



values
EQUAL
value
Ethics + Excellence
= Sustainable growth at MCPI

Empowering Excellence



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values EQUAL value

A consistent application of values translates into superior organizational value.

This complement of values fosters trust, credibility and purpose.

This resilient foundation attracts top talent and loyal customers, the basis of outperformance and enduring stakeholder relationships.

The result is that at MCPI, values represent the bedrock of superior organizational visibility, recall, relationships and success.

In short, values define our existence.

01



Who We Are



About MCPI

We are a values-driven, customer-focused, creative and responsible chemicals company. Our culture, values, and guidelines encapsulate ‘The MCPI way.’

They define our identity, guide our actions, and serve as a framework for managing performance, fostering teamwork and nurturing new talents.

Our commitment is not solely to deliver products and quality at the best price but to do so sustainably - today, tomorrow, and in the future.

The MCPI spirit

‘The MCPI spirit’ represents the cornerstone of our organizational culture. It comprises a commitment to trust, integrity, compliance and respect (TICR). In turn, these elements are supported by a belief in people, teamwork, continuous improvement, transparency, entrepreneurial spirit, simplicity, and cost economy.

Workplace principles

We remain committed to an inclusive workplace that fosters growth, prioritizes safety, encourages communication transparency and upholds ethical conduct at all times.

Guidelines for external relations

Our engagements with customers, suppliers, and stakeholders are influenced by our guidelines. These guidelines ensure fair practices, quality assurance, conscious communication, and a zero-tolerance policy towards corruption. They are integral to our ethical and sustainable business practices. We foster long-term partnerships based on shared risks and rewards leading to sustainability across the supply chain.

Engagement with stakeholders

Dialogue and collaboration with our stakeholders (suppliers, employees, communities, NGOs, policymakers and industry peers) are integral to our existence. Regular meetings, surveys, and participation in multi-stakeholder initiatives enable us to continually improve our business and corporate citizenship.

Our commitment

Our commitment lies in safeguarding our reputation and brand equity by upholding the values and principles outlined in this code. Doing so strengthens our distinct culture and identity.

Highest moral and ethical standards:

We are unwavering in our commitment to operate businesses according to the highest moral and ethical standards. Bribery or corruption in any form is unacceptable and contradicts everything we stand for.

Good corporate citizenship:

Social development activities benefiting our operating communities are integral to our business plan. We strive to contribute to the economic development of the regions we operate in, respecting local culture and norms.

Responsible development:

We seek economic development while respecting community interests. We avoid projects or activities detrimental to the communities we serve.

Safety commitment:

We prioritize safety above commercial advantage, striving to provide a safe, healthy, and

clean working environment for our employees and associates.

Professionalism and transparency:

When representing our Company, we act with professionalism, honesty, integrity, and cultural appropriateness. Our conduct is transparent and fair to all involved parties.

Human rights and dignity: We respect the human rights and dignity of all our stakeholders, striving for fairness and avoiding discrimination.

Balanced stakeholder interests:

We endeavor to balance stakeholder interests, treating each fairly and avoiding unfair discrimination.

Truthfulness in statements:

Our statements to stakeholders are truthful, made in good faith, and align with our commitments.

Fair trade practices:

We abstain from engaging in any restrictive or unfair trade practices.

Open communication channels:

We provide avenues for stakeholders to raise concerns or report violations of our Code in good faith.

Fearless reporting environment:

We cultivate an environment free from retribution for raising concerns or making disclosures in good faith or in the public interest.

Leadership commitment: Our business leaders demonstrate commitment to the ethical standards outlined in this Code and establish processes to uphold them within their companies.

Legal compliance: We comply with local laws and other regulations, ensuring that the standards outlined in this Code are met, regardless of minimum legal requirements.

“We are what we repeatedly do. Excellence therefore is not an act, but a habit.”

Aristotle

02



What We Believe



At MCPI,
where we are
going is the
result of where
we come from.

