

Code of Conduct (Shree's way of doing Business)

Introduction

Shree Cement Limited ('SCL'/'Shree Cement'/'Company') believes that building trust comes from ethical practices and intends its employees and senior management personnel to follow the path of ethical conduct. It, therefore, recognizes the importance of having a common minimum set of standards of behaviour for its employees at work and with external stakeholders. This code of conduct ('**Code of Conduct**') (shall also be called the '**Shree's way of doing business**') acts as a guidance for all SCL employees and sets the general business expectation of them. This Code of Conduct also acts as SCL's policy on Ethics, Transparency and Accountability.

Coverage

This Code of Conduct is applicable to all employees and senior management personnel of Shree Cement Limited and all its subsidiaries across geographies (hereinafter referred as 'Covered Person'). All other stakeholders of the Company are encouraged to comply with the principles of this Code of Conduct. To ensure accountability, it shall be mandatory for each of the employees and senior management personnel of the Company to affirm compliance with this Code of Conduct on an annual basis. Such affirmation shall be given in format given in Annexure – A to this Code of Conduct.

Outsider's Recourse

No external party or outsider shall have any right to action on the Company's directors or employees for the non-compliance of this Code of Conduct.

Categories of Conduct

The Code of Conduct of the Company has been categorized in following categories of human conduct which all the covered persons are expected to demonstrate:

- a) Conflict of Interest
- b) Personal Conduct
- c) Workplace conduct
- d) Conduct with external stakeholders

To elaborate the categories, a non-exhaustive list of acceptable & non-acceptable behaviour across a wide range of situations have been illustrated below. The covered persons are expected to take a cue from these indicative behaviour and situations and use his/her judgement to act with utmost integrity while faced with variety of situations and contexts that he/she comes across in his/her work-a-day life.

Further to this Code of Conduct, SCL has developed other policies as well for regulating various aspects of its activities. Compliance with this Code of Conduct shall not absolve the covered persons from compliance with provisions of those policies which shall be in addition to compliance of this Code of Conduct.

a) Conflict of Interest

- Each covered person shall ensure that if there is a perceived conflict of interest in a transaction, e.g. the vendor is “personally known” to individual, he/ she shall inform his/her interest to the team/ individual concerned and his/her manager and refrain from being part of the decision making process.
- No covered person shall indulge in any action that may be construed as conflict of interest e.g. insider trading, personal investment in Business Partners/ Competition, etc.
- No covered person shall indulge in any action that may be construed as antitrust / anti competitive practices; Money-laundering and related dealing etc.
- No covered person, without seeking prior consent of the Company’s management, shall hold any employment / management / consulting / director position outside of Shree Cement Limited.
- Covered persons shall not hold any commercial interest in any organization doing business with SCL. Covered person shall not have any personal interest / gain in purchase of equipment like HEMM equipment, trucks, tractors, vehicles, etc. or any other equipment acquired by SCL for business purpose.
- No covered person will share any profit or losses in any form of business entity either doing or seeking to do business with SCL.
- No covered person will contest any election during the employment without written permission of the management.
- Covered person shall not use organization time and resources for personal gain e.g. internet surfing, use of infrastructure etc.
- Covered persons shall not disclose any confidential information, policy, data, technology & systems, drawings, process chart etc. to anyone without the permission of the SCL management.

b) Personal Conduct

- Every covered person under this code of conduct, shall abide by and comply with all applicable laws of the territory in which SCL has its operations including the internal policies and procedures notified by SCL.
- All covered persons will obey all matters relating to service condition, rules and regulations of the company as modified and changed from time to time by the management.
- All covered persons shall conduct themselves in fair and dignified manner while interacting and dealing with others.
- Covered persons shall not discriminate other employees or workers and abide by principles specified in Non-discrimination and Anti-harassment policy of the company.
- Covered person shall provide proper, fair and accurate representation of the information available with him/her to the best of his/her knowledge, experience and qualification.
- Every covered person shall maintain harmonious relationship with all other employees, workers and other stakeholders of the Company with due professionalism.
- Every covered person shall pursue excellence in all spheres of his/her activities and strive to achieve the highest quality, effectiveness and dignity in their professional work

c) Workplace Conduct and conduct with external stakeholders

- Every covered person shall take decisions and undertake all activities in the best interest of the Company.

- Every covered person shall secure and protect physical, financial and intellectual property/ assets, interests of the organization by observing the discipline of internal controls.
- Every covered person shall respect and protect the confidential information and intellectual property of the Company that has been made available to him/ her for discharge of his/her responsibilities in the Company.
- All covered persons shall ensure safe and secure working environment for themselves and others by observing discipline on internal guidelines.
- Each covered person, who comes across or handles confidential data about the organization, business and personnel working within the organization, must maintain confidentiality of information (e.g. acquisition plan, personal details, health record, family, performance, etc.) and share the same only with authorized personnel for legitimate purposes.
- Every covered person will lend all support and assistance for Company's court proceedings/ legal cases to the best extent possible way as per management directions.
- Every covered person shall encourage and support professional development of fellow employees by providing necessary assistance and cooperation, thus enhancing the quality of working.
- Every covered person shall ensure to maintain proper disciplined media approach while representing and interacting on behalf of SCL on social media as per the guidelines and instructions of the management.
- Every covered person shall ensure that their interactions and transactions with customers and partners are transparent, professional and leave a positive image of the Company and its businesses.
- Any disclosure of organization information informally to the media shall constitute violation of Code of Conduct.
- All covered persons shall bring to attention, in case they notice infringement of intellectual property of the Company such as misuse of logo, misrepresentation of product, malicious propaganda, etc.

Violations of Code of Conduct

Any instance of non-compliance with this code of conduct can be reported through grievance mechanism as defined in the Stakeholder Engagement Policy of SCL.

Communication

This Code of Conduct shall be uploaded on the corporate website of the Company for information of all and ensuring compliance with provisions of this Code of Conduct.

Roles and Responsibilities

SCL expects all the covered persons to fulfil their roles and responsibilities in implementation of this code of conduct. The Head of human resources function is responsible for overlooking implementation of the policy.

Approval

This Code of Conduct was approved by the Board of Directors of the Company in its meeting held on 22nd May 2023.

Compliance with Code of Conduct

I acknowledge that I have read the Shree's Way of doing Business (Code of Conduct) and understand my obligations as employee /senior management personnel.

I undertake to uphold the provisions of this Code of Conduct and comply with the principles stated and implicit in the current Code of Conduct (including any amendments in the future.)

Signature: _____ Date: _____

Name: _____ Empl ID: _____

CODE FOR INDEPENDENT DIRECTORS

(In terms of Regulation 17(5) of SEBI Listing Regulations read with Schedule IV of Companies Act, 2013)

The Code is a guide to professional conduct for independent Directors. Adherence to these standards by independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent Directors.

I. Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The independent directors shall-

- (I) undertake appropriate induction and regularly update and refresh their skills, knowledge

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Proprietary information of Shree Cement Limited

- 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 behavior, 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.

IV. Compliance with provisions of Companies Act

The Independent Director while participating and discussing various board related matters shall ensure compliance of the following: -

- (A) Manner of appointment:
- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
 - (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
 - (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
 - (4) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;

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- (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D&O) insurance, if any;
 - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

(B) Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

(C) Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

(D) Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
 - (a) review the performance of non-independent directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(E) Evaluation mechanism:

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

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

I acknowledge that I have read the attached Code of Conduct for Directors of Shree Cement Limited and understand my obligations as an Independent Director of the Company.

I undertake to uphold the provisions of this Code of Conduct and comply with the principles stated and in the said Code.

Place:

Date:

Name: