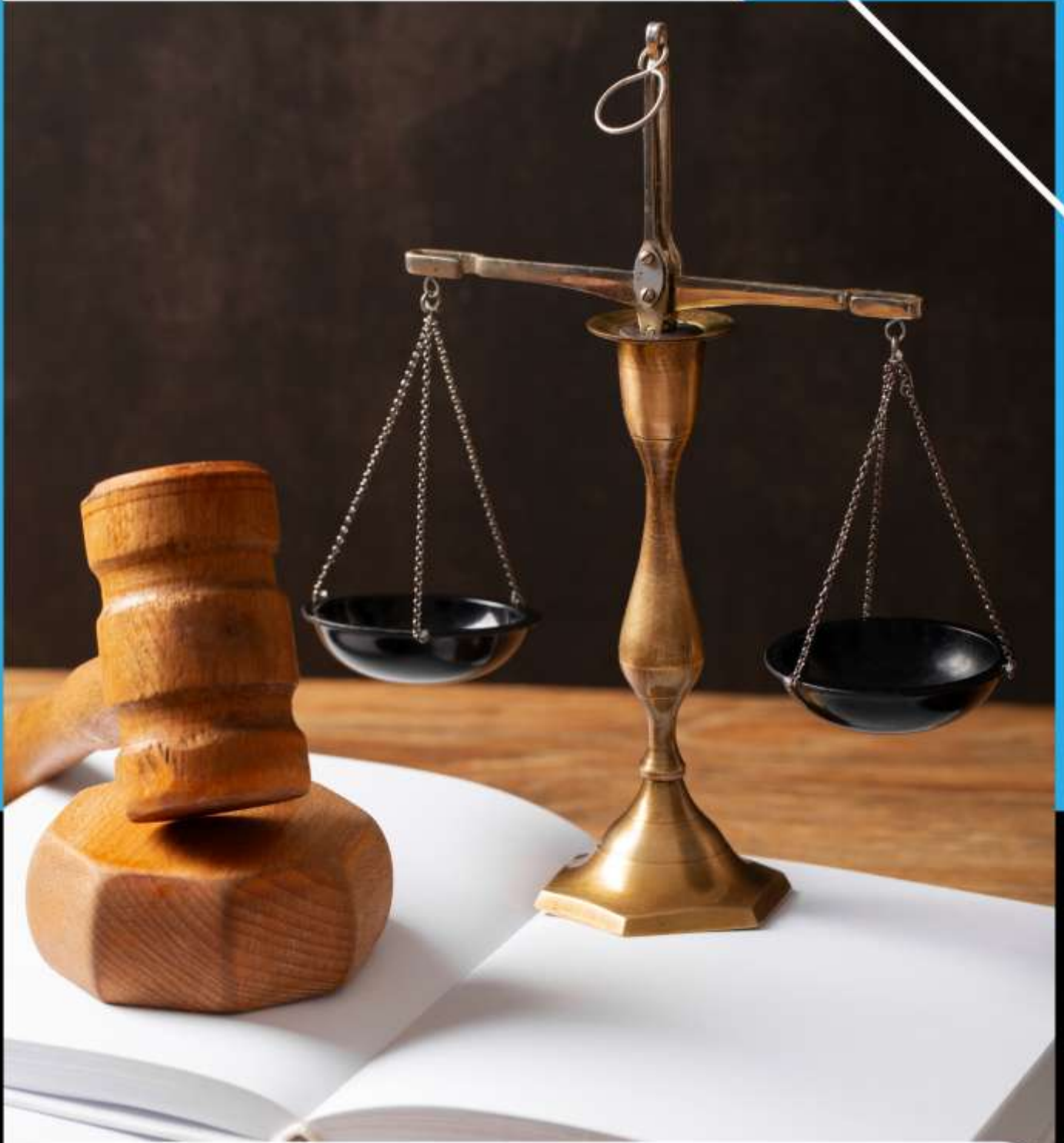
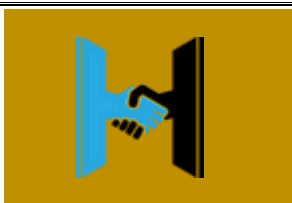




**HARISONS  
INDUSTRIAL  
PRODUCTS INC**



# **ETHICS POLICY**



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## **Introduction:**

We are dedicated to conducting our business with the utmost integrity, transparency, and ethical standards. Our Ethics Governance Policy embodies our commitment to responsible business practices across all facets of our operations. This policy serves as a guiding framework for decision-making, aims to prevent unethical conduct, and fosters an ethical culture throughout our organization. We hold all employees, contractors, and business partners to the principles outlined in this policy, ensuring that Harisons operates with integrity and complies with all relevant laws and regulations.

## **Scope:**

This policy applies to the all locations and subsidiaries of the group and extends to all employees, stakeholders, contractors, worker, partners, clients, and representatives associated with Harisons Industrial Products Inc. It ensures that all relevant parties involved in our operations adhere to the ethics standards and practices outlined in this policy.

## **Ethics Commitment:**

We are committed to maintaining ethical business practices and upholding the following core principles.

### **Corruption:**

- We maintain a strict zero-tolerance policy against corruption in any form, including bribery, extortion, and illegal payments.
- We expect all employees and partners to uphold integrity and refrain from any actions that may be perceived as corrupt.
- Our organization has implemented strong internal controls designed to identify and prevent corrupt practices at all levels.

### **Fraud Prevention:**

- The company is committed to preventing, detecting, and responding to fraud through a structured ethics and compliance framework.
- A dedicated Compliance Team oversees fraud risk assessments, internal audit reviews, and monitoring of high-risk processes.
- The company maintains zero tolerance toward fraud and ensures clear disciplinary actions for any confirmed fraudulent activities.
- Employees are required to immediately report suspected or actual fraud through secure channels, including anonymous reporting mechanisms.
- We aim to strengthen a culture of integrity through continuous communication, training, and transparent reporting.



## **Conflict of Interest:**

- Employees are required to avoid situations that may present, or appear to present, a conflict between personal interests and the interests of Harisons.
- Any potential conflicts must be disclosed immediately, and our leadership will take appropriate measures to address them ethically and transparently.
- Employees are expected to act in the best interests of Harisons at all times and avoid situations that could create actual or perceived conflicts of interest.
- Appropriate mitigation actions are implemented where required, including reassignment of responsibilities, exclusion from decision-making processes, or formal management approvals.
- The company ensures transparency and fairness in handling conflict-of-interest cases while maintaining compliance with internal policies and applicable regulations.

## **Money Laundering:**

- We are committed to combating money laundering and adhering to all relevant anti-money laundering (AML) regulations.
- Harisons has implemented due diligence procedures for financial transactions, customer verification processes, and ongoing monitoring to ensure compliance.
- Employees and partners must report any suspicious financial activities promptly.

## **Anti-Competitive Practices:**

- We operate in a manner that fosters fair competition and complies with all relevant antitrust laws.
- We do not engage in anti-competitive practices such as price-fixing, collusion, or bid-rigging, ensuring that our operations uphold the integrity of the competitive market.

## **Information Security:**

- Recognizing the critical importance of information security and data protection, Harisons has established comprehensive policies to safeguard sensitive and confidential information from unauthorized access, use, or disclosure.
- Our information security management system includes regular risk assessments, employee training, and secure data handling protocols to protect company, employee, and customer information.
- Information security responsibilities are clearly defined to ensure accountability for protecting company and stakeholder data.
- Continuous improvement of information security practices is supported through internal reviews and management oversight.



## **Whistle-blower Protection:**

- We are committed to creating a safe environment for reporting unethical conduct.
- We encourage employees to report any concerns or violations of this policy without fear of retaliation.
- Our whistle-blower protection policy ensures that individuals who report misconduct in good faith are safeguarded against adverse consequences.

## **Measurable Goals:**

Establishes FY 2022-23 as the reference point for monitoring our ethical compliance and performance.

## **Corruption:**

- Provide annual anti-corruption training to 40% of employees by FY 2029-30, develop engaging training modules and track attendance.
- Achieve zero confirmed incidents of corruption or bribery by FY 2029-30, through implement robust reporting mechanisms and encourage whistleblowing.
- Increase employee awareness of corruption risks by 30% by FY 2029-30, by conducting quarterly awareness campaigns.
- Conduct annual audits to assess anti-corruption measures, engage third-party auditors for impartial evaluations.

## **Conflict of Interest:**

- Implement a conflict-of-interest declaration system for 50% of employees by FY 2029-30, develop a simple online platform for declarations.
- Resolve 20% of disclosed conflicts of interest within 30 days, assign dedicated personnel to manage and track disclosures.
- Conduct annual training on recognizing and managing conflicts of interest for all employees.
- Increase awareness of potential conflicts of interest by 40% by FY 2029-30.
- Achieve a 40% increase in employee awareness of conflict-of-interest risks and reporting procedures by FY 2029–30, measured through training attendance and internal communications.
- Conduct at least one conflict-of-interest awareness or training session per year and maintain participation records.
- Implement a formal conflict-of-interest declaration mechanism covering at least 50% of employees by FY 2029–30, with priority for management and high-risk functions.



## **Fraud Prevention:**

- Increase internal fraud detection rate by 10% by FY 2029-30 through upgraded audit systems and automated monitoring tools.
- Achieve 100% employee completion of annual fraud awareness and ethics training every year.
- Ensure 100% availability and functionality of the anonymous reporting hotline and digital reporting system by Q3 FY 2029-30.
- Conduct fraud prevention workshops covering 95% of employees twice per year, including high-risk departments.
- Achieve 100% annual review and update of the Fraud Prevention & Ethics Policy based on risk assessments and audit outcomes.
- Reach at least 90% employee awareness of the fraud reporting mechanism (hotline, email, box) by FY 2029-30 (measured through survey).

## **Money Laundering:**

- Achieve 30% compliance with AML regulations by FY 2029-30, schedule regular training sessions and refreshers for all staff.
- Conduct annual AML audits of all financial transactions by FY 2029-30.
- Increase staff knowledge of AML regulations by 40% by FY 2029-30, Use e-learning modules and quizzes to reinforce learning.
- Implement a customer due diligence process for 15% of new clients by FY 2029-30, Standardize verification procedures across departments.

## **Anti-Competitive Practices:**

- Ensure full compliance with all global and local antitrust laws by FY 2029-30, conduct comprehensive training for relevant employees.
- Conduct annual audits to check for anti-competitive practices, engage legal counsel for thorough evaluations.
- Increase awareness of anti-competitive risks by 30% by FY 2029-30, distribute case studies and best practices across the organization.
- Review partnerships and vendor agreements for compliance annually.

## **Information Security:**

- Conduct quarterly information security risk assessments by FY 2029-30, through establishment of a dedicated security team for continuous monitoring.
- Reduce information security incidents by 20% by FY 2029-30, implement employee training programs and awareness campaigns.
- Ensure 60% of employees complete information security training by FY 2029-30, track compliance through an online training platform.



- Develop an incident response plan and conduct annual drills, involve all departments in simulation exercises.
- By FY 2029–30, ensure 100% of new employees complete information security induction training within 30 days of joining.

## **Whistle-blower Protection:**

- Implement a whistle-blower protection policy by FY 2029-30, draft and disseminate a clear policy to all employees.
- Ensure 40% of employees are aware of whistle-blower protections by FY 2029-30, Conduct informational sessions and distribute materials.
- Establish a confidential reporting system by FY 2029-30, use third-party services to ensure anonymity and security.
- Monitor and evaluate the effectiveness of the whistle-blower program annually.
- Promote a culture of transparency where 50% of employees feel comfortable reporting concerns by FY 2029-30.
- Achieve 100% employee completion of Whistle-blower Protection awareness and ethics training every year.

## **Roles and Responsibilities:**

### **Compliance Officer:**

- Ensure adherence to regulations regarding anti-corruption, anti-money laundering, and fair competition.
- Perform regular audits and risk assessments to identify and address potential compliance challenges.
- Establish and maintain a confidential reporting system for whistleblower concerns.

### **Human Resources Management:**

- Integrate ethics and compliance training into the onboarding process and provide continuous education for all employees.
- Develop initiatives to raise awareness of conflict-of-interest policies and proper reporting procedures.
- Ensure employees are well-informed about their obligations related to anti-corruption and fraud prevention.

### **Internal Audit Team:**

- Conduct audits to identify and mitigate fraudulent activities, ensuring the effectiveness of internal controls.
- Review compliance with competition laws and report any violations or concerns.
- Evaluate the adequacy of financial controls, particularly regarding remuneration practices.



## **Finance Department:**

- Enforce anti-money laundering policies and conduct regular reviews of transactions to spot suspicious activities.
- Ensure compliance with remuneration reporting requirements to maintain transparency.
- Work with the Compliance Officer to evaluate financial practices in line with anti-corruption strategies.

