



CODE OF ETHICAL CONDUCT

OBJECTIVE:

The objective of the Code is to promote and uphold the high standards of ethics observed by Neuland Laboratories Limited, hereinafter referred to as the Company, in conducting its business. The Code lays down a broad policy for one's conduct in dealing with the Company, fellow directors, employees and the external environment in which the Company operates. The Company believes in conducting its business with responsibility, transparency, empowerment, honesty, and environmental consciousness.

All concerned are expected to uphold the standards prescribed therein in letter and spirit and to act within the boundaries of the authority conferred upon them. It is their duty to make informed decisions which result in enhancement of the value of the Company as perceived by shareholders and simultaneously enable the Company to fulfill its obligations to other stakeholders such as customers, employees, financiers and communities it operates in, amongst others.

APPLICABILITY:

This policy is applicable to all employees across all locations of Neuland Laboratories Limited including its subsidiaries, board members, manpower contractors, consultants, apprentices, and service providers of our Company.

CORPORATE CITIZENSHIP:

A. Conduct at Workplace

In dealing with each other, directors, senior management, and employees shall uphold the core of our philosophy – respect for people, mutual trust, teamwork, collaboration, meritocracy, objectivity, and human dignity. Indeed, these values form the basis of our management systems and processes. The Company will focus on meritocracy, equity and upholding of Company values in all people processes including recruitment, performance management systems, career development, remuneration and rewards.

The Company shall not engage in or tolerate the use of corporal punishment, monetary fine, mental/ physical coercion, or verbal abuse of employees. No harsh or inhumane treatment is allowed.

All employees are expected and required to maintain the highest standards of ethical conduct during their employment. Violation of these standards will result in disciplinary action as per the service rules of the organization.

The company shall not tolerate behaviour such as reporting to work in an inebriated condition, abuse of legal drugs and use of illegal drugs at the workplace or while representing the Company outside the workplace.

A sample list of misconducts has been mentioned below. The list is not exhaustive as there might be other situations that might arise, which may be viewed as critical by the company.

- a) Insubordination or disregarding directions received from reporting manager in relation to the roles and responsibilities.
- b) Violation of any human rights, including workplace discrimination and harassment including sexual harassment
- c) Willful violation of company or government rules and regulations as well as any act constituting a criminal offence, whether committed on duty or off duty.
- d) Misuse of employee benefits
- e) Misappropriation of funds/theft/fraud.



- f) Disclosing/discussing personal or colleague's salary details with others
- g) Riotous/Drunken behavior on the premises. Reporting on official work in an inebriated condition
- h) Engaging in any acts of violence, fighting, threats of violence or any other disorderly conduct.
- i) Intentional damage of company property/damage to work in progress
- j) Continued absenteeism without permission
- k) Continued record of reporting late for work
- l) Double employment/insider trading or interests in business that are in conflict with company's interests.
- m) Any act subversive of discipline

B. Working Conditions

Policies pertaining to working days, working hours, holidays and leaves shall be formulated in compliance with local laws and agreements. Employees shall be allowed at least one day off every seven days. Employees will be provided with a printed and signed appointment letter that contains a description of terms and conditions of employment at the time of joining. The Company shall ensure that all employees are free to leave the Company after serving notice as per their terms of employment.

Furthermore, compensation paid to employees shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. For each pay period, employees shall be provided with a pay slip that includes sufficient information to verify accurate compensation for work performed. All use of contract labour will be in accordance with the local law.

Job Applicants shall not be required to pay employers' or agents' recruitment fees or other related fees during their selection process.

C. Diverse and All-inclusive Work Environment

As a good corporate citizen, the Company is committed to creating a diverse and all-inclusive work environment. It seeks to enhance equal opportunities for everyone irrespective of their gender, prevent/ stop/ redress harassment, including sexual harassment, at the workplace and institute good employment practices. Meaning of sexual harassment, sexually oriented behavior and the do's and don'ts are clearly defined in the Prevention of Sexual Harassment at workplace (POSH) policy and published in the intranet of the organization. The Company encourages employees to report any harassment concerns and is responsive to employee complaints about harassment or other unwelcome and offensive conduct.

The management shall initiate an appropriate action which may include termination of services after investigating the complaints.

COLLABORATIVE WORKING:

The Company's business partners include suppliers, customers/ buyers, contract manufacturers, Sub-contractors/ Service Providers.

The Company -

- i. Strives to collaborate with business partners who demonstrate similar values and standards of compliance with regulations and laws.
- ii. Collaborates with business partners whose values hinge upon respect, honesty, trust, and fairness.
- iii. Believes in building and maintaining partner relationships by doing the right things together.



A. Conflict of Interest

The employee -

- i. Shall avoid any activity that creates a conflict between their personal interests and the company's business interests without written consent of the management for anything that could be perceived as a conflict.
- ii. Strives to ensure that s/he does not take undue or unethical advantage by virtue of her/his position in the Company.
- iii. Refrains from personal activities or interests while at work and conducts the Company's business with professionalism, integrity, honesty and ethical standards.

Conflict Scenarios

- i. Unduly benefiting in personal capacity, in any form of paid/unpaid, verbal/ contractual relationship, directly/indirectly with any individual/entity with which the Company has a current or ongoing relationship.
- ii. Undertaking scientific drug tests of other companies in the Company's laboratory/facilities.
- iii. Giving business to close friends, families or acquaintances for personal gain.

B. Fair competition

The Company follows a strong set of values, termed 'The Neuland Way' which includes the way we conduct our business in a transparent, fair and honest manner. We do not enter into any anti-competitive agreements that reflect engaging in anti-competitive behaviour, collusion, forming cartels, price fixation or such, among customers, suppliers and markets. The Company would not create a condition directly or indirectly using our dominant position, which can create unfair and discriminatory conditions in purchasing or selling its goods and services.

The Company does not limit or restrict the production or scientific development relating to goods or services and involve in practices restricting market access to its competitors. Also, the Company will not encourage any kind of behaviour pertaining to anti-trust or competition and adhere to all the laws of the governments relating to anti-trust and competition where it operates. Any behaviour pertaining to the violation of anti-trust or competition laws at conferences, meetings, trade shows etc. will not be tolerated. Compliance with applicable competition laws of the countries in which the Company operates will be complied with.

CARING FOR COMMUNITY

A. Community Engagement

The Company -

- i. Consistently strives to positively impact the lives of its customers, stakeholders, the community and the environment at large.
- ii. Engages with the community respecting their rights and dignity.
- iii. Drives Corporate Social Responsibility with the same commitment and dedication with which it implements its day-to-day business priorities.

B. Human Rights

Please refer Neuland's policy on Human Rights.

C. Environment, Health and Safety (EHS)

The Company -

- i. Being a responsible corporate citizen, recognizes the importance of managing EHS matters effectively as an integral part of its business activities



- ii. Takes all practicable measures to create a safe and healthy workplace for its employees and a clean environment for its employees as well as the surrounding community.
- iii. Endeavors to collaborate with the Government, industry and others concerned in its community programs and in creating responsible laws, regulations and standards.

The employees shall -

- i. Comply with company's policy, applicable laws, rules and regulations with respect to EHS
- ii. Promptly report incidents, near misses, unsafe acts and working conditions
- iii. Familiarize themselves with safety/ emergency procedures
- iv. Regularly train themselves and the contract workforce with safe practices

D. Environment Policies

The Company believes that commitment to sustainable development is a key component of responsible corporate citizenship and therefore deserves to be accorded the highest priority. Accordingly, the Company is committed to best practices in environmental matters arising out of its business activities and expects employees to fully demonstrate this commitment.

In addition to complying with applicable laws and regulations, the Company is committed to establishing procedures for assessing the environmental effects of their present and future activities. The Company is committed to adopting best practices in their environmental policies and procedures.

