

# **Gujarat Gas Limited**

## **Code of Conduct**

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### **BACKGROUND**

This Code of Conduct (“Code”) is based on the business principles of Gujarat Gas Limited (GGL) and these principles are being extended to cover the Directors and Senior Management of GGL. The Code helps ensure observation and application of these principles in all the dealings on behalf of the Company and by the designated persons.

### **APPLICABILITY**

This Code shall apply to the Directors of GGL and members of its core management team including all functional heads i.e. direct reportees of the CEO, who are hereinafter referred to as the “Designated Persons”.

### **BUSINESS PRINCIPLES**

#### **Personal conduct**

We expect the highest levels of personal conduct from everyone within GGL, regardless of position. Honesty, integrity and fairness form the cornerstones of relationships inside and outside GGL. Bribery of any form is unacceptable. No undeclared offers or payments will be accepted, solicited, or made by, anyone in GGL.

In addition, everyone within GGL is required to avoid any conflicts of interest between their personal activities and the business of GGL.

Everyone is required to make proper use of company assets. Fraud and theft any form are unacceptable, and the Company will treat any incidences seriously. Prevention of fraud and theft is the responsibility of all employees, who should demonstrate a commitment to an anti-fraud culture through their actions.

While it is recognized that limited corporate hospitality is given and received as part of building normal business relationships, employees should avoid

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accepting hospitality or gifts, which might appear to place them under an obligation.

Proper and full records are made of all transactions made on behalf of GGL.

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### **Duties of Directors:**

The Independent Directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he /she is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the Company;
- (6) where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the Company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

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### **Implementation**

We will:

- provide direction and training to enable employees to protect and make proper use of GGL's assets in conducting business;
- provide direction, training and support to enable employees to conduct business appropriately;
- maintain a register of possible conflicts of interest to ensure transparency;
- encourage our contractors and partners to demonstrate the same level of commitment to personal conduct;
- identify, assess and implement controls to prevent, detect, record and investigate fraud, theft and malpractice;
- ensure that disciplinary codes of conduct are in place in all of our operations and these codes are communicated to all employees so that they are aware of their personal obligations;
- discipline employees in accordance with the relevant procedures and prosecute and seek redress as appropriate;
- maintain a register of hospitality and gifts received by individuals;
- offer employees a secure and confidential means of providing feedback to management without fear of reprisals in accordance with the Human Resources Policy.

### **Work environment**

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The welfare of employees is an essential principle for GGL. We aim to provide all GGL employees with competitive terms of employment. All employees will be encouraged to play a full part in personal career development through progressive human resource and training arrangements. We are committed to equal opportunities and the avoidance of discrimination. The company will not tolerate harassment to any person.

#### Implementation

We will:

- provide safe conditions of work in accordance with GGL's policy on HSE;
- provide policies that cater for the diverse needs of our workforce;
- create an environment where employees are able to conduct business with the avoidance of illegal discrimination and harassment of any kind;
- offer employees a secure and confidential means of providing feedback to management without fear of reprisals;
- conduct annual performance and development reviews so that all employees engage in meaningful dialogue with their manager resulting in complete full development plans focused with performance oriented culture;
- continually review our reward framework to ensure that it remains market competitive, aligns the interests of employees with those of the business and shareholders, and facilitates a 'pay for performance' culture;
- actively seek employees' views and feedback using surveys, focus groups and other appropriate communication channels;

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- engage in collective and individual consultation as appropriate and depending on local conditions.
  - provide specialist advice to enable employees to use professional recruitment and selection techniques that ensure fair and objective assessments of potential recruits from a diverse employment pool and career moves around the company;
  - encourage employees to move across departments and international businesses to facilitate the sharing of best practice;
  - provide locally adapted frameworks that support staff well-being. This will include a range of work life balance initiatives, which are regularly reviewed with market best practices;
  - encourage our contractors and partners to demonstrate the same level of commitment to the welfare of their staff;
  - ensure compliance with this standard through a process of education, review and audit.