## **Legal Department:**

- Review and provide advice on conflict-of-interest situations arising from business decisions.
- Manage investigations related to whistleblower reports and ensure adherence to legal standards.
- Offer guidance on compliance with anti-competitive laws and regulations.

## **All Employees:**

- Follow the company's ethical standards and actively engage in ethics and compliance training.
- Report any violations or suspicious activities concerning anti-corruption, fraud, or information security.

## **Corrective Actions for Governance Infractions:**

We implement stringent disciplinary measures for violations of the Ethics Policy. We ensure that all employees, contractors, and partners are aware of the consequences of unethical behavior, with disciplinary actions tailored to the severity of the violation. The following measures may be enforced for policy violations:

### **Verbal or Written Warning:**

- Issued for minor infractions or first-time offenses, this warning outlines the violation and suggests corrective actions to prevent recurrence.

### **Suspension:**

- Employees may face temporary suspension for repeated offenses or serious violations, including negligence in reporting unethical behavior.

### **Termination of Employment or Contracts:**

- Immediate termination may occur for severe breaches, such as fraud, bribery, corruption, or conflicts of interest that jeopardize Harisons' integrity or violate legal regulations.

### **Legal Action:**



- Harisons will pursue legal action for violations constituting a breach of law (e.g., fraud, money laundering). This may involve reporting the matter to law enforcement and pursuing criminal or civil charges.

### **Restitution and Financial Penalties:**

- In cases of fraud or financial misconduct, HARISONS may seek restitution from the individual responsible and impose financial penalties on contractors or partners who breach ethical standards.

### **Training and Rehabilitation Programs:**

- Employees may be required to participate in ethics training or rehabilitation programs following certain violations, especially when combined with lesser disciplinary actions like warnings or suspensions.

Harisons' disciplinary measures aim to correct unethical behavior, deter future violations, and promote a culture of accountability and integrity.

## **Monitoring and Reporting:**

### **Monitoring and Audits:**

- Regular audits ensure adherence to governance policies and legal requirements.
- The internal audit team examines compliance with anti-corruption and fraud prevention measures.
- Independent audits provide an unbiased evaluation of our governance framework.
- We monitor violations and corrective actions to gauge compliance efforts.

### **Reporting Channels:**

- Multiple channels allow for anonymous reporting of unethical behavior, protecting against retaliation.
- A secure platform enables detailed reporting, promptly reviewed by the Governance team.
- Employees are encouraged to discuss concerns with their managers or the Governance team.

### **Review and Analysis:**

- Audit findings are analyzed to assess policy effectiveness and identify improvements.
- The Governance team conducts quarterly reviews of reports to determine necessary actions.
- Input from employees and contractors is included in the review process.



## Corrective Measures:

- Immediate actions are taken for any violations to ensure accountability.
- Violations may lead to warnings, suspensions, or terminations based on severity.
- Serious offenses, like fraud, are reported to authorities for legal action.
- Responsible parties may face penalties or be required to repay losses.

## Policy Improvement:

- We regularly assess and update our Ethics Policy to tackle new risks.
- The policy is reviewed each year to align with regulations and best practices.
- Employees receive regular ethics training, with additional sessions for those involved in violations.
- Revisions are made as needed to prevent recurring issues.

## Detailed Ethical Guidelines with Examples

Our company is committed to ensuring that all employees, managers, contractors, and business partners conduct themselves with the highest ethical standards. The following principles guide our behaviour in manufacturing, sourcing, and operational activities:

Ethical Area	Standard	Examples
<b>Anti-Corruption</b>	No employee shall offer, give, request, or accept any bribes, kickbacks, or gifts that could influence business decisions.	Refusing any cash or expensive gifts from a yarn supplier in exchange for awarding them contracts.
<b>Conflict of Interest</b>	All personal interests that may influence or appear to influence professional decisions must be disclosed.	Not awarding a fabric dyeing order to a company owned by a family member without disclosure and approval.
<b>Confidentiality</b>	Sensitive business, employee, and customer information must be kept confidential at all times.	Not sharing upcoming garment designs, production schedules, or buyer pricing agreements with competitors or outsiders.
<b>Fair Competition</b>	The company competes honestly and does not engage in anti-competitive behavior.	Avoiding price-fixing agreements with other garment exporters for overseas buyers.
<b>Accurate Reporting</b>	All documents, records, and reports must be truthful and complete.	Recording actual worker overtime hours in compliance records instead of altering them for audit purposes.



