

## 1. Purpose & Commitment

The purpose of the Ethics and Business Conduct Policy of Tagros Chemicals India Private Limited is to establish a strong framework for ethical decision-making, integrity, and responsible business practices across all operations. The policy guides directors, employees, and business partners to conduct activities in compliance with applicable laws, regulations, and global standards. It reinforces zero tolerance toward bribery, corruption, conflicts of interest, and unethical conduct, while promoting transparency, accountability, and respect for human rights. Through this policy, Tagros seeks to safeguard its reputation, strengthen stakeholder trust, and ensure sustainable, responsible value creation.

Our commitments are guided by UN global compact, UNGP on business and human rights, ILO core labor standard, ISO 37001, ISO 37301 and ISO 26000, UNSDGs applicable legal requirement as Companies Act, 2013 (India), Prevention of Corruption Act, 1988 (India), SEBI (LODR) Regulations.

## 2. Scope

This policy applies to:

- All employees (permanent, temporary, and contractual)
- All management levels, from entry-level to senior leadership
- Contractors, consultants, and representatives acting on behalf of Tagros
- All business partners, suppliers, and intermediaries in our value chain
- All visitors and third parties engaging in business activities on Tagros premises

Geographic Coverage: All locations where Tagros operates, including India and international operations.

The policy extends to all business activities, operations, partnerships covering supply chain management, and engagement with internal and external stakeholders in all geographies where Tagros operates.

## 3. Policy Statement

Tagros is committed to upholding the highest standards of ethics, integrity, and business conduct across all operations and geographies. We are committed to upholding internationally recognized human rights standards, including the Universal Declaration of Human Rights and International Labour Organization (ILO) conventions, while promoting a culture of integrity, respect, and ethical decision-making in all business activities.

We maintain a **zero-tolerance stance** on:

- Human rights violations, including discrimination, forced labour, child labour, and human trafficking

- Corruption, including bribery, kickbacks, and facilitation payments
- Fraud, embezzlement, and financial misconduct
- Money laundering and sanctions violations
- Conflicts of interest
- Anti-competitive practices
- Information security and data protection breaches

This policy is the foundation of our formal public commitment to addressing ethics issues and serves as a guide for exemplary ethical behaviour throughout our organization, supply chain, and partnerships.

## **4. Core ethics principles and prohibited conduct**

### **4.1 Anti-Corruption and Anti-Bribery Policy**

#### **Prohibition on Corruption:**

Tagros strictly prohibits all forms of corruption, including bribery, kickbacks, secret commissions, and facilitation payments, whether direct or indirect, to or from any person (government officials, private individuals, business partners, or intermediaries).

**Definition:** Corruption includes offering, promising, giving, or authorizing the provision of anything of value (money, gifts, hospitality, employment, or other benefits) to:

- Government officials or their family members
- Private business partners, customers, or suppliers
- Third parties (agents, consultants, intermediaries) if intended to influence business decisions
- Any person to obtain or retain business advantage or to obtain favourable treatment

#### **Examples of Prohibited Conduct:**

- Offering cash, gifts, or travel to a procurement official in exchange for a favourable contract
- Providing employment or business opportunities to a family member of a government official to secure licenses or permits
- Arranging lavish entertainment or trips for customers with the intent to secure orders
- Making payments to intermediaries without clear documentation of services provided
- Offering personal loans or favourable financing to business partners' representatives

#### **Expectations:**

- All employees and third parties must decline any bribes or improper advantages
- Report all suspected bribery immediately to the Compliance Officer
- Maintain transparent and documented business relationships
- Exercise due diligence when engaging third-party intermediaries

## 4.2 Policy on Fraud

### Prohibition on Fraud:

Tagros has a zero-tolerance policy for fraud, including falsification of records, embezzlement, theft of company assets, misappropriation of funds, and any intentional deception for personal or organizational gain.

**Definition:** Fraud includes any intentional or reckless conduct that:

- Results in misrepresentation of facts or material information
- Causes financial or non-financial loss to the company, employees, or stakeholders
- Violates trust or breaches fiduciary duty
- Circumvents internal controls or authorization procedures

### Examples of Prohibited Conduct:

- Fabricating invoices or expense reports to claim reimbursement for non-business expenses
- Misrepresenting product specifications or capabilities to customers
- Altering financial records or accounting entries to hide unauthorized transactions
- Unauthorized use of company funds, equipment, or intellectual property for personal gain
- Submitting false claims or declarations in regulatory filings

### Expectations:

- All financial and operational records must be accurate, complete, and truthful
- Internal controls and authorization procedures must be strictly followed
- Discrepancies or irregularities must be reported immediately
- Employees are accountable for accuracy of information they provide

## 4.3 Policy on Money Laundering and Sanctions Compliance

### Prohibition on Money Laundering:

Tagros prohibits involvement in money laundering, terrorist financing, or sanctions violations. We do not knowingly facilitate the concealment or disguise of illegally obtained funds or engage with sanctioned individuals, entities, or countries.

### Key Requirements:

- Know Your Customer (KYC): Conduct due diligence on customers, suppliers, and business partners before engaging in significant business relationships
- Customer screening against sanctions lists (OFAC, UN, EU, and other applicable lists)
- Reporting of suspicious transactions to relevant authorities where required by law
- Maintenance of records of customer due diligence for at least 5 years
- Implementation of enhanced due diligence for higher-risk jurisdictions and customers

**Examples of Red Flags:**

- Customers requesting payments through unusual channels or third-country intermediaries
- Reluctance to provide standard business information or identification
- Business operations in or with entities in high-risk jurisdictions without clear business rationale
- Transaction patterns inconsistent with stated business purpose
- Use of shell companies or complex ownership structures without legitimate business reason

**Expectations:**

- All business relationships must be properly documented and justified
- Compliance team must verify customer information before transaction authorization
- Suspicious activity must be reported to the Compliance Officer without delay

**4.4 Policy on Conflict of Interest****Prohibition and Declaration Requirement:**

All employees must avoid conflicts of interest and must disclose any actual or potential conflicts to their manager and the Compliance Officer immediately upon discovery.

**Definition:** A conflict of interest occurs when:

- An employee has a personal, financial, or family interest that could impair their objective judgment or decision-making in their role
- An employee's personal interests compete with or could be perceived to compete with Tagros' interests
- An employee has the opportunity to benefit personally from their position or decisions

**Examples of Conflicts of Interest:**

- Holding financial interests in a company or individual that Tagros does business with, competes with, or is evaluating as a potential partner
- Family members or close relatives employed by Tagros in reporting relationships or procurement roles (potential bias)
- Receiving personal loans, investments, or business opportunities from suppliers or customers
- Owning or having a significant interest in a competing business
- Serving on the board of competitors or other entities without disclosure and approval
- Accepting gifts, entertainment, or other benefits from suppliers beyond modest, nominal value
- Using confidential company information for personal investment or business advantage

**Disclosure and Management Process:**

- Employees must complete a Conflict-of-Interest Declaration form on-boarding and annually
- Any newly discovered conflict must be disclosed within 5 working days
- The Compliance Officer will assess conflicts and determine mitigation measures (e.g., recusal, monitoring, restructuring)
- Failure to disclose known conflicts is a serious breach and may result in termination

**Expectations:**

- Full transparency regarding potential conflicts
- Cooperation with conflict management decisions
- Recusal from decision-making in conflict situations
- Maintenance of confidentiality regarding disclosed conflicts

**4.5 Policy on Information Security and Data Protection****Commitment to Data Protection:**

Tagros is committed to protecting the confidentiality, integrity, and availability of all company information and personal data. We comply with applicable data protection laws, including national privacy regulations.

**Key Protections:**

- Confidential company information (trade secrets, business strategies, financial data, customer lists, technical information) must be protected from unauthorized access or disclosure
- Personal data of employees, customers, and suppliers must be processed lawfully, fairly, and transparently
- IT systems, passwords, and access credentials must be kept secure and never shared
- Data breaches, security incidents, or suspected unauthorized access must be reported immediately

**Examples of Prohibited Conduct:**

- Sharing passwords or access credentials with colleagues or third parties
- Using company data or systems for personal business purposes
- Downloading or removing confidential company data without authorization
- Discussing sensitive company information in public places or with unauthorized individuals
- Accessing colleague or customer data without business justification
- Connecting unauthorized devices to company networks
- Using unsecured personal devices or networks to access company systems

**Expectations:**

- Strict adherence to information security policies and procedures
- Completion of mandatory information security training
- Prompt reporting of security incidents or suspicious activity
- Compliance with data retention and deletion requirements

**4.6 Policy on Anti-Competitive Practices****Commitment to Fair Competition:**

Tagros is committed to conducting business fairly and refraining from anti-competitive practices. We compete on merit and the quality of our products and services.

**Prohibited Conduct:**

- Price fixing, bid rigging, or collusion with competitors
- Abuse of dominant market position
- Imposing unfair trading conditions on customers or suppliers
- Exclusive dealing or predatory practices designed to exclude competitors
- Misrepresenting competitors' products or engaging in disparagement

**Expectations:**

- All pricing and commercial decisions must be made independently
- Competition must be based on merit and business value
- Employees must avoid any discussion of pricing, terms, or strategies with competitors

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**5. QUANTITATIVE TARGETS AND PERFORMANCE METRICS**

Tagros commits to the following measurable objectives and targets:

Objective	Target	Baseline (2024)	Target Year	Measurement
Employee Ethics Training	100% of employees trained annually on ethics, anti-corruption, and human rights	83.73%	2026	Training completion records
Supplier/Partner Due Diligence	100% of critical suppliers signed supplier code of conduct	48%	2026	Compliance database records

Conflict of Interest Disclosures	100% of manager level and above employees complete annual conflict of interest declaration	0%	2026	HR records and declarations
Confirmed Corruption Incidents	Zero confirmed cases of corruption or bribery	0 (ongoing)	Ongoing	Incident investigation records
Data Security Incidents	Zero major data security breaches	0 (ongoing)	Ongoing	IT security incident logs
Child/Forced Labor Incidents	Zero confirmed cases of child labor or forced labor	0 (ongoing)	Ongoing	Supply chain audit records
Policy Acknowledgment	100% of employees signed employee handbook	10%	2026	HR onboarding records
Diversity in Leadership	20% of senior management positions held by women or underrepresented groups	12.56%	2027	HR workforce data

## 6. GOVERNANCE, ROLES, AND RESPONSIBILITIES

### 6.1 Ethics and Compliance Officer

The **Chief Compliance Officer** (or designated Compliance Officer) is accountable for:

- Developing and maintaining this ethics policy and related procedures
- Overseeing implementation and rollout across all locations
- Providing ethics guidance and training to employees
- Investigating reported violations and coordinating corrective actions
- Maintaining confidential records of disclosures and investigations
- Reporting quarterly to the Board of Directors or Management Committee on ethics performance
- Ensuring annual policy review and updating to reflect legal and regulatory changes

### 6.2 Human Resources Department

The HR department is responsible for:

- Integrating ethics and human rights requirements into recruitment, hiring, and promotion decisions
- Communicating the ethics policy to all employees
- Administering mandatory annual ethics training
- Maintaining records of employee policy acknowledgments and training completion
- Supporting conflict of interest declaration processes
- Documenting disciplinary actions for policy violations

### **6.3 Department Managers and Team Leads**

All managers are responsible for:

- Ensuring their team members understand and comply with this policy
- Creating a workplace culture that supports ethical behaviour
- Promptly reporting suspected violations to the Compliance Officer
- Supporting investigations and maintaining confidentiality
- Modelling ethical conduct and making decisions based on principle, not convenience
- Providing guidance to team members on ethics dilemmas or grey areas

### **6.4 Supply Chain and Procurement Team**

The procurement team is responsible for:

- Conducting due diligence on suppliers and business partners before engagement
- Communicating Tagros ethics and human rights expectations to suppliers
- Monitoring supplier compliance through audits, certifications, or third-party assessments
- Escalating concerns about supplier conduct to the Compliance Officer
- Including ethics and compliance clauses in supplier agreements

### **6.5 All Employees**

Every employee is personally accountable for:

- Understanding and complying with this policy
- Raising concerns about potential violations immediately
- Declining any inappropriate gifts, payments, or benefits
- Disclosing conflicts of interest in a timely manner
- Maintaining confidentiality of investigations and sensitive information
- Contributing to a culture of integrity and ethical decision-making

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## **7. IMPLEMENTATION AND MONITORING MECHANISMS**

### **7.1 Training and Awareness**

#### **Mandatory Ethics Training:**

- All employees must complete comprehensive ethics and human rights training during onboarding
- Annual refresher training is mandatory for all staff
- Targeted training on specific topics (anti-corruption, data protection, human rights) for high-risk roles (procurement, sales, finance, HR)

- Third-party and supplier training programs available through the EcoVadis Academy or equivalent

#### **Training Content:**

- Overview of Tagros ethics policy and commitment
- Practical scenarios and case studies relevant to employee roles
- Reporting mechanisms and whistle blower protections
- Recognition of red flags and suspicious conduct
- Consequences of policy violations

#### **Documentation:**

- Training completion records maintained by HR
- Training effectiveness assessed through post-training assessments or quizzes

## **7.2 Due Diligence on Operations and Supply Chain**

#### **Periodic Risk Assessments:**

- Conduct annual risk assessments of Tagros operations to identify, prevent, and mitigate ethics and human rights risks
- Supply chain risk assessments (human rights, labour practices, environmental compliance) at least biannually
- Enhanced due diligence for operations or suppliers in high-risk jurisdictions

#### **Assessment Focus:**

- Child labour, forced labour, fair wages, and working conditions
- Corruption and bribery risks
- Data security and information handling practices
- Environmental compliance and health/safety standards

#### **Remediation:**

- Corrective action plans developed for identified risks or non-compliance
- Follow-up assessments to verify remediation

## **7.3 Confidential Reporting Mechanisms**

#### **Whistle-blower Channels:**

Tagros maintains multiple confidential channels for reporting ethics violations or concerns:

1. **Direct Reporting:** Report to your manager or HR department
2. **Compliance Officer:** Contact Chief Compliance Officer directly (email: [compliance@tagros.com](mailto:compliance@tagros.com))

3. **Written Submission:** Submit concerns in writing to the Compliance Officer, marked "Confidential"

**Protection Against Retaliation:**

- Tagros strictly prohibits retaliation, victimization, or discrimination against anyone who, in good faith, reports a violation or cooperates with an investigation
- Retaliation is itself a serious breach and will result in disciplinary action up to and including termination
- The company maintains confidentiality of the reporter's identity to the extent legally permissible

**Investigation Process:**

- All reported concerns are acknowledged within 3 working days
- A prompt, impartial investigation is conducted by the Compliance Officer or external investigator
- Findings are documented in a confidential investigation report
- Substantiated violations result in corrective action
- The reporter is informed of outcome (subject to confidentiality and legal constraints)

**7.4 Disciplinary Measures and Sanctions**

**Violations of this policy will result in appropriate disciplinary action, which may include:**

Severity	Examples	Potential Sanctions
Minor	First-time policy non-compliance with no material impact; unintentional breach	Verbal warning, written warning, mandatory retraining
Moderate	Repeated violations; policy non-compliance with some impact; negligence in ethics duties	Suspension, demotion, financial penalty, mandatory remedial training
Serious	Bribery, fraud, confirmed discrimination, significant data breach, deliberate policy violation	Termination of employment, legal action, reporting to authorities, debarment from future business
Severe	Criminal conduct (corruption, embezzlement, human trafficking); material financial harm; safety violations	Immediate dismissal, prosecution, restitution, industry blacklisting, notification to law enforcement

**For Suppliers and Partners:**

- Substantiated violations may result in contract suspension or termination
- Non-compliant suppliers will be removed from approved vendor lists
- Serious violations may be reported to industry bodies or authorities

**Right to Appeal:**

- Employees have the right to appeal disciplinary decisions through the HR grievance process
- Appeals must be submitted within 10 working days of sanction notification

**7.5 Policy Review and Update Mechanism****Annual Review:**

- This policy is reviewed formally at least once per year by the Compliance Officer and HR department
- Review includes assessment of effectiveness, compliance metrics, emerging risks, and regulatory changes
- Board of Directors receives an annual ethics and compliance report

**Update Process:**

- Material changes to the policy require Board approval
- Updated policies are communicated to all employees within 30 days of approval
- Employees must acknowledge the updated policy upon communication

**Triggers for Review:**

- Significant regulatory or legal changes
  - Major business restructuring or acquisitions
  - Substantiated policy violations or investigation findings
  - Changes in industry best practices or international standards
  - Stakeholder feedback or governance concerns
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**8. DETAILED ETHICAL GUIDELINES AND EXAMPLES****8.1 Gifts, Entertainment, and Hospitality****Policy:**

Employees may give or accept modest gifts with no commercial value or business lunch/ dinner, if they comply with these guidelines:

**Acceptable Conduct:**

- Small corporate gifts (calendars, branded merchandise, office supplies) with no logo or minimal branding
- Working meals during business travel or project meetings
- Reasonable attendance at industry conferences, trade shows, or seminars with educational value
- Modest, documented entertainment (meals, sporting events) provided to clients or partners as relationship-building, if proportionate and transparent

### Unacceptable Conduct:

- Cash or cash equivalents of any amount
- Any type of material with a commercial value
- Gifts to government officials or their family members
- Luxury goods, jewellery, or high-end technology
- Gifts offered with expectation of business favour or return benefit
- Lavish entertainment, trips, or vacations (e.g., golf outings, international trips)
- Gift certificates or vouchers that could be converted to cash

### Disclosure:

- All gifts or entertainment received shall be returned to the donor and must be logged and reported to the Compliance Officer.
  - All gifts to government officials or high-value customers must be pre-approved by the Compliance Officer before offering.
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## 8.2 Harassment and Discrimination Scenarios

### Scenario 1: Inappropriate Comments

- **Situation:** A senior manager makes repeated derogatory comments about an employee's accent or country of origin.
- **Violation:** Anti-harassment and non-discrimination policy
- **Action:** Immediate cessation of behaviour. Verbal warning for first offense; suspension or termination for repeated offenses. The affected employee is offered support (counselling, role adjustment if needed).

### Scenario 2: Sexual Harassment

- **Situation:** A colleague makes unwelcome sexual comments or advances toward another employee.
- **Violation:** Prevention of sexual harassment (POSH) and non-discrimination policy & procedure.
- **Action:** Formal investigation. Substantiated claims result in suspension or termination of the offending employee. The affected employee offered support; consideration of role transfers if requested.

### Scenario 3: Denial of Opportunity Based on Gender or Caste

- **Situation:** An employee is not considered for promotion because of their caste or gender.
  - **Violation:** Non-discrimination and equality policy
  - **Action:** Investigation. If substantiated, promotion reconsidered on merit. Manager receives mandatory diversity and inclusion training. Documentation maintained.
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## 8.3 Conflict of Interest Scenarios

### Scenario 1: Family Member as Supplier

- **Situation:** An employee's spouse has recently founded a supply company and seeks to bid on a Tagros contract that the employee influences.
- **Action:** Employee must disclose the relationship. Employee is recused from the procurement decision. An independent manager evaluates the supplier on merit and price without the employee's involvement. The relationship is documented in the COI register.

### Scenario 2: Outside Business Interest

- **Situation:** An employee is considering starting a consulting business in their spare time that could compete with Tagros services.
- **Action:** Employee must disclose the interest and obtain written approval from their manager and Compliance Officer. If approval is granted, clear boundaries are established (no use of company data, no solicitation of company clients, no conflict with work schedule). If not approved, the employee must choose between pursuing the outside interest or remaining at Tagros.