### **Corporate conduct**

We comply with all applicable legal, regulatory and license requirements. We aim to co-operate fully with Government and regulatory bodies, and we comply with applicable competition law when carrying out our business operations. We apply high standards of corporate governance to the operation of all companies within GGL.

In all of our public communications and documents that we file with regulators and stock exchanges, we seek to provide timely disclosure which is full, fair and accurate, and which is easily understandable.

We do not make contributions to political parties.

Wherever we operate, we strive to make a positive and meaningful contribution to community activities and to behave in a socially responsible manner. We recognise that GGL's sustained commercial success is only

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possible in the presence of a healthy social environment. We always seek to support social and economic development in the communities where GGL does business.

### Implementation

We will:

- provide a framework for governance comprising:
  - an organization and structure which is appropriate for managing the risks we face;
  - a framework of internal compliance, financial, operational and risk management controls, to maximize shareholders' investment and protect GGL's assets; and
  - a robust review and assurance system to ensure that appropriate governance is applied to all relevant activities;
- require GGL Directors and officers to comply with all applicable regulatory and disclosure requirements in connection with stock exchange listings and issue of securities;
- comply with the requirements imposed by Governments, stock exchanges and other regulatory authorities;
- comply with international and relevant domestic legislation where we do business;
- design and apply financial, accounting and reporting policies and practices consistent with corporate best practices;
- design and apply internal controls to enable compliance with statutory requirements and effective management of GGL's assets and operations;
- establish, maintain and review operational controls, procedures and plans for business activities;

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- establish and maintain an ongoing process for identifying, evaluating and managing the significant risks faced by GGL;
  - provide records management and retention systems to ensure reliability and integrity of information;
  - make available appropriate resources to implement this policy;
  - set objectives and implement actions to achieve standards of governance equal to or better than those of peer companies, with regular benchmarking;
  - ;
  - ensure compliance with this policy through a process of education, review and audit.

### **Human rights**

We conduct our business as a responsible, corporate citizen. We support the norms of Human Rights established by appropriate authorities and aim to apply its principles throughout our business operations.

### **Implementation**

We will:

- identify, assess and manage the human rights risks arising from business operations;
- treat employees with integrity and respect their human rights as employees by:
  - providing healthy and safe working conditions, fair wages and equal pay for equal work;
  - not employing forced, bonded or exploitative child labour;
  - ensuring the avoidance of discrimination and harassment;



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- providing flexible working practices recognising the need for employees to balance their working life with other interests and responsibilities;
- defending employees and seeking legal redress in cases of arbitrary arrest, detention without fair trial, torture or extra-judicial killing;
- offer employees a secure and confidential means of providing feedback to management without fear of reprisals in accordance with the Human Resources Policy;
- ensure employees are aware of their labour rights, including (but not limited to) freedom of assembly, association and collective bargaining;
- conduct security operations in full compliance with the Policy on Security;
- provide direction and training to enable employees to meet their obligation to conduct business with regard for human rights;
- encourage our contractors and partners to demonstrate the same level of commitment to human rights;
- make available appropriate resources to implement this policy;
- ensure compliance with the policy through a process of education, review and audit.

### **Health, safety and the environment**

Protection of the health and safety of our employees, all those affected by our business and the protection of the environment, are critical to the overall success of the company. We recognise the importance of contributing to the sustainable development of communities where we work.

To meet these objectives, we conduct our operations using sound HSE management systems, which reflect best industry practice, and we seek to deliver continual improvement by ensuring that lessons are learned. HSE

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performance is a core value in our business and all GGL employees are accountable for its delivery.

A safe and secure working environment is fundamental to business success and we seek to protect our personnel, physical assets, information and company reputation from harm.

