



# Code of *Ethics & Conduct*

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*A commitment to  
ethical professional conduct  
from every Director and  
employee of Dabur*

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*Dabur*



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## Preamble

Commitment to ethical professional conduct is a MUST for every Director and employee at Dabur- in all of its businesses/ units/ subsidiaries. This code, consisting of imperatives formulated as statements of personal responsibility, identifies the elements of such a commitment. It contains many, but not all, issues employees are likely to face.

Section 1 of this code outlines fundamental ethical considerations, while Section 2 addresses additional, more specific considerations of professional conduct.

The code is intended to serve as a basis for ethical decision-making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

It is understood that some words and phrases in a code of ethics and conduct document are subject to varying interpretations and that any ethical principle may conflict with other ethical principles in specific situations. Questions related to ethical conflicts can best be answered by thoughtful consideration of fundamental principles rather than reliance on detailed regulations. In case of conflict, the decision of the Board shall be final.

## Applicability

This code is applicable to the Board Members, Key Managerial Personnel (KMP), members of the Management Committee and all employees in and above Officers level (hereinafter collectively referred to as “Employee(s)”).

All employees must read and understand this code and ensure to abide by it in their day to day activities. The employees may please contact Mr. Biplab Bakshi, Executive Director – Human Resources or Mr. A.K. Jain, Executive Vice President – Finance & Company Secretary, should they have any questions relating to compliance of this code.



## *General Moral Imperatives*

**A**s employees of Dabur, we will....

### **Contribute to society and human well-being**

This principle concerning the quality of life of all people affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. We must attempt to ensure that the products of our efforts will be used in socially responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others.

In addition to a safe social environment, human well-being includes a safe natural environment. Therefore, all of us who are accountable for the design, development, manufacture and promotion of DABUR products, must be alert to, and make others aware of, any potential damage to the local or global environment.

### **Avoid harm to others**

"Harm" means injury or negative consequences, such as loss of property, property damage or unwanted health and environmental impacts. This principle prohibits use of men, material and technology in ways that result in harm to our consumers, employees and the general public.

Well-intended actions, including those that accomplish assigned duties, may lead to harm unexpectedly. In such an event, the responsible person or persons are obligated to undo or mitigate the negative consequences as much as possible.

### **Be honest and trustworthy**

Honesty is an essential component of trust. Without trust an organization cannot function effectively. All of us are expected not to make deliberately false or deceptive claims about our products/ systems, but instead provide full disclosure of all pertinent limitations and problems.

### **Be fair and take action not to discriminate**

The values of equality, tolerance, respect for others, and the principles of equal justice govern this imperative. Discrimination on the basis of race, sex, religion, age, disability, national origin, or other such factors is an explicit violation of this code.

### **Practice integrity in our inter-personal relationships**

In our relationships with colleagues, we should treat them with respect and in good faith; in the same way we ourselves would expect them to treat us. The principle to be adopted to guard against loose talk or in its worst form- character assassination- is not to say anything behind one's back and never utter something, which cannot be put in writing.

### **Honor confidentiality**

The principle of honesty extends to issues of confidentiality of information. The ethical concern is to respect all obligations of confidentiality to all stakeholders unless discharged from such obligations by requirements of the law or other principles of this code.

We, therefore, will maintain the confidentiality of all material non- public information about Dabur's business and affairs.

## *Specific Professional Responsibilities*

**A**s employees of Dabur, we will....

**Live the Dabur values- each day.**

We must live the Dabur values- each day. For quick reference our core values are:

### **O**wnership

This is our company. We accept personal responsibility and accountability to meet business needs

### **P**assion for winning

We all are leaders in our area of responsibility with a deep commitment to deliver results. We are determined to be the best at doing what matters most.

### **P**eople development

People are our most important asset. We add value through result driven training and we encourage & reward excellence.

### **C**onsumer focus

We have superior understanding of consumer needs and develop products to fulfill them better.

### **T**eamwork

We work together on the principle of mutual trust and transparency in a boundary less organization.

We are intellectually honest in advocating proposals, including recognizing risks.

### **I**nnovation:

Continuous innovation in products and processes is the basis of our success.

### **I**ntegrity:

We are committed to the achievement of business success with integrity. We are honest with consumers, with business partners and with each other.

**Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work.**

Excellence is perhaps the most important obligation of a professional. We must strive to achieve the highest quality, effectiveness and dignity in all that we are responsible for- each day.

**Acquire and maintain professional competence.**

Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. We must participate in setting standards for appropriate levels of competence, and strive to achieve those standards.



