





Himadri Speciality Chemical Ltd

Gift, Hospitality, and Entertainment Policy

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	Prepared & Reviewed By	Approved By
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Signature		
Date	30.10.2023	31.10.2023



Purpose

The purpose of this policy is to guide employees, directors, and stakeholders of Himadri in making ethical decisions when offering or accepting gifts, hospitality, entertainment (GH&E), and handling sensitive transactions. The policy ensures that all interactions and transactions remain transparent, compliant with legal and regulatory standards, and do not improperly influence business decisions or create conflicts of interest.

Scope

This policy applies to all employees, directors, contractors, and stakeholders of Himadri, covering all types of gifts, hospitality, entertainment, and sensitive transactions offered or received in connection with the company's business activities. This includes, but is not limited to, gifts, meals, events, travel, entertainment, and any other business-related transactions that require enhanced scrutiny.

Organization and Responsibilities

- **Audit Committee:** Oversees the implementation of this policy and ensures that all GH&E and sensitive transactions comply with ethical standards and legal obligations.
- **Vigilance Officer (Company Secretary):** Responsible for maintaining the Gift Register, reviewing entries, investigating potential violations, and reporting findings to the Audit Committee. Additionally, the Vigilance Officer will monitor sensitive transactions for compliance.
- **Department Heads:** Ensure that all employees under their supervision comply with the policy. Approve gifts, hospitality, and sensitive transactions that exceed INR 15,000 or are considered sensitive.
- **Employees:** Report any gifts, hospitality, or sensitive transactions received or offered that exceed the prescribed limit and ensure compliance with the policy.

Our Beliefs

- **Integrity:** Transparency and ethical behaviour are fundamental to our business and critical for long-term success.
- **Accountability:** Every employee has a responsibility to adhere to the highest ethical standards when offering or receiving gifts, hospitality, or engaging in sensitive transactions.
- **Fairness:** Gifts, hospitality, and sensitive transactions should never influence or appear to influence business decisions.



Our Aims

- **Ethical Standards:** To ensure that all gifts, hospitality, entertainment, and sensitive transactions offered or received in the course of business are consistent with ethical business practices.
- **Transparency:** To promote openness by maintaining accurate and complete records of all GH&E and sensitive transaction activities.

Sensitive Transactions

- Sensitive transactions refer to those business transactions that may involve higher scrutiny due to their nature, such as large financial commitments, dealings with government officials, or transactions involving high-value assets. These transactions are subject to enhanced review and approval processes to ensure that they comply with legal, ethical, and internal governance standards.

Approval Procedure for Sensitive Transactions:

- **Pre-Approval Required:** All sensitive transactions must receive pre-approval from the Department Head and the Managing Director or the person designated by the Managing Director.
- **Sensitive Transaction Register:** Sensitive transactions exceeding INR 15,000 must be recorded in a separate Sensitive Transaction Register, documenting the nature, purpose, value, and parties involved in the transaction.
- **Periodic Review:** Sensitive transactions will be reviewed quarterly by the Audit Committee to ensure compliance with company policies and legal requirements.
- **Disclosure:** Employees involved in sensitive transactions are required to disclose any potential conflicts of interest to the Vigilance Officer.

Our Commitments with Quantitative Targets

- **Confidentiality:** All GH&E and sensitive transactions above the set threshold will be documented in the respective registers and reviewed regularly. Ensure that 100% of sensitive transactions exceeding INR 15,000 are recorded in the Sensitive Transaction Register by 2024.
- **Zero Tolerance for Bribery:** No employee will offer or accept any gifts, hospitality, entertainment, or engage in sensitive transactions that could be seen as a bribe, kickback, or inappropriate influence. The company targets zero incidents of bribery or undue influence reported annually.
- **Fair Business Practices:** By the end of 2025, ensure that 100% of employees complete mandatory training on ethical GH&E practices, including sensitive transactions.
- **Monitoring and Compliance:** Conduct quarterly reviews of the Gift and Sensitive Transaction Registers to ensure full compliance, with 100% resolution of any compliance issues within 60 days.



Governance

- The **Audit Committee** will oversee the execution of this policy, ensuring regular monitoring, review, and auditing of all GH&E and sensitive transactions. The Vigilance Officer will provide quarterly reports on the status of the Gift Register, Sensitive Transaction Register, and any investigations to the Audit Committee.
- **Sustainability (ESG) Council:** Ensures that ethical GH&E and sensitive transaction activities align with the company's broader sustainability and governance goals. Reports on trends and compliance will be integrated into the company's overall sustainability reporting.

Policy Review

This policy will be reviewed every three years, or earlier if required, to ensure alignment with changes in legal, regulatory, or business practices. The review will assess the effectiveness of the policy, compliance levels, and employee awareness of ethical GH&E and sensitive transaction practices.