E. Health and Safety

The Company attaches great importance to a healthy and safe work environment. The Company is committed to providing good physical working conditions and encourages high standards of hygiene and housekeeping. Particular attention should be paid to training of employees to increase safety awareness and adoption of safe working methods, particularly designed to prevent serious or fatal accidents. Employees shall maintain the highest levels of hygiene standards at the workplace.

F. Gifts

The Company and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations, or comparable benefits which are intended to or perceived to obtain business or uncompetitive favors for the conduct of its business. However, the Company and its employees may accept nominal gifts (in kind) with a maximum retail price not exceeding INR 1,000/- (Rupees one thousand only).

G. Illegal and abusive practices, bribery and corruption

The Company conducts its business in an honest and ethical manner, maintaining the integrity of its business dealings with both public and private parties. The Company fosters its business relationships on trust, transparency and accountability.

The Members of the Board of Directors and Senior Management propagate the ethical standard of uncompromising attitude to all forms and demonstration of corruption at all levels. Neuland does not pay and does not condone paying bribes to anyone nor does accept and condone the acceptance or receipt of bribes from anyone.

The Company upholds all laws relevant to countering bribery and corruption as applicable for the conduct of its business across all the jurisdictions in which it operates including India (Prevention of Corruption (Amendment) Act 2018), the United Kingdom (UK Bribery Act, 2010), and the United States of America (Foreign Corrupt Practices Act, 1977). Different statutes adopt different yardsticks to determine whether a particular act or omission is an offence thereunder.

"Corrupt practices" include giving or receiving bribes, intermediation in giving or receiving bribes, malpractice, misuse of official authority, commercial bribery, facilitation payments, illegal use of the official position by a person to receive benefits in the form of money, property or other assets,



services, and any rights to himself or to other persons or illegal provision of benefits or rights by other persons.

All employees of our Company are strictly prohibited, whether directly or indirectly, personally or through the mediation of third parties, to be involved in corrupt activities, offer, give, promise, request and receive payments or make payments to simplify administrative, bureaucratic and other formalities in any form including cash, valuables, services or other benefits to any person or from any persons or organizations, including governments and local authorities, government officials, private companies and its representatives.

An illustrative list of acts /practices which are restricted / prohibited is given below:

- Dishonest misappropriation of property/money.
- Criminal breach of trust.
- Cheating.
- Receiving or giving bribe.
- Charity in order to obtain commercial advantages.
- Money laundering
- Payment of any costs for government officers and their relatives (or in their interests) in order to obtain commercial advantages, and
- Any other unethical act or omission.
- To use partners, agents, joint ventures, intermediaries, or other persons for any actions that are contrary to the principles and requirements of the Policy or the rules of the applicable anti-corruption laws.

ANTI-MONEY LAUNDERING

Money laundering is the process of concealing illegal funds or projecting them as legitimate.

The Company -

- i. Complies with all laws that prohibit money laundering, terror financing or financing for illegal or illegitimate purposes
- ii. Does not involve itself in acquiring, using or holding monetary proceeds or property acquired through illegitimate means in its business transactions
- iii. Is committed to knowing who it is doing business with. It only deals with legitimate business partners for legitimate transactions with legitimate funds

A. Political Contributions

It is the Company's policy that under no circumstances shall Company funds be used to make political contributions to political parties or candidates in any country, even if such contributions are permitted by a country's written laws or regulations. It must be clearly understood that no Company Personnel can therefore make any sort of political contribution from Company funds under any circumstances whatsoever.

The Company's policy is not intended to discourage or prohibit Company Personnel of a country from voluntarily making personal political contributions, from participating in the political process on their own time and at their own expense, from expressing their personal views on legislative or political matters, or from otherwise personally engaging in political activities in such country.



STATUTORY COMPLIANCE

Every employee of the Company shall, in his or her business conduct, scrupulously comply with relevant legislations which are of concern personally and professionally.

COMPLIANCE WITH TAX LAWS

The company shall comply with all applicable tax laws in letter and spirit and shall complete all applicable payments within specified timelines.