### Scenario 3: Personal Investment in Customer

- **Situation:** An employee purchases shares in a company that is also a major customer of Tagros.
  - **Action:** If the investment is not material (less than 1% ownership or <₹500,000 investment), the employee may proceed. If material, approval is required from the Compliance Officer, and the employee is monitored for potential bias in customer dealings.
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## 8.4 Data Security and Privacy Scenarios

### Scenario 1: Accidental Email to Wrong Recipient

- **Situation:** An employee sends an email containing customer financial data to the wrong recipient (similar name).
- **Action:** Employee immediately notifies their manager and IT department. IT assesses whether data was accessed and breaches confidentiality if needed. The employee receives mandatory data security retraining. If repeated, disciplinary action applied.

### Scenario 2: Home Network Usage

- **Situation:** An employee uses their home Wi-Fi (unsecured) to access company systems while working from home.
- **Action:** Not permitted without VPN or secure connection. Employee is required to use company-approved VPN and secure Wi-Fi or mobile hotspot. IT provides secure connection tools and training.

### Scenario 3: USB Device Download

- **Situation:** An employee downloads a list of customers and their contact details onto a personal USB drive to work from home.

- **Action:** Prohibited without authorization. The employee must delete the data immediately and is reminded of the data security policy. A first offense results in written warning. Repeated offenses may result in suspension or termination.
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## 9. ACKNOWLEDGMENT AND SIGN-OFF

### Mandatory Employee Acknowledgment:

All employees must read, understand, and acknowledge their commitment to this Ethics and Business Conduct Policy.

### Acknowledgment Requirements:

- Acknowledgment must be provided in writing (physical signature or digital confirmation) at on-boarding
- Acknowledgment must be renewed annually or whenever the policy is materially updated
- Failure to acknowledge or comply with the policy may result in disciplinary action

### Employee Acknowledgment Statement:

I confirm that I have read, understood, and carefully reviewed Tagros' Comprehensive Ethics and Business Conduct Policy, including all sections on human rights, anti-corruption, fraud prevention, data protection, conflicts of interest, and other ethics requirements.

I understand that this policy applies to all my work activities, whether at Tagros facilities or elsewhere, and applies to my interactions with colleagues, customers, suppliers, government officials, and other stakeholders.

I acknowledge that:

I confirm my commitment to upholding the highest standards of ethics and integrity in all my work.

**Employee Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Employee Name (Printed):** \_\_\_\_\_

**Employee ID:** \_\_\_\_\_

**Department:** \_\_\_\_\_

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## 10. AUTHORITY AND APPROVAL

**Policy Owner:** Chief Compliance Officer / Corporate Human Resources officer

**Approval Authority:** Board of Directors / Management Committee

**Approved By:**



**Signature:**

**Name & Title:** Sunish Nair (Director)

**Date:** 1.4.25

**Reviewed and Endorsed By:**

**Date:**

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## 11. RESOURCES AND SUPPORT

**Internal Contacts:**

- **Compliance Officer:** [compliance@tagros.com](mailto:compliance@tagros.com) | [Phone]
- **HR Department:** [hr@tagros.com](mailto:hr@tagros.com) | [Phone]

**External Resources:**

- UN Global Compact Principles: <https://www.unglobalcompact.org>
- GRI Sustainability Standards: <https://www.globalreporting.org>
- ILO Conventions and Recommendations: <https://www.ilo.org>
- EcoVadis Sustainability Ratings: <https://www.ecovadis.com>
- OECD Guidelines for Multinational Enterprises: <https://www.oecd.org>

**Training and Development:**

- EcoVadis Academy: Self-guided online ethics training courses
- External consultants for specialized compliance training (anti-corruption, data protection, human rights due diligence)
- Industry associations and best practice forums

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## 12. POLICY COMMUNICATION AND DISTRIBUTION

This policy will be communicated to all employees through multiple channels:

- Posted on the company intranet and employee portal
- Included in employee handbooks and on-boarding materials
- Presented during orientation and mandatory annual training
- Distributed electronically to all active employees upon policy approval
- Made available to suppliers, contractors, and business partners on the company website or upon request

- Discussed during performance reviews and management meetings
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#### DOCUMENT HISTORY

Version	Date	Changes	Approved By
1.0		Initial Ethics and Human Rights Policy	
2.0		Comprehensive revision incorporating anti-corruption, fraud, AML, COI, data security; added governance, quantitative targets, detailed guidelines, and examples per EcoVadis best practices	