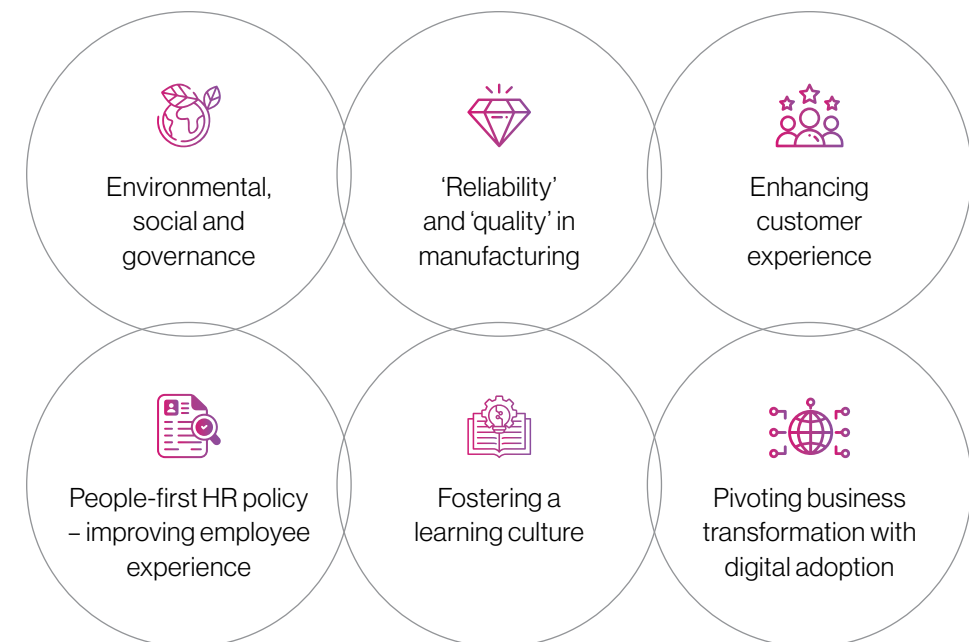
*In terms of our moral grounding, ethical
pedigree and governance commitment*



Our Vision

To transform MCPI's established PTA business by accelerating investments in downstream yarn, technical textiles, fabric and fashion businesses in the South Asian region.

Our Mission



The MCPI Way of Life



Debi Prasad Patra

Overview

Throughout 24 years of its operations, the MCPI management has given priority to creating an environment that would be conducive to the functioning of its people, their development and overall welfare. In fact, the basic nuances of a 'People First Policy' have evolved during this period.

In the initial years, the Japanese management of Mitsubishi Chemical Corporation (MCC), apart from training and coaching the national personnel in technical and support service domains, made special efforts to inculcate corporate values of ethics, team spirit, collaboration, and concern for the environment. Adherence to safety norms was an all-pervasive tenet that laid the foundation of a strong safety culture.

Since November 2016, with the transfer of management to The Chatterjee Group (TCG), while the primary focus was on continuance of operations in the post-transition period, a determined initiative was launched to refresh and implement the 'People First Policy' in letter and spirit. This was part of the TCG Group's emphasis on pivoting excellence in the organisations of group companies.

Under the aegis of TCG, MCPI's business strategy metamorphosed into a holistic approach towards rapid growth in the polyester downstream segments. As a result of determined efforts over couple of years, MCPI acquired Garden Silk Mills Private Limited. Since then, the Company has been striving to expand facilities at GSMPL and is considering investments in downstream units in other parts of the country. Efforts are on to rapidly expand the consumer-facing business of Garden Vareli.

These growth imperatives underscore the critical importance of the 'right people' to realise 'strategic goals' and maintain a common culture trait at the core of the organisations being added to MCPI. As such, the focus of evolving HR policies is to link 'Strategy, People and

Performance'. The Company recognises the significant value people with the right organization culture add to the growth impetus of any business.

With the strategic thrust on progression towards higher excellence, the vision, mission and corporate values were re-imagined.

Central to the endeavour was the highlighting of four core values: Trust, Integrity, Compliance and Respect.

Trust is built over a period of time through consistent actions and transparency. Once a company attains a culture of trust, employees feel safe to speak up, take risks and innovate. The external stakeholders feel confident of dealing with the Company too, as a culture of trust creates credibility all around.

Integrity is another important value that denotes a behaviour built around honesty - intellectual and pecuniary. Companies having a culture of Integrity are known to have a high degree of transparency and ethics in their dealings.