### **Implementation**

**For health, safety and environment:**

We will:

- identify health, safety and environmental hazards arising from our business, and assess and manage associated risks, across the full lifecycle of our projects;
- comply as a minimum with legislation and associated codes of practice and endeavour to improve on the performance standards they specify by adopting a risk-based approach to design, construction and operations of facilities. In managing our impact on the environment, we will go beyond compliance with local regulation where appropriate, seeking to meet internationally accepted good practice;
- implement health, safety and environment management systems which reflect best industry practice; major managed operations are required to achieve external certification of environment management systems;
- endeavour to continually improve our health, safety and environmental performance so that work related ill health and incidents are reduced and environmental emissions, waste and the use of energy are decreased relative to activity;
- ensure that health, safety and environmental performance is the responsibility of all staff and involve and consult employees and, where appropriate, their representatives;

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- provide direction, training and, where appropriate, supervision to enable all staff to meet their responsibility to work safely and with due consideration for the health and safety of others and for the environment;
- develop and maintain effective contingency plans, where appropriate in conjunction with the authorities and emergency services;
- co-operate fully with relevant enforcement agencies and work with industry and external bodies to further the understanding and development of health, safety and environment management and practice;
- encourage our contractors and partners to demonstrate the same level of commitment to continuous improvement in standards of health, safety and environmental performance;
- seek to contribute to the sustainable development of communities where we operate and to understand and take account of the health, safety and environmental concerns of staff, customers, shareholders and communities;
- make available appropriate resources to implement this policy;
- ensure compliance with this policy through a process of education, review and audit;
- publish a regular statement of key health, safety and environmental objectives.

#### For security

We will:

- identify and regularly assess security threats to business operations and assess and manage associated risks;

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- define and implement specific controls and procedures to ensure the confidentiality, availability and integrity of all forms of business and personal data;
  - develop and maintain effective Security Management processes to mitigate or minimise identified risks by the use of proactive and cost effective measures and procedures;
  - protect all Company assets, including personnel, corporate reputation, business information and systems, physical property and key business processes from harm;
  - record, analyse and investigate all reported security incidents and irregularities to develop improvements to prevent their recurrence;
  - consider security in all aspects of business operations and planning;
  - expect a positive commitment to security by all levels of management and provide sufficient resources commensurate with the assessed risks;
  - conduct security operations in compliance with the Statement of Business Principles and national legal requirements. Where practical we will improve on the performance standards they specify;
  - produce and test response, contingency and business interruption plans to cover all foreseeable events to minimise the impact of any incident or emergency and train personnel in their effective and efficient implementation;
  - introduce and maintain active programmes to develop security awareness and responsibility among all employees and contractors;
  - ensure compliance with this policy through a process of education, training, review and audit.

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### **Communication**

We recognise the vital role that clear and effective communication plays in sustaining business relationships and safeguarding public confidence in GGL's activities. Openness and transparency of operations, appropriate to the expectations of respective audiences, are a key business goal, subject to the demands of commercial confidentiality. It is also recognised that effective internal communication is important to the success of GGL, and central to sustaining our corporate values.

### **Implementation**

We will:

- identify and implement effective communication controls and procedures to ensure that open and effective channels of communication are maintained with external audiences including (but not limited to) Governments, communities, shareholders and other stakeholders;
- provide tools and direction to help employees communicate clearly, appropriately and effectively to internal/external audiences;
- offer employees a secure and confidential means of whistleblowing without fear of reprisals in accordance with the Human Resources policy;
- recognise and respect commercial confidentiality where appropriate;
- encourage our contractors and partners to demonstrate and maintain the same level of commitment to open and effective communications;
- use clear and simple language;
- create a culture of two-way internal communications at all levels so that information can be shared, feedback given and questions asked without fear of reprisals;

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- provide appropriate resources to implement this policy;
- ensure compliance with this policy through a process of education, review and audit.

#### **Third Parties**

When we operate in conjunction with third parties, or with associated companies or in joint ventures we always seek to promote the application of these Business Principles.

More specifically, business integrity is a key standard for the selection and retention of those who represent and work for GGL. Agents, representatives, consultants or third party contractors must signify their willingness to accept and comply with GGL's policies and procedures, and they will only be retained on terms that are consistent with GGL's values and these Business Principles.

#### **Implementation:**

We will:

- aim to conduct business so as to develop and maintain our reputation:
  - among those we have already done business with as fair, reliable, efficient and progressive;
  - among the wider business community as an attractive potential partner, supplier or customer; and
  - among Governments and regulatory authorities as a responsible international corporate citizen.

