

**SUPPLIERS CODE OF CONDUCT**

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## **1. Preamble**

JK Lakshmi Cement Ltd. (JKLC) is a division of JK Organization and has a diverse product portfolio ranging from tyre, cement, paper, power transmissions, sealing solutions, dairy products and textiles. They have a presence in Northern, Western and Eastern India's cement markets with four split grinding units at Gujarat, Haryana and Odisha. Their cement portfolio caters to a spectrum of construction requirements such as various cement grades and blended cement.

JKLC is committed to the highest standards of ethical conduct and social and environmental responsibility. The Company expects its Suppliers to aspire to these same standards in their business operations and, to have their own documented policies and processes in place addressing the matters detailed herein. Additionally, JKLC expects its suppliers to hold their third parties to the same standards. Accordingly, JKLC has created this Supplier Code of Conduct (the "Code of Conduct", or "CoC"), which sets out the standards expected of any Supplier doing business with JKLC. The Supplier Code of Conduct sets forth detailed standards and expectations for each Supplier concerning labor and human rights, health and safety, environmental protection, business ethics and management practices.

## **2. Purpose**

The purpose of this policy is to ensure that, all Suppliers must adopt and practice the highest level of ESG standards in terms of their activities, respect for the environment, good corporate governance, regulatory compliance, health & safety, the promotion of diversity and inclusion, and respect for human rights.

## **3. Scope**

This Code of Conduct applies to suppliers, contractors, and all third parties, including agents, consultants and licensees, who provide goods and/or services to JKLC or any of its subsidiaries, affiliates, or agents.

### **Definition**

"Company" means "JK Lakshmi Cement Limited".

"Supplier" means all entities and individuals who supply products, equipment, materials or provide services to JKLC under a contract, agreement, or arrangement and also includes agents, sub-contractors and representatives, and employees of such Supplier.

"Supplier Representative" means any individual who works for a Supplier, whether under a contract of employment or any other contract (written or oral) where an

individual undertakes to do personally any work or services for the Supplier and includes, without limitation, Supplier's principals, officers, directors, employees and independent contractors.

"ESG" means, Environment, Social, and Governance.

"CoC" means, "The Supplier Code of Conduct".

#### **4. Policy Statement**

This CoC sets out the fundamental values and integrity levels of business conduct that JKLC expects its Suppliers to uphold in all business relationships. All Suppliers engaged in providing products and services to JKLC shall act in accordance with this CoC, which would include aligning guidelines, policies, and practices of the Suppliers with this CoC and communicating and enforcing the CoC provisions throughout their organization and across their supply chain, including sub-supplier and sub-contractors of the Supplier.

Our Company is committed to creating value for all its stakeholders. The principles of sustainable development – value creation, sustainable environmental performance, and corporate social responsibility – are integral to our business strategy. We and our group companies integrate sustainable development into our procurement strategy, our day-to-day operations, and relationships with Suppliers.

This Code of Conduct defines the basic requirements placed on the suppliers and third-party intermediaries of JK Lakshmi Cement Ltd. (JKLC) concerning responsibilities towards their regulatory compliances, various stakeholders, and the environment. The supplier and/or third-party intermediary declares herewith to:

##### **4.1 Legal Compliance:**

Comply with the laws and regulations of the applicable legal systems. (Adherence to Ministry of Corporate Affairs (Government of India) National Guidelines on Responsible Business Conduct/ BRSR Principles.)

##### **4.2 Human Rights and Labor Conditions:**

To ensure respect for all nationally & internationally proclaimed human rights by avoiding causation of and complicity in any human rights violations. Strong attention shall be paid to ensuring respect of human rights of rights holders or groups of rights holders which are specifically vulnerable, such as women, children, migrant workers or of (indigenous) communities.

###### **4.2.1 Prohibition of Forced Labor:**

Neither use nor contribute to slavery, servitude, forced or compulsory labour, suppression, exploitation and human trafficking.

#### **4.2.2 Voluntary Labor:**

Suppliers shall only use voluntary labor and shall not engage in any form of human trafficking or use any type of forced labor including slave, bonded, indentured, involuntary, or prison labor. Involuntary labor includes the transportation, harboring, recruitment, transfer, receipt, or employment of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation. All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment. Workers shall not be required to lodge deposits or identity papers with the supplier's company (their employer) and shall be free to leave the company after reasonable notice. Suppliers shall ensure that workers' contracts clearly convey the conditions of employment in a language understood by the workers. Supplier shall not impose unreasonable restrictions on movement within the workplace or upon entering or exiting company-provided facilities. Suppliers shall ensure that any third-party recruitment agencies used comply with the provisions of this Code and applicable laws.