Compliance in a company means and overriding priority of adherence to all laws and regulations in force. Thereby, the management and its people keep the stakeholders secured from any risk of violation of laws. Moreover, Compliance is also a recommended way of life. In the functioning of a company there may be different viewpoints expressed by individuals, but once a decision is taken after due deliberations, all concerned need to comply. That is why a culture of compliance is important.

Respect in an organization connotes that everyone deserves equal treatment without discrimination whatsoever. In the corporate context, respect means valuing diversity, creating an inclusive environment, and treating employees, customers, and stakeholders with dignity. Respect helps create a culture of collaboration and teamwork where everyone feels valued.

Impact of Values on the Functioning of Company:

Consequent to the change of management in 2016, the Company recorded the highest production, highest sales, and a significant turnaround in its business. The Company has been recognised in the marketplace as ethical and reliable in its dealings with customers and vendors. The employees have shown a high degree of alignment to the vision and goals of the Company and have proactively participated in the learning and development initiatives that have been customised to match each person's Individual Development Plan. Based upon the enthusiasm shown by employees to work towards their own development, as well as to enhance their contributions to the Company, the management desires to make the tenets of existing culture sharper and more defined. The re-imagination of culture is expedient to create an organization that would be multi-locational, diversified in terms of its people and with a focus on 'Equality' as well as 'Inclusion'.

Culture in any organization has four distinctive aspects:

Shared: Culture is a group phenomenon that resides in shared behaviour, values, norms, and unwritten rules. Thus, it cannot exist in just a single person.

Pervasive: Culture permeates multiple levels in the organization. Thus, the culture is not confined only to the top echelons of the Company. It manifests itself consistently in most aspects of organisational behaviour.

Enduring: Culture should be able to shape and direct the behaviour of the people in a distinctive manner over a long period of time. Culture evolves in a manner that makes it a 'self-reinforcing' social pattern that grows resilient over the passage of years.

With the strategic thrust on progression towards higher excellence, the vision, mission, and corporate values were re-imagined.

Implicit: Culture by definition is implied and the members of the organization respond instinctively to situations with a common pattern of behaviour emerging out of it. The implicit aspect of culture makes it similar to actions being guided by 'silent language'.

Tenets of the Culture we want to build

The four aspects of the culture we want to promote in the coming years are:

Caring: It focuses on relationships and mutual trust. We want to make the work environment warmer and even more collaborative in which people help each other. The Company cares for its people and in turn they care for the organization.

Purpose: A culture driven by purpose makes the work environment compassionate and tolerant. It gives satisfaction to the people that apart from contributing to business, they are working towards the larger good of the community and world. In fact, MCPI is committed to support the 'Non-Profit' initiative of TCG CREST that is dedicated to providing opportunities to many academicians and intellectuals to carry on 'world-class' research and development in fields that aim to provide innovative solutions for the benefit of society at large.

Learning: A culture of learning helps the employees develop themselves professionally by acquiring relevant knowledge, higher skills as well as competencies. Such a culture naturally encourages exploration, innovation, and adventure.

Results: A 'results' culture is characterised by achievement and winning. It makes the environment

outcome oriented, and merit driven. People pursue personal as well as organizational excellence.

Empowering Excellence

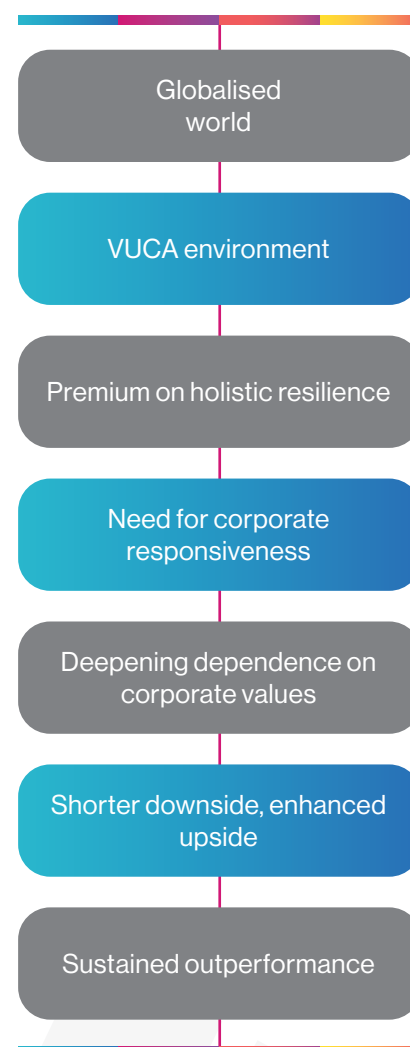
From 2017 onwards, MCPI introduced a new tagline – Pursuing Excellence. The aim was to enthuse employees to strive for achieving excellence in all domains of the Company. Having accomplished significant transformation in terms of production, marketing & sales and business strategy, the Company is focusing on the professional development of people and on 'creating a great place of work'. The emphasis going forward will be on 'Empowering Excellence'.