SELF- DISCLOSURES

Employees shall not utilize the services of any supplier/customer/vendor towards individual interests unless the service is being paid for and the same is also disclosed to the management.

At all times, the highest levels of honesty, integrity and confidentiality should be maintained in all business dealings with customers, suppliers, fellow-colleagues and other stakeholders.

PERSONAL CONDUCT FOR SENIOR MANAGEMENT

All directors, senior management and employees always have the obligation to conduct themselves in an honest and ethical manner and act in the best interest of the Company. They are expected to demonstrate exemplary personal conduct through adherence to the following:

A. *Avoidance of Conflict of Interest*

The term "conflict of interest" pertains to situations in which personal, financial or other consideration (s) may compromise, or have the appearance of compromising the professional judgment of Directors / Senior Management. A conflict of interest exists where the interests or benefits of Directors or Senior Management or of people or entities related to them conflicts with the interests or benefits of the Company.

Directors / Seniors Management are prohibited from engaging in any activity that interferes with the performance or discharge of responsibilities towards the Company or is otherwise in conflict with the interest or prejudicial to the Company.

In addition to mandatory disclosures all Directors shall disclose their association with any other company which, in their judgment, may lead to conflict of interest with the Company.

B. *Confidentiality*

The directors, officers and employees shall maintain the Confidentiality of information of the Company or that of any customer, supplier or business associate of the Company to which Company has a duty to maintain confidential, except when disclosure is authorized or legally mandated. The Confidential information includes all non-public information (including private, proprietary, and other) that might be of use to competitors or harmful to the Company or its associates. The use of confidential information for one's own or relatives or acquaintance's advantage is also prohibited.

C. *Insider Trading*

The Company's securities are listed on the BSE Limited (BSE) as well as National Stock Exchange of India Limited (NSE). The Company is committed to complying with securities laws in all jurisdictions in which its securities are listed, and the securities of its customers and vendors are listed.



The Company prohibits its directors, senior management and employees from any fraudulent and unfair trade practices in the securities market, with regard to the securities of the Company or of any other company with whom the Company, including those located outside India, has business dealings to the best of their knowledge.

D. Company Facilities

No director, senior management and employee shall misuse Company facilities. In the use of Company facilities, care shall be exercised to ensure that costs are reasonable and there is no wastage.

E. Whistle blower policy

The company seeks support of all employees, suppliers, vendors and other stakeholders to report significant deviations from the policies and report any non-compliance/wrong practices, e.g, unethical behaviour, fraud, violation of law, inappropriate behaviour/ conduct etc. The Whistle Blower Policy provides guidance on reporting violations, wrongdoing or non-compliances, to enable management to address them appropriately and promptly.

The Whistle Blower Policy is available on the website of the Company at <https://www.neulandlabs.com/wp-content/uploads/2017/09/Whistle-Blower-Policy.pdf>

ASSISTANCE

If you have any questions about this Code, any of the Anti-Corruption Laws and Anti-Money Laundering Laws or to seek advice prior to undertaking a particular act or action, you can write to Legal Team – Legal@neulandlabs.com

Alternatively, you may consult our Compliance Officer – ir@neulandlabs.com

Any other instance of non-adherence to the Code of Conduct / any other observed unethical behavior on the part of those covered under this Code should be brought to Grievance Cell – grievances@neulandlabs.com

NON-ADHERENCE

Any instance of non-adherence to the Code of Conduct / any other observed unethical behavior on the part of those covered under this Code should be brought to the attention of the immediate reporting authority, who shall in turn report the same to the Chief Human Resources Officer.

Any violations of the code of conduct may also be reported under the Company's Whistleblower policy, by writing to whistleblower@neulandlabs.com and whistleblower.neulandlabs@gmail.com and the matter will be investigated under whistleblower mechanism. Whistleblower Policy is available on the Company's intranet, Basecamp, and on our website, www.neulandlabs.com

RESPONSIBILITY

Respective Location HR Business Partner (HRBP) would be responsible to ensure policy compliance at their respective locations whereas overall responsibility for policy compliance lies with the Chief Human Resources Officer.