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- identify, assess and manage the risks in our supply chain, contracting and procurement processes to ensure that they:
    - provide maximum commercial benefit from expenditure on bought-in goods and services whilst maintaining GGL's reputation;
    - are implemented with the highest standards of integrity and ethical behaviour;
    - encourage and maintain collaborative relations with contractors and suppliers in order to maximise long term benefits throughout the supply chain;
    - enable new entrants and promote a healthy and sustainable marketplace in compliance with applicable national and international laws, including Competition Law;
  - strongly encourage agents, representatives, consultants and contractors to accept and comply with GGL's policies, procedures and values, or adopt equivalent standards;
  - ensure compliance with the standard through a process of education, review and audit.

### **Customers**

We aim to deliver customer satisfaction by developing and maintaining mutually profitable and lasting relationships with customers, offering value in terms of price, safety and quality and responding to customers' needs through continuous innovation.

#### **Implementation:**

We will:

- deliver customer satisfaction by developing and maintaining mutually profitable and lasting relationships with customers, offering value in terms of price, safety and quality, responding to customers' needs through continuous innovation;

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- ensure compliance with the standard through a process of education, review and audit.

### **Economic Priorities**

. GGL is committed to economic interest of our shareholders. We pursue corporate opportunities that provide an appropriate return for our shareholders in order to discharge GGL's responsibilities and to remain in business.

GGL's investment criteria are primarily economic, but also take proper account of social and environmental considerations.

We recognise that many of GGL's activities will be subject to regulation. We work constructively with Governments and regulatory authorities to ensure that such regulation is conducive to the highest standards of environmental performance, safety and operational integrity, and balances the interests of investors and other stakeholders.

### **Implementation:**

We will:

- adopt investment criteria which are primarily economic but which also take proper account of social and environmental considerations;
- provide direction and training to enable employees to implement this policy and comply with laws, regulations and business practices of the various areas in which GGL operates, without contravening the GGL Statement of Business Principles;
- ensure compliance with the standard through a process of education, review and audit.



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### PROCEDURAL ASPECTS

#### Reporting

The designated persons shall ensure observation and application of this Code in all their dealing and activities on behalf of GGL. All the designated persons shall confirm compliance with the Code on an annual basis by furnishing a declaration in the format provided in Annexure – A, in the last month of each financial year.

The declaration shall be addressed by the designated persons in the following manner:

Declaration by	Addressed to
Directors of GGL other than Chairman	Chairman, GGL
Chairman, GGL	Board of Directors, GGL
CEO	Director
Direct reportees of the CEO	CEO

The Company Secretary shall co-ordinate with the designated persons for obtaining the declarations.

On the basis of declarations furnished by the designated persons, CEO shall furnish a declaration of compliance with the Code in Annexure – B or as near thereto as the circumstances permit, which shall form part the annual report of GGL.

**Dissemination:** The Code and any revision thereto shall be posted on website of the company.

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**Annexure - A**

**Certificate of Compliance to be furnished by the designated persons**

To,  
The .....  
Gujarat Gas Limited  
Ahmedabad

Dear Sir,

I, \_\_\_\_\_, (name and designation),  
Gujarat Gas Limited, hereby make record that I have read and fully  
understood the Code of Conduct (“Code”).

I report that:

1. During the year ....., I have observed and applied the Code in all my dealings concerning GGL. I further report that there has not been any instance of violation / non-compliance of the Code during the year under report.
2. I undertake to report any violation / non- compliance of the Code forthwith on its occurrence.

Yours faithfully,

(Name & Designation)

Date:

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**Annexure – B**

**Certificate of Compliance with the Code of Conduct**

To,  
The Shareholders,  
Gujarat Gas Limited

Dear Shareholders,

I report compliance of the Code of Conduct (“Code”) by the Board of Directors and Senior Management of the Company for the year under review.

This is based on the certificates of compliance with the Code received from the designated persons covered under the Code.

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CEO

Date: