



SOP for Conflict-of-Interest Policy

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I. PHILOSOPHY:

The Company's philosophy on Corporate Governance is the creation of long-term stakeholder value through the adoption of a best-in-class Corporate Governance Framework and adherence thereto. It aims to conduct its business in accordance with the highest ethical standards and in compliance with both the letter and spirit of the code of conduct of the Company. The Company has zero tolerance for any conflict of interest.

1. OBJECTIVES:

The principal objective of this SOP is:

- To establish the principles and procedures to enable the Company to identify and avoid any type of conflict that presents a significant risk to the operations of the organisation.
- To describe conflict of interests that exists or may exist in the organisation i.e., actual, perceived, and potential conflict of interests.
- To provide guidance for employees that may influence or interfere with employees' duties, responsibilities and obligations to the Company.
- To provide guidance in identifying and handling potential, actual, and perceived conflicts of interest to conduct business with integrity, honesty, and ethical principles.
- To describe the process/ procedure for declaring a conflict of interest by employee(s) of the Company.
- To prevent legal liabilities and disharmony between a Company and its Employees / Directors.

2. SCOPE & APPLICABILITY:

The scope and applicability as enumerated in Conflict-of-Interest Policy is reproduced below:

This Policy applies to all the employees, Board of Directors, contractors, consultants, trainees of the Company as well as its subsidiaries and other group companies. The Company reserves the right to take appropriate action in case any such parties have failed to comply with the policies of the Company.

II. DIRECTIVES:

Conflict of Interest arises when a person associated with the Company in a position of trust has a competing personal interest. Such competing interests may influence his/her professional judgements, and independence and can potentially influence the outcome of a decision for his/her personal benefit. This document covers conflicts of interest involving direct / indirect personal, financial, or professional interests that could compromise the integrity and objectivity of the Company's operations.

III. STRUCTURES AND RESPONSIBILITIES:

The multi-tier governance structure supports the Company's zero commitment towards any sorts of conflict of interest further ensuring effective implementation and governance of the Conflict of interest Policy in true spirit.

1. Board of Directors ('Board'):

The Board shall formulate, evaluate, and approve the Conflict-of-Interest Policy of the Company and upgradations thereto based on recommendations from the CSR & ESG Committee.

2. CSR & ESG Committee:

CSR & ESG Committee in their role under the structure and for ensuring compliance and reporting thereunder, shall:

- recommend amendments in the Policy, if any to the Board.
- recommend vision and targets aimed at zero tolerance towards non-compliance and review its functioning.
- advise the ESG Council on the implementation and functioning of the Policy

3. ESG Council and Working Group:

The ESG Council shall:

- review and recommend amendments in the Policy, if any, to the CSR & ESG Committee.
- support the implementation of the Policy and amendments thereto by reviewing the Conflict-of-Interest Standard Operating Procedures and training modules.
- Monitor and review the implementation of the COI Policy, SOP, training and applicable system.
- recommend training calendar, process reviews, refresher sessions and educational programs on compliance and awareness about the conflict of Interest for internal stakeholders, employees, third parties and external stakeholders.

4. Management team:

The Management Team comprising of Senior Managerial Personnel (SMPs), in their managerial role as Business / Function Heads of the Company, are responsible to:

- communicate, demonstrate, and promulgate the Policy.
- ensure the Policy is communicated effectively to all internal and external stakeholders that they engage with from time to time.
- endeavour to promulgate and communicate the Policy to all third parties that they are dealing with.
- endeavour adequate training conducted for their respective department on the Policy and Standard Operating Procedure at regular intervals.
- create adequacy of checks and balances, internal control systems and effective operation within their respective functions.
- promulgate a zero-tolerance approach towards non-compliance with the policy and SOP thereof.
- promulgate job rotation of employees based on work allocation and region.
- minimize the opportunity for potential conflict of interest that may occur within the business activities.
- identify and enlist within their respective function probable forms of conflicts of interest.
- disseminate policy and SOPs to all employees through digital or physical mode including new employees at the time of on-boarding.
- Develop compliance KPIs toward employee engagement and awareness of the compliance program.
- encourage and guide disclosing conflicts of interest.
- redress issues of the implementation of the Policy, SOP and training.
- monitor the implementation of the Policy within the function.

5. Human Capital (Employees):

The Employees whether on-roll, off-roll, contractual or fixed term shall:

- always act ethically and with integrity.
- Make a declaration about any observed conflicts in their best professional interest obliging the duty of transparency in relation to conflicts of interest.

- provide yearly confirmation on conflict of interest through HR system.
- promulgate and communicate the conflict of interest commitment and zero tolerance policy of the Company in their dealings with all internal and external stakeholders.
- aid team members, employees, third parties and other stakeholders to identify report and redress potential conflict instances and ensure the issues are addressed through inclusive training.
- disseminate and promulgate the policy to internal and external stakeholders.
- achieve KPIs aimed at employee engagement and awareness of the compliance program.
- Act at all times in compliance with the law, codes, policies and principles of the Company.
- Fully disclose all the actual, perceived, or potential conflicts of interest ensuring the Company that all the employees are aware of the actual, potential, or perceived conflict of interest.
- attend the training on the COI policy, seek guidance from CO on probable forms of conflicts of interest and disclosures thereunder, and keep oneself updated on the policy, SOPs, and training modules. Obtain adequate training and make themselves aware of actual, potential or perceived COI.
- Report to CO at speakup@polycab.com, actual, potential or perceived COI events in relation to other employees and third parties immediately upon becoming aware.

Employees' responsibilities:

- Always comply with their ethical obligations including acting in accordance with provisions specified in the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Code of Conduct of the Company.
- Ensure that their personal or financial interests do not influence or interfere with his/her professional roles and duties and disclosures are made at regular intervals.
- Take reasonable steps to avoid conflicts of interest wherever possible and comply with any lawful and reasonable directions issues in relation to the management of conflicts of interest in organizations.

Employees' disclosures:

- Disclose in writing or through the HR system as soon as the employee is aware of actual, potential or perceived COI as per the format described in (Annexure I).

1. Compliance Officer:

- i. Aid decision-making by documenting the situation ensuring the continuity of business in line with the Company's interests.
- ii. Encourage disclosure of all material facts and documents whenever a Conflict of Interest is disclosed.
- iii. Assimilate information that is relevant to the conflict and seek interaction with, by and between the business heads / involved parties to derive information and details to aid decision-making and reach a conclusion.
- iv. Seek inputs and confirmations from Heads for facilitating decision-making.
- v. Seek inputs and confirmation from the immediate supervisor or line manager of the individual who has reported a conflict of interest.
- vi. Provide his/her comments based on the information and data received from HR department, Procurement department and Business Heads as may be identified.
- vii. Seek reporting of conflict-of-interest disclosures for review of related party transactions and prevention of insider trading.

- viii. Review, and either approve, reject, or provide recommended actions for the disclosed conflict of interest within 30 days from the date of disclosure based on corresponding information by the relevant Business Head(s) as CO may deem appropriate.

IV. SYSTEMS:

1. Strategies and techniques for managing COI:

- An employee will ensure that the Company is aware of the existing conflicts and must report a conflict by the policy and this SOP so that effective assessment and monitoring of the conflict of interest can be maintained.
- The Company's HR department shall maintain a register to record all reported conflicts of interest of Employees and
- the Company's Procurement department shall maintain a register/record of all reported conflicts of interest of vendors in Purchase Orders.
- The Company's HR Department, Procurement Department and other departments are required to keep themselves informed about the conflicts declared from time to time (declaration annual?)

