

# ETHICAL GOVERNANCE POLICY

## Contents

AMENDMENT HISTORY .....	3
INTRODUCTION .....	4
SCOPE .....	4
OBJECTIVES .....	4
POLICY STATEMENT .....	5
OUR AREA OF FOCUS .....	5
Corruption: .....	5
Conflict of Interest: .....	5
Fraud: .....	5
Anti-Money Laundering: .....	5
Information Security: .....	6
TARGETS .....	6
Corruption: .....	6
Conflict of Interest: .....	6
Fraud: .....	6
Anti-Money Laundering: .....	7
Information Security: .....	7
MILESTONES .....	7
Corruption: .....	7
Conflict of Interest: .....	7
Fraud: .....	8
Anti-Money Laundering: .....	8
Information Security: .....	8
GOVERNANCE OF THIS POLICY .....	8
CONSEQUENCES OF VIOLATION OF THIS POLICY .....	9
ROLES & RESPONSIBILITY .....	10
ESG Committee: .....	10

ETHICAL GOVERNANCE POLICY

Chief Sustainability Officer.....	10
Departmental Heads: .....	10
Employees: .....	11
Whistleblower Reporting System: .....	11
External Auditors and Regulators:.....	11
<b>GUIDELINES.....</b>	<b>11</b>
Employees.....	11



## ETHICAL GOVERNANCE POLICY

### AMENDMENT HISTORY

Date	Description of Change/Action Taken	Rev. No.
April 1, 2023	<ul style="list-style-type: none"><li>Updated Scope, Goals, Key milestones, Governance, Responsibility Allocation and Review Mechanism.</li><li>Included Objectives, ESG Committee and Employee Acknowledgement form</li></ul>	1.1
January 01, 2025	<ul style="list-style-type: none"><li>Updated Logo</li></ul>	1.2



## ETHICAL GOVERNANCE POLICY

### INTRODUCTION

Recognizing the paramount significance of ethical conduct in shaping the trajectory of both business and society, Ami Organics Limited wholeheartedly embraces a profound commitment to Ethical Governance as the cornerstone of our corporate ethos. We firmly comprehend that ethical governance transcends mere compliance and stands as a fundamental pillar of responsible corporate behaviour, pivotal for fostering sustainable growth and cultivating enduring stakeholder trust.

Within the Ami Organics Limited, Ethical Governance policy serves as a testament to our unwavering dedication to upholding the loftiest standards of integrity and accountability across all facets of our business engagements. We are resolutely committed to addressing pivotal governance issues, including, but not limited to, Corruption, Anticompetitive Practices, and Responsible Information Management.

In our unwavering resolve to effectively combat these challenges, we have assumed a proactive stance, implementing innovative measures that align seamlessly with the principles of Anti-Corruption, Conflict of Interest, Fraud, Anti-Money Laundering and Information Security. Our meticulously crafted strategies are not only crafted to meet but to surpass current regulatory requirements, thereby establishing a new benchmark for ethical conduct within our industry.

### SCOPE

This policy is applicable to all operations, processes, and products of Ami Organics, including all manufacturing units, the registered office, and activities across the supply chain. It applies uniformly to all employees, workers, contractors, and stakeholders—both directly and indirectly associated with Ami—ensuring full compliance and accountability at every level. The following is a list of our operational locations:

Sr. No.	Ami Organics's	Address
1	Registered office	Plot No. 440/4, 5 & 6, Road No. 82/A, GIDC Sachin, Surat Gujarat 394230 India
2	Factory Unit 1	Plot No. 440/4, 5, 6 & 8206/B, Road No. 82/A, GIDC Sachin, Surat 394230, Gujarat, India
3	Factory Unit 2	Plot No. 127/1, Industrial Estate, GIDC, Ankleshwar-393002, Gujarat, India
4	Factory Unit 3	Plot No. 910/1/B, GIDC, Jhagadia- 393110, Bharuch, Gujarat, India
5	Research & Development Unit	Plot No. C1B-469 Road No. 82-C GIDC Sachin, Surat, 394230 Gujarat
6	Warehouse I	Plot No. 478, 479 & 494, 495 Road No. 82-C GIDC, Sachin, Surat, 394230 Gujarat
7	Warehouse II ( For future expansion)	Plot No. 5538, Road No. 8 GIDC Sachin, Surat-394230, Gujarat

### OBJECTIVES

To promote a culture of integrity, transparency, and accountability throughout all organizational

## ETHICAL GOVERNANCE POLICY

operations and decision-making processes.

