

**CAPLIN STERILES LIMITED  
CODE OF CONDUCT AND BUSINESS ETHICS (“CODE”)**

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## PREAMBLE

Caplin Steriles Limited (the "Company") is dedicated to conducting its operations and business affairs honestly, morally, and in compliance with all applicable laws and ethical principles. This Code is intended to encourage morality and discourage wrongdoing and unethical practices in its day to day operations. The Code outlines the company's expectations from its Employees and other parties with whom it conducts business and is complemented by other policies both present as well as future. The Code shall serve as a reference point which will enable every Employee to understand what to do, how to do and importantly what not to do. From this stand point, the Code takes the position of a guiding document instead of a plain rule book. However, the Code cannot conceive every possible situation which may result in a potential violation of this Code's principles and each one is called on to apply the basic principles to suit the specific situation he/ she finds himself/ herself in.

## KEY COMMITMENTS UNDERLYING THE CODE

- The Company will develop & provide products and services of high quality promptly with advanced technology corresponding to or exceeding customer expectations
- The Company honours intellectual property rights and will strive not to infringe such rights
- The Company shall protect personal information of customers and everyone else it deals with
- The Company commits to provide a safe and healthy working environment to all Employees.
- The Company will build and share a sense of mutual trust and responsibility with employees through sincere communication and dialogue.
- The Company will support fair work conditions, provide opportunities for growth, will encourage diversity in work force and will honor human rights.
- The Company will not tolerate any form of forced or child labor or any conduct and behaviour promoting unsafe, unhealthy and unproductive workplace.
- The Company will strive to enhance corporate value with long-term growth. The Company commits to balance the short term rewards with long-term value creation for shareholders and will strive to avoid risk taking in excess of its measurable risk appetite while acting upon corporate opportunities.
- The Company will strive for transparency through timely and fair disclosure regarding the operating and financial conditions.
- The Company commits to all its suppliers throughout the world that it will deal with fairness in all business transactions. The Company will respect the suppliers as business partners, and aim for mutual growth based on mutual trust.
- The Company is committed to sustainable growth with the common interest of all stakeholders, both present and future. All the activities shall be carried out respecting the environment and public health.
- The Company shall not act in a manner which encourages corruption

- The Company commits to adopt environmentally friendly production technologies and methods, with the aim of reducing the environmental impact of its activities.
- The Company will endeavour to give back to the community at large more than what it draws from it in the form of natural and other resources.

## COVERAGE

- a) This Code applies to:
  - All the Employees of the Company covering Permanent Employees, Contract Workers, Fixed Term Workers, Retainers, Trainees, Apprentices and Permanent Field Staff and representatives worldwide
  - Employees of the Subsidiaries and Associates whether located in India or abroad
  - Unless the context otherwise indicates, Directors of the Company
- b) This code uses the term Employees to indicate all the categories of covered persons. However, in the context where certain principles are not relevant for the Directors or any categories of Directors of the Company, the word Employees shall be construed to exclude the Directors or such categories of Directors. For eg the provisions pertaining to Gainful Employment shall not be applicable for a Director who is not in whole-time employment of the Company.
- c) This Code also covers the Duties of Independent Directors as prescribed in Schedule –IV to the Companies Act, 2013 (reproduced as Annexure – II)
- d) The Board of Directors of the Company reserve the right to extend the applicability of this Code or any section of this Code to Consultants, Suppliers and other Service Providers of the Company or those in the value chain based on the obligation cast upon the Company to ensure compliance with Environmental, Sustainability and Governance standards.

