



Policy on Ethics, Transparency and Accountability and Code of Conduct

Effective from:

Amended on:

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1. OUR CORE PRINCIPLES AND PHILOSOPHY

Shree Cement Ltd. ('SCL'/'Shree'/'Company') 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. This policy document acts as a guidance for all those covered by the same to act and behave in a manner which is ethical, responsible and sustainable.

1.1. Policy Statement and Objective

This policy on Ethics, Transparency and Accountability and Code of Conduct ('the Policy') is intended to serve as a basis for those who are covered by it for ethical work practices and decision making in the conduct of professional work. Company trusts that all those on whom this policy is applicable and those associated with them will adhere to this Policy in letter and spirit at all times when representing or working for the Company.

1.2. Scope and applicability

The Policy is applicable to the Company, its Board of Directors, senior management officials and all other employees of the Company while representing or working for Company or on its behalf. Company encourages all parties associated with it to comply with the principles of the Policy when acting on its behalf or in its name and avoid complicity with anyone that violates principles set herein.

1.3. Regular communication and update regarding Policy

All employees will receive regular communications and updates about this Policy and principles covered herein to ensure compliance with the same.

1.4. Violation

Violation of this Policy, principles and directives may result in serious consequences for SCL's employees including impact on career growth and performance appraisals, disciplinary action upto and including termination of the employment as well as possible civil or criminal penalties both for the Company and for individuals.

1.5. Annual confirmation

Every employee of the Company including Directors shall affirm that he has read, understood and has complied with the principles of this Policy on an annual basis. The format of compliance affirmation applicable to employees is attached as Annexure 1. The format of compliance affirmation for the Board of Directors is attached as Annexure 2.

1.6. Outsider's recourse

No third party or outsider shall have any right or recourse to any action or claim of whatsoever nature against any of Company's directors or employees for the non-compliance of any provision of this Policy including code of conduct.

2. CONDUCT AT WORKPLACE

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

2.1. Protecting Company's assets

All employees are responsible for protecting Company's assets and using good judgement to ensure that physical and intellectual properties as well as financial assets are not damaged, stolen, misused or wasted. SCL regularly produces valuable, non-public ideas, strategies and business information which is confidential and required to be protected. Improper disclosure of such confidential information is prohibited. Similarly, the physical assets such as equipment, materials and facilities which are instrumental in performing day-to-day work should be protected and safeguarded from theft, loss, misuse and waste.

2.2. Internet and information system

Company provides internet access, email and other applications to its employees and to third parties strictly for business purposes only. All business communications and collaborations internally within the Company and with third parties must be done using Company approved electronic communications and e-mail accounts. The employees must not abuse Company's IT systems, internet access, email accounts or other information and communication media for illegal and unethical purposes.

2.3. Third party and employee confidential information

All persons covered by this Policy shall be responsible for protecting confidential information entrusted to the Company by its customers, suppliers and other business partners as carefully as they protect Company's own information. Further, all concerned in the Company should gather and maintain employee data according to applicable legal requirements and access to this data must be permitted with proper authority.

2.4. Non-discrimination and equal opportunities

Company is committed to providing equal opportunities irrespective of gender, age, cultural and educational background, ethnicity, professional experience including relevant industrial experience, skills, knowledge and length of service and will not tolerate discrimination of any kind on any of the said aspect. It recruits, retains and develops people based on suitability of role and the provide equal opportunity for personal and professional growth.

2.5. Health and Safety

Health and Safety of employees and those working with it is of paramount importance to the Company. The Company has laid down detailed process guidelines to ensure what is acceptable and what is not acceptable from health and safety perspective at workplace. All employees, workers, contractors, etc. working for or associated with the Company are expected to adhere to the same.

2.6. Threats or acts of violence

All employees of the Company are expected to demonstrate courtesy and respect liberty and freedom of others as well. All those associated with the Company must keep the work environment free from violence, abusive behavior or intimidation.

