



Nayara Energy Limited

Registered Office:

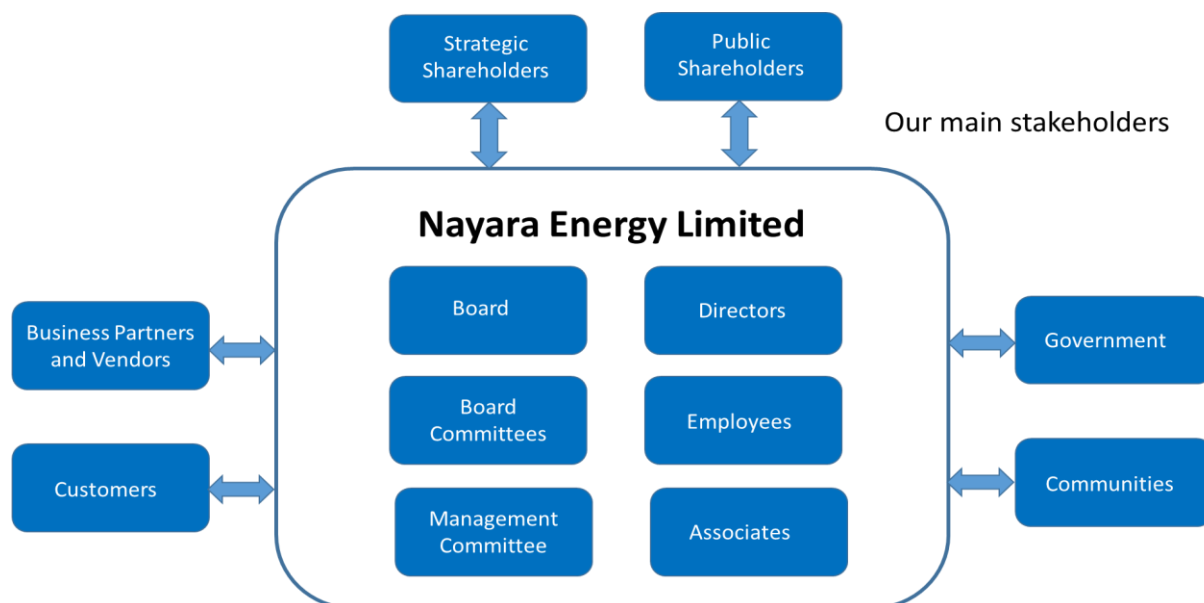
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Ethics Code: Guidance



Introduction

Interests of the Company shall be paramount in discharge of our duties at Nayara Energy Limited with the objective of creating and maximizing its shareholders' value.



This document is to be read in conjunction with the Ethics Code. The purpose of this document is to provide guidance to Directors, Heads of Departments, other Employees and Associates (to whom the Ethics Code applies), to be aware of their key responsibilities. Further, certain illustrations and illustrative situations are also explained for reading by the persons to whom the Ethics Code applies to enhance their understanding.

Each sub-section in this document is mapped to the relevant sub-section of the Ethics Code. However, this document is simply to guide the readers. In the event of any differences and/or violations/breaches, the Ethics Code will prevail and is the binding document for expected conduct/standard of behavior from Directors, Heads of Department, other Employees and Associates.

This document does not provide a comprehensive and complete explanation of all expectations from an organization standpoint or obligations from a stakeholder standpoint. The readers of this document are reminded of their continuing obligation to familiarise themselves with all applicable laws, policies, procedures and work rules as relevant.

For any guidance on interpretation of the Ethics Code, this guidance document, and further for any matters not addressed in this document, please reach out and seek support from the Compliance & Security Department.

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2. Our People

2.1 Avoiding Conflict of Interest

YOUR RESPONSIBILITIES

	Director	HOD	Employee	Associate
The Company's welfare and interests shall take precedence over your personal interest in discharge of your official duties.	X	X	X	X
Act within authority and assist in protecting the legitimate interests of the Company, its shareholders and its Directors, Employees and Associates.	X	X	X	X
Refrain from taking up any assignment with any other organization, with or without remuneration, without prior approval.		X	X	X
Ensure you make prompt, full and fair disclosure of any Conflict of Interest existing or arising during your tenure with Nayara Energy	X	X	X	X
Recuse yourself from any business decision where you have an actual, potential or perceived Conflict of Interest.	X	X	X	X

ILLUSTRATIVE CONFLICT OF INTEREST SITUATIONS

- A recruitment manager interviews his relative without disclosing his relationship to appropriate officials and without seeking approval of the Company.
- A manager from the technical team provides paid consulting services on weekends to a competitor of Nayara Energy.

- A manager in the procurement team hires his brother-in-law to provide vending services at the Company.
- An employee directly reports to his relative who holds a senior position in the Company.
- An employee engages with a vendor wherein his/her spouse holds a managerial position i.e. does not recuse him/herself from the business decision to engage with the vendor
- An employee evaluates the performance of an employee who is a relative or of a vendor wherein his/her spouse holds a senior position
- An employee takes the position of officer/director/any other key management position of any organization (including NGOs) without obtaining prior approval from the Company.
- An employee manages his family business while being employed with the Company without prior approval of the Company.

ILLUSTRATION

Question: I am a part of the Procurement team and have observed one of the team members awarding repeated orders to a specific vendor without comparative analysis. I understand that the supplier has been associated with Nayara Energy for the last several years and I am not aware of any complaints concerning the quality of services. Should I report this matter?

