



Code of Conduct



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1. INTRODUCTION

- 1.1. "Our Code" is a public statement that Lotus Chocolate Company Limited (Lotus) is committed to doing the right thing. It serves as a valuable resource to help employees and others make informed, ethical decisions based on guiding principles.
- 1.2. "Our Code of Conduct" lays down responsibility and expectation required to follow principles and objectives set by "Our Code".
- 1.3. Because no code of conduct can cover every possible situation, Lotus relies on you to use good judgment and to speak up when you have questions or concerns. Our Values and Behaviours are the foundation for our Code. Our Code reflects our new values i.e. Customer Value, Ownership Mind-set, Respect, Integrity, One Team and Excellence.

2. OUR RESPONSIBILITY

2.1. Employee responsibilities

- 2.1.1. Read and be familiar with the information in our Code.
- 2.1.2. Act in a manner that is safe, ethical and consistent with applicable laws and regulations and Our Code.
- 2.1.3. Raise questions and concerns if you become aware of possible violations of our Code of Conduct.
- 2.1.4. Cooperate fully when responding to an investigation or audit.

2.2. Additional responsibilities of managers

Be a positive role model and support your team members by:

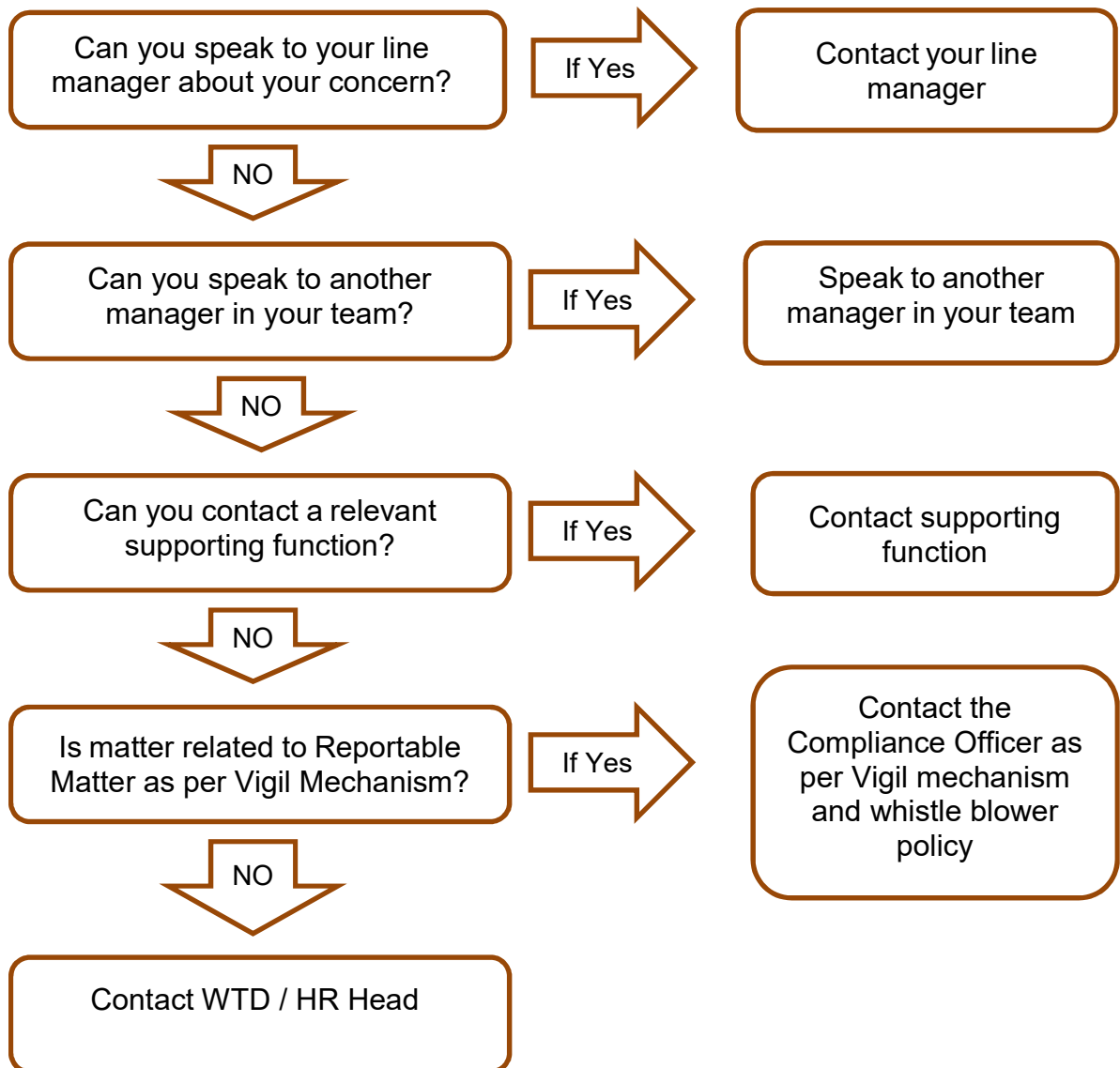
- 2.2.1. Creating an environment that is respectful and inclusive.
- 2.2.2. Encouraging them to speak up.
- 2.2.3. Listening and responding to concerns when they are raised.
- 2.2.4. Doing your part to make sure that no one experiences retaliation for speaking up or cooperating in an investigation.



