



CODE OF CONDUCT

CONTENT

- 1.0 Preamble and Commitment**
- 2.0 Applicability**
- 3.0 Responsibilities**
- 4.0 Being Lawful and Respecting Local Authority**
- 5.0 Avoiding Conflict of Interest**
- 6.0 Entertainment, Gifts, Bribery and Corruption**
- 7.0 External Interactions, Engagements and Communications**
- 8.0 Working Culture and Environment**
- 9.0 Health Safety and Environment and Drug Abuse**
- 10.0 Sustainability**
- 11.0 Safeguarding Asset, Resource and Information**
- 12.0 Guidance and Reporting**

1.0 Preamble and Commitment

We are a professionally managed company, committed to total satisfaction of our customers and enhance stakeholders' value, by adhering strictly to our philosophy of corporate governance and the values we have adopted over the years, which includes respect for human values, individual dignity, and adherence to honest, ethical and professional standards.



Valdel's corporate values

Our continuing success depends on the integrity and professionalism we show in our everyday dealings with others. Our business will prosper only so long as customers trust us to deliver excellent services.

Our Code of Conduct sets forth our core values, shared responsibilities, global commitments, and promises. It provides general guidance about the Company's expectations, highlights situations that may require particular attention, and references additional resources and channels of communication available to us. It is also the first step for you to get clarity on any questions relating to ethical conduct.

However, this Code will not give you an answer for every ethical dilemma nor describe all unethical business practices in detail. There may be times when you will not have enough information to make an informed choice. The best guidelines are the exercise of good judgment based on our principles of ethical conduct, common sense and unwavering compliance with all applicable laws, regulations and contractual obligations. When in doubt, consult with the resources available to you. By reading this Code and understanding the Company's expectations, you can handle most situations. If you know the answer to an ethics or compliance question and are comfortable with your decision, you can act with confidence. If you have any doubt about the right thing to do, you have several places where you may turn for advice and guidance:

1. Project Manager or Department Head
2. Engineering Manager or Operations Head
3. Compliance Manager

You have an obligation to report breaches and potential breaches of the Code. Don't be afraid to report any ethical concerns you have – if you suspect that behaviour is unethical, please speak up. No retaliation will be permitted against those who report breaches of the Code or who raise ethical concerns.

Please use it as a guide to your business behaviour every day, and always remember how critical our reputation is to our success.

2.0 Applicability

The Code applies to VEC and its subsidiaries and associate companies

Our people:

Directors, employees and contractors of VEC, whenever they are:

- on company business
- acting as our representative
- identifiable as our people

Our partners:

All agents, subcontractors, consultants, representatives, intermediaries, suppliers and other parties whenever they are acting for VEC.

Where we are part of a joint venture, that joint venture must adopt the Code or a similar document that is no less stringent.

As VEC seeks out business partners who share our approach to ethical behaviour, we encourage those we work with to have their own codes of conduct that align with ours. These are essential for:

- joint venture partners
- teaming partners for tenders or proposals

3.0 Responsibilities

We All must uphold the Code by:

- striving to achieve the highest ethical conduct, questioning unethical behaviour and reporting breaches and potential breaches of the Code
- complying with the law and avoiding conflicts of interest
- acting honestly and fairly in all your business dealings
- being open, accurate and professional in all your communications
- being economical and responsible in using company and customer resources
- respecting the rights of others, without discrimination or harassment
- supporting community values
- ensuring safe working surrounds and minimizing environmental impact
- respecting the confidentiality of any information from or about our customers and others
- being reliable and diligent in meeting assigned and assumed responsibilities

Specific Responsibilities

Board & Managing Director

- Approve the Code and monitor compliance Ethics Committee
- Promote the Code in all aspects of our business
- Recommend improvements to the Code, assess, revise and communicate.

Compliance Manager, Heads and Leaders

- Support the Code's principles throughout the company and endorse it as a guide to everyday business behaviour
- Promote a culture in which our people question unethical behaviour and feel comfortable discussing ethical issues
- Ensure that the Code and the related policies are observed by the people they supervise and the partners we have engaged
- Refer breaches or potential breaches to your People Leader
- Maintain a gift register (location managers only).

4.0 Being Lawful and Respecting Local Authority

We must comply with local laws and regulations wherever we operate. These laws generally relate to health, safety and environment, employment conditions, financial, fair trading requirements and international laws based on location of project or activities. It is essential that all our people and stakeholders we engage to acquire and deliver our businesses:

- comply with all laws and regulations relevant to their work
- comply with our policies and business practices
- be aware of the duties and obligations that apply to their roles and responsibilities

In countries where the local laws allow behaviour that the Code does not, you must comply with the Code. Ignorance of the law or Code is not a valid excuse for non-compliance. You also have an obligation to understand the laws governing where you work. If you need advice on local laws and regulations, or more generally, advice on local culture, customs and behavioural expectations, please contact your Project Manager or Operations Head.

