

## The Sanmar Group – Supplier Code of Conduct

### Supplier Declaration

#### **UNDERTAKING**

I / We hereby confirm that I / We have read and understood the Supplier Code of Conduct printed for third party organisations / individuals dealing with the companies of the Group, including consultants / agents / business partners / vendors.

I / We undertake to comply with the said Code of Conduct and all the applicable laws / statutes / directives or regulations and shall promptly notify you of any actual or suspected breach and provide all required information in this regard. Upon the occurrence of an actual or suspected breach, we shall promptly take all remedial actions as suggested by you and in the event of any failure to take such remedial measures by us, we understand and accept that the agreement / work order / contract or any other business transactions with me / us shall be automatically terminated with immediate effect without damages or other sanction.

Name of Company: \_\_\_\_\_

Name of Authorized Signatory: \_\_\_\_\_

Place / Date: \_\_\_\_\_

Signature & Seal: \_\_\_\_\_

#### **Contact person in supplier's company for issues**

Name: \_\_\_\_\_

Role / Department: \_\_\_\_\_

Email Address: \_\_\_\_\_

Telephone / Cell Phone: \_\_\_\_\_

# **SUPPLIER CODE OF CONDUCT**

## **INTRODUCTION**

This Code of Conduct reflects values of The Sanmar Group (hereinafter referred to as “Sanmar”)

The Supplier Code of Conduct is to ensure that values of Sanmar are understood and being followed by the suppliers and all their personnel including but not limited to their employees, officers and directors.

### **1. ETHICAL CONDUCT**

All personnel of the supplier shall deal on behalf of their company with honesty and integrity, as well as high moral and ethical standards. Such conduct shall be fair and transparent and shall be perceived to be as such by third parties.

The Supplier hereby commits to take all measures necessary to prevent corruption and commits to observe the following principles:

- Will not offer any hidden consideration / bribe / gift, directly or indirectly, in cash or in kind to any employees of the Company.
- Will not collude with any entity or any other suppliers tantamounting to a cartel formation or anything even remotely suggesting the same
- Will not commit any offence under the provisions of Indian Penal Code / Prevention of Corruption Act while dealing with Sanmar
- Will promptly declare details of intermediaries involved while working with Sanmar
- Will upfront declare details of past ethical transgressions, if any, with any other Companies or the Government
- Will upfront declare if subjected to any Sanctions under any laws in the past

### **2. REGULATORY COMPLIANCE**

The Supplier and all its personnel shall comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which they operate.

### **3. ACCOUNTING AND REPORTING**

All financial transactions shall be reported in accordance with generally accepted accounting practices, and the accounting records must show the nature of all transactions in a true and fair manner.

4. **MONEY LAUNDERING**

The supplier shall not accept, facilitate or support directly or indirectly, any act of money laundering.

5. **TAX LAWS COMPLIANCE**

The supplier shall comply with the applicable tax laws and regulations in all the countries in which it operates. Where tax laws do not give clear guidance, prudence and transparency shall be the guiding principle.

6. **MARKETING AND SALES**

The supplier shall not make false statements or provide misleading information regarding its products or their performance, including the safety and environmental attributes of the products.

7. **FAIR COMPETITION PRACTICES**

Supplier shall compete with other suppliers in a fair manner and with integrity. Supplier shall not exchange information or enter into agreements or understandings with competitors or other suppliers in a way that improperly influences the market place or outcome of a bidding / negotiation process.

8. **PROHIBITION OF INSIDER TRADING**

Suppliers, who have access to non-public information, are not allowed to buy or sell Chemplast Sanmar Ltd shares whose shares are listed on the Stock Exchanges or any other financial instrument that relates to the share, such as futures or options using such non-public information. In addition, they may not induce anyone, by giving advice or in some other manner, to undertake such trading.

9. **NO POLITICAL INVOLVEMENT**

Supplier shall observe neutrality with regards to political parties and candidates for public office. Supplier shall refrain from using their assets for promoting interests of political parties or candidates for public office.

10. **CONFLICT OF INTEREST**

The duty of the supplier and all its personnel towards Sanmar demands that they avoid / disclose actual and/or potential conflicts of interest. A conflict of

interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of any company (companies) of Sanmar.