'The MCPI Way of Life' will ensure the following:

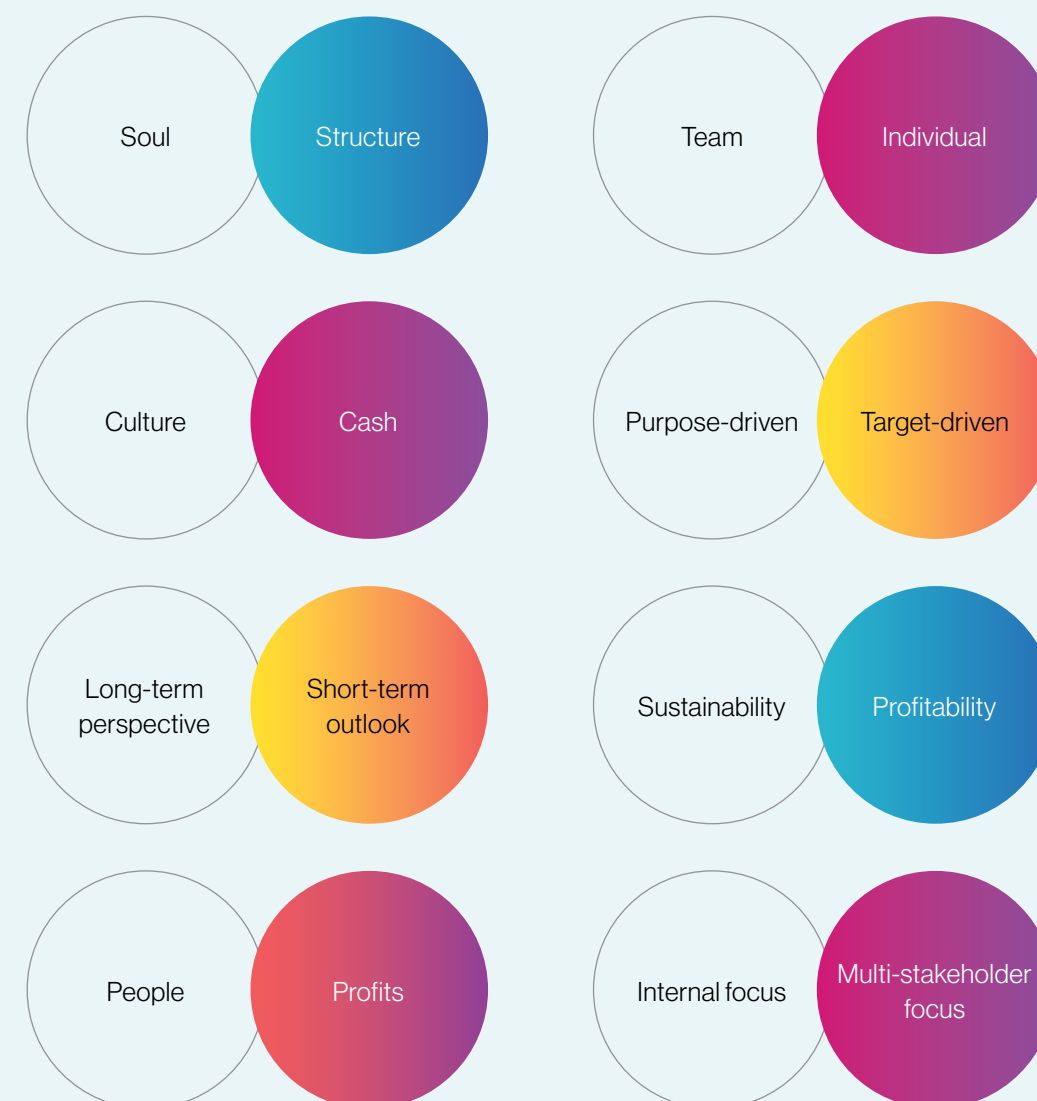
- As an organisation it will 'nurture differences' among individuals rather than try to mitigate them. The idea is to promote a culture which recognizes differences among people and their opinions to make the best out of them.
- Emphasis will be laid on the free flow of 'information' without chances of manipulation. It is important for the sake of transparency to encourage information that is not 'spun' or doctored.
- The organisation will enhance focus on adding value to employees in their professional as well as private realms.
- The Company seeks to recognize the need for people to perceive a 'meaning' of their respective roles.
- The employees' experience on the whole should be 'rewarding'.
- The Company should not have rules and regulations that are archaic and irrelevant in the present context.