We respect the authority of governments in all countries at all levels (national, provincial, state and local), by maintaining open and honest relationships. Sometimes, governments or their agencies will require us to share information with them. If you provide any information about VEC, you must ensure it is complete and accurate. This applies equally to any requests for information we receive. When governments give us confidential information, we must maintain the strictest confidence.

Although we work with governments companies, public sectors and bodies, please note that we are impartial when it comes to party politics. In some limited circumstances, our Board may authorize making donation(s) to political parties or affiliated entity for party cause or social cause. These must be in line with the publicised protocols. Our people may engage in political activities in their personal capacity, in their own time and at their own expense. These activities must not interfere or conflict with their duties to VEC. We respect freedom of association and organization.

5.0 Avoiding Conflict of Interest

As an individual and as member of a team we must act and work to always avoid conflicts of interest. As an individual there could be situations where your external activities, personal relationships or interests conflict with your responsibilities to VEC and its clientele. Failing to appropriately deal with conflicts poses major risks to VEC and our customer relationships.

They might influence your impartiality and decision-making in a way that:

- compromises your ability to act in our best interests (an actual conflict)
- suggests to other parties that this is the case (a perceived conflict).

You must report any conflicts of interest to Compliance Manager copying it to your immediate Superior/Manager, who will assess and decide how it should be managed. It might not be appropriate for you to take any part in some matters.

If you are a Manager and unsure of what action to take to manage a conflict of interest, you must seek guidance from your Business Head and Compliance Manager.

Common conflicts of interest include:

- conducting business transactions with entities that you, relatives or close friends own or have a significant interest in (where this relationship could improperly influence or be seen to improperly influence your impartiality)
- being in a position where a relative or person you are in a personal relationship with reports to you or where you can influence their employment conditions
- using confidential or proprietary information that you have obtained through your role for personal gain
- pursuing business opportunities that have arisen because of your role for personal gain
- having an outside role that could affect your performance for VEC

6.0 Entertainment, Gifts, Bribery and Corruption

VEC purchases products and services on the basis of quality, price, reliability etc. In turn we expect our customers to obtain our products and services on the same basis. Giving and receiving gifts and entertainment can potentially affect the independence of our judgement and that of our customers, partners and suppliers. We must avoid even the perception that giving or receiving gifts, hospitality, entertainment or other gratuities is connected in any way with favourable or preferential treatment.

You may offer or receive gifts and entertainment commonly accepted as business courtesies, provided they are of minimal value and will not inspire favouritism or a sense of obligation. Along with being nominal, reasonable and meant for accepted business purpose, it must not be so frequent that it suggests a pattern. In all such cases, it is expected that the immediate supervisor or manager is kept informed. Any gifts received that are of a value higher than USD 30 shall be returned. Where, however, in a situation where it could be construed as dis-courteous to return it, it shall be accepted, on behalf of VEC, and, handed over to the Compliance Manager for disposition.

Bribery and corruption undermine society and can have a devastating impact on the economic prosperity of local communities. We must comply with all laws that prohibit bribery and corruption. If we do not, it could have serious consequences for VEC and lead to imprisonment or fines. It could also severely damage our reputation. We expect that our people, our partners and those with whom we do business will act fairly, honestly and with integrity.

You must always bid and tender for work responsibly. You must never attempt to improperly influence a public official, any other person or entity to favour VEC or anyone connected with us. This includes, either directly or indirectly:

- authorizing, offering or paying a bribe, financial inducement or secret commission
- making any payment in kind or giving anything of value.

You must never allow a partner to do any of these things on our behalf. Equally, you must never accept any payment, payment in kind, gift or other benefit that might influence business decisions or compromise your independent judgment about your work.

7.0 External Interactions, Engagements and Communications

We must act in conformity with professional standards of personal integrity, honesty and ethical conduct. It should be borne in mind that in our business dealings or in any general conduct or in any administrative affairs on behalf of VEC, we are going to be viewed not as individuals but as representatives of the Company. Our attitudes and actions will be noticed, observed, seen and deemed to be the attitudes and actions of VEC.

VEC's reputation is affected by the conduct and reputation of those we engage or partner with in business.