Answer: Yes, repeat orders could be because of a conflict of interest situation or in lieu of gifts and monetary favors. This must be brought to the knowledge of the management immediately, as awarding a contract without an adequate vendor selection process is not be in the best interest of Nayara Energy.

Question: Ramesh, an employee in the Finance Department at the Corporate Office received a phone call from his sister-in-law who lives in Chennai, informing him that she was following up for the release of a purchase order from Nayara Energy for some IT solutions that her employer develops. Ramesh did not know that employer of his sister-in-law has or was going to have a business alliance with Nayara Energy. Ramesh told her to follow the routine process. Immediately after hanging up the phone, Ramesh

communicated with a representative of the Compliance & Security Department to seek advice on how he needs to disclose this fact. Did he do the right thing?

Answer: Yes, upon identifying that his sister-in-law works for a vendor (or prospective vendor) of Nayara Energy, Ramesh identified a potential conflict of interest and at the first available opportunity sought advice from the Compliance & Security Department.

2.2 Equal opportunity and anti-discrimination

YOUR RESPONSIBILITIES:

	Director	HOD	Employee	Associate
Raise concerns related to discriminatory practices.		X	X	X
Treat all Employees and Associates equally.	X	X	X	X
Promote an open, diverse and tolerant working environment, which is purely based on individual's skills, merits and performance.	X	X	X	
Provide necessary facilities and assistance to individuals facing discrimination and take appropriate actions.	X	X	X	
Comply with Equal Opportunity and Anti-Discrimination policy.	X	X	X	X

ILLUSTRATIVE UNEQUAL OPPORTUNITY AND DISCRIMINATORY SITUATIONS:

1. A manager makes offensive 'jokes' about another colleague's clan, ethnic background, colour, sex or disability.
2. An employee expresses negative stereotypes about particular groups e.g., "married women shouldn't be working."
3. A manager regularly makes inappropriate comments about your colleague's physical appearance/disability.
4. An HOD does not take appraisal decisions based on knowledge, skills and merit but instead on irrelevant attributes such as:
 - a. Cultural or social or religious beliefs
 - b. Race, ethnicity or nationality
 - c. Spiritual, traditional or customary beliefs
5. Exclusion or isolation by co-workers.

ILLUSTRATION

Question: An employee from the business team requests his close friend in the HR team to recruit one of her relatives and share the interview questionnaire with her. If the HR fulfils his friend's request, would he/ she violate the Ethics Code?

Answer: Yes, the HR executive would violate the Ethics Code if he/she do not make the candidate come through a proper recruitment process. The HR executive may advise the Employee of the candidate referral process. The HR executive should remind the employee that our organization is an equal opportunity employer and may also assure the employee that the recruitment process is robust and deserving candidates will definitely be able to bag the opportunity. The employee should also be made aware of necessary disclosures and mitigations of conflicts of interest.

Question: A HOD was provided with two names of employees by a Line Manager for promotion based on their exceptional performance on a project. One is a male and the other is a female. The HOD has to choose one employee and he chooses the male employee over the female employee stating the sole reason that female employees cannot manage such high positions as efficiently as their male counterparts. Is the HOD's action discriminatory?

Answer: Yes, this behavior falls under the definition of discriminatory action and is not acceptable under Nayara Energy's equal opportunity and anti-discrimination policy.

Question: Karuna has worked with Nayara Energy for three years and is an extremely hardworking employee. In the coming appraisal cycle, she is up for a promotion. In a social gathering, her HOD was told that Karuna belongs to the LGBTQ community. Her HOD responded by saying, “*these things don’t bother me and are personal choices of an individual.*” Is this response consistent with the Ethics Code of Nayara Energy?

Answer: Yes. We work in an open, diverse and tolerant working environment, which is purely based on an individual's skills, merits and performance.

2.3 Avoid Harassment

YOUR RESPONSIBILITIES

	Director	HOD	Employee	Associate
Maintain professional conduct and abide by the role, responsibilities and other provisions set out in Schedule IV - 'Code for Independent Directors', of the Companies Act, 2013.	X			
Be a role model and create an environment that is respectful and inclusive.	X	X	X	X
Address concerns of Employees and Associates, whenever they are raised.	X	X	X	
Ensure that no one experiences retaliation for speaking up or co-operating in an investigation.	X	X	X	
Promptly report concerns of harassment noticed or experienced		X	X	X
Be consistent when enforcing policy and discipline, and holding people accountable for their behaviour at work.	X	X	X	

ILLUSTRATIVE HARASSMENT SITUATIONS

Following are some illustrative situations for harassment:

- A Manager uses profanities or inappropriate language with a subordinate.
- A colleague repeatedly makes fun of your religious belief.
- A Manager regularly makes inappropriate comments about your physical appearance.
- A Manager criticizes an employee who belongs to a particular community.
- An Employee makes offensive reference to an individual's physical disability.
- An Employee spreads negative rumors about the character of a female colleague.

ILLUSTRATION

Question: I have a Supervisor who often loses his temper and uses abusive language. He is not supportive at all. Can I report his inappropriate behaviour, as I do not feel comfortable in his presence?

Answer: Yes, this is an act of harassment.