2. Third-party onboarding:

- ❖ Procurement, Human Resources and other applicable functions shall establish protocols, standard operating processes and systems for onboarding third parties, such as candidates joining as employees, vendors, customers, or external individuals to ensure the disclosure of conflicts of interest in consultation with the CO.
- ❖ Business / Function Heads shall conduct diligence checks on a need basis on its team members and third parties to verify the presence of any COI.
- ❖ Procurement, Human Resources and other functions shall implement a systematic checklist for third parties, including employees, vendors and customers, to confirm any conflicts of interest COI.
- ❖ Procurement and other applicable functions must also ensure that the suppliers of the Company adhere to the Supplier's code of conduct.
- ❖ Procurement and other applicable functions must also ensure that disclosure is well documented and uploaded in the system in the relevant tab/section for disclosing Conflicts of Interest while preparing purchase orders/vendor creation/candidate onboarding.
- ❖ All stakeholders, including employees, vendors, customers, and any other third parties, are required to submit an annual disclosure to certify that they do not possess any COI as per Annexure I.
- ❖ Business Heads to further communicate to the third party that grievances, if any, may be reported to speakup@polycab.com

3. HR onboarding system:

The Company's HR department shall implement a process to ensure that every individual joining the organization, whether as an employee or in any other capacity, is required to provide a declaration confirming the absence of any COI within the organization or with third parties related to the Company.

In cases where the individual has a COI, such as a prior acquaintance within the organisation or a recommendation from a current employee, the candidate must disclose this information to the HR department before their appointment is finalised.

The Company's HR department shall further ensure that appropriate training is imparted to the employees to encourage and facilitate continuous disclosures from the employees. In cases where the individual has a COI, such as a prior acquaintance within the organisation or a recommendation from a current employee, the candidate must disclose this information to the HR department before their appointment is finalised.

4. Documentation:

- i. The Company's HR department shall maintain a register (digital form) to record all reported conflicts of interest of Employees.
- ii. The company's Procurement department shall maintain a record of Purchase Orders/Vendor Creation Details etc. in digital form.
- iii. The purpose of the register is to maintain a record of all conflicts of interest that arise or may arise in connection with the activities that the Company engages in.
- iv. The register shall be accessed only on a need-to-know basis.
- v. CO shall periodically review and assess all conflicts of interest existing, to take timely corrective actions in the best interest of the company.
- vi. The HR will maintain a comprehensive database preferably in the HRMS system of the Company equipped with filtering capabilities, enabling the retrieval of COI disclosure status within specific timeframes. The database will contain insights, including the number of COI disclosures received during a defined period, categorizing them by type, such as those related to HR, procurement or third-party recruitment.

5. Grievance redressal:

Any misconduct observed or reported within the organization shall be subject to investigation and disciplinary action. The process is enumerated in the Code of Conduct and reproduced as Annexure II.

6. Investigation

The CO shall forward any reported allegations to the Whistle Officer as per the Investigation Policy at speakup@polycab.com. The Whistle Committee shall maintain utmost 'confidentiality' and ensure adequate protection is provided to the stakeholders. The CO shall update the Audit Committee Chair and report directly to the Audit Committee. All reports will be handled confidentially, and the investigation may involve the documentation of all relevant facts, including persons involved, times and dates. The Disciplinary Committee shall take recommended actions depending upon the outcome of the investigation, including disciplinary steps where appropriate, action to correct any behaviour in breach of this policy or other unfavourable treatment connected with raising a concern.

V. EVALUATION:

1. Consequences of non-compliance:

Any non-compliance or Violation of the policy of the Company can be reported through the Whistle Blower Mechanism.

Please refer to the Conflict-of-interest policy on how the complaint can be raised. Different forms of Conflict of Interest are provided in Annexure II. Any violation or non-compliance with the conflicts of interest policy will not be permitted and may lead to conducting investigations or taking disciplinary actions including termination of employment.

2. Waiver & Amendment of the Policy:

The Company is committed to continuously reviewing and updating its policies and procedures based on the learning. This is so even when the Company enters a new market/ sector/ country which may pose a risk under the Policy.

The Compliance team will monitor the effectiveness and review the implementation of the Policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible.

Therefore, this document is subject to modification. The Company reserves the right to vary and/or amend the terms of this Policy from time to time. The Policy will be reviewed from time to time which requires cooperation from all concerned.

Any change of the guideline shall be approved by the Compliance Officer. The management team shall have the overriding right to withdraw or amend the guideline at its own discretion as it deems fit from time to time. The decision of the management team shall be final and binding.

Annexure I

From,

_____(Name)
_____(Designation)

_____(Address)

To,

Company Secretary & Compliance Officer
Polycab India Limited
#29, The Ruby, 21st Floor,
Senapati Bapat Marg, Tulsi Pipe Road
Dadar, Mumbai (W) 400028

I, **{NAME OF THE PERSON DISCLOSING}**, **{RESIDING AT}** hereby state the following:

- I. Describe the private interests that have the potential to impact on your ability to carry out, or be seen to carry out, your official duties impartially and in the public interest.
- II. (Describe the nature of private interests and/or associations)
- III. Describe the expected roles/duties which you are required to perform.
- IV. The conflict of interest has been identified as: **(Please select one of the following)**
 - (i) Actual conflict of interest
 - (ii) Potential conflict of interest
 - (iii) Perceived conflict of interest

Date: _____ 2024

Signature:

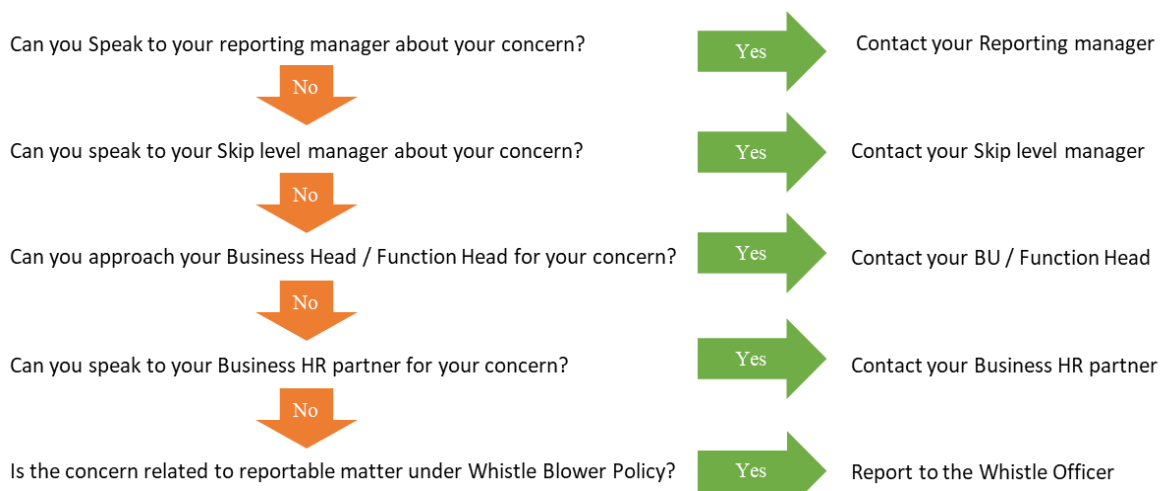
Annexure II

Structured Reporting of a concern:

- (i) Stakeholders with a COI must log into the HR Management system to disclose any COIs they possess.
- (ii) Upon disclosure, an automatic notification will be sent to the respective line manager and the CO.
- (iii) The CO will arrange a meeting with the stakeholder who has disclosed the COI to gather essential information and material facts related to the conflict.
- (iv) The CO will then consult with the respective line manager to assess how the disclosed COI may impact the individual's current job responsibilities.
- (v) Within 30 days from the date of disclosure, the CO will evaluate the gathered information and facts and will make a decision to either approve, reject, or provide recommendations regarding the disclosed COI.
- (vi) Employees shall immediately upon becoming aware of COI event relating to other stakeholders that have not been disclosed by the relevant stakeholders must inform the CO at speakup@polycab.com.