We can also be held liable for their actions. Therefore, it is critical that we:

- conduct due diligence to assess the suitability of our partners, including their reputation and competence, before we engage them
- ensure our partners too act in conformity with professional standards of personal integrity, honesty and ethical conduct.
- ensure our partners comply with the Code under the terms of their engagement
- monitor our partners to check that they remain suitable for engagement and are complying with the Code. The steps we take to assess and monitor our partners will vary with the nature and terms of the engagement. We seek out business partners who share our ethical values, and we encourage everyone who does business with us to comply with ethical standards no less stringent than our own.

We must not divulge or communicate in any manner sensitive / confidential information to third parties, except when authorised to do so for business reasons upon necessary authorisations in place. We are expected to protect the interest of the Company and its Partners too. We shall not speak ill of VEC and its partners or Clients, portray in a negative light, make disparaging comparisons, indulge in rumour

mongering and contribute to any communication that would be tantamount to tarnishing the image of VEC, its partners and Clients.

VEC supports the opportunity social media provides for learning, discussing issues and exchanging ideas. However, we urge our people to use social media wisely, with sound judgment and common sense. Please take care to comply with the code. In any individual or personal capacity engagement you need to ensure that your opinions are not construed as those of VEC, partners and clients.

You must ensure that all of your written communications are:

- accurate and not intentionally or unintentionally misleading
- professional and do not contain material that would harm our reputation if made public
- circulated appropriately and only to the intended recipients.

Errors and mistakes should be raised immediately so they can be resolved as quickly as possible.

8.0 Working Culture and Environment

At workplace and site we must not engage in any activity that is likely to result in disturbing peace and harmony, nor engage in activities those are likely to provoke hostility, tension, disaffection, bitterness amidst co-worker, teams, partners and interfacing stakeholders.

Respect for Individuals

It is vital that our workplace is free from all forms of discrimination, harassment and intimidation. We must comply with all related laws. These behaviours can be very destructive to our work environment and everyone involved, so you must always act professionally. We will not tolerate sexual advances, bullying, hostility, abusive language, physical violence or the threat of physical violence. This conduct is never acceptable and may lead to us ending your employment.

Please also remember that not everyone shares the same sense of humour. Consider the way your colleagues might perceive your behaviour and don't make jokes or statements that could be offensive. If you are unsure whether something might be inappropriate, be cautious and don't say it.

Diversity and Inclusion

Diversity and inclusion are essential to our business. One of our strengths is the diverse range of people and cultural background we employ, engage and work with in India and overseas. Diversity covers race, ethnicity, gender identity, sexual orientation, socio-economic status, culture, age, physical ability, skill level, family status, religious or political beliefs, and work style. We appreciate that all our people are distinct and we seek to harness their differences. We want our business to be productive, inclusive, and based on talent and performance.

It is important that:

- everyone feels valued
- we make the most of everyone's skills
- we recognize performance.

It is also important that we are sensitive to other cultures, when working in different states in India and other countries. For specific instances when working with indigenous cultures we need to adopt projects specific guidelines and our partners specific code of conduct requirements. We expect you to adapt your behaviour so you do not cause offense or break local laws. This applies outside working hours if you are acting as our representative or identifiable as one of our people.

Dress Code

We must abide by VEC's dress code and also sensitivities related to dress code appropriate to location rules, occasion, culture and country. A positive image will aide in building a professional work culture and environment.

9.0 Health Safety and Environment and Drug Abuse

Protecting the health and safety of people and the environment in which we work is vital for us at VEC. We all have a role to play in looking out for and supporting each other to be safe at work by:

- identifying health, safety and environmental risks
- discussing and deciding on controls to prevent injury, illness and environmental impacts.

No business priority takes precedence over the health and safety of our people or others who might be affected. No task is so important or urgent that it cannot be done safely.

Our policies and procedures provide the minimum standards to help us assure that our service delivery consistently:

- prevents harm to our people and assets, and environmental incidents
- operates within ethical, regulatory, legal and other relevant codes of practice
- meets our customers' and our own health, safety and environmental expectations
- is supported by efficient and effective operations.

Our assurance and knowledge systems capture incidents and best practices to enable us to report and leverage insights and learning to continually refine / improve how we protect our people at work. We expect all our people to show the leadership and commitment required to meet our standards for health and safety.

The influence of alcohol and/or drugs can affect your ability to work safely. It is important that you are fit for work. While you are at work, VEC will not tolerate you:

- abusing legal drugs
- using or recovering from the effects of alcohol or illegal drugs.

You must never be impaired by drugs or alcohol when at work or engaged in company business. Please note that workplace drug and alcohol testing is conducted where permitted by local legislation. You must make yourself aware of local restrictions and site-specific rules for the use of drugs and alcohol, as rules will vary.

Use, sale, purchase or possession of narcotics drugs, arms or weapons at workplace and site or when on duty is prohibited

10.0 Sustainability

We are committed to fulfilling the VEC values those promote economic, environment and social responsibilities while conducting our business. We must strive to conserve natural resources and achieve sustainable growth through culture of trust and care.

11.0 Safeguarding Asset, Resource and Information

You have a responsibility to protect any VEC property and assets (goods, equipment, material, money etc.) that are under your control. You must safeguard them from loss, theft, wilful and reckless damage, and unauthorized use (self and beyond). Property and assets include cash, business plans, third party information, intellectual property (computer programs, software, models and other items), confidential and proprietary information, equipment and supplies.

When you are located in our Client or stakeholder premise or site the code must be ensured along with host code of conduct requirements.

You may only use our assets for limited personal purposes with our approval. When you leave VEC, you must return all company property, including confidential information such as business plans and customer lists.

Appropriate use of Information and Intellectual Property

We will provide information resources to help you conduct VEC business. Information resources include all the equipment, systems, software and infrastructure that we make available to you, so you can communicate, store, process and transmit information. You must use and protect these information

resources and the information stored on them from loss, theft and unauthorized access or use in line with our standard on acceptable use.

Please be aware that where permitted by local legislation we will monitor use.

While occasional personal use of these resources is allowed, it must not:

- diminish your or your colleagues' productivity or performance
- relate to you running a private business or other activities that may create a conflict of interest
- adversely affect the overall performance of our resources, for example by absorbing bandwidth or storage space.

You must not use our information resources to access, download, send or forward:

- material that is offensive, pornographic, obscene or sexually explicit, or that the recipient might consider inappropriate
- malware, such as computer viruses, Trojans or worms, or material that might cause data loss or disruption
- information you are not authorized to view, including anything outside the scope of your role
- company unapproved software.

You must not use our information resources to:

- access gambling or similar websites
- engage in illegal or unprofessional behaviour, including harassment or discrimination
- engage in any other activities that violate any of our policies.

Our information resources have security mechanisms that prevent unauthorized access. You must not disable, bypass or otherwise compromise these security mechanisms. Please also safeguard your passwords and login details. You are responsible for all activities performed under your logon account. All communications sent and received using information resources are the property of VEC.

Private and Confidential Information

Privacy of our people, partners and customers must be respected. It is essential that any personal information we keep on file remains private and confidential. If you have access and or authorised, before you distribute or share any personal information, you must seek specific approval. Distribution and sharing must be as per the authorisation and handled appropriately.

In your day to day working, you are also likely to receive confidential or proprietary information. This information may have been provided by our people, partners, customers, suppliers, joint venture partners or investors. We generate confidential information during our business activities as well. Confidential information is valuable and our ability to maintain confidentiality is essential to our business. You must not disclose or use confidential information outside VEC.

Also, as a general rule, you should only disclose confidential information to colleagues within VEC on a 'need to know' basis. You must take care when discussing confidential information in public places.

You must carefully consider what constitutes confidential or proprietary information, whether or not it is marked as such. Examples include:

- business strategies
- processes and formulas
- staff, customer and supplier lists and information
- organizational structures and charts
- financial projections, data and reports
- intellectual property such as patents applications, unpatented inventions and trade secrets.

You must protect this information even after you leave VEC.

12.0 Guidance and Reporting

For any concerns or clarity related to the code, or if you feel the situation or issue is beyond the code definition, please seek guidance quickly, since the longer it takes it could become more of a problem.

Don't be afraid to report any ethical concerns you have - if you suspect that behaviour is unethical, please speak up. Also remember that we want to succeed because of our superior performance and never through unethical behaviour, even if this approach might sometimes lose us business.

You are encouraged to report unethical behaviour promptly formally. You are also expected to inform even informally any potential breach that will help in taking precautionary measures after assessment by the concerned.

Reporting a breach preferably must be communicated through mail with brief explanation, location, date and time and name of individuals involved. You may indicate level of accuracy of the information for proper assessment and judgement.

You must be aware that any breach depending in the severity may lead to termination of the employment or contract.

It is expected that the provision will not be misused to cause any harm to individual, partner, client and stakeholder reputation or relationship etc. which may attract appropriate action by VEC.



M.J. SHANTHARAAM
Managing Director
Valdel Engineers & Constructors Pvt Ltd