To ensure compliance with applicable laws, regulations, and ethical standards in every jurisdiction of operation.

To prevent unethical practices such as bribery, corruption, fraud, and conflicts of interest across all levels of the organization.

To foster ethical behavior by providing employees with clear guidelines, training, and resources for ethical decision-making.

To encourage open communication and a safe environment for reporting unethical behavior without fear of retaliation.

To uphold the highest standards of respect for human rights, diversity, and inclusion in all interactions and partnerships.

To continually review and enhance ethical practices, ensuring alignment with evolving legal, social, and environmental expectations.

### POLICY STATEMENT

Ami Organics Limited is deeply committed to ethical governance, upholding integrity, and accountability in all business operations. Our dedication ensures responsible conduct, sustainable growth, and stakeholder trust.

### OUR AREA OF FOCUS

#### Corruption:

- Prohibition: Strictly prohibit bribery, kickbacks, and any form of corrupt practices within the organization.
- Transparency: Promote transparency in financial transactions and foster a culture where reporting of any suspicious activities is encouraged.

#### Conflict of Interest:

- Disclosure: Mandate timely disclosure of any potential conflicts of interest to prevent compromising business integrity.
- Mitigation: Implement measures to manage and mitigate conflicts, ensuring unbiased decision-making.

#### Fraud:

- Prevention: Institute robust internal controls and regular audits to prevent fraudulent activities.
- Reporting: Encourage a whistleblowing mechanism to report any suspected fraudulent behavior, ensuring prompt investigation and action.

#### Anti-Money Laundering:



## ETHICAL GOVERNANCE POLICY

- Due Diligence: Conduct thorough due diligence on business partners and transactions to prevent involvement in money laundering activities.
- Compliance: Adhere to stringent AML regulations and continuously update policies to reflect evolving legal standards.

### Information Security:

- Confidentiality: Safeguard sensitive information through encryption, access controls, and regular cybersecurity assessments.
- Employee Training: Provide ongoing training to employees on information security protocols, promoting a vigilant and security-conscious workforce.

### TARGETS

#### Corruption:

- Ethical Culture: Foster a corporate culture that emphasizes integrity and ethical behaviour, encouraging employees to adhere to a zero-tolerance policy for corruption.
- Training Programs: Implement regular training programs to educate employees about the detrimental effects of corruption, promoting awareness and ethical decision-making.
- Our goal is to implement a system that monitor of employee actions, enabling immediate corrective measures in case of any signs of corruption.
- We plan to adopt innovative technology solutions for tracking and evaluating ethical behavior, ensuring transparency and accountability across all organizational levels.

#### Conflict of Interest:

- Transparency Measures: Establish transparent disclosure mechanisms for employees to report potential conflicts of interest, ensuring timely identification and resolution.
- Policy Enforcement: Enforce and communicate policies that address conflicts of interest, emphasizing the importance of unbiased decision-making and ethical conduct.
- We aim to cultivate a culture of openness by encouraging employees to regularly disclose potential conflicts of interest through an intuitive and accessible platform.
- We intend to introduce guidelines for managing conflicts of interest based on employee activities, ensuring timely and accurate resolution.

#### Fraud:

- Internal Controls: Strengthen internal controls and monitoring systems to detect and prevent fraudulent activities, emphasizing the importance of accountability and compliance.
- Whistleblowing Protocols: Develop and promote a confidential whistleblowing mechanism to encourage employees to report any suspected fraudulent behaviour, fostering a proactive approach to fraud prevention.
- We aim to implement a robust fraud detection system using machine learning algorithms to analyze transactions and identify irregularities in real-time.

## ETHICAL GOVERNANCE POLICY

- We strive to adopt digital tools that automate the monitoring and reporting of fraud risks, facilitating prompt action and minimizing potential damage.

### Anti-Money Laundering:

- Due Diligence Practices: Implement rigorous due diligence procedures for business partners and transactions, ensuring compliance with anti-money laundering regulations.
- Regular Audits: Conduct periodic audits and reviews to assess the effectiveness of anti-money laundering measures, identifying and rectifying potential weaknesses in the system.
- We aim to implement system for continuous transaction monitoring, enabling early detection of suspicious activities and reducing the risk of money laundering.
- Our approach involves adopting blockchain technology to enhance the transparency and traceability of transactions, ensuring compliance with anti-money laundering regulations.

### Information Security:

- Employee Training: Provide regular training sessions on information security best practices, empowering employees to recognize and respond to potential security threats.
- Incident Response Plan: Develop a comprehensive incident response plan to address any breaches promptly, minimizing the impact on information security and ensuring a swift and effective recovery process.
- We plan to integrate advanced encryption technologies into our daily workflows, ensuring that sensitive information is securely protected from unauthorized access.
- We aim to develop and implement a proactive security monitoring system, enabling rapid detection and neutralization of any potential security threats.

### MILESTONES

These specific goals are in alignment with Key Performance Indicators and its targets till FY 2026-27.

### Corruption:

- Zero Tolerance Incidents: Achieve a target of zero reported incidents of corruption within the organization by FY 2026-27 from baseline FY 2021-22.
- Training: Achieve the target of 88 manhours of training on anti – corruption and bribery by the FY 2026-27 from baseline FY 2021-22.
- Compliance Training Completion Rate: Attain a 100% completion rate for suppliers and customers for mandatory compliance training programs focused on corruption prevention.

### Conflict of Interest:

- Disclosure Compliance Rate: Ensure a 100% compliance rate in timely reporting of potential conflicts of interest by employees by FY 2026-27 from baseline FY 2021-22.
- Resolved Conflicts: Aim to resolve reported conflicts of interest within 30 days of disclosure, maintaining a 100% resolution rate.
- Aim to Train 100% employee with training related to Conflict of interest by FY 2026-27 from the



## ETHICAL GOVERNANCE POLICY

baseline FY 2021-22.

### Fraud:

- Incident Reduction: Maintain 0% fraud incidents throughout the year.
- Audit Effectiveness: Achieve a 100% effectiveness rating in internal audits focused on fraud prevention and detection by FY 2026-27 from baseline FY 2021-22.
- Aim to Train 100% employee with training related to Fraud prevention by FY 2026-27 from the baseline FY 2021-22.

### Anti-Money Laundering:

- Due Diligence Completion: Attain a 100% completion rate for due diligence procedures on all high-risk transactions and business partners by FY 2026-27 from baseline FY 2021-22.
- Audit Findings Resolution: Address and resolve 100% of the findings identified in anti-money laundering audits within 45 days.
- Aim to Train 100% employee with training related to Anti Money Laundering by FY 2026-27 from the baseline FY 2021-22.

### Information Security:

- Phishing Simulation Success Rate: Maintain a 100% success rate in simulated phishing exercises to assess and improve employee resilience against cyber threats by FY 2026-27 from baseline FY 2021-22.
- Incident Response Time: Achieve an average incident response time of less than 24 hours for resolving and mitigating information security incidents.
- Aim to Train 100% employee with training related to Information security breach by FY 2026-27 from the baseline FY 2021-22.

### GOVERNANCE OF THIS POLICY

The ESG Committee is responsible for overseeing the implementation, monitoring, and continuous improvement of this Policy. The Committee ensures that the policy's objectives and targets are met effectively and transparently while aligning with the company's long-term sustainability goals. This will be facilitated with the active involvement of the Chief sustainability officer, who will play a key role in ensuring alignment with ethical practices and operations. His task is to evaluate the policy's implementation, assess the achievement of set targets, and recommend adjustments or enhancements to align with emerging standards and best practices.

The final approval of any policy adjustments shall be given by the Director of Ami Organics Limited, ensuring the highest level of leadership endorsement for our ethical initiatives.

### ESG COMMITTEE

Sr. No.	Name	Position
1.	Mr. Ram Mohan Lokhande	Member (WTD) and Chairman of committee
2.	Mr. Girikrishna Maniar	Independent Director and Member



## ETHICAL GOVERNANCE POLICY

3.	Mr. Pratik Thakor	Member (EHS Manager)
4.	Mr. Hemant Patel	Member (HR Manager)
5.	Mr. Uday Desai	Member
6.	Mr. Sanjib Mukharjee	Member

### CONSEQUENCES OF VIOLATION OF THIS POLICY

- Internal Disciplinary Measures
  - Violations will result in disciplinary actions proportional to the severity of the misconduct.
  - Possible actions include verbal or written warnings, suspension, demotion, or termination of employment.
- Legal Action
  - Violations involving illegal activities such as fraud, bribery, or corruption will be reported to law enforcement or regulatory authorities.
  - Violators may face criminal charges, civil penalties, or imprisonment as per applicable laws.
- Financial Accountability
  - Any financial loss or damage caused by the violation will be recovered from the individual(s) responsible, where applicable.
  - This may include fines, compensation for damages, or reimbursement of undue benefits gained.
- Reputation Damage: Violations that harm the organization's reputation may lead to public disclosure of the violator's actions, affecting their professional credibility and future opportunities.
- Loss of Employment or Business Relationship
  - Employees may face termination of employment if violations are deemed significant.
  - Third-party partners, vendors, or contractors found in breach of ethical standards will have their contracts terminated and may be barred from future engagement.
- Professional Consequences: Violators may lose professional licenses, certifications, or membership in industry associations if the ethical breach violates industry regulations.
- Exclusion from Projects or Leadership Roles: Individuals involved in ethical violations may be excluded from critical projects, leadership positions, or decision-making roles within the organization.
- Mandatory Retraining or Counseling: Depending on the nature of the violation, the violator may be required to undergo ethics training, counseling, or performance improvement programs.
- Monitoring and Probation: Violators may be placed under a monitoring period or probation to ensure future compliance with the Ethics Policy.
- Stakeholder Notification: Severe violations with significant impact may necessitate informing



## ETHICAL GOVERNANCE POLICY

stakeholders, including clients, investors, or regulatory authorities.

### ROLES & RESPONSIBILITY

The designated members of Ami Organics Limited's Environment, Social, and Governance (ESG) committee, formed for the purpose of ensuring the effective implementation of sustainability practices within the company premises, are assigned the following responsibilities as outlined in this policy:

#### ESG Committee:

- Responsibility: Oversee and coordinate Ethical Governance, developing and implementing policies, procedures, and compliance initiatives.
- Roles:
  - Provides leadership and direction to stakeholders.
  - Monitors and enforces ethical standards and regulations.
  - Offers legal guidance, ensuring alignment with applicable laws.
  - Oversees information security and data protection.
  - Ensures compliance with financial regulations, anti-money laundering, and fraud prevention.
  - Manages conflict of interest disclosures and training initiatives.
  - Conducts audits to evaluate adherence to ethical governance standards.

#### Chief Sustainability Officer

- Assesses and identifies areas requiring improvement in ethical standards and related practices.
- Oversees the annual review of ethical guidelines.
- Guides the development and alignment of ethical principles with Environmental, Social, and Governance (ESG) criteria as outlined in the review mechanism.
- Ensures compliance with all applicable laws, regulations, and ethical standards.
- Leads the preparation of regular reports highlighting progress, challenges, and accomplishments in maintaining ethical integrity.

#### Departmental Heads:

- Responsibility: Implement and enforce Ethical Governance policies within their departments.
- Roles:
  - Finance Manager: Ensures compliance with financial regulations, anti-money laundering, and fraud prevention.
  - IT Manager: Implements information security measures.

## ETHICAL GOVERNANCE POLICY

- Sales and Marketing Manager: Ensures adherence to antitrust and anti-competitive practice regulations.
- HR Manager: Manages conflict of interest disclosures and ensures employee training.

### Employees:

- Responsibility: Adhere to Ethical Governance policies, participate in training, and report unethical behaviour.
- Roles:
  - Complete required training on ethical governance topics.
  - Report instances of corruption, fraud, conflicts of interest, anticompetitive practices, or information security breaches.

### Whistleblower Reporting System:

- Responsibility: Provide a secure, anonymous channel for reporting unethical behaviour.
- Roles:
  - Maintain a system for receiving and documenting whistleblower reports.
  - Ensure prompt investigation and resolution of reported cases following established procedures.

### External Auditors and Regulators:

- Responsibility: Conduct audits and investigations to assess compliance with ethical governance standards.
- Roles:
  - Audit financial records, information security practices, and adherence to anti-corruption, antitrust, and other regulations.
  - Provide feedback and recommendations for improvement.

## GUIDELINES

### Employees

- Demonstrate honesty, integrity, and transparency in all business dealings.
- Refrain from participating in corrupt practices, including the acceptance or offering of bribes.
- Promptly report any unethical behaviour, conflicts of interest, or policy violations.
- Adhere strictly to the Ethical Governance policy, encompassing anti-corruption, antitrust, data protection, and conflict of interest provisions.
- Consult the compliance department for guidance in situations where policy compliance is uncertain.
- Utilize confidential whistle-blower reporting channels to report suspected policy violations or unethical

## ETHICAL GOVERNANCE POLICY

behaviour.

- Ensure a no-retaliation environment for employees making legitimate reports.
- Complete mandatory training on ethical governance topics and stay abreast of policy changes and updates.

➤ Example Scenario:

An employee in the procurement department is offered an expensive gift by a supplier during contract negotiations. The employee immediately declines the gift and reports the incident to the compliance team using the confidential whistle-blower channel. This demonstrates the employee's adherence to honesty, integrity, transparency, and the ethical guidelines of not participating in corrupt practices, promptly reporting unethical behaviour, and following the correct procedure for potential violations.

