

SWARAJ AUTOMOTIVES LIMITED
CODE OF CONDUCT - EMPLOYEES

RATIONALE

Working by the Company's philosophy, we must always act with integrity to ensure that we are trusted by our customers, colleagues, business partners, and the communities in which we operate. Our Code of Conduct (Code') sets out what we expect from every single person working for and with the Swaraj Automotives Limited ('Company' or 'SAL'). It also underlines our responsibilities to our people, partners, and shareholders.

The Code is for everybody working for or on behalf of the Company. We expect everyone who represents the Company to uphold the same standards and to abide by our Code and policies. In case we need any clarification or guidance on the Code, we should contact the Company Secretary.

The Company expects us to:

- Behave in an ethical manner, taking pride in our actions and decisions.
- Comply with the principles and rules in our Code, and fulfill our legal and regulatory obligations.
- Seek guidance wherever required if we feel a working practice is not ethical or safe.
- Report non-compliance or breach of our Code immediately.

MAINTAINING ETHICAL BUSINESS STANDARDS

a) Prevent conflicts of interest

We are expected to act in the Company's best interests and exercise sound judgement when working on its behalf. This means that business decisions should be made free from any conflict of interest. Even the appearance of a conflict can damage an individual's and/or the Company's reputation.

A 'conflict of interest' may occur when our external activities or personal interests conflict, or appear to conflict, with our responsibility towards the Company. It could also include situations when we use our position with the Company, or information we have acquired during our employment, in a way that creates a conflict between our personal interests and the interests of the Company. We are expected to disclose all situations relating to conflict of interest voluntarily, as soon as we have knowledge of the same.

i) Outside employment

During our employment with the Company, we shall not engage in any vocation, training, employment, consultancy, business transaction, or any other activity, including serving as a director, trustee, officer, or advisory board member, which is in conflict with the interests of the Company, in any capacity whatsoever whether for any consideration or not. In case we wish to engage in any non-conflicting vocation, training, employment, consultancy, or business transaction, or any other activity, we should obtain prior approval from the Head-Human Resource department.

ii) Dealings with relatives

If we seek to engage in or enter into any financial or non-financial dealings with a related party (refer 1 of Appendix 1 for definition), relative (refer 2 of Appendix 1 for definition) or a related party of a relative, directly or indirectly, in our capacity as an employee of the Company, we must seek approvals of the potential or actual conflict of interest situation from the Plant Head and ensure that we are in no way directly or indirectly influencing the decisions with respect to such party.

iii) Engaging vendors, customers, or any other business partners for personal use

We should not accept favours of any kind from vendors, customers, or any other business partners of the Company. We should not use Company vendors, customers, or any other business partners for personal use, on terms other than those available to the general public or those established by Company policy, unless we have disclosed the same to the Plant Head. Such disclosure should be accompanied by both the particulars and value of the products or services availed.

iv) Outside investments

We should not make or hold a significant investment in any entity that competes with, does business with, or is seeking to do business with the Company, without taking an approval of the Plant Head. Such approval by Plant Head should be granted in consultation with the Company Secretary. An interest is considered 'significant' if it could impair, or reasonably appear to impair, the employee's ability to act in the best interests of the Company.

b) Anti-bribery and corruption

We should follow zero tolerance policy for bribery and corruption or facilitation payment. Each one of us should ensure at all times that we follow all the applicable anti-bribery and anti-corruption laws. We should encourage anti-bribery and anti-corruption practices amongst everyone working on behalf of the Company. We should not knowingly allow, or ignore signs of someone acting on our behalf, paying or receiving any bribe, kickback or facilitation payment. If anybody requests or offers a bribe or kickback, it should be refused and must be immediately reported to the Company Secretary.

c) Involvement in political activities

The Company does not support any specific political party and does not have any political affiliation. Therefore, no contributions should be made, on behalf of the Company, either directly or indirectly, to any political party or for any political purpose without prior approval of the Board of Directors.

We shall co-operate with the Government, Chambers of Commerce, and Trade Associations in matters concerning the industry, with a view to promoting, protecting, and enhancing our business interests.

d) Gifts and entertainment

In general, we are not encouraged to accept or offer (directly or indirectly) gifts or entertainment (refer 3 of Appendix 1 for definition) from past, current, or prospective customers, suppliers, distributors, dealers, or any other business associates of the Company. We should promptly refuse to accept or offer gifts or entertainment. However, it is sometimes considered customary to offer or receive gifts. In such situation, these should be restricted to promotional or advertising material or such items that are customary or considered to be prudent or of a symbolic nature of the management, having regard to the nature of the business, the type of markets in which the Company is operating and the event being observed. It would however be unethical and incorrect to gift items where there is an intention to derive any benefit in return.