Question: While identifying the budget of a team outing, Roger left out the only female colleague in his team, knowing (or rather assuming) that she will not attend the event given her family commitments. The HOD proposed that instead of a team outing, a team lunch should be done. Was he right?

Answer: Yes, Roger's assumption and leaving out his female colleague from the team outing may be viewed as 'ostracizing behavior' which is an act of harassment.

2.4 Breach of health and safety regulations

YOUR RESPONSIBILITIES

	Director	HOD	Employee	Associate
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Wear all the necessary personal protection equipment as required at workplace.		X	X	X
Take precautionary measures while at work, as prescribed in the HSEQ Policy.	X	X	X	X
Pay attention and promptly report any concern related to health or environment to the designated person		X	X	X
Make sure that third parties also follow the guidance provided in the HSEQ Policy, while on Company premises.		X	X	X
Act in a manner that is safe, ethical, consistent with applicable laws and regulations, values and HSEQ goals.	X	X	X	X
Ensure all appropriate safety equipment/PPEs are used at work place and kept in good condition.		X	X	

ILLUSTRATIVE BREACHES OF HSEQ POLICY SITUATIONS:

Following are some illustrative situations that can be categorized as a breach of HSEQ Policy:

1. Not providing adequate personal protection equipment to personnel at the workplace.
2. An individual works at our site without requisite safety gear and protection equipment.
3. One of our contractors does not adhere to the environmental and safety guidelines and dumps residual material into the ground.
4. A retail outlet/franchisee operates without adequate firefighting equipment.

ILLUSTRATION

Question: It was a summer afternoon and Shibani was very busy at work. A fire-safety drill was organized for that day and when the alarm goes off; Shibani does not participate in the drill and continues her work. Is this acceptable?

Answer: No, it is not acceptable and it is a violation of the HSEQ Policy. Every person on our premises is required to follow health and safety rules and fire safety drills are a part of it.

Question: A consultant visiting a Divisional Office asked an employee if he could take a break to smoke a cigarette in the staircase that is easily accessible from the fire exit. What should the employee do?

Answer: The employee should guide the consultant to the designated smoking section outside of the premises.

2.5 Avoid concurrent employment/running a business

YOUR RESPONSIBILITIES

	Director	HOD	Employee	Associate
Refrain from taking up any assignment with any organization other than Nayara Energy, with or without remuneration.		X	X	X
Refrain from having any business similar to the Company or otherwise, or to hold shares in excess of 20% in any company without prior approval of the Company.	X	X	X	X
Seek appropriate clarification from the CPO, where necessary, regarding getting involved with any other organization, including Non-Governmental organization etc.		X	X	X

ILLUSTRATIVE SITUATIONS OF CONCURRENT EMPLOYMENT/BUSINESS

Following are some illustrative situations that can be categorized as concurrent employment:

- An employee works as a consultant with competitors.
- An employee manages his family business while being employed with the Company without prior approval of the Company.
- An employee holds a position with an NGO without seeking prior approval from the Company.
- A part-time employee works part-time for a competitor of Nayara Energy.
- A manager provides paid consulting services on weekends.
- A HOD is a silent partner with his family member in her business.

ILLUSTRATION

Question: My wife owns a business that directly competes with Nayara Energy. I assist her in managing the business finance and I am a minority shareholder in the business. Is this a violation of the Ethics Code?

Answer: Yes, the given situation is in complete violation of the Ethics Code and any such activity must be immediately disclosed. You can neither solicit Company's business nor work concurrently with another entity or business while working with Nayara Energy.

Question: My brother and I have inherited a farm property near Lonavala and intend to start a homestay there. This has nothing to do with the business of Nayara Energy but I still believe I must disclose this intention to the Company. Is this correct?

Answer: Yes, before getting into any activity, particularly any business, outside of Nayara Energy, full disclosure is required to be made and approvals sought.

2.6 Prevention of Sexual Harassment

YOUR RESPONSIBILITIES

	Director	HOD	Employee	Associate
Do not indulge in any activity which may constitute sexual harassment.	X	X	X	X
Ensure that any sort of Sexual Harassment suffered/witnessed is reported to IC.	X	X	X	X
Ensure that no Employee or Associate is subject to harassment of any nature and is equally treated.	X	X		
Ensure complete support to IC, as and when required.	X	X	X	
Provide necessary facilities and assistance to the victim of sexual harassment i.e., 'Aggrieved Person' and to the IC.	X	X	X	
Every complaint shall be filed in writing	X	X	X	X

ILLUSTRATIVE SEXUAL HARASSMENT SITUATIONS:

Following are some illustrative situations that can be categorized as 'sexual harassment at workplace':

- A Manager approaches a subordinate to go out for lunch with him although she has refused the offer numerous times.
- A Manager cracks an indecent joke in the presence of a woman colleague, which the woman did not appreciate.
- An Employee comments on the dressing sense of a female colleague and her character.
- An Employee comments on the sexual orientation of a colleague.
- An Employee makes sexually suggestive remarks or innuendos.

ILLUSTRATION

Question: At an official event outside office premises, a male team member cracks an offensive joke that is not taken well by a female team member who registers a complaint. Would this fall under the Prevention of Sexual Harassment policy?

Answer: Yes, the behavior will be treated as sexual harassment.