### Management and Department Heads

- Exemplify ethical behaviour and actively promote ethical conduct within their teams.
- Cultivate an environment where employees feel secure reporting concerns or violations.
- Ensure team members are well-informed and comprehend the policy's requirements.
- Monitor and enforce policy adherence within their respective departments.
- Address conflicts of interest, ethical concerns, or policy violations promptly and impartially.
- Seek guidance from the compliance department when handling complex issues, fostering a proactive approach to compliance.

➤ Example Scenario:

A department head at a manufacturing plant notices that a senior team member is involved in a potential conflict of interest by working with a supplier they have a personal relationship with. The department head immediately addresses the issue, ensuring transparency and impartiality in the investigation. The manager emphasizes the importance of ethical behaviour within the team and encourages employees to report any similar concerns without fear of retaliation. Additionally, the department head organizes a training session to ensure that all team members fully understand the policy's requirements. To ensure proper handling, the department head consults the compliance team for guidance, fostering a proactive and compliant work culture. This approach promotes transparency, reinforces ethical conduct, and ensures policy adherence within the department.

### Suppliers Guidelines:

- Suppliers must uphold business dealings with Ami Organics Limited with honesty, integrity, and ethical standards.
- Prohibit involvement in corrupt practices, such as bribery or kickbacks, ensuring transparency in all interactions.
- Suppliers are obligated to adhere to Ami Organics Limited's Ethical Governance policy and any specified ethical requirements in contracts or agreements.
- Encourage suppliers to report unethical behaviour, including policy violations, through designated reporting channels.

## ETHICAL GOVERNANCE POLICY

➤ **Example Scenario:**

A supplier is in the process of negotiating a contract with Ami Organics Limited. During the negotiation, the supplier offers a kickback to one of the company's purchasing managers to secure a more favorable contract. The purchasing manager immediately rejects the offer, reminds the supplier of the company's ethical standards, and reports the incident to the compliance team through the designated reporting channel.

This scenario highlights the supplier's obligation to uphold business dealings with honesty and integrity, refrain from involvement in corrupt practices, and adhere to Ami Organics Limited's Ethical Governance policy. The purchasing manager's quick action in reporting the unethical behaviour reinforces the importance of transparency and adherence to the specified ethical requirements.

### Customers Guidelines:

- Customers are expected to engage in fair and ethical business practices when interacting with Ami Organics Limited
- Refrain from soliciting or accepting any unethical favors or benefits during business dealings.
- Customers must comply with ethical requirements outlined in contracts, agreements, or terms of service with Ami Organics Limited
- Customers are urged to report any unethical behaviour or concerns related to products or services through designated reporting channels.
- **Example Scenario:**  
A customer is offered a discount on bulk orders in exchange for providing confidential business information about their competitors. The customer refuses the offer, adhering to ethical business practices, and reports the incident to Ami Organics Limited through the designated reporting channels. By doing so, the customer ensures compliance with ethical standards and the company's terms of service, while also helping maintain the integrity of the business relationship.

### REPORTING

Transparency, accountability, and continuous improvement are integral to maintaining ethical practices. Ami Organics is committed to communicating its performance and progress in upholding ethical standards across its operations. The following outlines the key components of our reporting mechanism:

#### **1. Ethical Performance Indicators**

- **Anti-Bribery Reports:** Periodic summaries of risks, cases, and actions.
- **Fraud Assessments:** Documentation of occurrences and preventative measures.
- **Conflict of Interest Records:** Annual reviews of disclosures and resolutions.
- **Training Reports:** Updates on participation and outcomes of ethics training programs.

2. **Performance Analysis:** A summary document evaluating the effectiveness of implemented ethical practices and identifying areas for improvement.





## ETHICAL GOVERNANCE POLICY

3. **Annual Ethics Report:** A yearly summary of measures taken, progress achieved, and ongoing commitments to ethical standards.
4. **Incident Reporting Summary:** Consolidated records of incidents reported, corrective actions taken, and preventive measures implemented.
5. **Stakeholder Feedback:** Periodic reviews of stakeholder input on ethical standards and improvements.

### REVIEW MECHANISM

This policy will be reviewed by ESG committee: Chief Sustainability Officer every year or as and when required as per next review date mentioned to track the progress on every issue and its targets.

REV. No. 1.2

EFFECTIVE FROM: 01.04.2023

LAST REVIEW DATE: 01.01.2025

NEXT REVIEW DATE: 01.01.2026

APPROVED BY:

Director – Ami Organics Limited