

Anti-Corruption Policy

Shree Digvijay Cement Co. Ltd.

1. Purpose:

Shree Digvijay Cement Company Limited (“SDCCL” or the “Company”) is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices. It is SDCCL’s policy to conduct all of its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforce its business practice, of not engaging in bribery or corruption.. This policy provides guidelines for performance and conduct of Employees, Managers and Third Parties before any government agencies in carrying out their tasks on behalf of SDCCL.

It is essential that all those who are associated with the interests of SDCCL recognize the challenges and opportunities inherent in conducting international business and renew common commitment to the highest ethical standards in the conduct of business of SDCCL. The type of business that it develops with both private clients and with governments around the world, all its executives and employees should be aware of this policy, request clarifications and additional information as needed, observing its terms as well as all applicable anti-corruption laws at all times. This Policy should be read and interpreted together with the SDCCL’s Code of Conduct and other general management policies.

2. Applicability & Scope:

This policy applies to all employees and executives of companies of SDCCL, no matter their country of origin or where they live. They are always responsible to understand and comply with this policy.

3. Definitions:

- a) Bribery: The offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.
- b) Corruption: The abuse of entrusted power for private gain.
- c) Managers: officers, directors and committee’s members.
- d) Purchase for Technical Preferences: purchase process in which the purchase may be made with a specific supplier who presents a notorious technical differentiation according to the guidelines set in the Purchase Policy.
- e) Delegated Purchase: purchase process in which the negotiations and purchase itself are done directly by the requesting area without the involvement of Procurement, in accordance with conditions and limits set in the Purchase Policy.
- f) Related to Government Authority: friends, spouse or other family member of a Government Authority getting the benefit of that condition.
- g) Employees: persons on SDCCL’s employee payroll and, where applicable, registered according to applicable labor laws. The persons may be employed on a full time, part time or temporary basis
- h) Third Parties: Any person or entity engaged in the commercial interests of Shree Digvijay Cement Companies or addressing their business issues, including, without limitation: representatives, agents, consultants, distributors, resellers, brokers, customs agents, service providers, shippers,

contractors and suppliers, individuals or entities, regardless of their corporate form.

- i) Government Authority or Government Official: A broad concept, which includes, without limitation:
 - (i) any officer or employee of a government, of a public international organization, or any of its departments, agencies or bodies;
 - (ii) any person who acts as a high-ranking official;
 - (iii) any senior officer, authority or employee of a political party;
 - (iv) any candidate for public office; and
 - (v) any officer, employee or agent of a state company.
 - (vi) Persons Related to the Government Authority: any one with a relationship of familiarity to a Government Authority, including but not limited to friends, spouses or other family members of a Government Authority, getting a benefit of such condition of Government Authority.
- j) State Company: Company whose property (in whole or in part) belongs to the government or is controlled by government.
- k) Modest in Value and Frequency: The benefit granted is sufficiently small in value and/or frequency so that could not be considered a bribe. This means that the expenditure should be appropriate to the circumstances and the person(s) involved; small in value and not repeatedly offered. The benefit offered or given should not be seen, in fact or reasonably, as something that has unduly influenced the way the decision making of those who received it.
- l) Nominal Value: The value is small enough to not be seen as something that has improperly influenced the judgment or the decisions of those who received it.

4. Guidelines:

4.1. Policy Statement

Employees, Managers or Third Parties acting on behalf of the SDCCL should never offer or grant anything of value in order to influence decisions that affect the business of the company; or to obtain a personal gain that may have an impact on the business interests of SDCCL; or to obtain confidential information on business opportunities, bidding or the activities of their competitors.

Employees, Managers or Third Parties of the SDCCL should avoid any conduct that may have an appearance of impropriety. SDCCL makes decisions based only on legitimate business factors, such as price, quality and service, among other reasonable factors. Gifts, entertainment, hospitality benefits, political or charitable donations, favors and other benefits offered or received should never be part of any decision-making within SDCCL.

4.2. Giving and Receiving Gifts

No gift may be offered, promised, given or received, directly or indirectly, with the objective of influencing decisions that affect the business interests of the company.

All gifts given or received should be legitimate in accordance with applicable law, may never be offered or received in cash or equivalent values.

Where it is appropriate to give gifts, SDCCL strongly encourages the use of items with a nominal value. Such gifts may include items that display company logos and/or company products.

All Employees, Managers or Third Parties of the SDCCL is strictly prohibited from, directly or

indirectly promising, offering or giving gifts that are not modest in amount and frequency, to Government Officials or Persons Related to Government Authority.

All records (including expense reports) relating to gifts given and received must be complete and correct. Submitting false or misleading information or knowingly omitting information may give rise to disciplinary actions against employees and/or executives involved, up to and including Termination of employment. Despite the value, SDCCL discourages its employees and executives to receive gifts of any kind if the employee or executive is able to influence or make decisions that affect the business that Shree Digvijay Cement has or may have with the donor or the donor's company or employer. If a gift is received, the executive or employee shall comply with the provisions of specific policies for SDCCL.

The guidelines, procedures and approval process set by the Gifts, Entertainment and Hospitality Policy shall be observed and followed in all instances.

4.3. Entertainment

All employees, executives, officers, representatives and agents of the SDCCL is strictly prohibited from, directly or indirectly promising, offering or providing any type of entertainment that is not modest in amount and frequency, to any Government Authority or Persons related to the Government Authorities.

Any type of entertainment provided shall be lawful according to all applicable laws, and may not include sexual services, drugs or any other illegal activity. All records (including expense reports) relating to entertainment should be complete and correct. Submitting false or misleading information or knowingly omitting information may give rise to disciplinary actions against employees and/or executives involved, up to and including termination of employment.

4.4. Benefits of Hospitality

Benefits of hospitality are expenses that intend to promote cordial relations or demonstrate products or services for legitimate business purposes. The following are considered benefits of hospitality, among others: costs of meals, entertainment, transportation, accommodation and reimbursement of expenses to persons who are not employees of SDCCL. These must be lawful under all applicable laws, and may not include sexual services, drugs or any other illegal activity.

SDCCL discourages direct or indirect benefits of hospitality to any Government Authority, Government Officials and Persons Related to Authorities of the Government wherever possible. If benefits of hospitality are provided, the costs shall be in accordance with the specific rules and policies of Shree Digvijay Cement Companies established for this purpose and must follow established approval procedures established.

All the benefits of hospitality must meet the following conditions:

a) SDCCL employees and managers should not select specific person(s) that will receive the benefits

of hospitality. They must be reported by the agency or company they work for; however, employees and executives of SDCCL may give suggestions to ensure the participation of key people to achieve their legitimate purposes.

b) SDCCL will pay only the expenses necessary to achieve the legitimate business purposes and in the most efficient way possible. This does not include excursions, side trips outside of the scheduled event itinerary, entertainment (that is not in accordance with this Policy) or "extra days".

c) The expenses necessary to provide benefits of hospitality must be for merely modest travel and/or modest accommodations.

d) Persons Related to the Government Authority should not accompany the Government Official(s) and, in any event, SDCCL will not pay for such expenses.

e) Employees, managers or third parties of SDCCL shall not offer or provide money or its equivalent, or a daily stipend to the Government Official(s).

All records (including expense reports) for the benefit of hospitality should be complete and correct. Submitting false or misleading information or knowingly omitting information may give rise to disciplinary actions against employees and/or managers involved, up to and including termination of employment.

4.5. Facilitation Payments

Facilitation payments are payments made in order to expedite or secure the performance of routine, non-discretionary actions of government. Even the smallest facilitation payments to Government Officials, if given in order to expedite or secure the performance of routine, non-discretionary actions of government, are illegal under most local laws where SDCCL operates and are therefore strictly prohibited.

4.6. Political Contributions and Sponsorships

Political contributions and sponsorships can be made only if they comply with all applicable laws and the rules and relevant policies for these specific purposes of each SDCCL.

4.7. Social Responsibility and Charitable Contributions

SDCCL takes seriously its obligation to make a difference in countries and regions where it operates. SDCCL is responsible for social responsibility initiatives, such as support for social projects focusing on the overall development of youth by investing in programs in the areas of Education, Health, Socio Economic Development etc.

If employees or executives of SDCCL wish to take such initiatives, they should coordinate actions in conjunction with the CSR Function of the SDCCL. No employee, partner or officer of SDCCL may, on behalf of SDCCL, offer, make or commit to a contribution or donation or social responsibility project in exchange for some benefit related to the business interests of SDCCL or individual interests of any officer, employee or executive associated with SDCCL. To ensure that these operations do not facilitate money laundering or any other illegal activity, SDCCL and/or CSR Function of SDCCL should conduct proper research regarding the identity and reputation of the organization or person, the identity of the main participants, the nature of activities of the organization and its links with other entities. All records relating to donations and contributions shall be complete and correct, with some review of and proof that donations and contributions were used for the purposes for which they

were originally intended.

4.8. Other Types of Benefit

Providing favorable opportunities (including securing internships and jobs related to a customer or business partner; making a charitable contribution or otherwise with respect to the activities of SDCCL; lending a product or providing access to facilities for SDCCL should be regarded as acts subject to the anti-corruption laws. According to these laws, the form of "bribes" includes "anything of value" - i.e., favors, jobs, amenities, social donations or favourable opportunities provided directly or indirectly to business contacts and people that may impact the business of SDCCL.

Employees and officers of SDCCL must recognize and address these situations with great caution and contact your supervisor or the Legal Department before offering or providing these types of benefits to anyone that may have an impact on the business interests of SDCCL.

4.9. Other Conducts Prohibited

Additional conducts strictly prohibited:

- a) Any form of corruption, extortion or fraud;
- b) Offering or accepting bribes, kickbacks or other illegal incentives;
- c) Falsification of documents, expense reports, financial records, brands or products;
- d) Embezzlement, smuggling, forgery, industrial espionage or other unfair and anticompetitive practices.

4.10. Accounting Controls

4.10.1. Accounting Books and Records

SDCCL maintain a system of internal accounting control that requires all employees to provide and maintain detailed records that accurately and reliably reflect the transactions and disposition of assets of the company. False, misleading or incomplete entries in such records or other documents are strictly prohibited. Funds or accounts that are not reported or recorded cannot be established by employees, managers or third parties of SDCCL, whatever the reason. The fixed assets of SDCCL should be regularly reconciled with the SDCCL financial accounting records for fixed assets. Expenditures incurred by employees and managers of SDCCL need to be substantiated and proved by detailed description of activities, and by valid receipts or invoices that reflect the amounts spent.

Both the presentation and the conscious acceptance of records, receipts and/or false invoices is strictly prohibited and will be subject to sanctions, up to and including termination of employment or filing a lawsuit against the person(s) involved.

4.11. Third Parties

SDCCL conducts its business according to the highest standards of ethics and integrity and does business only with integrity, and with honest and qualified Third Parties. SDCCL should conduct the necessary analysis before hiring Third Parties and should perform monitoring activities after hiring Third Parties. The value of analyzing and monitoring should be proportionate to the risk of corrupt activities that occur in the geographic region, the sector or the specific project in question, as well as all the relevant knowledge, if any, of the SDCCL about the Third Party concerned SDCCL should

not hire Third Parties who have been nominated or recommended by Government Officials. All contracts with Third Parties must include clauses to ensure compliance with this Policy, to mitigate the risks of corrupt acts. The hiring of Third Parties that represent SDCCL before the Government Authority by Technical Preference or Delegated Purchase is prohibited. It is also forbidden for a Third Party to start a service provision without signing an agreement establishing the commercial guidelines.

4.12 . Participation in Bids

Bids are procedures used by direct administration agencies, special funds, autarchies, government foundations, government-owned companies, quasi-government companies, and other entities controlled directly or indirectly by Federal Government, States, Federal District or Municipalities to contract services or products from third parties. Bids have the main purpose to ensure the isonomy, impersonality, morality, equality and publicity in selection of the most advantageous proposal for Government Administration and shall be carried out in strict compliance with applicable legislation.

Employees, Managers and Third Parties acting on behalf of SDCCL shall always act in a transparent and honest manner in respect to all and any process or procedure involving bids or contracting with government administration, in domestic and international scope, however, all actions are forbidden that could constitute fraud in a public bid or manipulation of the bidding result.

All decisions made during the bidding procedures shall have sole, exclusive, strict grounds on technical, economical and legal standards and in no event there will be undue use of any influence on Government Authority or competitors.

Employees, Managers and Third Parties should communicate with the responsible Government Authority during a bid only, and just to clarify technical doubts on the bid rules and documents to be submitted. It is recommended that such contacts are made in writing, whether by letter, email or any other digital means. If the contact is made verbally it shall be registered in writing to the Legal Department.

4.13. Violation of Law or Policy

4.13.1. Violations

Violations of this policy may result in penalties for the Company and for the individuals involved. Penalties may include disciplinary action, including, without limitation, termination, fines, civil process and arrest and/or criminal prosecution of individuals involved.

4.13.2. Duty to Report

Any employee or executive of SDCCL who knows or suspects the actual or imminent occurrence of any violation of this Policy should contact your immediate supervisor and/or Functional Head and/or the Legal Department and/or the Human Resources Department. SDCCL will not tolerate any act of retaliation against the person who communicates in good faith, suspected violations of the law or of this Policy.

4.13.3. General Provisions

SDCCL will not tolerate any act of retaliation or penalty against a person who refuses to commit corrupt acts, even if that means delays or loss of business. Questions about the applicable law or interpretation of this Policy should be clarified with the Legal Department of SDCCL. Employees should report any concerns or any suspicious activity that may be in violation of this Policy through one of any channels (Contact your immediate supervisor and/or Functional Head and/or the Legal Department and/or the Human Resources Department). Allegations of fraud, embezzlement, bribery in commercial acts or negotiations involving employees, partners, officers, suppliers, contractors or business partners, should be accompanied, where possible, with concrete facts and data. All complaints received by SDCCL will be treated with confidentiality as permitted by law.

5. Impacts resulting from the non-compliance of Law or Policy

5.1. Breaches

Breaches of this policy and the anti-corruption legislation will be investigated by the Legal department. Penalties for individuals may include disciplinary actions including but not limited to the dismissal for cause, or termination of agreement notwithstanding other penalties established in the Code of Conduct and the applicable legislation.

5.2. Duty to Report

Any Employee, Manager or Third Party acting on behalf of SDCCL knowing or suspecting of actual or imminent occurrence of any breach of this Policy shall report the case preferably through the Manager, General Manager or Officer of the area and/or Legal Department and/or Compliance Officer of SDCCL. SDCCL will never tolerate any retaliatory act against the person who in good faith reports suspicions of breaches of the law, ethics or its policies.

6. Other Guidelines for Deployment:

This policy should be fully deployed in Shree Digvijay Cement Company Limited. In addition, the following laws in India also presently apply to offences relating to or resulting in corruption and bribery and resolutions available in case of occurrence of corruption or bribery:

- i) Indian Penal Code, 1860 (“IPC”);
- ii) Prevention of Money Laundering, 2002;
- iii) Central Vigilance Commission Act, 2003;
- iv) Lok Ayukta Acts of various states.

7. References:

- Code of Conduct
- SDCCL Gift, Entertainment & Hospitality Policy