Question: At the department's internal meeting, a manager was extremely upset and used inappropriate and indecent words. Everyone in the team was acquainted with such behavior of the manager and did not object. However, one of the female team members did not like the indecent language used by the manager. Is this Sexual Harassment?

Answer: Yes, this behavior falls under the definition of sexual harassment and is not acceptable under the Prevention of Sexual Harassment Policy.

Question: A contractor, working on Nayara Energy premises approached you, the HOD of the user department. She informing that a top-performing team member of yours has been sending her unwelcome messages late at night. She adds that this team member has sent these messages even after she has requested him to not send them. What should you do?

Answer: Instead of counseling your team member, you must report the matter to the Internal Committee set up by Nayara Energy under the Prevention of Sexual Harassment Policy. You must provide all the support to the contractor, as may be requested.

2.7 Substance Abuse

ILLUSTRATIVE SITUATIONS OF SUBSTANCE ABUSE:

Following are some illustrative situations:

- A manager comes to the site/office or attends official meetings in an inebriated state.
- A Senior Manager invites a Third Party for drinks at a Company guesthouse without adequate approval.
- An employee smokes a cigarette in a prohibited area.
- An employee serves liquor/alcoholic beverages in the office canteen on his birthday.

ILLUSTRATION

Question: I have observed that a colleague comes to work smelling of liquor. While I do not think he is inebriated but I am concerned about other workers' safety at work. What should I do?

Answer: You should report this matter as a violation of the Ethics Code. You can also report the matter to the CPO.

Question: After office hours, Jimmy met some friends at a pub right next to the office. After a few drinks, Jimmy remembered that he had forgotten his lunch box in the office. Jimmy decides to leave the lunch box in office and pick it up the next day instead of going back to the office in an inebriated state. Was this the right approach?

Answer: Yes Jimmy did the right thing. Going back into office premises in an inebriated state may lead to a violation of the substance abuse section of the Ethics Code.

5. Our business partners

5.1 Zero Tolerance towards Bribery and Corruption

YOUR RESPONSIBILITIES

	Director	HOD	Employee	Associate
Fully comply with applicable anti-bribery and corruption laws, and act in a way that would not result in reputation loss for the Company	X	X	X	X
Refrain from directly or indirectly offering, promising, giving or authorising, any bribe, favour or kickback or otherwise using illegal or improper means (including blackmail, financial payments, inducements, commissions or other rewards) to influence the actions of others.	X	X	X	X
Reject invoices of vendors, consultants and other third party intermediaries where such invoices seem to include reimbursement of bribes paid by these third parties.		X	X	X
Promptly report any incident of actual/suspected bribery or corruption.	X	X	X	X
Ensure that appropriate third/counter party due diligence are carried out prior to engaging in any business alliance.		X	X	X
Seek clarifications/advice from CCSO or Head - Compliance & Investigations in case of any doubt.	X	X	X	X

ILLUSTRATIVE SITUATIONS OF BRIBERY AND CORRUPTION:

- A manager accepts tickets to a major sporting event from a franchisee.
- A contractor hires the nephew of a HOD but makes it clear that in return they expect the HOD to use his influence to help the contractor.
- A Sales and Marketing manager pays for a personal trip of a government official to speed up approvals for granting an explosive license.
- A Finance manager gives monetary and/or non-monetary benefits to the statutory auditor.
- A manager offers a bribe to a Government Official for procuring a license.
- Employee accepts invoices of vendors, consultants or other Third Party where such invoices indicate reimbursements of bribes paid by them.

ILLUSTRATION

Question: A consultant assists the Company with government relations and recently asked us for a large amount of miscellaneous expenses along with his fee. The consultant has reportedly passed this money on to local government officials. Is this a breach of the Anti-Corruption policy?

Answer: Yes, this is a clear case of bribery as a large amount of miscellaneous expenses has been passed on to government officials. You should not approve the invoice and report the incident

Question: You met a PSU employee for negotiating a contract that was successfully closed and signed off. After a few months, the PSU employee calls you to request if a room could be made available for his family members who are travelling for a pilgrimage at the Company guest house. What should you do?

Answer: You must politely decline the request. Allowing the use of the Company guest house will be construed to be a bribe.

5.2 Accepting or giving gifts and hospitality

YOUR RESPONSIBILITIES

	Director	HOD	Employee	Associate
Ensure that gifts and hospitality are legitimate, justified and not with an intention to obtain an inappropriate advantage or benefit from the receiver.	X	X	X	X
Directors, Employees, Associates and Third Parties shall take cognizance of the specific policies/rules that apply in the given circumstance, when dealing with Government Officials	X	X	X	X
If in exceptional situations, a gift is accepted the same shall be promptly given to the Company		X	X	X
Promptly report any violations.	X	X	X	X

ILLUSTRATIVE SITUATIONS OF GIVING OR RECEIVING GIFTS AND ENTERTAINMENT AGAINST THE POLICY:

- An Employee accepts an iPad from a supplier.
- An employee managing government relations gives an expensive watch to a Government Official responsible for approving a license.
- An employee gives a gold coin or e-vouchers of a significant value, digital currency as a wedding present to a factory inspector's son.

ILLUSTRATION

Question: One of our machinery suppliers has offered me a stay at a five-star hotel. However, he has not asked for anything in lieu of it. Should I accept this gift?

Answer: No, you should not accept the gift as the supplier might ask for some gratification later. You should consult the CCSO or Head – Compliance & Investigations immediately to avoid any violation.