## CONFLICT OF INTEREST

Generally, a conflict of interest occurs when a personal or family interest interferes with Employee's ability to perform the job objectively and effectively. Conflict of Interest will also arise when the Employee puts himself in a situation where he cannot protect the interests of the Company or knowingly or unknowingly exposes the Company to risk of non-compliance or loss. All Employees are expected to act in the best interests of the Company while discharging their duties and are required to avoid such situations. Such a situation may arise in the following scenarios:

- 1) Gainful employment:** Employees are prohibited from holding or entering into employment or any similar commercial/financial opportunities outside the Company during the tenure of employment with the Company. Additionally, the employees must not hold any position of influence (e.g. serving as a director/member of board, outside consultant/advisor) or otherwise provide services for or receive payment or any other monetary or non-monetary advantage from, any customer, supplier or competitor of the Company. All positions of director or member of the board of directors in any of the unrelated companies must be accepted only with prior written approval from the Company. This approval should be renewed annually.

- 2) Teaching and Knowledge sharing:** Whenever an Employee is invited to teach in Professional Colleges/Universities or by Professional Bodies/Associations, prior permission of the Whole Time Director/ Head HR is necessary in writing if it involves sharing of any information connected to the Company. Permissible information that can be shared shall be mentioned as part of the permission. Employee shall refrain from using Company specific data or proprietary information of the Company.
- 3) Interested Transactions:** All Employees should avoid finalising, executing or recommending any transaction on behalf of the Company when his direct or indirect personal interests contradicts the interest of the Company. Such interests are generally born out of personal or financial relationships. Special precaution should be taken when a prospective supplier, Employee, customer, advisor, approver etc. is a family member or friend of an employee. In all such situations, it should be ensured that the relationship is disclosed by the Employee to the HOD and Whole Time Director along with any potential benefits which are likely or known to flow to the Employee or his family members due to such conflicting situation. The Management shall ensure that such an Employee is not involved in decision making for finalization of the business relationship with related parties and also adequately ensuring that such relationship does not affect the Employee's ability to act in the best interests of the Company. Further, in all such cases, adequate safeguards should be established and documentation maintained to demonstrate to any external party that proper evaluation was conducted and that the decisions were finalized based on qualification, skills and/or technical ability and in a transparent manner.
- 4) Personal investments or dealings:** Employees are required to disclose to the reporting manager/ compliance head any financial relationship or interests in the entities in which the Company directly or through its Subsidiaries or Associates deals with. After disclosure, the concerned Employee should abstain from directly or indirectly influencing or participating in any decisions pertaining to the transactions of the Company with such other entities. No Employee, unless approved by the Board of Directors/ Audit Committee, should have a significant financial interest (ownership or otherwise) in any company that is a material customer, supplier or competitor of the Company its Subsidiaries or Associates. A significant financial interest means (i) ownership of greater than 1% of the equity or (ii) an investment in a material customer, supplier or competitor that represents more than 5% of the total assets of the Employee.

## COMMITMENT TO COMPLIANCE

All the Employees of the Company have a responsibility to ensure compliance with the statutory provisions and guidelines which are applicable to their respective areas of operation. Employees should take a balanced approach towards long term and short term performance of the Company. While shortcuts may give better short term performance, in the long run a strong culture of Compliance will be an asset to the Company. In addition to statutory compliances, Employees should also comply with company's internal policies and guidelines.

Some of the Company's policies are as below –

- Code for Prevention of Insider Trading and Corporate Disclosure Practices
- Prevention of Sexual Harassment Policy
- Environment, Health and Safety policy
- Human Rights Policy

- All policies forming part of Internal Financial Controls and all Corporate policies approved by the Board/ any Committees of the Board

## **REGULATING INSIDER TRADING**

The Company believes that its employees should ensure fair dealing in securities of the parent Company, Caplin Point Laboratories Limited (CPL), whose shares are listed. The Code of Conduct for Prevention of Insider Trading of CPL is applicable to all the employees of the Company and restricts trading during certain prohibited periods and also protection of information that could affect the pricing of CPL shares if that information is released to the public. It is a violation of this Code to act on such information with an intention of personal gains or for benefits to known/related parties. The Company strictly prohibits its employees and associates from trading, either personally or on behalf of others based on non-public information pertaining to CPL or communicating such information except for legitimate purposes connected to one's employment or other engagement with the Company. More details about this is given in CPL's Code of Conduct for Prevention of Insider Trading and Fair Disclosure Practices and also the Regulations of SEBI. Non-compliance of these may not only entail disciplinary actions, but may also result in criminal charges.