2.7. Harassment

Harassment is a form of discrimination consisting of unwelcome behavior with a purpose of creating an intimidating, hostile or offensive work environment. It can be in many forms including physical actions, verbal or written remarks or visual depictions. Sexual harassment is evidenced by unwelcome sexual advances, requests for sexual favours and other verbal or physical conduct of a sexual nature that tends to create a hostile or offensive work environment. SCL strictly prohibits any act of harassment, whether done by employee or non-employee.

3. INTEGRITY IN BUSINESS PRACTICES

SCL is committed to maintain integrity in its business practices and ethically conduct its operations. It strives in attaining high level of legal and ethical standards and does not tolerate any form of bribery, embezzlement or corruption. In general, all those covered by this Policy will adhere to the following principles:

3.1. Compliance

To ensure that Company remains compliant with all the laws and regulations as applicable to its operations and shall encourage everyone involved in its value chain to do the same.

3.2. Contractual Obligations

To ensure that that Company pays its suppliers, employees and others entitled to receive money from it according to agreed contracts only unless specifically agreed otherwise.

3.3. Fair Competition/ Compliance with Anti-trust/ competition laws

Company believes in free markets and competing fairly. It is committed to complying with applicable antitrust and competition laws. Violation of antitrust and competition laws are never in its interest and are not tolerated either. All the employees of the Company engaged in selling its products and services must exhibit their conduct in line with Company's stated policy and commitment. They shall also affirm their compliance with antitrust and competition laws on annual basis in line Company's guidelines in this regard. Company encourages all parties associated with

it to comply with the above mentioned principles and avoid complicity with anyone that violates above principles.

3.4. Business Integrity

All those covered by this Policy shall not do nor give or receive, directly or indirectly, for business or financial gains, any financial inducement or improper advantage, or engage in any form of unethical conduct or exercise undue influence over any other third party. They shall not indulge in giving extravagant, lavish or uncustomary gifts to government or public authorities which may obligate or appear to obligate or inappropriately influence the recipient.

3.5. Anti-bribery and anti-corruption

SCL believes in adhering to utmost ethical standards and does not allow practices like bribery and corruption in any form. Abiding by rule of the law and setting an example on how to conduct ethical business is one way for SCL to put its commitment into action. SCL has framed an anti-bribery and corruption policy setting out the principles for those covered by this Policy for appropriate business conduct and related rules while performing their activities and interacting with third parties including public officials or commercial parties. Anti-bribery and corruption policy is available on the intranet of the Company and all those who are covered by the same are expected to strictly adhere to provisions of the same.

3.6. Conflict of interest

The employees of the Company shall avoid any activity or association that creates or appears to create a conflict between the personal interest and the Company's business interests. In general,

- the employee 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 employee shall indulge in any action that may be construed as conflict of interest. e.g. Insider trading, Personal investment in Business Partners/ Competition, etc. Each employee shall ensure that all policies of the Company dealing with conflict of interest are adhered to. e.g. employment of near relations, business dealing with friends and relatives, re-employment of ex- employees, etc.

3.7. Insider trading/dealing

Insider trading or dealing is unethical and illegal as defined in Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended). Employees, officers, auditors, and directors of the Company are not allowed to trade in the Company's securities while in possession of material non-public information regarding the Company. It is also illegal to “tip” or pass on inside information to any other person who might make an investment decision based on that information or pass on the information further.

3.8. Dealing in international business

Given the global nature of its business, SCL may be represented outside its national market into international market as well. SCL is committed to comply with applicable laws and regulations of such international market including export and import laws, trade sanctions, embargoes and government orders or policies that affect trade.

3.9. Money laundering

SCL shall endeavor to do businesses with reputable business partners who conduct lawful business activities and whose funds come from legitimate sources. While dealing with business partners, SCL's employees shall ensure to follow all accounting, record keeping and financial reporting requirements applicable to payments and other dealings in connection with its business transactions including compliance and/or obtaining applicable KYC requirements.