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Section 2

## **Know and respect existing laws.**

We must obey existing local, state, national, and international laws unless there is a compelling ethical basis not to do so. We should also obey the policies, procedures, rules and regulations of the company. Violation of a law or regulation may be ethical when that law or rule has inadequate moral basis or when it conflicts with another law judged to be more important. If one decides to violate a law or rule because it is viewed as unethical, or for any other reason, one must fully accept responsibility for one's actions and for the consequences.

## **Accept and provide appropriate professional review.**

Quality professional work depends on professional reviewing and critiquing. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of the work of others.

## **Manage personnel and resources to enhance the quality of working life.**

Organizational leaders are responsible for ensuring that a conducive environment is created for fellow employees to enable them delivering their best. We all, therefore, are responsible for ensuring human dignity of all our colleagues, ensuring their personal & professional development and enhancing the quality of working life.

## **Deal with the Media tactfully**

We should guard against being misquoted and finding ourselves compromised. The “window” for the media is the office of the Group Director, CEO or Corporate Communications Cell. Press statements are to be handled by the Group Director, CEO, Corporate Communications Cell or those specifically authorized in this regard, because they have the wider awareness of the company's business and policies. Our role as individuals is always to be tactful and to avoid comment and to pass enquiries to those who are authorized to respond to them. We undertake to comply with Company's Code of Corporate Disclosure Practices.

## **Be upright and avoid any inducements:**

Neither directly nor through family and other connections indirectly, should we solicit any personal fee, commission or other form of remuneration arising out of transactions involving Dabur. This includes gifts or other benefits of significant value, which might be extended at times, to influence business- especially during bulk purchase of commodities for the Organization or awarding a contract to an agency etc, we are likely to be offered various gifts by vendors / parties/ agencies and people associated with Dabur under different wraps or generally on personal celebrations or functions or religious festivals etc. We should avoid such inducements. This will go a long way in building our credibility. The Company's policy is to select significant suppliers and award contracts on the basis of competitive bids under free market regime and we abide to follow that.

## **Observe Corporate Discipline.**

Our flow of communication is not rigid and people are free to express themselves at all levels. However, this informality should not be misunderstood. What it means is that though there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and a policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances we may not agree with it individually. In some cases policies act as a guide to action, in others they are designed to put a constraint on action. We all must learn to recognize the difference and appreciate why we need to observe them.

All employees are expected to create a harassment free, congenial and trustworthy environment at their respective workplace. It will be their primary accountability to report and take appropriate action on any incident of Workplace harassment. No form of harassment will be tolerated, including harassment for the following reasons: race, caste, religion, disability, age, or sex. Special attention should be paid to the prevention of sexual harassment.



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## Section 2

Sexual Harassment includes but is not limited to, unwanted physical contact, flirtations, propositions, lewd comments, obscene jokes, display of demeaning, insulting, or intimidating behavior through sexually suggestive pictures, objects, images in physical or electronic form.

Any employee who has been a victim of sexual harassment or has witnessed any other colleague being subjected to such harassment is expected to bring it to the notice of Corporate HR directly or through his seniors.

Corporate HR will ensure that this is addressed by the “Complaints Committee” immediately and appropriately dealt with.

For further details please feel free to contact any manager in the Corporate HR team at KCO.

### **Conduct ourselves in a manner that reflects credit to the Company.**

All of us are expected to conduct ourselves, both on and off-duty, in a manner that reflects credit to the company. The sum total of our personal attitude and behavior has a bearing on the standing of DABUR and the way in which it is perceived within the organization and by the public at large. Each of us is a part of the human entity we call DABUR and it behooves on us to do it proud.

### **Be accountable to our stakeholders.**

All of those whom we serve, be it our customers, without whom we will not be in business, our shareholders, who have an important stake in our business and the employees, who have a vested interest in making it all happen- are our stakeholders. And we must keep in mind at all times that we are accountable to our stakeholders.

“Inside information” gained from the Company or otherwise must not be used for personal gains. We undertake to comply with the Company’s Code of Conduct for Prevention of Insider Trading.

### **Identify, mitigate and manage business risks.**

Dabur recognizes that, in the normal course of operations, its activities are routinely exposed to the whole continuum of risks that a Fast Moving Consumer Goods (FMCG) company faces today. Further, being in the Herbal/ Ayurvedic segment, Dabur is also aware that certain risks it faces are somewhat peculiar and greater than those that generally exist in the FMCG business. All these risks could prevent it from achieving its business objectives. Some of these risks could lead to personal injury, damage or loss to human, physical and financial resources that make up the business. These risks could also result in harm to consumers or damage to the community. These business objectives, assets and the community represent the underlying value of Dabur, and therefore they merit protection against possible loss, through the identification, analysis and control of the various risks that exist from time to time.

Thus, it is our responsibility to follow our institutionalized Dabur Risk Management Framework to identify the business risks that surround our function or area of operation and to assist in the company-wide process of managing such risks, so that Dabur may achieve its wider business objectives. All of us should continuously ask ourselves "What can go wrong and what am I doing to prevent it from going wrong."