## **ANTI- CORRUPTION AND ANTI -BRIBERY & KICK-BACKS**

The Company discourages all forms of Corruption, Bribery and Kick-backs, whether directly by the Employees or through any consultants/ third parties. We believe in acting in accordance with the highest standards of ethics, integrity and morality. Corruption on the part of those who are associated with the Company means inducing or gratifying any authority or statutory body, through means that are illegitimate, immoral, or incompatible with ethical standards. Corruption includes any form of bribery, gift, kickback, hospitality and entertainment, political contribution, improper performance or abstinence from duty for any financial, professional or any personal gain. For example, bribes are intended to influence behaviour – they could be in the form of money, a privilege, an object of value, an advantage, or merely a promise to influence a person in an official or public capacity.

Employees shall not, directly or indirectly, indulge in corrupt practices including making, accepting, offering, or promising to make (or conduct) a bribe, kickback or other improper payments, benefits or advantages to any person, individual, entity or organization, or otherwise facilitate any direct or indirect payments for corrupt purposes. The Company and its Employees and associates are prohibited from offering or accepting any undue monetary or other advantage to any person or persons. In case any public official seek illegal gratification from the Company, the same shall be reported to the Whole Time Director and Head HR by the concerned Employee dealing with the said official for determining the further course of action under relevant Law.

Any acts towards facilitation (by way of monetary or non -monetary benefits) made to secure or speed up or achieve routine legal compliance or dealing with government bodies are also prohibited under this Code. A kickback is compensation of any kind directly or indirectly accepted by an Employee from a vendor, contractor, or subcontractor doing business or prosed to do business with the Company, for the purpose of influencing the award of a contract.

Please note that any Gifts and Hospitality accepted as Bribe or Kick-back will tantamount to violation of Code of Conduct irrespective of its quantum and nature.

## CONFIDENTIALITY AND INTELLECTUAL PROPERTY

Confidential Information of the Company is valuable in nature and all the Employees must take all steps to safeguard and protect it from loss and misuse. Confidential information shall, without limitation, include: Trade secrets, know-how, patents (whether registered or pending), trademarks, copyrights and other Intellectual Property, belonging to the Company or authorised for Company use by a third party, Company financial information and results before publication, business ideas, processes, plans, proposals, capacity and production information, marketing or sales forecasts and strategies, customer information, price lists, business strategies, supplier data, business leads, technology and R&D development information, Employees' personal records / data, information about acquisitions and disposals, information related to litigation etc.

Employees should note that any information created or generated during the course of employment with the Company shall always be owned by the Company without any exception, and shall only be used by the Employee for Company purposes.

Company respects the confidential information of third parties shared during any business transaction and will use the same degree of care that it uses to protect the confidentiality of its own confidential information.

All the Employees and those who do business with the company must take appropriate steps to-

- Protect intellectual Property by exercising due care and diligence
- Maintain confidentiality of all confidential and sensitive information that is not in public domain and may impact the company's reputation, share price and standing
- Take care of documents that contain such information and extend this care to information on computers by not leaving such assets in an open access area or without adequate protection. Employees shall ensure that all folders and storage spaces containing Confidential Information and Intellectual Property is protected by appropriate passwords as per the Password Policy of the Company
- Never copy/ use or distribute documents or software that are protected by copyright or license without proper authorization
- Use only authorized and legally licensed software approved by the company in all company provided laptops/ desktops and mobiles
- Never download freeware or any other free or paid application that may contain malware and destroy the information and technical systems of not only the concerned Employee's computer but others as well
- Never retain any Confidential Information or Intellectual Property of the Company beyond the Employee's association with the Company, without explicit written approval of the Company
- never use any Company related Confidential Information or Intellectual Property after cessation of the employment or service with the company
- Avoid discussing or working with confidential information in a public area where a conversation may be overheard or the data accidentally disclosed
- Make sure that you are not disclosing a previous employer's confidential information without the consent of that employer
- Any Employee who leaves the service of the Company will still be liable to safeguard the confidential information he obtained during the course of his/her employment with the Company.



## **DATA PRIVACY AND PERSONAL DATA PROTECTION**

Employees must exhibit great respect and care while handling personal information. Personal information is any data that could directly or indirectly identify a specific individual, such as name, financial data, government-issued identification numbers, contact information or health-related information. Many parties, including colleagues, customers, suppliers and other third parties, entrust the company with their personal information, and every Employee has a role with protecting personal information by:

- Only collecting, processing or transferring the minimum amount of personal information necessary in the prescribed formats to achieve legitimate business purposes
- Keeping personal information only as long as necessary
- Carefully using information systems and e-mail whenever sending and storing personal information
- Not exchanging personal information with third parties without proper prior authorization and confidentiality agreements
- Securing all electronic personal, confidential and proprietary information on access-protected storing facilities
- Treating personal passwords and access codes with utmost confidentiality
- Locking physical personal, confidential and proprietary information safely in designated spaces
- Sharing personal information of individuals with third parties only with the consent of the respective party stating the purposes for which it shall be used and to ensure that it is used only for the said purpose

The Company has implemented a well-structured and tested mechanism to verify the compliance of the above.

More information on the data privacy and personal data protection can be referred from the Company's Data Privacy and Personal Data Protection policy.

## **GIFTS AND HOSPITALITY**

The Company recognizes that building relationships with third parties is an integral part of doing business. At the same time, it is important to consider the intent with which a gift is being given/ received along with the monetary value of the gift for taking a decision regarding accepting/ rejecting a gift. Gifts can be in cash or in kind or may be in the form of position, privilege or advantage offered. No Employee shall accept any gift/hospitality from anyone having direct or indirect interest with the business of the Company beyond the limit as prescribed herein. Following are some of the guidelines for this purpose:

- Gift and Hospitality must not contravene local laws or ethical standards, including the ethical policies of the other party's organisation
- Accepting or offering any gift or hospitality that makes the recipient feel obliged to act in a certain way or even appears to do this, is unacceptable and is in violation of the Code
- Hospitality/entertainment may only be offered or accepted in the normal course of doing job provided it is reasonable and modest and does not influence or appear to influence actions
- Giving and receiving promotional items of nominal value is acceptable, for example company-branded gifts such as pens, clothing and stationery
- When hosting an event, ensure that all business partners involved are treated equally and transparently

- All monetary and non-monetary receipts of an Employee on behalf of the Company must be properly recorded in reasonable detail such that they accurately and fairly reflect the true nature and the amount of the receipt, the business purpose and the source.
- In no event shall any of the Employee accept any Gift or Hospitality in connection with Company's business from an unrelated foreign entity unless the same is approved prior by the Whole Time Director/ Head HR
- In no event shall any of the Employee accept any Gift or Hospitality if there is a reasonable cause for the Employee to believe that there is an involvement of Money Laundering or Terrorist Financing
- All Gifts whose value is above Rs. 5,000/- shall be handed over to the HR Head. The HR Head shall decide whether to allow the Employee to retain the said Gift or to appropriate it to Company's account.
- All prize money received by Employee by participating in an event, competition etc shall be retained by the Employees with a communication to the HR Head.