The value of MCPI's values in a VUCA world

How MCPI's values-based framework drives business sustainability



Our distinctive MCPI culture





6

Why is the world talking increasingly of values today than ever?

How has the importance of values extended to modern business?

Do values slow companies down?

most frequently asked questions on values

Do values affect margins, profits and sustainability?

Can values be lived at the individual level as well?

How can a commitment to values be grown over time?



Why is the world talking increasingly of values today than ever?

There are a number of global developments that have put values at the centre stage.

One, globalisation has created the need for a level playing field where one country does not benefit over another in the short-run on account of ethical infringements. This has resulted in a global values framework within which all countries need to work. This has put a premium on the ethical manner in which countries conduct themselves, creating an overarching global culture that champions values and values champions.

Two, digitalisation has emerged as a facilitator of values and their implementation. Digitalisation has strengthened processes, identified systemic compromises with speed, identified the points of transgression and enhanced the overall effectiveness of compliances.

Three, values are being championed across virtually every aspect of human existence – fairness in sport, integrity in public life and transparency even in inter-personal relationships. The way the world has begun living these values – perpetually raising the bar – is creating a body of best practices that is enriching a wider understanding of the subject.



How has the importance of values extended to modern business?

There is a greater focus on the role of values in today's competitive business world.

There is an increasing recognition that some of the prominent collapses of major global corporations was not caused by their business models becoming irrelevant as much as it was caused by a collapse of value systems within their companies. The collapse of these major corporations caused considerable investor wealth – institutional and retail – to be eroded.

Their collapse triggered a comprehensive scrutiny into how every single business is run. From this introspection has emerged a governance priority that puts values at the centre of how business is conducted. The result: values are now not considered peripheral to the success of companies but intrinsic to their existence.



Do values slow companies down?

The answer to this question would be 'slower compared to what'? There are no alternatives to values in today's business landscape. There is no alternative as in 'Let us find a shortcut on the ethical front'. The convergence of global priorities, corporate transparency, higher disclosure standards and digitalization have helped create a platform that makes it imperative to follow values not just fleetingly but comprehensively and continuously. This makes all comparisons with probable alternatives irrelevant.

In fact, there is no alternative in how one may conduct business – or live. There is only one way of doing business: the ethical way and anyone – individual or organization – attempting to cheat on the system is likely to be soon exposed. The focus therefore is on accelerating and growing stakeholder value to the best of one's competitiveness and ability within this ethical framework.



Do values affect margins, profits and sustainability?

There is evidence to prove that companies driven by strong values are likely to be more sustainably prosperous. These companies are likely to possess strong governance systems, Board composition, Board-driven strategy setting, structured processes, robust reporting cum disclosure systems, defined succession planning and sustained reinvestment.

There is also evidence to indicate that companies driven by values are rated better by credit rating agencies. This superior rating translates into a lower cost of funds, immediate access to funds (net worth or debt) and the ability to attract talent better. This demonstrates that living values do not come at a cost to the business but enhance the value of a business.

Besides, companies that live their values better inevitably resist economic downturns better and capitalize on economic rebounds far more successfully. This validates their long-term sustainability and a capacity to enhance long-term stakeholder value.



Can values be lived at the individual level as well?