Question: A vendor gifts you a calendar and pen set with their logo along with a “seasons’ greetings” card in the month of December. You inform the vendor that you are not permitted to accept any gifts as per the Ethics Code of Nayara Energy. The vendor insists that this gift is of no value and looks visibly upset and offended by your refusal. Under pressure, you accept the gift. What should you do next?

Answer: The Ethics Code permits you to accept a gift **in exceptional situations**. You will have to give this gift to the Company and Company in its discretion may allow you to retain it.

5.3 Avoiding anti-trust violations

YOUR RESPONSIBILITIES:

	Director	HOD	Employee	Associate
Abstaining from any action which may be perceived as a violation of the anti-trust regulations.	X	X	X	X
Promptly report and consult on any actual or perceived anti-trust violations.		X	X	X

ILLUSTRATIVE ANTI-TRUST SITUATIONS:

Following are some of the antitrust situations that you may face:

- A Sales and Marketing manager discloses detailed information about the launch of a new product(s) to one of his friends working for the competition.
- An employee agrees with a competitor to establish boundaries for pricing, such as setting a minimum or maximum price.
- An employee agrees with employee(s) of competitor(s) to not make sales to a particular market/territory so that the competitor's products get promoted in that territory/market.

ILLUSTRATION

Question: I met an old friend from college at a gathering who works for one of our competitors. She asked me how the business was performing and offered me to fix prices to maximise profits. Should I agree with her?

Answer: No, it will be a violation. You are advised to keep your conversation at a superficial level without disclosing specific details about production, pricing, etc.

Question: You have joined Nayara Energy from our competitor. Your former colleague invites you to a cocktail party. Upon arrival, you realize that this event also has employees from other Oil Marketing Companies and a small group of individuals commences a discussion on "we can collaborate to win". What should you do?

Answer: You should excuse yourself from the conversation and report this matter to your HOD and approach the CLO.

5.4 Fair business practices

YOUR RESPONSIBILITIES

	Director	HOD	Employee	Associate
Ensure ethical and professional conduct in dealing with third parties.	X	X	X	X
Promptly report any identified irregularity related to third party transactions.		X	X	X
Ensure fair and transparent transactions/ dealings with the third parties.	X	X	X	X

ILLUSTRATIVE SITUATIONS OF UNFAIR BUSINESS PRACTICES:

- A HOD uses his position and intimidates a vendor to discontinue his contract
- A HOD bypasses the vendor selection process and awards the contract to his preferred vendor.
- A Director has a cordial relationship with a vendor and promises continued business at higher rates, to get one of his relative appointed at the vendor organization.

ILLUSTRATION

Question: I have observed that one of my colleagues from the procurement department is not releasing payment for a specific vendor, as he has had an argument with the vendor lately. The vendor has been following up for a long time. Is it unfair on the part of the Employee? Should I report this incident?

Answer: Yes, you should report the incident as the concerned official seems to be bringing personal differences in his business dealings. Such incidents affect our reputation as an ethical Company.

Question: You are a manager in the procurement team and have been provided a technical bid assessment conducted by a user team. While comparing it to the approved sourcing strategy, you notice that a bidder who clearly meets the technical criteria has been disqualified. You bring this to the attention of the user team who inform you that they do not want the specific bidder to win this contract and hence was disqualified. What should you do?

Answer: Failing to keep these dealings fair may be an outcome of a conflict of interest issue or a corrupt act, amongst other matters that come within the meaning of corporate fraud. You must report this matter through any of the whistle-blower channels available.

6. Our Company assets and resources and financial integrity

6.1 Safeguarding Company assets

YOUR RESPONSIBILITIES:

	Director	HOD	Employee	Associate
Refrain from misusing or damaging Company assets i.e. both tangible and non-tangible assets	X	X	X	X
Do not use Company assets for personal use	X	X	X	X
Promptly report if you notice any misuse or misappropriation of Company assets or resources	X	X	X	X

ILLUSTRATIVE SITUATIONS OF MISUSE, DESTRUCTION, ETC. OF COMPANY ASSETS:

- An employee mishandles the Company laptop allocated to her resulting in damage to the laptop.
- An employee accesses unsecured websites from Nayara Energy's laptop leading to a virus in the system.
- Using the Company's equipment, tools and tackles in a manner inconsistent with their safe usage or against the user manual prescribed by the manufacturer or the Company.
- Destroying or damaging the Company's assets during labour unrest.
- An employee uses stationery provided by the Company for personal use.

ILLUSTRATION

Question: Can I use the Company rental car to meet my relatives when I travel for official purposes?

Answer: No, you should not use the Company rental car for any personal work, whether at your home location or while travelling for official purposes.

Question: On a Sunday, your brother urgently needs to send out an email with some attachments stored on an external hard drive. Since the Company has not allocated him a laptop computer, he requests you to allow him to use your company allocated laptop. You tell him that you cannot allow that, since his hard drive may have a virus and further you explain to him that Nayara assets can only be used for your official purposes. Your brother still insists, sighting an emergency situation and pleads that he may lose his job if he does not send the requisite email. What should you do?

Answer: You should maintain your position and not allow him to use your Nayara Energy laptop and further, request him to explore alternative options to send the requisite email.