#### **4.2.3 Prohibition of Child Labor:**

Our policy strictly prohibits the engagement of child labour. A "child" is defined as any individual under the age of 15, or under the minimum age for completing compulsory education, or under the minimum age for employment in the relevant jurisdiction, whichever is highest.

Furthermore, no workers under the age of 18 (juvenile workers) shall be employed in hazardous work that could compromise their health, safety, or moral well-being. Juvenile workers are also prohibited from working overtime or night shifts.

Suppliers must adhere to all applicable laws and regulations concerning the employment of minors.

#### **4.3 Non-Discrimination and Respect for Employees:**

- Ensure equal treatment of employees, irrespective of skin color, race, nationality, ethnicity, social background, disabilities, gender, sexual identity and orientation, marital status, political or religious conviction, or age and promote equal opportunities amongst them.
- Refuse to tolerate any unacceptable treatment of individuals such as mental cruelty, sexual harassment or discrimination including gestures, language and physical contact that is sexual, coercive, threatening, abusive or exploitative.
- Suppliers must be committed to a workforce free of harassment and unlawful discrimination. Suppliers shall employ workers on the basis of their ability to do the job and shall not engage in discrimination against any worker on the basis of race, sexual orientation, gender identity, colour, age, gender, maternity, national origin, disability, religion, ethnicity, marital status, political affiliation, or

union membership, in hiring and other employment practices such as promotions, rewards and access to training.

#### **4.4 Freedom of Association:**

Recognize the legal rights of workers to form or join trade unions and to engage in collective bargaining; neither disadvantage nor prefer members of employee organisations or trade unions. As legally permitted, Suppliers shall respect the rights of workers to associate freely with others, form, and join or not join labor unions or organizations of their choice, bargain collectively, without interference, discrimination, retaliation, or harassment, and shall comply with all applicable local and national laws pertaining to freedom of association and collective bargaining. In the absence of formal representation, Suppliers shall ensure that workers have a mechanism in place that facilitates open communication between management and workers and allows workers to report grievances with management regarding working conditions and management practices without fear of reprisal, intimidation, or harassment.

#### **4.5 POSH:**

The organization should act towards the prevention of sexual harassment in workplace by:

- Awareness and Deterrence: Suppliers must conspicuously display information outlining the penal consequences of sexual harassment within the workplace.
- Grievance Mechanisms: Information regarding the grievance handling mechanisms, including details about the Internal Committee (IC) established under applicable law, shall be prominently displayed.
- Employee Sensitization: Regular workshops and awareness programs must be organized to sensitize employees to the provisions and requirements related to preventing and addressing sexual harassment.
- Internal Committee Training: Orientation programs shall be conducted for all members of the Internal Committee to ensure their proper understanding and effective discharge of duties.
- Misconduct Classification: Sexual harassment shall be formally treated as misconduct under the applicable service rules, and appropriate disciplinary action will be initiated for any such violation.

#### **4.6 Working Hours, Wages & Benefits for Employees:**

Adhere to all applicable working-hours regulations.

Pay fair wages for labour and adhere to all applicable wage and compensation laws. Suppliers must maintain work hours in compliance with all applicable laws and regulations. Further, a workweek shall be restricted to a maximum of 60 hours, including overtime, except in emergencies or unusual situations, and workers shall take at least one day off every seven days. Suppliers shall follow all applicable laws and regulations with respect to working hours and days of rest, and all overtime must be voluntary.

#### **4.7 Occupational Health & Safety, Security Forces:**

- Act in accordance with the applicable statutory and international standards regarding occupational health and safety and provide safe working conditions.
- Periodic Occupational Health and Safety audits are mandated.
- Establish a reasonable occupational health & safety management system.
- In the event of use of private or public security forces ensure that human rights of employees and other rights holders are respected (no use of unlawful physical or mental violence)
- Provide training to ensure all employees are educated in health & safety issues.

##### **4.7.1 Safe Work Environment**

Suppliers must be committed to the safety and health of their employees and shall provide and maintain a safe work environment by minimizing physical and chemical hazards through proper design, engineering and administrative controls, preventative maintenance, safe work procedures (including lockout/tag out), and ongoing safety training. Suppliers are responsible for assuring that all workers are qualified to perform their work functions safely. Suppliers shall provide workers with appropriate workplace health and safety training in their primary language and health and safety-related information shall be clearly posted in the facility.

##### **4.7.2 Incident Reporting**

Suppliers must have procedures and systems in place that allow workers to report health and safety incidents and near-misses, as well as a system to investigate, classify, track, and manage such reports. Such procedures and systems must implement all applicable laws and regulations and include provisions to encourage worker reporting and implement corrective actions. Supplier corrective action plans should mitigate risks, provide necessary medical treatment, and facilitate workers' return to work.