Values need to be lived at both levels – individual and organisational. The aggregation of values at the individual level inevitably transform into an organizational culture. This establishes whether the organisational intent is effective and often becomes the index by which organisations are appraised.

Companies that live a values-driven culture are inevitably valued higher on the markets than peers from within their sector. This demonstrates that individual values (translating into organizational culture) is not an academic subject but enhances stakeholder value in a direct way.



How can a commitment to values be grown over time?

A commitment to values is not a static reality. It needs to be articulated, championed and celebrated for the culture to deepen and grow. At MCPI, we are engaged in making values central to our narrative. We discuss dos and don'ts, we emphasise the importance of ethical conduct, we highlight instances of how our values are lived in everyday engagement. The result is that the subject of values is not relegated to a frame on the wall or a text in some manual at our Company; it is a part of our ongoing conduct that is designed to deepen over time.

At MCPI, we believe that all growth is generated from enduring commitments.

To place people first

To build the business in an ethical way

To be completely fair to all stakeholders

To enhance value for all stakeholders

To build a business around sustainability



Values component #1



TRUST



Why is trust the core
MCPI principle?

How does trust
drive the Company?

How does trust
enhance stakeholder
confidence?

How does trust
enhance value?



Overview

At MCPI, Trust is the
primary value that we
champion.

From this foundational
attribute is derived the
other three values.

At MCPI, Trust is
catalysed through the
following priorities.

Spirit of co-existence

We seek to co-exist safely with all our stakeholders. We invest in an understanding of the cultures and customs of the countries and communities of our presence. We co-exist harmoniously with local communities through proactive investments in safety, equitable resource availability and general welfare. This priority has sent out a message to our external stakeholders that 'We will protect their interests and play a catalytic role in their well-being'.

Spirit of workplace openness

We believe that happy employees make successful companies. In view of this, we ensure that our workplace environment is conducive for our employees to be their true selves. An important part of this provision is the facility for our employees to share professional opinions, problems and bottlenecks without fear of reproach.

Spirit of complete transparency

We may be a privately owned company, but our transparency ethic has been benchmarked with the demanding standards applicable to listed companies. We not only play the role of a responsible manufacturer but also disclose relevant information related to our operations. This disclosure is complete, periodic and timely. This disclosure promotes an understanding of our activities across all our stakeholders, reinforcing trust. This disclosure comprises not just our positive achievements but also information related to product defects, accidents and disasters (whenever they occur) and the initiatives we would be taking to address them in a timely manner.



The people when
rightly and fully trusted
will return the trust.

- Abraham Lincoln



Values component #2



INTEGRITY



How is integrity defined so that it can be understood by all?

How does integrity drive organizational culture and character?

How can organizational integrity be cascaded to individual and everyday applications?

How is integrity lived within MCPI?



Overview

At MCPI, we define integrity as 'What you see of us is what you get.'

The Company does not engage in misleading customers, vendors, partners, stakeholders and employees.

Conduct

At MCPI, we believe that the key to business success lies in taking completely unbiased decisions in the Company's interests at all times. We have created a system that maximises the role of decision-making integrity: we may give or receive farewell gifts, gratuity and money as a social courtesy to our employees, vendors, partners and customers; however, this is done only under the management's supervision to eliminate probable conflicts of interest.

Appropriate assets use

At MCPI, we believe that governance is effectively the segregation of personal and professional interests. Our corporate assets (tangible and intangible) are prudently used to achieve business objectives (over the personal). The Company has laid down a strict line: making personal calls, personal use of corporate fixtures or consumables and using corporate assets for private dining or golf, if malicious, would be open to being charged as embezzlement or theft.

Prohibition of political/religious influence

At MCPI, we stand for a progressive world that celebrates the best of humankind. At our Company, we respect every religion; we do not promote political or religious views. We do not encourage acts unrelated to primary corporate business matters to be conducted within the Company (including soliciting others to join, support or donate to, or asking for or inducing votes, for specific groups and organizations founded upon specific political or religious credo or convictions).

Appropriate systems use

At MCPI, systems and devices are to be used only for official purposes. There is a provision to address acts of data hacking, damaging, falsifying, alteration and unauthorized software use with strict action.

Preventing interest conflicts

At MCPI, we have implemented a strict line on the exploitation of official positions and authority or information in the performance of our duties that could benefit individuals or third parties. We censure personal activities that may compete against our Group business (unless with corporate permission).