6.2 Confidentiality of Information

YOUR RESPONSIBILITIES:

	Director	HOD	Employee	Associate
Handle all confidential information with utmost care.	X	X	X	X
Do not misuse confidential information such as proprietary and/ or corporate or personal sensitive information.	X	X	X	X
Promptly report any irregularity related to share/transfer or use of confidential information.		X	X	X
Declaration of confidentiality to be signed and submitted to the Company	X	X	X	X

ILLUSTRATIVE SITUATIONS OF BREACH OF CONFIDENTIAL INFORMATION:

Following are some situations that indicate a breach of confidential information:

- A Manager shares Company's proprietary information with a third party.
- An HR employee shares the Employee database with a bank.
- An Employee shares corporate/personal sensitive information with a friend working with a competitor for getting a job.
- A Finance Manager discloses financial data, budgets and forecasts of Nayara Energy to competitors.
- A Purchase manager shares a vendor quotation with another vendor.

ILLUSTRATION

Question: A Senior Manager who recently joined from one of our competitors was asked by a General Manager to reveal some corporate sensitive information about his/her previous employer during a strategy discussion. Is this acceptable?

Answer: While the Senior Manager's contractual obligations to the previous employer are unknown, every employee has an ethical responsibility (if not legal and/or contractual) to keep all such information confidential. The General Manager's conduct is inconsistent with our values and the Ethics Code.

Question: A friend looking to join Nayara Energy calls you requesting an indication of salary at his level that prevails at Nayara Energy. He informs you that he will accordingly quote his expectations to the Talent Acquisition Team of Nayara Energy. What should you do?

Answer: You must inform him that “Ethical” is one of our core values at Nayara Energy and politely tell him that you cannot share this information since it is confidential.

6.3 Anti-Money Laundering

YOUR RESPONSIBILITIES:

	Director	HOD	Employee	Associate
Screen names and adverse news reports on potential suppliers/customers and other third parties prior to establishment of business relations.		X	X	X
Assess Third Party and payment risk indicators and ensure that the risks identified are mitigated.		X	X	X
Ensure due diligence on Third Parties prior to on-boarding and periodically review Third Party information, particularly in case of trigger events such as identification of any risk indicators.		X	X	X
Ensure maintenance, preservation and reporting of third party information.	X	X		
Promptly report any suspicious activity/ indications of money laundering.	X	X	X	X

ILLUSTRATIVE SITUATIONS INDICATIVE OF MONEY LAUNDERING:

- A customer is involved in cash-intensive business and requests for paying high amounts in vault cash for products procured from the Company.
- Requests for payment of proceeds to an unrelated Third Party.
- Third Party paying in one form of payment and thereafter requesting a refund of the payment in another form e.g. paying in cash and requesting a return by a wire transfer.
- Purchase of products or larger volume of purchases that appear to be inconsistent with a customer's normal ordering pattern.
- Obvious over or underpricing of goods and services.

ILLUSTRATION

Question: A report in the Wall Street Journal links a wealthy businessman John Smith to bribery and money laundering allegations. Nayara Energy has relationships with Mr. Smith and numerous companies linked to him via complex ownership structures. Is any action required in this situation?

Answer: Yes, this requires an urgent analysis by the Compliance Team of Nayara Energy's exposure to Mr. Smith and companies of which he is an ultimate beneficial owner and takes suitable remediation measures such as re-evaluating his risk rating.

6.4 Financial integrity

YOUR RESPONSIBILITIES:

	Director	HOD	Employee	Associate
Recording of all business transactions promptly and accurately		X	X	X
Safeguard organization interests by not allowing any unrecorded funds to be established or maintained for any purpose	X	X	X	X
Approving financial statements upon being satisfied that clearly accurately and fairly reflect transactions and dispositions of assets	X			
Ensuring all appropriate disclosures are made in the financial statements in accordance with applicable acts, rules and standards.		X	X	X
Related party transactions to be recorded at arm's length basis and after requisite approvals	X	X	X	X

ILLUSTRATIVE SITUATIONS:

- Request from business head to record an unconfirmed sale in the quarterly financial statements to meet targets.
- Deferring write-offs of inventory not found during the year-end physical count.
- Approvals sought for a travel and entertainment reimbursement voucher without supporting bills

ILLUSTRATION

Question: The supervisor of a deputy manager has asked her to record a provision without any documented basis with a 'back of the envelope' calculation in the year-end book closure. Should she record this provision?

Answer: No, recording this provision without a basis and approvals could be a misrepresentation of financial statements. The deputy manager should insist on seeking a documented basis and necessary approvals for this transaction, else should report the matter.

7. Our business integrity

7.1 Information Security

YOUR RESPONSIBILITIES

	Director	HOD	Employee	Associate
Use only authorized mode of data transmission such as official email, Secured File Transfer Protocol, office communicator system etc.	X	X	X	X
Report theft/loss of Corporate asset immediately	X	X	X	X
Do not share your password with anyone	X	X	X	X
Be diligent to identify phishing attacks or similar cyber breaches/attacks	X	X	X	X
Ensure anti-virus software is updated	X	X	X	X
Do not install any unauthorized software on your IT system	X	X	X	X
Visitors to Nayara Energy premises must be escorted by the host at all times	X	X	X	X
Do not indulge or allow tailgating or piggy backing	X	X	X	X
Do not tamper or make any changes to configurations of your IT system	X	X	X	X
Promptly report any incident of data breach and information security incidents	X	X	X	X

ILLUSTRATIVE SITUATIONS OF BREACH OF INFORMATION SECURITY:

- An employee shares his password(s) with another employee.
- An employee tries to gain unauthorized access to a secured data server location.