##### **4.7.3 Hazards of physically demanding tasks**

Suppliers shall identify, evaluate, and control worker exposure to the hazard of physically demanding tasks, including manual material handling, heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks. Suppliers shall integrate this process into the qualification of all new or modified production lines, equipment, tools, and workstations.

##### **4.7.4 Personal Protective Equipment**

Workers shall have the right to refuse unsafe work and to report unhealthy working conditions. Workers shall not be disciplined for raising safety concerns.

Suppliers shall provide workers with appropriate, well-maintained personal protective equipment and instruction on its proper use.

#### **4.7.5 Emergency Preparedness**

Suppliers must have procedures in place for handling emergencies such as fires, spills, and natural disasters. For each potential emergency situation or event, Suppliers shall develop and implement legally compliant emergency plans and response procedures that minimize harm to life, environment, and property, and shall include: (i) emergency preparedness, reporting, and notification; (ii) evacuation procedures; (iii) training and drills; (iv) appropriate hazard detection and suppression equipment; and (v) adequate exit facilities from job sites.

#### **4.7.6 Quality Requirements**

Suppliers shall meet generally recognized quality standards and contractually agreed quality requirements and standards, in order to provide goods and services that consistently meet JKLC's and its customers' needs, perform as warranted and are safe and effective for their intended use. Suppliers shall immediately address all major issues that have the potential to negatively affect the quality of goods and services. Suppliers must inform JKLC about changes of the manufacturing or supply process that have the potential to impact the specification of goods and services provided.

### **5. Environmental and Climate Protection, Protection of Natural Resources:**

- Comply with all pertinent environmental regulations national and international standards. Mitigate environmental impact and pursue ongoing environmental enhancements.
- Implement a robust Environmental Management System.
- Reduce the emission of air pollutants and Greenhouse Gas (GHG), and reduce harmful soil change, water pollution and harmful noise emission to the fullest extent as possible.
- Maximize the optimization of energy consumption and implement comprehensive water resource management strategies.
- Prohibit unauthorized appropriation of land, forest, or water resources.
- Implement waste reduction protocols and proper waste management.

### **6. Environment Practices by JKLC**

JKLC firmly believes in long-term sustainable development and environmental protection. JKLC fully complies with all applicable local environmental laws. This commitment to environmental protection is reflected in the Company's policies, programs, and practices to ensure business operations are run in an environmentally as well as economically responsible manner. The suppliers JKLC work with will only be considered after reviewing all relevant feedback and assurance that environmental issues are properly addressed and

managed. Suppliers shall develop, implement, and maintain environmentally responsible business practices, such as seeking ways to conserve natural resources and energy, reduce waste and the use of hazardous substances, and minimize adverse impacts on the environment.

**a) Compliance with Environmental Laws**

Suppliers must comply with all applicable environmental laws and requirements. This encompasses securing and maintaining necessary permits and approvals for regulated activities, diligently managing and disposing of hazardous materials, controlling contaminant releases to air, soil, and water, protecting natural resources, wildlife, and wetlands, adhering to substance prohibitions or restrictions, and ensuring proper material recycling and environmental claims.

**b) Energy Management**

Suppliers are required to implement and continuously improve energy management systems within their operations to enhance energy efficiency. This includes evaluating the consumption of renewable energy sources and establishing robust systems and processes to effectively manage energy.

**c) Water Management**

Suppliers shall implement robust management systems to monitor site water usage, quality, and discharges, and continuously improve water reuse, recycling, reduction, and wastewater treatment. Furthermore, Suppliers are expected to develop and integrate a comprehensive water stewardship strategy within their operations.

**d) Environmental Permits**

Suppliers shall obtain, keep current, and comply with all required environmental permits, and shall comply with the reporting requirements of applicable permits and regulations.

**e) Hazardous Materials**

Suppliers shall implement systematic approach for the identification, management, reduction, and responsible disposal or recycling of hazardous substances and other environmentally hazardous materials. This ensures their safe handling, movement, storage, use, recycling or reuse, and ultimate disposal. Additionally, Suppliers are required to comply with all regulated substance specifications and any applicable laws or regulations prohibiting or restricting the use or handling of specific substances.

**f) Pollution Prevention and Resource Reduction**

Suppliers are required to actively strive for the reduction or elimination of all types of waste at the source. This includes minimizing waste of water and energy, through practices such as modifying production, maintenance, and facility processes, materials substitution, conservation, recycling, and material reuse.

**g) Product Content Restrictions**

Suppliers are to adhere to all applicable laws and regulations and customer requirements regarding prohibition or restriction of specific substances including labeling for recycling and disposal.

**h) Boundary Noise**

Suppliers shall identify, control, monitor, and reduce noise generated by the facilities that affect boundary noise levels.

