



**Policy on  
Ethics, Transparency and  
Accountability**

Shree Cement Ltd.

## OUR CORE PRINCIPLES AND PHILOSOPHY

SCL believes in the principle of trust which can be derived through ethical practices, transparency and accountability to stakeholders. This forms the core philosophy of conducting business at Shree. In line with this core philosophy, company always strives to promote practices and structures that ensure transparent communication to all its stakeholders and ethical conduct of business at all levels.

### 1. POLICY STATEMENT AND OBJECTIVE

This policy is intended to serve as a basis for ethical decision making in the conduct of professional work. Company trusts its employees and believes that each member of the company will adhere to this policy. This policy establishes guidelines for the conduct of business by the company and its employees at all levels. It will also serve as a basis for judging the merit of a complaint pertaining to violation of ethical conduct.

### 2. SCOPE AND APPLICABILITY

The policy is applicable to the Company, Board of Directors, senior management officials and all other employees of the company. Company encourages all parties associated with it to comply with the aforesaid principles and avoid complicity with anyone that violates above principles.

### 3. POLICY GUIDELINES

Company's conduct in all its sphere of activities and while dealing with both the internal and external stakeholder shall ensure adherence to the following:

#### i. MAINTAINING VALUES

Company will endeavor to promote its values as well as demonstrate its commitment to upholding its ethics principles wherever it operates in conjunction with business partners.

#### ii. BUSINESS INTEGRITY

Company shall not do nor give or receive, directly or indirectly for business or financial gain, any financial inducement or improper advantage, or engage in any form of unethical conduct or exercise undue influence over any other third party. Company shall not indulge in giving extravagant, lavish or uncustomary gifts to Authorities which may obligate or appear to obligate or inappropriately influence the recipient.

#### iii. FAIR COMPETITION AND ANTI CORRUPTION

Company shall not engage in or promote practices which are corrupt and anti competitive. Company is committed to competing fairly and complying with appropriate competition laws. Company encourages all parties associated with it to comply with the above mentioned principles and avoid complicity with anyone that violates above principles.

#### iv. EQUAL OPPORTUNITIES

Company is committed to providing equal opportunities irrespective of colour, caste, gender, creed, race, religion, disability and will not tolerate discrimination of any kind. It recruits, retains and develops people based on suitability of role and the opportunity for personal and professional growth.

#### v. HUMAN RIGHTS

Company respects the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.

#### vi. ACCURACY OF RECORDS AND DISCLOSURES

Company ensures vouch for completeness, validity and accuracy of the records, financial or otherwise and the validity of all information. It will ensure that all its public announcements are accurate, complete, fair, timely, and understandable and comply with all applicable laws and regulations.

#### vii. STAKEHOLDER ENGAGEMENT

Company shall systematically identify and engage with in an effective and transparent manner with all the stakeholders to create sustainable, long term value for our stakeholders



### viii. COMPLIANCE

Company shall comply with all the laws and regulations as applicable to its operations and shall encourage everyone involved in its value chain to do the same.

### ix. CONTRACTUAL OBLIGATIONS

Company takes its contractual obligations seriously and ensures that it pays its suppliers, employees and others entitled to receive money from it according to agreed contracts.

### x. PUBLIC POLICY ADVOCACY AND PROTECTION OF OUR INTERESTS

Company shall promote and defend its business interests through co-operation with governments and other organizations, both directly and through bodies such as trade associations, in the development of proposed legislation and regulations that may affect its interests. Company shall ensure that it engages responsibly with any agency in formation of public policy and utilize collective platforms like trade and industry chambers to undertake policy advocacy.

## 4. CODE OF CONDUCT GUIDELINES

The company expects all its employees including Directors to observe the above principles. More specifically, they are expected to observe the following:

1. Act in the best interests of, and fulfill fiduciary obligations to the Company
2. Act honestly, fairly, ethically and with integrity;
3. Conduct themselves in a professional, courteous and respectful manner and not take improper advantage of the position;
4. Act in a socially responsible manner, within the applicable laws, rules and regulations, customs and traditions of the countries in which the Company operates;
5. Act for the upliftment of poor, downtrodden and needy;
6. Comply with communication and other policies of the Company;
7. Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
8. Not to use the Company's property or position for personal gain;
9. Not to use any information or opportunity received by them for personal interest or in a manner that would be detrimental to the Company's interests;
10. Act in a manner to enhance and maintain the reputation of the Company;
11. Help create and maintain a culture of high ethical standards and commitment to compliance;
12. Keep the company informed in an appropriate and timely manner any information in the knowledge of the member which is related to the decision making or is otherwise critical for the company.
13. Show and practice no discrimination based on race, gender, religion, caste, age, disability, national origins or other such factors;
14. Pursue excellence in all sphere of activities and strive to achieve the highest quality, effectiveness and dignity in their professional work and give utmost attention to business responsibilities and do their duty conscientiously and without fear or favour
15. Encourage and support professional development of fellow employees by providing necessary assistance and cooperation, thus enhancing the quality of working.
16. Not put himself in a position where there is potential conflict of interest between personal interest and duty to company.
17. Not indulge in any internal trading of the company's shares and stocks;
18. Not indulge in consumption of tobacco, cigarette, drugs, alcohol or any other banned substance within the premises of the company within and after office hours
19. Not carry any weapon or other unsafe article within the premises of the company
20. All personnel shall ensure protection of company's properties and interests at all times.

The company has prescribed a Code of Conduct for all its employees including Directors in order to ensure compliance to the above. (Attached as Annexure 1)

## 5. ROLES AND RESPONSIBILITY

The ESG Committee is responsible for the following:

- Establish processes to ensure proper implementation and review of the policy
- Allow for the tracking and review of inappropriate items and exceptions;
- Authorization of exceptions to this Policy;



### 6. COMMUNICATION AND UPDATION

This Policy and the annexed Code of Conduct will be communicated to all employees and also to external stakeholders. It will be posted on the website of the company. The Code of Conduct forming an intrinsic part of this policy will be posted at conspicuous places of employees' assembly (like the Conference Room). This Code is subject to continuous review and updation in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise as may be deemed necessary and all such amendments / modifications shall take effect prospectively from the date stated therein.

### 7. REPORTING:

If there is any question on the applicability or procedures for implementing regarding this policy, the employee may refer it to the Designated Official appointed by the ESG Committee.

### 8. AFFIRMATION FROM EMPLOYEES

Every employee of the company including Directors shall affirm that he has read, understood and has complied with the code on an annual basis. The format of Compliance affirmation is attached as **Annexure 2**. The format of Compliance affirmation for the Board of Directors is attached as **Annexure 3**.

### 9. ADDITIONAL DUTIES OF INDEPENDENT DIRECTORS

The independent directors shall—

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the company;
6. 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 meeting;
7. keep themselves well informed about the company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. 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;
10. 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;
11. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
13. 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.

S/d

**Ramakant Sharma, Director**

**Date:**

**CODE OF CONDUCT**

This code of conduct is prescribed for all employees, including directors, of the company. Every employee of the company must adhere to guidelines prescribed below in his conduct and behavior:

1. Act in the best interests of, and fulfill fiduciary obligations to the Company
2. Act honestly, fairly, ethically and with integrity;
3. Conduct themselves in a professional, courteous and respectful manner and not take improper advantage of the position;
4. Act in a socially responsible manner, within the applicable laws, rules and regulations, customs and traditions of the countries in which the Company operates;
5. Act for the upliftment of poor, downtrodden and needy;
6. Comply with communication and other policies of the Company;
7. Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
8. Not to use the Company's property or position for personal gain;
9. Not to use any information or opportunity received by them for personal interest or in a manner that would be detrimental to the Company's interests;
10. Act in a manner to enhance and maintain the reputation of the Company;
11. Help create and maintain a culture of high ethical standards and commitment to compliance;
12. Keep the company informed in an appropriate and timely manner any information in the knowledge of the member which is related to the decision making or is otherwise critical for the company.
13. Show and practice no discrimination based on race, gender, religion, caste, age, disability, national origins or other such factors;
14. Pursue excellence in all sphere of activities and strive to achieve the highest quality, effectiveness and dignity in their professional work and give utmost attention to business responsibilities and do their duty conscientiously and without fear or favour
15. Encourage and support professional development of fellow employees by providing necessary assistance and cooperation, thus enhancing the quality of working.
16. Not put himself in a position where there is potential conflict of interest between personal interest and duty to company.
17. Not indulge in any internal trading of the company's shares and stocks;
18. Not indulge in consumption of tobacco, cigarette, drugs, alcohol or any other banned substance within the premises of the company within and after office hours
19. Not carry any weapon or other unsafe article within the premises of the company
20. All personnel shall ensure protection of company's properties and interests at all times.



**AFFIRMATION TO BE GIVEN BY EMPLOYEES REGARDING COMPLIANCE OF THE CODE OF CONDUCT BY HIM**

(By every employee of Company on Annual basis within a month of end of Financial Year)

I, \_\_\_\_\_ (ECD \_\_\_\_\_) as an employee of Shree Cement Limited solemnly affirm that:-

- During the course of employment in SCL, I shall serve the company as per the directions given to me during the period of my employment;
- While discharging my official duties at SCL, I shall take all care to act within the limits as provided by any law, rules or regulations under which I am purport to act;
- I shall not accept directly or indirectly any illegal payment / remuneration, gift or reward in any form from any one, with whom I am acquainted or connected in any way in my official dealings;
- Without seeking consent of the company management, I will not hold position of director, consultant, employee, representative or agent of any supplier of tangible or intangible goods by whatever name called or contractor supplying any kind of goods or services by whatever name called or any other person either doing or seeking to do business with SCL ;
- I will not hold any commercial interest in any organization doing business with SCL ;
- I will be obliged to act to save SCL from fraud / theft or any illegal activities;
- I will not have any personal interest / gain in purchase of equipments like HEMM equipments, trucks, tractors, vehicles etc or any other equipment by whatever name called acquired by SCL for business purpose ;
- Without seeking consent of the company management, I will not have interest in partnership firms or in any form of business entity either doing or seeking to do business with SCL ;
- I will not be sharing any profit or losses in any form of business entity either doing or seeking to do business with SCL ;
- I will not be working in any capacity for a competitor, supplier while employed in SCL ;
- I will not be competing with SCL for the purchase or sale of any property which SCL intends to acquire / sale;
- I will obey all matter relating to service condition, rules and regulations of the company as modified and changed from time to time by the management ;
- I will not contest any election during my employment without written permission of the management ;
- I will not disclose any confidential policy, data, technology & systems, drawings, process chart etc to any one without the permission of the SCL management;
- For any act which, in the opinion of the management, is an act of dishonesty, disobedience, insubordination, incivility, intemperance, loss of confidence, breach of trust, breach of integrity, irregularity in finance, breach on my part of any terms, conditions, my services can be terminated by the management ;
- That the following firms are related to my close relatives and they are doing the business with Shree Cement Limited though I do not have any personal interest / sharing of profit or any other interest therein; and in case I am having any personal interest in any business entity by whatever name called either doing or seeking to do business with SCL, then I will disclose the same to the management at the earliest opportunity as under:-

“I \_\_\_\_\_ as an employee of SCL hereby discloses that I have personal interest / gain in \_\_\_\_\_ in the capacity of \_\_\_\_\_ w.e.f. \_\_\_\_\_ with whom SCL is doing or seeking to do business (equipments like trucks, tractors, vehicle or any kind of equipments or supply of goods or services)”.



I, further confirm that I have also complied with below mentioned broad principles of the code:

1. Act in the best interests of, and fulfill fiduciary obligations to the Company
2. Act honestly, fairly, ethically and with integrity;
3. Conduct myself in a professional, courteous and respectful manner and not take improper advantage of the position;
4. Act in a socially responsible manner, within the applicable laws, rules and regulations, customs and traditions of the countries in which the Company operates;
5. Act for the upliftment of poor, downtrodden and needy;
6. Comply with communication and other policies of the Company;
7. Act in good faith, responsibly, with due care, competence and diligence, without allowing my independent judgment to be subordinated;
8. Not to use the Company's property or position for personal gain;
9. Not to use any information or opportunity received by me for personal interest or in a manner that would be detrimental to the Company's interests;
10. Act in a manner to enhance and maintain the reputation of the Company;
11. Help create and maintain high ethical standards and commitment to compliance;
12. Keep the company informed in an appropriate and timely manner any information in my knowledge, which is related to decision making or is otherwise critical for company.
13. Show and practice no discrimination based on race, gender, religion, caste, age, disability, national origins or other such factors;
14. Pursue excellence in all sphere of activities and strive to achieve the highest quality, effectiveness and dignity in their professional work and give utmost attention to business responsibilities and do their duty conscientiously and without fear or favour
15. Encourage and support professional development of fellow employees by providing necessary assistance and cooperation, thus enhancing the quality of working.
16. Not put myself in a position where there is potential conflict of interest between personal interest and duty to company.
17. Not indulge in any internal trading of the company's shares and stocks;
18. Not indulge in consumption of tobacco, cigarette, drugs, alcohol or any other banned substance within the premises of the company within and after office hours
19. Not carry any weapon or other unsafe article within the premises of the company
20. Shall ensure protection of company's properties and interests at all times.

I hereby confirm that I have read and understood the above ethics or code of conduct and confirm to abide by the same. I also understand and accept that any breach of the above ethics or code of conduct would be liable for punitive action as per the discretion of the management.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

ECD: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_



**AFFIRMATION OF CODE OF CONDUCT BY BOARD OF DIRECTORS**

I have received and read the code of Conduct for company personnel of Shree Cement Ltd. I understand the standards and guidelines contained in the said Code and agree to comply with the aforementioned Code.

**AFFIRMATION**

(By member of Board of Directors on Annual basis within a month of end of Financial Year)

I,.....(name),.....(designation), having read and understood the Code of Conduct for all personnel of Shree Cement Ltd., hereby solemnly affirm that I have complied with and have not violated any of the provisions of the Code during the year ended .....

Signature

\_\_\_\_\_

Name

\_\_\_\_\_

Place:

\_\_\_\_\_

Date:

\_\_\_\_\_

Shree Cement Ltd.