- A manager copies confidential information from the Company laptop to a portable electronic device without approval.
- A Finance manager saves files containing confidential information in a web folder such as 'Google Drive'.
- An employee writes passwords on a paper and loses or leaves the passwords at an insecure location.
- An employee leaves his laptop unattended without locking it.

ILLUSTRATION

Question: You receive an email from “helpdesk@nayaaraenergy.com” wherein it is stated that your computer has been identified with malware and your password is required to be sent via a return email as soon as possible. Should you reply with your password?

Answer: No, this email appears to be sent with malicious intent and can put our organization at risk of a cyber-attack. The domain, “nayaaraenergy.com” itself should prompt suspicion and this email must immediately be reported. You must not share your password under any circumstances.

7.2 Data Protection

YOUR RESPONSIBILITIES

	Director	HOD	Employee	Associate
Do not share without specific consent of the relevant individual, their personal data and further protect their data against unauthorized, accidental or unlawful access, modification, or disclosure.	X	X	X	X
Protect corporate data against unauthorized, accidental or unlawful access, modification, or disclosure.	X	X	X	X
Process personal data of Directors, Employees, Associates and third parties lawfully, fairly and in a transparent manner	X	X	X	X
Collect personal data of Directors, Employees, Associates and third parties for specified, explicit and legitimate purposes	X	X	X	X
Collect personal data of Directors, Employees, Associates and third parties that is adequate, relevant and limited to what is necessary in relation to the purposes for which personal data is processed	X	X	X	X
Do not use personal or corporate data for private or commercial purposes and further do not disclose the same to unauthorized persons	X	X	X	X

ILLUSTRATIVE SITUATIONS OF BREACH OF DATA PROTECTION POLICY:

- A manager inappropriately shares a customer's sensitive personal data with a Third Party.
- An employee sends personal data (e.g. PAN, bank account details etc.) of the Company's employees to an unauthorized Third Party.
- A manager during his business trip loses sensitive business information including client confidential information.

- A HOD notices gaps in the management of client sensitive data but is reluctant to report these gaps.

ILLUSTRATION

Question: I lost a significant amount of important data last January when my computer crashed. As a result, I started creating a regular backup of my laptop on an external hard drive. I carried the hard drive home one evening so that the backup process can be performed overnight. I had a dinner party at home the same evening and cannot find the hard drive on my computer table the next morning. What should I do?

Answer: Report the loss of the hard drive. Directors, Employees and Associates should safeguard the Company's non-public information, which includes everything from contracts, pricing information, marketing plans, technical specifications and any personal data of third parties or our people.

7.3 Prevention of Corporate Fraud

YOUR RESPONSIBILITIES:

	Director	HOD	Employee	Associate
Be vigilant towards any indication of irregularities, which may or may not result in damage or injury to the Company	X	X	X	X
Understand fraud risks specific to your area of work.	X	X	X	X
Cooperate and support in employee due diligence		X	X	
Conduct routine and unannounced checks on high-risk areas of your department.		X	X	X
Promptly report any irregularity/suspected fraud		X	X	X

ILLUSTRATIVE SITUATIONS OF CORPORATE FRAUD OR SOME INDICATORS OF FRAUD:

- A HOD misrepresents the sales numbers at the end of the financial quarter or intentionally submits an incorrect MIS or seeks approval based on incorrect facts to his knowledge
- An employee submits false or exaggerated reimbursement claims.
- The Company does not maintain adequate documentation and/or maintains false documentation/authorization for the underlying transaction,
- Intentional duplicate payments are made to the same vendor for the same expenditure.
- Making unauthorized cash payments to third parties without adequate documentation.
- An employee embezzles cash/inventory from the Company premises.
- An unauthorized individual signs approval documents.
- An employee forges his HOD's signature on a note for approval.

ILLUSTRATION

Question: An Employee bypassed the defined procedure to onboard a vendor who is providing services for the last three years. Based on the past records, the Employee renewed the service contract. Is it a violation of the Ethics Code?

Answer: Yes, as such onboarding of vendors may expose the Company to frauds like a conflict of interest and misappropriation of assets. Employees and Associates are required to strictly follow the procurement procedures and consult the authorities or authorized personnel before taking a decision to bypass a process.

Question: An Employee submits incorrect facts, figures and photographs for approval of a retail outlet to be made open to the public with an intent to meet his targets. Is this corporate fraud?

Answer: Yes, this will be considered to be a corporate fraud as it involves intentional misrepresentation of data by the Employee.

Question: You are a Senior Manager in the HR Department and receive a call on your mobile phone from a person who introduced himself as a candidate who has interviewed at Nayara Energy for a job opening. The person informs you that he was approached by a recruitment firm asking him to pay some money to get his pre-employment background verification done. What should you do?

Answer: You must be diligent in identifying that this may be a case of fraud and inform the person to not pay any money. Instead of speaking to people in your department or others within Nayara Energy, you must report this matter using the hotline whistle-blower channels.