**i) Environmental Consideration in Business Decision-making**

Suppliers are to work with their own sub-suppliers to assess and address environmental and sustainability issues within their supply chains.

## **7. Fair Operation Practices by JKLC**

- Use reasonable efforts to make its suppliers comply with the principles of this Code of Conduct and check their compliance on a risk-based approach.
- Comply with the principles of non-discrimination with regard to supplier selection and treatment.
- **Anti-Corruption and Bribery:** Do not engage directly or indirectly in any form of corruption or bribery and do not grant, offer or promise anything of value to anyone public or private to influence action or obtain an improper advantage.

**Fair Competition, Anti-Trust Laws and Intellectual Property Rights:**

- Act in accordance with national and international competition laws and do not participate in price fixing, market or customer allocation, market sharing or bid rigging with competitors.
- Respect the intellectual property rights of others.
- **Conflicts of Interest:** Avoid and/or disclose internally and to JKLC all conflicts of interest that may influence business relationships and to avoid already the appearance thereof.
- **Anti-Money Laundering, Terrorism Financing:** Not directly or indirectly involve in money laundering and facilitate terrorism financing.
- **Data Privacy:** Process personal data confidentially and responsibly, respect everyone's privacy and ensure that personal data is effectively protected and used only for legitimate purposes.
- **Foreign Trade Regulations:** Comply with the applicable export, import, customs and foreign trade regulations.
- **Responsible Minerals Sourcing:** Take reasonable efforts to avoid in its products the use of raw materials which originate from Conflict-Affected and

High-Risk Areas and contribute to human rights abuses, corruption, the financing of armed groups or similar negative efforts.

#### **8. Business Conduct & Ethics for suppliers at JKLC:**

- When carrying out procurement duties and responsibilities, all our employees are expected to share with Suppliers the company's commitments to high legal, ethical and moral standards. Our internal guidance sets norms of behaviour in procurement activities in the areas of courtesies, conflict of interest, corruption, competition law and confidential information. Our employees are encouraged to continually consider and discuss issues of ethical behaviour.
- Political non-alignment, fair & transparent dealings.
- Non-acceptance / prohibition of leaking/ passing business critical information, financial reports & records to competitors/ others.
- Conflict of interest: Our Suppliers are expected to inform us of any situation that may appear as a conflict of interest and disclose( if any of our personnel, officials, staff or professionals under any contract with JKLC may have an interest of any kind in the supplier's business or any kind of economic ties with the supplier.
- Ethical Business: Suppliers must strictly comply with all applicable anti-trust and competition laws. Engaging in any anti-competitive practices, whether independently or in concert with other entities, is strictly prohibited.

#### **9. Confidentiality:**

Party receiving Confidential Information undertakes to the disclosing Party:

- To hold all Confidential Information in strict confidence (Unless in Public Domain);
- Not to use, or authorise the use of, Confidential Information for any purpose other than the performance of its obligations or the exercise of its rights or the receipt of any benefits pursuant to the Contract; and
- Not to disclose, or authorise use of, Confidential Information to any third party other than as required for the purposes of performance of the Contract (which may include its lenders and insurers) or by any applicable law or regulatory body.

The obligations of confidentiality specified in above Clause shall survive any expiry or termination of the Contract and shall continue for a period of one (1) year from such date.

#### **10. Terms of Engagement:**

This Code of Conduct applies to all our Suppliers, and it is communicated to potential and existing Suppliers. As part of the qualification process new suppliers should be assessed to ensure adherence to the standards stipulated in this document. Current Suppliers are prioritised for assessment based on the potential sustainability risk associated with the goods and services delivered and by their relationships with our Company.

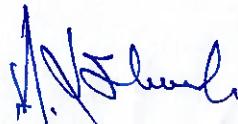
Our Company conducts **regular risk evaluations** of prioritized Suppliers. This process involves self-assessments and fact-finding, as determined by local procurement functions. We provide Suppliers with **clear guidelines** on our expectations and evaluation methodology.

When Supplier does not meet our requirements, corrective action plans are to be established within a specified timeframe (depending on the severity of the issues) and our Company will monitor progress. Our Company may support Suppliers in developing their capabilities and improving their performance. Our Company may terminate the relationship with Suppliers that repeatedly and knowingly violate the present Code of Conduct and refuse to implement improvement plans. During the tendering process our Company reserves the right to exclude Suppliers that are not compliant with local, national or international laws or regulations.

#### **11. Communication of Policy**

The Company communicates transparently all necessary and relevant information with all the relevant stakeholders regarding policies and procedures pertaining to the supply chain and related concerns. This Policy shall be available on the internal portal and/or on the website of the Company and shall be available for access to the Suppliers as well.

**Date:** New Delhi  
**Place:** 1<sup>st</sup> April 2024



(Arun Shukla)  
President & Director