## **ETHICAL SOURCING**

We believe in working with suppliers, vendors or contract service providers (hereinafter referred to as 'Sourcing Partners') who respect human rights, sustainability and ethical conduct apart from business performance. All the purchasing, procurement and contract services related decisions is made on the basis of factors like merit, price, quality and performance. As a policy, screening of Sourcing Partners with respect to the process and end use of resources are procured based on information collected through an exhaustive manifest addressing ethical sourcing aspects. Following are some of the important standards in this regard:

- Along with the business performance, Employees shall, while selecting key Sourcing Partners shall evaluate the compliance, human rights and environmental track records of the Sourcing Partners
- All existing Sourcing Partners' performance in meeting key compliance, human rights and environmental obligations shall be reviewed at least annually by the senior management
- Any violation noted by the Employees in the course of their visits/ audits shall be immediately brought to the attention of the HOD and Compliance Head and shall also take all necessary steps to agree on a time bound resolution of the violations
- The Employee and/or their relatives or associates should not have any personal interest or investment in the Sourcing Partners as it would influence their objectivity when making purchase decisions
- Information about any such relation or connection or interest with any Sourcing Partner that could the influence the decision-making capacity of Employee shall be reported to any of the HOD and Head HR
- No Employee shall accept any gifts or kickbacks from Sourcing Partner, irrespective of whether it is within the limits specified in this Code for Gifts and Hospitality
- Annual evaluation of the Sourcing Partners shall be carried out by a Committee comprising of Whole Time Director, Chief Financial Officer, Purchase Head, and Compliance Head.

## **USE OF COMPANY PROPERTY, LETTERHEADS AND NETWORK**

Protecting the Company's property is a key responsibility of every Employee. Every Employee must ensure that assets are not misused, misappropriated, loaned to others, or sold or donated or mortgaged, without appropriate authorization. Employees may not use Company assets for personal use, nor may they allow any other person to use Company property. Every Employee is personally responsible for all

Company assets over which he/she exercises control. Company funds must be used only for business purpose. To ensure the protection and proper use of the Company's assets, each Employee should:

- Report the actual or suspected theft, damage or misuse of Company property to the reporting supervisor and HR Head
- Use the Company's telephone system, Internet access, e-mail, voice mail, computers, desks, cabinets, vehicles, software, other electronic communication services, written materials and other property only for business-related purposes of the Company
- Use Company's letterheads, stamps, seals only in connection with the business of the Company
- Safeguard all electronic programs, data, communications and written materials from wrongful or unauthorised access
- Use Company provided assets only for legitimate business purposes as may be authorised in writing
- Exercise due diligence and care while dealing with the assets of the Company entrusted for use by the Employee and ensuring that such assets are used only for the purpose it is entrusted by the Company
- Ensure that confidentiality of the password to Company's network is maintained
- Be aware that all information and communications sent, received, or stored in the company's computer or telephone systems are considered company property. All written correspondence is also considered company property. There should be no expectation of privacy with regard to these conversations and data among the staff and other users of this property. The Company has the power and reserve the right to monitor any electronic and telephone communication to the degree permitted by law. These communications may also be subject to disclosure to law enforcement or government officials. Use of any Company property, including e-mail for unlawful, defamatory, obscene, or other inappropriate communication and storage of illicit media, or materials is prohibited. Employees should also refrain from using any Company system for purposes of advertising or soliciting, unless the same is expressly authorised by the Company.

## **BUSINESS OPPORTUNITY**

Employees are prohibited from diverting Company's business or business opportunities in which the Company might have an interest or from acting in a manner which reduces the chance of Company's stakeholders/investors to act on/benefit from a business opportunity. The situation is likely to occur in scenarios where business leads or contacts are shared with external parties/competitors or when personal investments are made in a business opportunity which is known/likely to be pursued by the Company without giving a fair opportunity to the Company to act on it.

No Employee should invest in a business or be actively involved in an entity that competes with the Company or the effect of which is to deprive the Company of any business opportunity or benefit which could be construed as related to any existing or reasonably anticipated future activity of the Company. Employees who learn of such opportunity through their association with the Company may not disclose it to a third party or invest in the opportunity without first offering it to the Company. Even if the Company refuses the said business opportunity, after being offered by the Employee, the Employee may only invest passively in the said business and shall not be an active participant of the said business.