If a supplier is considering investing in any customer, supplier, developer or competitor of any company of Sanmar, they must first take care to ensure that these investments do not compromise on their responsibilities towards Sanmar. Sanmar's policy requires that information be given while making such an investment.

Notwithstanding that conflict of interest exists due to any historical reasons, adequate and full disclosure by the supplier should be made to Sanmar.

#### 11. **PROTECTING SANMAR's ASSETS**

The assets of any company of Sanmar shall not be misused and shall be employed only for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials and resources as well as intangible assets such as intellectual Property Rights, Knowhow & Technology, proprietary information, relationships with customers and suppliers, etc.

The supplier must maintain physical and electronic security for all confidential information. Supplier's employees should use extreme care in protecting confidential or proprietary information of any kind. Face-face discussions should be conducted in a secure location.

If confidential information pertaining to Sanmar is to be discussed or exchanged between Sanmar and the supplier, or the supplier and a Third Party, the parties must first ensure that a Confidentiality or Non-Disclosure and/or Non-Circumvention Agreement has been signed and is being complied with.

#### **ENVIRONMENT, HEALTH, SAFETY & QUALITY**

#### 12 **Product safety:**

Material Safety data sheets containing all necessary safety relevant information should be made available by suppliers for all hazardous substances and should be provided, if required.

### **13 Occupational Health and Safety:**

Suppliers will protect their employees from any chemical, biological and physical hazards and physically demanding tasks in the workplace as well as from risks associated with any equipment used by their employees. Supplier will provide appropriate controls, safe work procedures, preventative maintenance and necessary technical protective measures to mitigate health and safety risks in the workplace. When engineering & other systems are not adequate to control hazards, then suppliers will provide employees with appropriate personal protective equipment. Safety information relating to hazardous materials – including compounds in intermediate materials – shall be available to educate, train and protect workers from hazards. A safe and healthy working environment will include providing potable drinking water, adequate lighting, temperature, ventilation and sanitation.

Suppliers shall be in compliance with their local environmental, health, and safety regulations such as Factories Act, State factories Rule, Pollution prevention and control Act, Manufacture Storage Importation of Hazardous Chemical rules, Petroleum Act, Gas cylinder rules and other applicable statutory requirements. The products supplied to be in compliance with national and international standards as requested. Suppliers are encouraged to recycle and to minimize environmental, health and safety impacts. The transportation and supplying materials should be in compliance with the Global Harmonized System and Motor vehicle Act. In case of marine shipment to comply with shipping regulation and maritime requirements. In case of air shipment, it shall be in compliance with international aviation regulations. The ICC- responsible care certified, ISO 9001,. 14001, 45001 management system certified suppliers are highly preferred.

### **14 Process Safety:**

Suppliers will have safety programs in place for managing and maintaining all their production processes in accordance with the applicable safety standards. Suppliers will address product related issues and their potential impact during all stages of the production process. For hazardous installations, the supplier will conduct specific risk analyses and implement measures that prevent the occurrence of incidents such as chemical release and / or explosions.

### **15 Environment and sustainability**

Suppliers are expected to use natural resources (e.g. water, sources of energy, raw materials) in an economical way. Adverse impacts on the environment and climate will be minimized or eliminated at their source or by practices such as the process change, maintenance and facility processes, material substitution, conservation, recycling and material reutilization.

Suppliers will engage in the development and use of climate-friendly products and processes to reduce power consumption and greenhouse gas emissions.

Suppliers will have system in place to ensure the safe handling movement, storage, recycling, reuse and management of waste, air emissions and wastewater discharges. Any of these activities that have the potential to adversely impact human or environmental health will be properly managed, measured, controlled and handled prior to release of any substance into the environment. Supplier will have systems in place to prevent or mitigate accidental spills and releases into the environment.

**16 Security:**

Supplier will have good security practices across their supply chains. Supplier will maintain processes and standards that are designed to assure the integrity of each shipment supplied to Sanmar or its final destination and all points in between and for that, supplier will take all the adequate & necessary measures.

**17 HUMAN RIGHTS**

The supplier shall support and respect the protection of internationally proclaimed human rights policies and make sure they are not complicit in human rights abuses.