<b>Respect and Inclusion</b>	Everyone must be treated with dignity, respect, and fairness, without discrimination or harassment.	Preventing harassment on the production floor and ensuring equal opportunities for male and female sewing operators.
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## Disciplinary Measures for Policy Violations

The company will take quick and fair action if anyone violates this Governance and Ethics Policy. Disciplinary measures will be taken as per the provisions of the International law and the company's internal rules. Possible actions include:

1. **Verbal Warning** – For minor, first-time breaches of policy.
2. **Written Warning** – For repeated or moderate violations, recorded in the employee's personnel file.
3. **Suspension Without Pay** – For serious misconduct while an investigation is conducted.
4. **Demotion or Removal from Duties** – Where trust or competency is compromised.
5. **Termination of Employment** – For severe breaches, such as theft, bribery, falsification of records, harassment, or wilful policy violations.
6. **Legal Action** – Where a violation involves criminal activity (e.g., fraud, corruption, theft of trade secrets), the matter will be reported to law enforcement.

Employees are encouraged to report violations in good faith through the company's confidential reporting channels. Any retaliation against whistleblowers is strictly prohibited and will itself be treated as a serious policy breach.

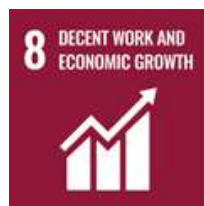
## Continuous Improvement:

We are committed to enhancing its ethical practices and regularly updating its policies to align with evolving legal and ethical standards. We consistently evaluate the effectiveness of our Ethics Policy and take proactive steps to address emerging risks and challenges. Our dedication to ethical conduct is a core aspect of our corporate values and essential for maintaining trust with our employees, partners, and the broader community.



## SDG Alignment:

We are dedicated to aligning our governance policies with the United Nations Sustainable Development Goals (SDGs). These goals provide a holistic framework for addressing global challenges and fostering ethical business practices. By incorporating the SDGs into our governance strategies, we promote greater transparency, accountability, and integrity across all aspects of our operations.

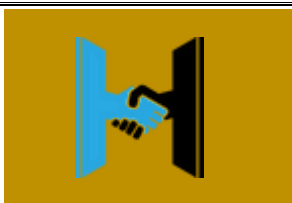


## Review Mechanism:


This policy will be reviewed once every year by the Compliance Manager to ensure it remains effective and aligned with applicable laws, ethical standards, and best business practices. The policy may be reviewed earlier in response to regulatory changes, identified ethical risks, or updates to the company's governance framework. All revisions will be approved by the President and communicated to relevant stakeholders to ensure consistent understanding and adherence.

## Policy Revision History:

Revision No.	Date	Description of Change	Reviewed By	Approved By
01	01-01-2024	Initial release	Compliance Manager	Ashok shah - Vice President
02	01-07-2024	Policy reviewed and revised for Roles and Responsibilities	Compliance Manager	Ashok shah - Vice President
03	01-07-2025	Modify Ethics Target Add Disciplinary measures , Ethical Guidelines with Examples, Employee acknowledgement form	Compliance Manager	Ashok shah - Vice President



<b>Approved by:</b> Ashok shah - Vice President	<b>Last Review Date:</b> 01/07/2025	<b>Next Review Date:</b> 01/07/2026
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 *ashokshah*

**Signature**



## Employee Acknowledgment Form – Ethics Policy

I hereby acknowledge that I have received, read, and understood the Harisons Industrial Products Inc Ethics Policy.

I understand that it is my responsibility to read, familiarize myself with, and comply with the ethical standards, values, and expected behaviours outlined in the policy, including but not limited to:

- Compliance with applicable laws and regulations.
- Prohibition of bribery, corruption, and unethical business practices.
- Protection of company assets and confidential information.
- Commitment to environmental sustainability and workplace safety.
- Adherence to fair labor practices and avoidance of conflicts of interest.

I understand that failure to adhere to the company's Ethics Policy may result in disciplinary action, up to and including termination of employment, and legal consequences as per applicable laws.

I also understand that I have the right and responsibility to report any unethical behaviour, policy violations, or concerns confidentially to the company's Ethics Compliance Committee without fear of retaliation.

By signing below, I acknowledge that I have read and understood the contents of the Ethics Policy and agree to comply with its provisions.

**Employee Name:** Akash Mekhiya

**Department:** NPD

**Designation:** NPD Manager

**Signature:** 

**Date:** 06-07-2025