COMMITMENT TO BUSINESS ASSOCIATES, SUPPLIERS, CUSTOMERS AND ENVIRONMENT

Ensuring product quality

Quality is our most valued asset and it remains at the core of our business policy. We seek to satisfy our customers' high quality and safety standards.

Responsible marketing

We compete vigorously and effectively with fairness and honesty of purpose. Honesty is our guiding principle in all our sales, marketing, and advertising pursuits. We ensure that only complete, factual, and truthful statements about the Company and its products and services are made in all our advertising or marketing campaigns.

Commitment to our customers

We must treat our customers ethically, fairly, and in compliance with all applicable laws, and earn our business on the basis of superior products, customer service, and competitive pricing. We do not enter into any kind of unfair or deceptive trade practices to win any deal or customer. Customer complaints and concerns should be attended to the fullest satisfaction of the customer.

Commitment to our suppliers and business associates

Just as the Company competes fairly, we should make sure that all our decisions are based solely on the ability to add value to the Company's products or services, or help fulfil the strategic growth plans of the Company.

We choose our suppliers based on competitive price, quality, delivery, service, reputation, environmental, and business practices. We also expect our suppliers to support our core labour standards and abide by all applicable laws.

We treat our suppliers and subcontractors with fairness and integrity. We respect the terms and conditions of our agreements with suppliers and honour our commitments.

Antitrust and competition law

We seek to compete fairly, ethically, and within the framework of all applicable competition laws. Anticompetitive practices can damage the business and reputation of the Company.

We should not seek information about competitors using theft, deception, misrepresentation, or any other illegal or unethical means.

Commitment to the environment

We are committed to work for the upliftment and betterment of the communities we operate in. Our operations, products and services, while meeting regulatory requirements should also accomplish their functions in a manner that protects health and the environment. Every possible effort shall be made by us to maintain the ecological balance, conserve scarce natural resources, and avoid pollution.

COMMITMENT TO STAKEHOLDER

Compliance with the law

We are expected to conduct business as responsible corporate citizens, and follow the applicable legal framework in spirit and by letter of the law. All of us are expected to know and understand the legal obligations that apply while executing our duties and responsibilities on the job. Ignorance cannot be an excuse for violation of law. Where any provision of the Code conflicts or is inconsistent with applicable law, the provisions of that law must be complied with and would override this Code.

Violations of applicable government laws, rules, and regulations may subject us to individual criminal or civil liability. Such individual violations may also subject the Company to civil or criminal liability, or the loss of reputation or business, and both these events may attract disciplinary action by the Company.

Books, records, and public disclosures

We must ensure that the Company's accounting and financial records meet the highest standards of accuracy and completeness. We should record and report all financial and non-financial transactions and information honestly, accurately, and objectively for stakeholders' (refer 4 of Appendix 1 for definition) perusal. The records must be managed securely with their importance to the Company and in compliance with legal, tax, regulatory, accounting, and business retention requirements.

Those authorised to make disclosures of the Company's information must ensure that information provided to the public is true, accurate, and complete. No disclosure should be misleading.

Insider trading

Insider trading in securities of the Company is not permitted. The Code of Conduct prescribed by the Board of the Company for the prevention of insider trading in securities of the Company will have to be strictly adhered to and requisite disclosures made.

Assist in audit and investigation

During our employment with the Company, we may be asked to participate in an audit or internal investigation conducted by the Company's external auditors or other audit agencies. We should cooperate fully and communicate honestly when participating in such efforts.

We may also receive a request for documents or a request to meet with regulators or lawyers in connection with a legal proceeding or government investigation. If we receive such a request, we should immediately contact the concerned functional head for information and guidance.

Fraud and misconduct

Any fraudulent (refer 5 of Appendix 1 for definition) behaviour, misrepresentation or misconduct is liable to be investigated and the employee(s) concerned is liable to face appropriate disciplinary and/or legal action. Acts of commission or omission which are detrimental to the business of the Company i.e. bribery, fraud, pilferage, theft, unrecorded sales or purchase, partial recording of income, etc. are termed as misconduct.

We are all responsible for reporting fraud, falsification, and manipulation of data and information.

Investor relations

The Company recognises the rights of its investors to information and it shall always be sensitive to this need. The relevant information will be speedily disseminated and shall be as informative as it is required to be, subject to considerations of confidentiality and applicable legislation. No information shall be made available on a selective basis to specified groups of investors in a manner that places them at an advantage over other groups of investors.