### **Protect Company’s properties**

We all are perceived as Trustees of Company’s properties, funds and other assets. We owe fiduciary duty to each stakeholder, as their agent, for protecting the Company’s assets. We, therefore, must safeguard and protect the Company’s assets against any misappropriation, loss, damage, theft, etc. by putting in place proper internal control systems and procedures and effectively insuring the same against any probable fire, burglary, fidelity and any other risk.



## *Specific Additional Provisions for Board members and ManCom members*

### **As Board/ ManCom members**

We undertake to actively participate in meetings of the Board, of the Committees thereof and the meetings of Management Committee on which we serve.

### **As Board members**

1. We undertake to inform the Chairman of the Board of any changes in our other board positions, relationship with other businesses (including charitable) and other events/ circumstances/ conditions that may interfere with our ability to perform our Board/ Board Committee duties or may impact the judgment of the Board as to whether we meet the independence requirements of Listing Agreement with Stock Exchanges, Companies Act, 2013 or any other applicable laws.
2. We undertake that without prior approval of the disinterested members of the Board, we will avoid apparent conflict of interest. Conflict of interest may exist when we have personal interest that may have a potential conflict with the interest of the company at large. Illustrative cases can be:
  - ♦ **Related Party Transactions**  
Entering into any transactions or relationship with Dabur or its subsidiaries in which we have a financial or other personal interest (either directly or indirectly such as through a family member or other person or other organisation with which we are associated).
  - ♦ **Outside Directorship**  
Accepting Directorship on the Board of any other Company that compete with the business of Dabur.
  - ♦ **Consultancy / Business / Employment**  
Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with our duties/ responsibilities towards Dabur. We should not invest or associate ourselves in any other manner with any supplier, service provider or customer of the Company.
  - ♦ **Use of official position for our personal gains.**  
We should not use our official position for our personal gains.
3. We undertake to perform the following duties:
  - ♦ We shall undertake appropriate induction and regularly update and refresh our skills, knowledge and familiarity with the company;
  - ♦ We shall strive to attend all meetings of the Board of Directors and of the Board committees of which we are members.
  - ♦ We shall participate constructively and actively in the committees of the Board in which we are chairpersons or members;
  - ♦ We shall strive to attend the general meetings of the company.
  - ♦ We shall keep ourselves well informed about the company and the external environment in which it operates;
  - ♦ We shall pay sufficient attention and ensure that adequate deliberation are held before approving related party transactions and assure that the same are in the interest of the company;
  - ♦ We shall ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interest of a person who uses such mechanism are not prejudicially affected on account of such use;

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- ♦ We shall report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- ♦ We shall while acting within our authority, assist in protecting the legitimate interest of the company, shareholders and its employees;
- ♦ We shall not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plan, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.
- ♦ **Fiduciary Duties**
  - We shall act in accordance with the Articles of the company, subject to the provisions of the Companies Act 2013.
  - We shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interest of the company, its employees, the shareholders, the community and for the protection of environment.
  - We shall exercise our duties with due and reasonable care, skill and diligence and shall exercise independent judgement.
  - We shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possible may conflict, with the interest of the company.
  - We shall not achieve or attempt to achieve any undue gain or advantage either to ourself or to our relatives, partners, or associates and if we are found guilty of making any undue gain, we shall be liable to pay an amount equal to that gain to the company.
  - We shall not assign our office and any assignment so made shall be void.

## **Additionally, as Independent Directors**

We also undertake to abide by the Code for Independent Directors as contained in Schedule IV of the Companies Act, 2013 and we shall:-

- seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expenses of the company.
- where we 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 our concerns are recorded in the minutes of the Board meeting;
- not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.



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## *Compliance with the Code*

**A s D i r e c t o r & e m p l o y e e s o f D a b u r , w e w i l l . . .**

**U p h o l d a n d p r o m o t e t h e p r i n c i p l e s o f t h i s c o d e .**

The future of the organization depends on both technical and ethical excellence. Not only is it important for employees to adhere to the principles expressed in this Code, each employee should encourage and support adherence by other employees.

**T r e a t v i o l a t i o n s o f t h i s c o d e a s i n c o n s i s t e n t a s s o c i a t i o n w i t h t h e o r g a n i z a t i o n**

Adherence of professionals to a code of ethics is largely a voluntary matter. However, if any of us do not follow this code by engaging in gross misconduct, the matter would be reviewed by the Board and its decision shall be final. The Company reserves the right to take appropriate action against the guilty employee.

## *Miscellaneous*

### **Continual updation of code**

This code is subject to continuous review and updation in line with any changes in law, changes in company's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board.