## **FAIR COMPETITION**

The Company seeks to outperform its competition fairly and honestly. The Company seeks competitive advantages through superior performance, not through unethical or illegal business practices. Employees must ensure that information about other companies and organizations, including

competitors, must be gathered using appropriate methods. Employees must guard against price-fixing or arranged market segmentation and monopolistic behaviour which results in reduced competition in the markets we operate. Each Employee should endeavour to respect the rights of, and deal fairly with, the Company's customers, suppliers and competitors.

Antitrust and competition laws protect free enterprise and prohibit interactions between the Company and its competitors that affect prices, terms or conditions of sale, or fair competition. We ensure fair competition in all business dealings, including, among other things, distribution agreements, rebates and discounts to customers, patent, copyright, and trademark licenses, territorial restrictions on resellers, and pricing policy generally. We are committed to comply with competition laws of all countries in which we operate. Following are some guidelines/ directives relevant in this regard:

- Do not deal with sensitive information with direct competitors (e.g., on pricing, cost or terms/conditions)
- Avoid dealing, contacting, or engaging with competitors that may create a potential conflict with the provisions of competition law
- Do not share or part with company specific information in an industry forum or enter into agreements with competitors for information sharing
- Do not enter into agreements that may be constructed as abuse of dominance or restrictive trade practices such as price fixation, exclusive tie in arrangements, limiting the supply of goods or services, collusive bid rigging or predatory pricing
- Gather market intelligence through lawful means and decide commercial strategies independently in the light of that intelligence
- Employees may participate in an exchange of aggregated industry data, as long as it does not disclose company-specific information and is compiled by an independent third party to maintain confidentiality.

## **MEDIA AND INVESTOR RELATIONS**

The Company is committed to deliver accurate and timely material information to the public, including the media and our stakeholders. All communications to the media and investors must be approved by the Chairman/ Whole-time Director and shall be in accordance with the Investor Relations policies and applicable procedures. Company Employees other than designated spokespeople are not authorised to answer questions from the media or investors. Employees must direct all media and financial inquiries to the Investor Relations Department.

## **SOCIAL MEDIA**

We interact with customers, patients, business partners, media and investors through various social media platforms. Additionally, Employees may use social media for personal reasons outside of the scope of their job responsibilities. Only authorised Employees may post information on the internet or social media platforms on behalf of the Company. All such social media communications created or shared must adhere to the Company's policies and applicable procedures relating to the review, approval and dissemination of external information. Employees shall not share or communicate the Company's business, including information related to our products, research programmes, business development activities and other potential confidential information in the social media.

## ANTI FRAUD

Fraud shall include any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss.

The Company has zero tolerance for all forms of fraud including fraudulent financial reporting, misappropriation of assets and corruption. Employees are required to report any suspected fraudulent activities in accordance with this Code. We expect r Employees to act ethically and honestly. Any use of fraudulent or illegal tactics violates that trust and carries potentially severe consequences for the Company and the Employee concerned. The Company protects all Employees who report such activities committed by fellow Employees or any others associated with the Company. Whenever such concerns are reported, appropriate level of management of the Company, independent from the party involved in the alleged fraudulent activity, shall conduct an extensive and objective investigation to resolve the reported issue and take appropriate action. If any fraud, dishonesty, or criminal conduct is detected or suspected of any Employee or anyone doing business with the Company, such matter must immediately be reported through the Whistle-blower mechanism as detailed in the Company's Whistle-blower policy.

The Company will cooperate with authorities to prosecute any act of fraud, dishonesty, or criminal conduct. Instances of Fraud include:

- Fraudulent expense reports, reimbursement bills, travel claims
- Falsifying or tampering with the books of accounts and other records of the Company
- Dishonest reporting or wilful misreporting to statutory authorities/ regulators
- Concealment of material fact from the management/ stakeholders/ regulators which may lead to adverse impact on the Company
- Misuse of Company's intellectual property, confidential information or other assets in contravention of this Code
- Any other activities that may be treated as fraudulent under the applicable laws

## ANTI THEFT

The Company has zero tolerance for any form of misappropriation of company's assets and information. Any incident of theft may lead to suspension or termination. In case of report of such theft, an inquiry may be conducted by the Ethics Committee or any equivalent committee and the suspected Employee may be suspended with or without pay. The Company also reserves the right to take necessary legal and/or criminal action against the Employee.

Following are a few examples of theft that may lead to suspension, termination of employment and legal action.

- Theft of Company merchandise
- Theft of Company owned assets including equipment and software
- Theft of personal property from another Employee
- Theft of customer owned property, materials or intellectual property

- Personal or unauthorized use of company assets or information
- Misappropriation of Company designs, drawings and other intellectual property

## **HEALTH & SAFETY**

The Company is committed to making the work environment safe, secure and healthy for its employees and other stakeholders. The Company expects each Employee to promote a positive working environment for all. Each employee is expected to consult and comply with all Company rules and public health policies regarding workplace conduct and safety. Each employee should immediately report any unsafe or hazardous conditions or materials, injuries, and accidents connected with the Company's business and any activity that compromises the security of the Employees as well as the community where the Company operates. More detail can be referred from the Environment, Health and Safety Policy available at the Company's website.

All company sites are expected to follow methods which allow measurable environmental performance standards to be set and actual performance to be regularly evaluated and checked against applicable standards. Employees should take care that in the course of carrying out their responsibilities none of their acts of commission and omission adversely affect the Environment.

## **SUBSTANCE AND WEAPONS ABUSE**

The Company strictly prohibits use, sale, possession, or being under the influence, of illegal drugs or alcohol or controlled substances while at work, whether or not consumed during working hours or in the Company premises. No Employee or any person present in the premises of the Company shall carry weapons/firearms or ammunition. Possession of a weapon can be authorized only for security personnel when this possession is deemed to be necessary to ensure the safety and security of the Company's Employees and assets. Any drugs, anti-depressants and stimulants whose use, possession, or transfer is restricted or illegal, as well as processing, using, or being under the effect of any of these substances is prohibited, except to the extent such drugs, anti-depressants and stimulants are authorised for use for the business of the Company.

## **WORKPLACE VIOLENCE**

The Company has zero tolerance to work place violence of any kind. Employees are prohibited to use threats or engage in violent behaviour. All such violent behaviour or potentially dangerous situation should be reported to the HOD and Head HR as soon as possible. The following list of behaviours are some examples of prohibited behaviour:

- Causing physical injury to another person
- Making threatening remarks, verbal abuse
- Displaying irrational or inappropriate behaviour
- Aggressive or hostile behaviour that creates a reasonable fear of physical injury to another person or subjects another individual to emotional distress
- Intentionally damaging Company property or property of another Employee

## HUMAN RIGHTS

The Company promotes well-being of its Employees and is committed to provide good and safe working conditions. We are committed to providing a workplace built on the essential ingredients of trust, honesty, fair treatment and respect for core human values. We incorporate the protection of Human rights as our core principle through our Human rights policy which is available at our website. All the Employees are expected to act in full compliance with the Human Rights policy of the Company.

Without prejudice to the generality of the above, the following important points have to be considered while measuring our performance on Human Rights front:

- **Child labour** is not allowed under any circumstances. A child is defined as he or she under 14 years of age
- **Forced labour:** all employment relationships are of a voluntary nature. We do not allow the use of forced labour under any circumstances
- **Wages:** we pay wages at least equal to the relevant legal minimum plus any associated statutory benefits
- **Working hours:** (regular and overtime) reflect applicable national and local legal regulations. When overtime hours are required, we make every effort to minimize their impact on employees
- **Discrimination:** We don't discriminate on the basis of caste, creed, religion, sex, language, region etc. Diversity of people, backgrounds and thought contributes to our success
- **Harassment:** we do not tolerate harassment of any nature or bullying of any employees or others who come onto any of sites. All the employees and business partners are expected to respect each other. Sexual Harassment is strictly prohibited and is reportable under the Company's policy for Prevention of Sexual Harassment.

## ETHICAL RESEARCH

We expect the Employees to conduct all research activities in accordance with this Code, the Company's policies and applicable procedures and recognised international standards for Good Clinical Practices (GCP) and Good Laboratory Practices (GLP). We believe in transparency in research by reporting all results, whether positive or negative. We respect the rights of individuals involved in research activities and fully and completely disclose the purpose and nature of the clinical studies in which they participate. We also protect patient privacy by establishing standards and protocols for the use and storage of patient personal information. Please mention the existence of Laboratory Code with citation details, if available.

## **DELEGATION AND ASSIGNMENT**

No Employee shall delegate their powers unless specifically authorised by the Board. They shall also not assign their office to anyone else. In case any Employee delegates any of their duties, powers and responsibilities to another person with due approval of the Board, they shall still remain fully accountable and responsible for the acts and omissions of the delegatee and shall be responsible to report to the Board the performance of the delegatee.

## **CONSEQUENCES OF NON-COMPLIANCE**

Any deviation from this Code shall be determined by the Board of Directors in case of members of the Board; Whole Time Director or Chief Operating Officer in case of Senior Management Personnel and by the HR Head for other Employees, which may include serious disciplinary action, removal from office as well as other remedies. This will be in addition to any legal actions that may arise out of such non-compliance.

Senior Management Personnel means personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the Managing Director/ Whole time director, including all functional heads.

## **AFFIRMATION AND TRAINING**

All Employees (other than Directors who shall affirm it to the Board) covered by this Code, shall, at the time of joining the services of the Company (or) being appointed to the Board, shall read through the contents of this Code and confirm having gone through and undertake to abide by the contents each financial year in the format given in Annexure I.

Employees (other than Directors who shall affirm it to the Board) have to affirm adherence with the Code within 30 days from the end of the year (i.e. within 30th April) to the Compliance Officer/ HR Head in the format given in Annexure I.

All Employees (other than Directors for whom separate training shall be arranged) are expected to attend training sessions as and when organized by the Company to train employees on policies, procedures, processes including their responsibilities as Employees and the best way to discharge them, as well as any business related training.

## **REPORTING OF VIOLATIONS**

All violations of the Code and all requests for clarifications on the Code can be reported at/ raised as per the Company's whistle-blower policy.



## Annexure – 1

### CODE OF CONDUCT AND BUSINESS ETHICS DECLARATION

#### For initial declaration

I, \_\_\_\_\_, declare that I have read and understood the code of conduct of Caplin Steriles Limited and agree to abide by its contents.

#### For continuous (annual) declaration\*

I, \_\_\_\_\_, do hereby solemnly affirm that:

- a) I am fully acquainted with the provisions of the Code of Conduct and Business Ethics of Caplin Steriles Limited posted in the Company's website.
- b) Wherever I had any doubts or clarifications, I had approached my Department Head/ HR Head for guidance and obtained necessary clarifications to ensure that I act in accordance with the provisions of the Code of Conduct and Business Ethics.
- c) To the best of my knowledge and belief, I have fully complied with the provisions of the Code of Conduct and Business Ethics in letter and spirit during the financial year ending 31<sup>st</sup> March, 20\_\_.

Name:

Sign:

Date:

Location:

Designation:

Division:

\*To be submitted on or before 30<sup>th</sup> April each year.

## Annexure – 2

### **DUTIES OF INDEPENDENT DIRECTORS (APPLICABLE TO ALL COMPANIES WHERE INDEPENDENT DIRECTORS ARE TO BE APPOINTED)**

The independent directors shall—

- Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- Strive to attend the general meetings of the company;
- Where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- Keep themselves well informed about the company and the external environment in which it operates;
- Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- Acting within his/her authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.