**19 NO CHILD OR FORCED LABOUR**

The supplier shall not hire any person less than 18 years of age.

**20 BUSINESS GIFTS AND ENTERTAINMENT**

We understand and recognize that gifts, meals, and entertainment can be used in positive ways to build relationships. However, these areas can also present real and / or perceived issues related to integrity.

Accordingly, any supplier who attempts to compromise Sanmar's commitment to integrity by offering gifts, meals, entertainment, business opportunities, privileges, outside employment (including employment for family members) or other items of value to Sanmar employees may jeopardize their supplier status with Sanmar.

**21**     **INFORMATION SECURITY**  
**CONFIDENTIAL AND PROPRIETARY INFORMATION**

Confidential information typically includes information that is not published by authorized Sanmar personnel to the public. A supplier's ability to protect Sanmar's confidential business information is critical to Sanmar's future success and Sanmar's relationships with its suppliers. Information security is extremely important for Sanmar to maintain the confidence and trust of our Joint Venture Partners, customers, suppliers, and other parties with whom we work.

We expect suppliers to comply with all contractual obligations regarding confidentiality and otherwise to protect Sanmar's confidential and proprietary information from unauthorized use. Suppliers should not disclose such information to anyone outside of Sanmar or even someone within Sanmar except on a need to know basis. Suppliers should take appropriate measures, including training their employees, to ensure such information is never improperly accessed, lost, stolen, misused, misplaced or left unattended. Sanmar will not tolerate any use of Sanmar confidential and proprietary information to trade in Sanmar's listed stock viz., Chemplast Sanmar Ltd and suppliers must not share insider information about their own company with Sanmar employees.

We expect supplier information systems that contain Sanmar's confidential information or data to be appropriately managed and protected against unauthorized access, use, disclosure, modification, destruction or denial of service.

**22**     **INTELLECTUAL PROPERTY**

Some of the information to which a supplier may have access can include Sanmar's confidential business information and / or intellectual property, which is considered valuable Sanmar property. We expect suppliers to protect Sanmar's Intellectual Property, examples of which include:

- Trade Secrets
- Copyrights
- Trademarks
- Patents
- Design rights
- Logos
- Brands

23 **EQUAL-OPPORTUNITIES EMPLOYER**

The supplier shall provide equal opportunities to all its employees and all qualified applicants for employment, without regard to their race, caste, religion, colour, marital status, sex, age, nationality and disability. Employees of the supplier shall be treated with dignity and in accordance with maintaining a work environment free of sexual harassment, whether physical, verbal or psychological.

24 **WAGES AND HOURS**

The Supplier must follow all applicable laws regarding working hours, wages and overtime pay.

25 **Post – employment restrictions:**

Sanmar expects its Suppliers to refrain from offering employment to any present or past employee or official of Sanmar for a period of one year following separation from service.

26 **INFORMATION TO SANMAR REGARDING VIOLATION AND CORRECTIVE ACTION**

Sanmar expects its suppliers to comply with the conditions of this Supplier Code of Conduct and maintain a system to monitor compliance.

If Sanmar determines that a supplier has violated this Code, the supplier must provide information relating to the incident(s) and show within 30 days, the action taken to remedy such violation. Sanmar will follow up to make sure the violation has been remedied.

27 **EXTERNAL COMMUNICATIONS**

Suppliers should not speak on Sanmar's behalf unless they have been specifically authorized and instructed to do so and if authorized, then only to the extent authorized.

28 **RIGHT TO CONDUCT AUDIT**

Sanmar reserves the right to conduct a full audit if necessary, to ensure compliance of Supplier Code of Conduct.



**29**    **REPORTING OF MISCONDUCT**

Where the Supplier receives any requests in, or otherwise becomes aware of any suspected, violation of this Supplier Code of Conduct, the Supplier should report the same to the Ombudsperson of Sanmar at email: [ombudsman@sanmargroup.com](mailto:ombudsman@sanmargroup.com).

**30**    **RIGHT TO AMEND**

The Company reserves its right to amend or modify this Code in whole or in part, at any time without assigning any reason whatsoever.