BEHAVIOUR AT THE WORKPLACE

Equal employment opportunity and respecting diversity and human rights

We take pride in saying that we provide equal opportunity and inclusion for all employees through our employment policies and practices. We recognise that a mix of backgrounds, opinions, and talents enriches the organisation and helps us achieve success.

We celebrate the importance of diversity in our workplaces and hence, we strive to be as diverse as the customers we serve.

We recognise the importance of maintaining and promoting fundamental human rights in all our operations. We provide fair and equitable wages, benefits, and other conditions of employment.

We respect employees' right to freedom of speech and provide safe and humane working conditions.

We strictly prohibit forced labour and child labour.

We respect the individual and create a culture of trust and respect that promotes a positive work environment.

We never discriminate or treat employees or job applicants unfairly and are committed to provide equal opportunity in employment. No decisions should be made on the basis of gender, race, colour, nationality, ancestry, religion, physical or mental disability, medical condition, sexual orientation, or marital status.

Conduct at the workplace

We should ensure that our behaviour with our fellow colleagues does not give an unprofessional impression about us at the workplace. Touching others inappropriately or in a way that can be regarded as vulgar should be avoided. We should always be humble, courteous, and behave in a decent and professional way.

We are expected to be properly groomed and neatly dressed while at work, both when inside or outside the office premises.

The Company does not encourage insinuations, half-truths, rumours and gossip, all of which attack the self-respect of the individual and/or attempt to divide the employees into groups.

Freedom from harassment

“Harassment” is behaviour that creates an offensive, intimidating, humiliating, or hostile work environment. Harassment may be physical or verbal, and may be done in person or by other means (such as harassing messages or emails). Examples of such harassment include unwelcome sexual advances or remarks, offensive jokes and disparaging comments, sexually explicit graphics, pictures, videos, animation, etc. It is important to remember that harassment, sexual or otherwise, is determined by our actions and how they impact others, regardless of our intentions.

The Company sets a standard of ‘zero tolerance’ for harassment. We are all responsible for ensuring that we avoid actions or behaviour that are, or could be, viewed as harassment.

We view all incidents of ‘sexual harassment’ very seriously and the Company management may initiate strict disciplinary action against any employee found guilty of any kind of sexual harassment.

Ensuring health and safety

We value each individual as an important asset of the organisation and are committed to high standards of safety and protection.

Each one of us has the responsibility to follow the Company’s safety and security procedures, as well as applicable laws and regulations at all times. We should intervene and report immediately, if health and safety is compromised.

We own and operate facilities with the necessary permits, approvals, and controls that are designed to protect health, safety, and the environment. Our contractors and other third parties are expected to commit to the same levels of health and safety protection.

Drugs and alcohol

We are not permitted to use, possess, sell, transfer, manufacture, distribute, or be under the influence of illegal drugs or alcohol on Company workplace premises, while at work during working or non-working hours. In addition, we should not report to work while under the influence of, or impaired by, alcohol or illegal drugs or substances.

Adhering to anti-violence guidelines

With respect to the Company's commitment to providing a safe work environment, we never engage in or tolerate any form of violence or bullying irrespective of the designation of the employee involved. We want to foster the kind of environment where people feel safe and are treated with respect and professionalism at all times.

We are prohibited from engaging in any act on Company premises that could cause another individual to feel threatened or unsafe. This includes verbal assaults, threats, or any expression of hostility, intimidation, aggression, or ragging. We are also prohibited from possessing weapons at our workplace.

PROTECTION OF ASSETS AND INFORMATION MANAGEMENT

Protection and responsible use of corporate assets and information technology

Everyone at the Company is personally responsible for safeguarding, securing, and protecting the Company's assets and information technology from theft, destruction, misappropriation, wastage and abuse. Our assets include property, time, proprietary information, corporate opportunities, Company funds, and Company equipment.

Company assets must be used only for business purposes and to advance our strategic objectives. We are allowed occasional personal use of Company assets and information technology, as long as it does not compromise Company's interests, adversely affect our job performance or result in undue abuse of the Company's resources.

Protect confidential information of the Company, its employees, and its business associates

During the course of work, we may have access to confidential information about the Company. 'Confidential Information' is generally non-public and/or personally identifiable information (refer 6 of Appendix 1 for definition) that employees may be aware of as a result of their position with the Company and that might be of use to competitors or harmful to the Company if disclosed.

We should disclose confidential information only to:

- Fellow Company employees or third parties who have a legitimate clearance, on a 'need-to-know basis'
- Those who have a clear duty or obligation to keep the information confidential
- Those who have a legal obligation to disclose this information as required.