7.4 Involvement in political activities and payments

YOUR RESPONSIBILITIES:

	Director	HOD	Employee	Associate
Ensure that personal political participation is not linked with the Company.	X	X	X	X
Do not indulge in any political activity during office hours and ensure it does not hamper the performance of your job responsibilities		X	X	X
Do not make political contributions in personal capacity using Company resources.	X	X	X	X
Promptly report any irregularity related to political involvement		X	X	X

ILLUSTRATIVE SCENARIOS:

- An employee uses personal funds for making political contributions on behalf of the Company.
- An employee participates in a promotional activity of a political party during office hours.
- An employee uses his brother's political influence to get a lease granted to the Company.
- An employee discusses the propaganda of a political party he has affiliations with, in the office with his colleagues and solicits to support for the same.

ILLUSTRATION

Question: I have observed that one of my colleagues is actively involved in election activities of a political party and often leaves between office hours for campaigning without any intimation or prior approval

from his Line Manager/HOD. He has elaborate discussions with his fellow colleagues about the same and he actively persuades them to join and support a political party. Should I report this activity?

Answer: Yes, this is a reportable matter under the Ethics Code. The conduct of this individual is not in line with the Ethics Code and is not acceptable.

Question: I would like to support and participate in campaigning for my cousin sister who intends to take part in the upcoming municipal elections. What should I do?

Answer: You must seek requisite guidance from Nayara Energy before engaging in these kinds of activities. Please seek advice from the Compliance & Security Department.

7.5 Disclosure and business communication

YOUR RESPONSIBILITIES:

	Director	HOD	Employee	Associate
Do not share any information regarding the Company's business or activities with outsiders.	X	X	X	X
Refrain from making any public disclosure without requisite approval	X	X	X	X
Do not express personal opinions with respect to the Company's activities on social media or public platforms without prior permission from the Company.	X	X	X	X
Refrain from providing information on Social Media channels that could be interpreted as official business communication.	X	X	X	X
Promptly report any irregularity if noticed	X	X	X	X

ILLUSTRATIVE SCENARIOS OF VIOLATIONS:

- An employee puts details of an upcoming Company product on a social website.
- An employee posts a comment on a social media website about non-public information related to the Company.
- An employee posts details of our clientele on social media.
- An employee associates Nayara Energy with other companies and spreads false rumors about the merger of the two.
- An employee of Nayara Energy divulges trade secrets on a social media platform.

ILLUSTRATION

Question: I noticed that an Employee in Finance team has been very active on social media. Some of his posts on LinkedIn and Facebook are related to unacceptable comments against one particular religion and he uses the Company name in such posts. What should I do?

Answer: Every Employee should refrain from using the Company name on social media platforms or otherwise that may bring disrepute to Nayara Energy. This is a violation of our Ethics Code and you should report this matter.

Question: A Management Committee member announced his exit from the organization from his personal social media account. Nayara Energy has not sent any formal communication out on this matter. A friend of yours who is a journalist calls you to get some intelligence on the reasons for this exit. What should you do?

Answer: You must tell your friend that you are not authorized to speak on this matter and not discuss this matter any further. You must report this phone call to the Corporate Communications Department.

7.6 Disciplinary process

YOUR RESPONSIBILITIES:

	Director	HOD	Employee	Associate
Raise concern to your Reporting Manager and/or CPO when any misconduct is observed.		X	X	X
Familiarise yourself with the Ethics Code and policies of the company and do not indulge in any kind of violations		X	X	X
Ensure full cooperation in any disciplinary enquiry/proceeding.	X	X	X	X
Encourage a culture such that Employees and Associates conduct themselves in a respectful, cordial and disciplined manner.	X	X		
Provide necessary facilities and assistance to ensure objective investigation of alleged misconduct and dispensation of fair judgements.	X	X	X	
Self-declare any violation immediately on its occurrence	X	X	X	X

ILLUSTRATIVE SITUATIONS THAT MAY LEAD TO DISCIPLINARY ACTION:

Behaviours illustrating misconduct shall include but not be limited to the following instances:

- Creating an oppressive working atmosphere through ethnic, social, physical or mental discrimination.
- Failure to observe safety instruction notified by the Company and/or failure to employ personal protection equipment, wherever required.
- Bullying/Harassment of another Employee.
- Involvement in any act of corruption, misuse of office, criminal offenses, theft, fraud, etc.

- Committing any act that is likely to harm, endanger Company's property or cause imminent and serious risk to the health or safety of a person or the reputation or profitability of the Company.
- Using Company computers or laptops to participate in any illegal or unethical activities (such as gambling and accessing or downloading pornographic content).
- Gambling or consumption of intoxicating drinks and/or drugs at the workplace.
- Threatening, coercing other employees or interference with the work of other employees.
- Habitual late reporting or absenteeism without proper intimation.
- Any act or conduct, which is or likely to be prejudicial to the interests or reputation of the Company.

ILLUSTRATION

Question: Our HOD disregards regulations governing occupational health and safety to meet production targets. Is this an example of misconduct?

Answer: Yes. The Company prioritizes the safety of all people at the site and refrains from pursuing unreasonable targets. The HOD's disregard for regulations is an act of misconduct.

Question: You notice your colleague preparing documents as part of an LTA claim and you get an indication that he may be forging the ticket and travel proofs. What should you do?

Answer: If you have reasons to believe that any colleague or anyone working on the Company's behalf may have engaged in misconduct, you have a duty to the company to promptly report your concerns.