trademarks, know-how, confidential or proprietary information and information systems. To the extent permitted under applicable law, the Company reserves the right to monitor and inspect how its assets are used by the Person, including inspection of all e-mail, data and files kept on Company network terminals, The Person shall hand over the asset (s) allowed to be used on the date when the contractual arrangements are ceased in the event of exits and separations.

6.0 Dealing with People in the Organization:

In dealing with each other, the Person shall uphold the values which are at the core of our HR Philosophy - trust, teamwork, mutuality and collaboration, meritocracy, objectivity, self-respect and human dignity. Indeed, these values form the basis of the Human Resource management systems and processes. In selection and recruitment, while meritocracy will be a prime criterion, managers will scrupulously consider all factors that go towards securing the interests of the Company. FIL will focus on meritocracy, equity and upholding of Company values in all people processes including performance management systems, appraisals, remuneration and rewards.

Immediate family members and partners of employees may be hired as employees or consultants only if the appointment is based on qualifications, performance, skills and experience and provided that there is no direct or indirect reporting relationship between the employee and his or her relative or partner. These principles of fair employment will apply to all aspects of the employment, including compensation, promotions and transfers, as well as in case that the relationship develops after the respective employee has joined the Company.

7.0 Legal Compliance:-

It is the Company's policy to comply fully with all applicable laws and regulations. Ensuring legal and regulatory compliance is the responsibility of the all the Persons. The Company shall not accept practices which are unlawful or may be damaging to its reputation. This would be duty of each Person and Committee monitoring compliance that they must satisfy themselves that sound and adequate arrangements exist to ensure that they comply with the legal and regulatory requirements impacting each business and identify and respond to developments in the regulatory environment in which they operate. In the event the implication of any law is not clear, the Company's Legal Department shall be consulted for advice.

Employees are expected to be aware of all legislation and policies applicable to their position and be sufficiently familiar with such laws and policies that they are liable to comply.

Management and employees are responsible to ensure that they:

- Have access to all relevant laws and Policies;
- Are properly instructed on the relevant laws and policies; and
- Maintain their understanding, through continuing education and periodic updates.
- Display all laws abstracts on all notice boards or create awareness about all legal amendments through update on E-Library or knowledge server.

8.0 Equal Opportunity at Workplace

As a good corporate citizen, the Company shall provide equal opportunities to all the Persons which includes employees and all qualified applicants for employments without any difference. Employees of The Company shall be treated with dignity and in accordance with the policies to maintain a work environment free of sexual harassment. The Company has devised the Policy on Sexual Harassment (available at www.finolexwater.com) in the manner that would ensure that in all matters equal opportunity is provided to all those eligible persons on merit basis.

9.0 Relationships with Suppliers and Customers

The Person shall ensure that in any dealings with suppliers and customers, the Company's interests are never compromised. The Company and the Person shall neither receive or offer or make directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits that are intended to or perceived to obtain business or uncompetitive favours for the conduct of the business. However, the Company and the Person may accept and offer nominal gifts which are customarily given and are of commemorative nature for special events. Any violation of this clause will be viewed as serious breach of discipline as this could lead to compromising the Company's interests.

10.0 Health, Safety and Environment

The Company attaches great importance to a healthy and safe work environment. The Company is committed to provide good physical working conditions and encourages high standards of hygiene and housekeeping. 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.

11.0 Environment Policies

The Company believes that commitment to sustainable development is a key component of responsible corporate citizenship and therefore deserves to be accorded the highest priority.

Accordingly, the Company is committed to Best Practices in environmental matters arising out of its business activities and expects each business to fully demonstrate this commitment.

In addition to complying with applicable laws and regulations, Businesses must establish procedures for assessing the environmental effects of their present and future activities. They should adopt Best Practices in their environmental policies and procedures.

The Company and the Person shall be committed to prevent the wasteful use of natural resources and minimize hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

12.0 Political Non-alignment

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

13.0 Leading by Example

The organization's directors and senior management set the professional tone for the Company. Through both their words and their actions, the organization's leadership conveys what is acceptable and unacceptable behavior. The Company's directors, senior management and employees must constantly reinforce through their actions and behavior that The Company stated beliefs of responsible corporate citizenship are rooted in individual conviction and personal integrity.