In looking for people to hire, look for three qualities: integrity, intelligence, and energy. And if they don't have the first one, the other two will kill you."

- Warren Buffett



Values component #3



COMPLIANCE



Why is compliance important to MCPI?

What is MCPI doing to deepen its compliance commitment?

How has MCPI institutionalized its compliance effectiveness?

How is compliance translating into corporate respect?



Overview

At MCPI, we believe that a true spirit of compliance is one that extends beyond prevailing regulations.

At MCPI, we have voluntarily imposed this demanding standard on ourselves as a measure of the responsibility we owe to all our stakeholders.

By extending beyond the statutory, we are playing the role of a future-facing corporate citizen

Holistic responsibility

MCPI's fundamental compliance lies in its commitment to manufacture and market socially beneficial goods and services. The quality of our delivery is continuously appraised by the external world. The respect that we seek to achieve or maintain is based on our effectiveness in delivering products and services considered beneficial by society.

Compliance framework

At MCPI, we have addressed the need for timely regulatory compliance through an institutionalized system. This system comprises the creation of a department, corresponding recruitment, software-driven reminders, checks and balances, as well as clearly enunciated goals of employees entrusted with compliance responsibilities (based on their key result areas).

Holistic caring

At MCPI, we never forget that we are engaged in the business of caring – caring for the interests of our stakeholders. Our effectiveness then is influenced by the extent and effectiveness of our caring. We care for the environment through resource and energy conservation, waste reduction and reuse and recycle. We care for our employees through safety practices and career advancement. We care for our customers through the timely delivery of quality products around an attractive price-value proposition. We care for our vendors through timely remuneration for services delivered. We care for communities through programmes customized around their well-being.

Intellectual property protection

At MCPI, we invest in technologies, products and services; we obtain intellectual property rights and commercialize them. We do not support any infringement on products, trademarks, logos, among others, that belong to other companies.

Data protection

At MCPI, we treat 'Information' as an asset. Confidential information about our business (trade secrets, customer information and technology know-how) is competently managed. Besides, we treat the personal details of our employees, customers and stakeholders with responsibility. We do not utilise these details without their consent. We remain responsible custodians of their personal information.



It takes less time to do things right than to explain why you did it wrong.

- Henry Wadsworth Longfellow



Values component #4



RESPECT



How is respect defined and lived at MCPI?

How do we enhance visibility for the need of respect?

How has respect been institutionalized?

How is respect enhancing value?



Overview

At MCPI, we believe that a culture of mutual respect represents the base around which relationships and engagements can be built.

The Company professes and celebrates a culture of mutual respect, marked by a respect for every individual.

This culture of respect does not support discrimination, exploitation and distinction in any form.

Respect for dignity and rights

All our employees are treated and respected equally (irrespective of their origin, race, caste, religion, appearance, disability or disease). We counter 'power harassment' through consultation, counseling and redressal.

Motivational workplace

We respect every employee's method of working, creating a motivational workplace.

Customer-driven

We profess a pro-customer approach that provides them with the safest products or services of the highest quality.

Vendor engagement

We seek to work with trusted vendors across the long-term following an appraisal based on values (quality, innovation and capacity building).

Ethical standard

We refuse to engage in illegal activities, bribery and extortion. We do not support anti-social activities and do not engage with crime syndicates and corporate racketeers, who solicit subscription, purchase of goods or donations

Engagement

We maintain healthy, professional and transparent engagements with public officials and the government to avoid and prevent unethical episodes and transactions of any kind with the government at State and the Centre.



Respect is one of the greatest expressions of love."

- Miguel Angel Ruiz



03



How We Live Our Values



At MCPI, **values** are not merely preached or propagated. They are lived.

At MCPI, the entire organization is on the same **values** page.



Across initiatives



Across policies and practices



Leading to a consistency in understanding and application



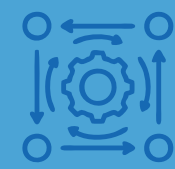
Leading to an alignment so that the organization responds as one



Across tiers and functions



Across locations and geographies



Leading to a consistent expectation among all stakeholders



Leading to a defined culture that evolves into the Company's brand