Intellectual property and Trademarks

We must respect the intellectual property (IP) (refer 7 of Appendix 1 for definition) belonging to third parties, and may never knowingly infringe upon the IP rights of others. We should be

cautious when preparing advertising or promotional materials, using the name or printed materials of any other Company. When using a licensed software, only a software which is adequately licensed by the publisher should be used on Company computers or to perform Company work.

Administering our Code and reporting violations

The Company Secretary (CS) of the Company will oversee the implementation of the Code, policies, and their compliance. The CS shall review the provisions of the Code from time to time and suggest such amendments, to be relevant in changing circumstances, to the Board of Directors of the Company.

In case of any clarification, consultation, or any discussion required on any matters relating to the Code, we are encouraged to approach the Company Secretary of the Company for the same.

The Company takes all reports of potential violations seriously and is committed to confidentiality and a full investigation of all allegations by designated teams.

We are obliged to co-operate in internal investigations and failure to do so may result in disciplinary actions.

The Company strives to:

- Protect confidentiality of individuals involved, to the extent practical;
- Inform the employee of accusations reported against him/her at a time when such a disclosure will not jeopardise the investigation, typically when the information is complete and clarification need to be sought from employee;
- Where permissible, allow employees to review and rectify the information reported.

We should seek guidance from the Company Secretary of the Company for any matter relating to the Code. Any violation of the Code should be reported to the Company Secretary of the Company.

To maintain the highest standards of integrity, we must dedicate ourselves to comply with the Code, Company policies and procedures, as well as applicable laws and regulations. Individuals who fail to do so will be subject to disciplinary action. The disciplinary action will be decided depending upon the facts of the case.

Every employees of the Company must sign an acknowledgement form on a periodic basis, confirming that they have read the Code and agree to abide by its provisions. Failure to read the Code or sign the acknowledgement form does not excuse an employee from compliance with the Code.

Appendix 1

1. Who is considered to be a 'related party' under the Code?

Parties are considered to be related if at any time one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

'Control'

- Ownership, directly or indirectly, of more than one half of the voting power of an enterprise, or
- Control of the composition of the Board of Directors in the case of a Company, or of the composition of the corresponding governing body in case of any other enterprise, or
- Holder of substantial interest in voting power and the power to direct, by statute or agreement, the financial and/or operating policies of the enterprise.

'Significant influence'

Participation in the financial and/or operating policy decisions of an enterprise, but not control of those policies.

2. Who is considered to be a 'relative' under the Code?

'Relative', in general will mean individual, Company, associate, or firm with whom we, either directly or indirectly, may have a relation or interest, which can influence or even appear to influence our decisions made on behalf of the Company.

With reference to any person, it means anyone who is related to another, if:

- They are members of a Hindu Undivided Family.
- They are husband and wife; or
- One person is related to the other in such manner as under:
 - Father (includes step-father)
 - Mother (includes step-mother)
 - Son (includes step-son)
 - Son's wife – daughter-in-law
 - Daughter (includes step-daughter)
 - Daughter's husband – son-in-law
 - Brother (includes step-brother)
 - Sister (includes step-sister)
 - Any person deriving >50% of their subsistence from the Company's employee

3. What does 'gifts and entertainment' mean?

'Gifts and entertainment' include anything of monetary value offered/received by an individual either directly or indirectly for the purpose of expressing gratitude. Gift includes cash and non-cash items, some examples of which are: artwork, watches, jewellery, equipment, services, prizes, gift vouchers, donations to charities, use of vacation facilities, stocks or other securities, home improvements, tickets/invitation to sports, cultural or any other event. However, this does not include reasonable expenditure incurred on account of routine business courtesies offered to or received by any business partner as a customary trade practice (e.g. providing transportation, meals, accommodation, etc.).

4. Who is included in the term 'stakeholder'?

'Stakeholder' includes:

Shareholders, bankers, media, government and business associates.

5. What is 'fraud'?

'Fraud' in relation to affairs of a Company or any body corporate, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the Company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss. 'Wrongful gain' means the gain by unlawful means of property to which the person gaining is not legally entitled. 'Wrongful loss' means the loss by unlawful means of property to which the person losing is legally entitled.

6. What is personally identifiable information ("PII")?

PII is defined as any information that identifies an individual such as name, physical address, email address, government IDs, credit cards or bank account details, photo, video, or any combination of that information that might identify an individual.

7. What is 'intellectual property'?

'Intellectual property' includes any Company owned information like:

patented inventions, designs, copyright materials, trademarks and service marks, trade secrets and knowhow, sales, marketing and other corporate databases, marketing strategies and plans, research and technical data, business ideas, processes, proposals or strategies, new product and/or package design, and development software bought or developed by the Company, or information used in trading activities including pricing, marketing, and customer strategies.