Speak Up

Each one of us has a responsibility to speak up if we see something unsafe, unethical, retaliatory, or potentially harmful. If you need help, seek clarity want to raise a concern, please refer to the 'SPEAK UP' decision tree below:



Investigation

The purpose of this Investigation Policy within the conflict of interest Policy SOP is to establish clear guidelines and procedures for conducting investigations into suspected violations of the conflict of interest Policy. This policy aims to ensure that all investigations are conducted impartially, thoroughly, and in compliance with applicable laws and regulations.

The Company shall investigate the complaint as per the applicable policies and procedures of the Company. The outcome of the investigation shall be reported to the Disciplinary Committee for further action.

Disciplinary action

Employees, contractors, agents and all the other stakeholders of the Company are encouraged to report any suspected violations through the company's established reporting channels. Upon receiving a report of a suspected violation, the whistle-blower committee will initiate an internal investigation. The severity of the violation will be assessed based on factors such as the nature and extent of the violation, the intent of the individual(s) involved, the potential harm to the company's reputation, and any legal implications.

The results of the investigation will be used to determine appropriate disciplinary actions, which may include verbal or written warnings, suspension, termination of employment or contract, or legal action as outlined in the Disciplinary Action section of this SOP.

Annexure III

Understanding of Conflict of Interests and Definitions:

Conflict of Interest – A conflict of interest refers to a situation in which an individual or entity has competing interests that could potentially compromise their ability to make impartial and objective decisions.

Whistle Blower Committee – A Whistleblower Committee is composed of senior executives within the company, tasked with receiving protected disclosures from individuals reporting concerns or wrongdoing (whistleblowers). This committee is responsible for documenting these disclosures, presenting them to the Audit Committee for review and appropriate action, and subsequently communicating the outcomes to the whistleblower.

Compliance Officer – A compliance officer is an individual responsible for ensuring that an organization adheres to relevant laws, regulations, and internal policies to maintain ethical and legal standards.

Forms of Conflict of Interest:

Actual Conflict of Interest – An actual conflict of interest arises when there is a tangible and immediate clash between the employee's official duties and obligations and their preexisting personal interests.

Perceived Conflict of Interest – A perceived conflict of interest refers to a situation in which an outside observer, such as the public, colleagues, or stakeholders, reasonably believes that a conflict exists between an individual's professional responsibilities and their personal interests, regardless of whether an actual conflict is present.

Potential Conflict of Interest – A potential conflict of interest is a situation in which an individual's private or personal interests, which may not currently conflict with their professional duties, have the potential to create a conflict in the future, thereby compromising their ability to make impartial or objective decisions in their professional role.

Following are a few of the instances when an employee is required to make the disclosure to the CO:

- i. An employee who is offered a gift, benefit or hospitality of anything other than his/her compensation.
- ii. Any change to previously recorded conflicts of interest.
- iii. When an employee believes another employee has a conflict of interest or becomes aware of another employee's association which should be reported.
- iv. When an employee of the Company engages in any outside commercial activities.
- v. Any relative working in an industry having business/activity similar to the Company either individually or with another organization.
- vi. If a relative of an employee is linked with any existing or potential third party of the Company.
- vii. If a relative of an employee is employed / proposed to be employed with the Company or services are being availed from the relative of an employee
- viii. Any other situation in which it is anticipated that a conflict of interest may impact the employee's duties or responsibilities in their current role.
- ix. If premises owned by the relative of an employee is given on lease to the Company
- x. If an employee works in the Company in a particular department like. Sales and the relative of the employee work in the corresponding opposite department in another Company like Purchase.