3.10. Accuracy of records and disclosures

All employees shall ensure to vouch for completeness, validity and accuracy of the records, financial or otherwise and the validity of all information. They will ensure that all public announcements of the Company are fair, timely, and understandable and comply with all applicable laws and regulations and that the Company's records are retained according to applicable laws as well as Company's policies and guidelines.

3.11. Code of Conduct guidelines

The Company expects all its employees including Directors to observe the principles of its code of conduct as outlined in this Policy. They shall also confirm annual compliance to the same.

4. CONDUCT FOR THE COMMUNITY

4.1. Environment

As a responsible corporate citizen, SCL is mindful of its obligation towards environment and the need for active engagement to protect and preserve natural resources. SCL aims to intensify its efforts in the area of reducing greenhouse emissions, energy & water conservation, reduction of waste, use of alternative raw materials and fuels etc. All those covered by this Policy must adhere to ensure that the Company's efforts truly reflect this commitment.

4.2. 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. The Company and all those covered by this Policy must not engage into areas like child labour, physical punishment, forced or compulsory labour, discrimination, harassment, violence, etc.

4.3. Stakeholder and community 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. SCL strives to fulfil its responsibility towards communities by contributing through investment and engagement and building relationships based on mutual respect and trust with all stakeholders in the communities. All concerned covered by this Policy must adhere to ensure that the Company's efforts truly reflect this commitment.

4.4. 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. All concerned covered by this Policy must adhere to ensure that the Company's efforts truly reflect this commitment.

5. ROLES AND RESPONSIBILITY

The Environment, Social and Governance (ESG) Committee of the Company is responsible for the following:

- To establish processes to ensure proper implementation.
- To ensure review of the Policy from time to time;
- To allow for the tracking and review of inappropriate items and exceptions; and
- To authorize exceptions to this Policy;

6. COMMUNICATION AND UPDATION

This Policy will be communicated to all employees and also to external stakeholders. It will be posted on the website of the company. This Policy 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 implementation regarding this Policy or any concerns under this Policy, the same may be referred to the Compliance Officer of the Company at ethics@shreecement.com. Separately, if any employee or director or those who are covered under this Policy come across instances of non-compliance or violation of this Policy or ethical dilemma such as misconduct, conflict of interest, etc., he or she must report/ inform to their supervisor / head of department / functional head or Compliance Officer and report concerns or non-compliant conduct in good faith as per the Whistleblower Policy of the Company. All concerns or queries received on good faith basis shall be thoroughly examined and responded.

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

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

I, _____ (ECD _____) having read and understood the Policy on Ethics, Transparency and Accountability and Code of Conduct applicable to all the personnel including members of the Board of Directors of Shree Cement Ltd. ('SCL'), hereby 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 maintain proper dress code during working hours and shall maintain punctuality in my attendance;
- I will 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;
- I will maintain harmonious relationship with all other employees, workers and other stakeholders of the Company with due professionalism;
- I will lend all support and assistance for Company's court proceedings/ legal cases to the best extent possible way as per management directions;
- 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 anyone 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: _____

Shree Cement Ltd.

AFFIRMATION OF CODE OF CONDUCT BY BOARD OF DIRECTORS

(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 Policy on Ethics, Transparency and Accountability and Code of Conduct applicable to all the personnel including members of the Board of Directors of Shree Cement Ltd., hereby solemnly affirm that I have complied with and have not violated any of the provisions of Policy on Ethics, Transparency and Accountability and Code of Conduct during the year ended

I hereby further confirm that I will (*applicable in case of Independent Directors only*) —

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- b) 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;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which I am a member;
- d) participate constructively and actively in the committees of the Board in which I am chairperson or member;
- e) strive to attend the general meetings of the Company;
- f) where I have concerns about the running of the Company or a proposed action, ensure that such concerns 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;
- g) keep myself 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 committee of the Board;
- i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure myself 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 concerns about unethical behaviour, actual or suspected fraud or violation of the company's Code of Conduct and Policy on Ethics, Transparency and Accountability;
- l) acting within my 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.

Signature: _____
Name: _____
Place: _____
Date: _____