- 2.2.5. Help your team members understand the requirements of Our Code and applicable laws.
- 2.2.6. Be consistent when enforcing our requirements and holding people accountable for their behavior at work.
- 2.3. Additional responsibilities of Directors
 - 2.3.1. Directors shall also be responsible to perform the duties specified as per the Companies Act, 2013 and other relevant laws. Duties of Independent directors are specified in Clause 9 of this document.
- 2.4. Zero tolerance on retaliation
 - 2.4.1. Lotus does not tolerate retaliation. We consider acts of retaliation to be misconduct. Retaliation can take many forms, for example: threats, intimidation, exclusion, humiliation, and raising issues maliciously or in bad faith.
 - 2.4.2. If you think that you or someone you know has experienced retaliation, contact any of the resources mentioned as per "How you can speak up".
- 2.5. Speak up:
 - 2.5.1. Each of us has a responsibility to speak up if we see something unsafe, unethical or potentially harmful. If you have a question, need help or want to raise a concern you have several options.
- 2.6. Employees and the Directors shall affirm annually that they have complied with Our Code and Our Code of Conduct.



2.6.1. Please refer to the 'How you can speak up' decision tree below for these options:





3. OPERATING SAFELY, RESPONSIBLY AND RELIABLY

Our expectations

3.1 Always operate safely and securely

We must be vigilant, disciplined, and always looking out for one another. Each of us is a role model for safety.

3.1.1 Do not undertake work that you are not qualified to perform.

3.1.2 Stop your own work or others', if you consider it unsafe.

3.1.3 Play your part in protecting the environment – make it a personal foremost priority.

3.1.4 Be sure that your performance is not impaired, for example by a lack of sleep, alcohol, or any other drugs.

3.1.5 Expect and encourage contractors and others with whom we work with to comply with applicable Health, Safety, Security and Environment requirements.

3.1.6 Report any accident, injury, illness, or unsafe condition immediately. Never assume that someone else has reported or will report a risk or concern.

3.1.7 Know the emergency procedures that apply where you work.

4. OUR PEOPLE

Our expectations

a. Equal opportunity is a matter of fairness, respect and dignity

We value the unique contribution that each person brings to Lotus.

4.1.1. Treat everyone with respect.

4.1.2. Be respectful of cultural differences. Base your work-related decisions on merit and qualifications - not on race, color, national origin, religion, caste, gender, age, sexual orientation, gender identity or expression, marital status, medical condition, disability, or any other characteristics or status that is legally protected.



- Offensive messages, derogatory remarks and inappropriate jokes are never acceptable.

4.1.3. Being in full compliance with the laws, rules and regulations related to Fair Employment Practices in letter and spirit.

4.2 Provide a workplace that is free from harassment and intimidation

We do not tolerate any form of abuse or harassment.

4.2.1. Help create a work environment free of all forms of harassment.

4.2.2. Inappropriate comments of a sexual nature or any other sexually offensive behavior will not be tolerated.

4.3 Personal relationships in the workplace

We respect the privacy of our employees but recognize that personal relationships may interfere with work.

4.3.1. Employees may not have an intimate relationship with another employee if they have any influence over the other employee's salary or career path.

4.3.2. If such a relationship exists, it must be reported to the management.

4.4. Protecting personal information

We respect your privacy and will only take an interest in what you do outside of work if it affects Lotus's reputation or legitimate business interests.

4.4.1. Label and treat personal information as 'Confidential'.

4.4.2 If in doubt consult HR Head.

5. **OUR BUSINESS PARTNERS**

Our expectations

5.1. Build and maintain relationships with suppliers and business partners

We seek to work with others who share our commitments to safety and ethics and compliance.



5.1.1. Communicate clearly our relevant expectations to our suppliers and business partners, agreeing to the contractual obligations where applicable.

5.1.2. Take the appropriate measures if they do not meet those expectations or obligations.

5.2. Appropriately exchange gifts and entertainment

We do not accept or provide gifts or entertainment in return for any business, services or confidential information or if the intent is to bias a decision.

5.2.1. Do not offer or accept bribes, kickbacks or any other kind of improper payment including facilitation payments.

5.2.2. In some exceptions, where gifts and entertainment is required to conduct business, you may receive them up to individual transaction value of INR 1,000 only with full disclosure to your Line Manager.

5.3. Be proactive and manage conflicts of interest

A conflict of interest may occur when your interests or activities affect your ability to make objective decisions for Lotus. Disclose such situations to the Business Head or Line Manager.

For example:

5.3.1. Outside jobs and affiliations with competitors, customers or suppliers

5.3.2. You are advised to avoid conducting the Company's business with your relative, or with a business in which a relative is associated in any significant role

5.3.3. Investments, including those of close relatives, which might influence or appear to influence your judgment

5.3.4. Employees are required to obtain approval from the Management before accepting any directorship / assignment in any company other than Group Companies, Subsidiaries, and Associates, etc.

5.4. Avoid Anti-competitive Conduct

5.4.1. Competition and Anti-trust laws are complex and often fact specific. We fully



respect all realms of confidentiality, including of any competitor's information and our own.

5.4.2. In case of any doubt or questions in this regard, you are advised to consult our HR Head.

5.4.3. Engagement in activities like but not limited to any form of agreement or understanding with competitors to fix prices, rig bids, sharing of company data or information, or copying the same on personal device or email or storage media, allocate customers and/or restrict supply is completely unacceptable and will invoke extremely severe disciplinary measures and actions.

5.5. Preventing money laundering

Money laundering is the process of hiding illegal funds or making them look as though they are legitimate. It also covers the use of legitimate funds to support crime or terrorism.

5.5.1 Never become involved in money laundering

5.5.2 Know who you are doing business with by following our counterparty due diligence procedures.

6. THE GOVERNMENTS AND COMMUNITIES WE WORK WITH

Our expectations

6.1. Engage with communities and respect their rights and dignity

We want to be a trusted neighbor in the communities where we operate. We encourage participation in the local community.

6.1.1. Be aware of the potential for the appearance of conflicts of interest and discuss any concerns with your line manager.

6.1.2. Notify your line manager or WTD/CEO Office or Communications team in advance of speaking with representatives of community organizations or non-governmental organizations (NGO).

6.2. Commitment to human rights

We seek to conduct our business in a manner that respects the human rights



and dignity of people. We play a role in the elimination of human rights abuses such as child labor, human trafficking and forced labor.

6.3. Public communications and protecting Lotus's reputation

It is essential that our public communications are clear, accurate, consistent and render us responsible.

6.3.1. Remember that your social posts and comments are not anonymous and can negatively impact Lotus's reputation.

6.3.2. Only authorized persons can talk to the media or members of the investment community; contact the WTD/CEO Office or HR for advice. Public communication on behalf of the company should not be done without express consent of the management of the holding Company.

6.3.3. External presentations can be an excellent way to share our expertise with others, but make sure you have the required approvals before accepting any invitation and obtain the necessary approvals on content. Alternatively, make the caveat before presentation.

6.4. Our stance on political activity

As an individual, you have the right to personally participate in the political process. However, you need to make it clear that your personal views and actions are not those of Lotus.

6.4.1. Do not use company funds or resources to support any political candidate or party.

6.4.2. Holding or contesting an election for any political post by any employee is discouraged as it could interfere with the performance and discharge of responsibilities towards the Company.

6.4.3. If any employee decides to consider a political post, the same shall be disclosed to the Management and/or the Board of Directors.

6.4.4 The employee shall be required to relinquish employment on being assigned, nominated or elected to a Political post.

7. OUR ASSETS AND FINANCIAL INTEGRITY

Our expectations



7.1. Maintain accurate and complete information and records

Our stakeholders rely on our accurate and complete disclosures and business records. Such information is also essential within Lotus so that we can make good decisions.

- 7.1.1. Ensure all transactions are properly authorized, recorded and reported, as required.
- 7.1.2. Follow applicable rules and regulations in the domains where we operate and Lotus's Requirements when creating, maintaining, retaining or destroying documents including those in electronic formats.

7.2. Protect Lotus's assets

Company assets include facilities, property and equipment, computers and IT systems, information, digital assets, systems and data, corporate opportunities and funds.

- 7.2.1. Make sure our assets are not applied for personal benefit and/or benefit of your related party
- 7.2.2. Ensure adequate security measures and security systems are in place for protecting the digital assets
- 7.2.3. Make sure your user IDs and passwords are secure
- 7.2.4. Limited personal use of computer equipment, phones, email and internet access will usually be acceptable
- 7.2.5. Lotus trusts that you will uphold the brand and reputation of the company in all public forums, including on social media and other digital platforms. Do not share any confidential information on public platforms.

7.3. Do not engage in corporate opportunities

You should not engage in any corporate opportunities except as may be approved by the Management.

7.4. Data Privacy

- 7.4.1. Follow all the privacy laws, rules and regulations in the jurisdictions in which



we operate.

- 7.4.2. Respect privacy of our business partners, associates, employees, customers and other individuals.
- 7.4.3. Ensure appropriate record retention and other measures to safeguard personal information.
- 7.4.4. Collect and use data in a lawful, fair, legitimate and ethical way.
- 7.5. Do not engage in insider dealing
 - 7.5.1. Trading in Lotus's securities when you have inside information, or sharing it with others is illegal and can result in severe penalties. Never indulge in forward dealings in securities of the Company. Both these are prohibited activities.
 - 7.5.2. Never buy or sell any Lotus's securities if you have inside information.
 - 7.5.3. Never spread false information to manipulate the price of listed securities.
 - 7.5.4. Trading indirectly when in possession of inside information, for example through family members or others, or providing 'tips' is also prohibited.
 - 7.5.5. Follow the same principles in relation to inside information in respect of other listed companies.
 - 7.5.6. Remember these rules continue to apply even when you are no longer a Lotus employee.
 - 7.5.7. If in doubt, check with Legal and/or Company Secretary's office.

8. VIGIL MECHANISIM

We have established the process to investigate Protected Disclosures. "Protected Disclosures" are disclosures of a Reportable Matter.

- 8.1. **Reportable Matter'** means a genuine concern concerning actual or suspected:
 - a. fraudulent practices, such as improperly tampering with Lotus's books and records, or theft of company property;
 - b. corruption, including bribery and money laundering;
 - c. Breaches of the Code of Conduct.



8.2. Contact Details: Protected Disclosures are to be made as follows:

- a. by email to vigil@lotuschocolate.com; or
- b. by letter addressed and marked "Private and Confidential", and delivered to the Compliance Officer, Lotus Chocolate Company Limited, 8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue - 4, Puzzolana Towers, St. No.1. Rd. No.10, Banjara Hills, Hyderabad - 500 034, Telangana.

Moreover, in exceptional cases, employees have a right to make Protected Disclosures directly to the Chairman of the Audit Committee as follows:

- a. by email to auditcommittee@lotuschocolate.com or
- b. by letter addressed to the Chairman and marked "Private and Confidential", and delivered to the Chairman of the Audit Committee, Lotus Chocolate Company Limited, 8-2-596, 1st Floor, 1B, Sumedha Estates, Avenue - 4, Puzzolana Towers, St. No.1. Rd. No.10, Banjara Hills, Hyderabad - 500 034, Telangana.

We treat the identity of the whistleblower and the fact that a Protected Disclosure has been made as confidential.

For more details please refer "Vigil Mechanism and Whistle Blower Policy"

9. DUTIES OF INDEPENDENT DIRECTORS

Independent Directors, in addition to above duties, shall also perform the below mentioned duties:

- a. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- b. seek appropriate clarifications or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- c. strive to attend all the meetings of the Board of Directors and of Board committees of which they are members;
- d. participate constructively and actively in the committees of Board in which they are chairpersons or members;
- e. strive to attend the general meetings of the Company;



- f. where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meetings;
- g. keep themselves well informed about the company and the external environment in which it operates;
- h. not to unfairly obstruct the functioning of an otherwise proper Board or the Committee of the Board;
- i. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- j. ascertain and ensure that the Company has an adequate and functional Vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k. report concern about unethical behavior, actual or suspected fraud, or violation of company's code of conduct or ethics policy;
- l. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.