

# Corporate Governance

## 2021 HIGHLIGHTS

**50%**

Independent Directors

**5.52 years**

Average tenure of the Board of Directors

**33.33%**

Minimum attendance in Board meetings as mandated by law

**91.67%**

Average attendance in Board meetings

**83%**

Indian National Directors

**17%**

Foreign National Directors

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# Ensuring ethical business practices

**At ACC, good governance forms the bedrock of our business. We are advised by an active, experienced and a well-informed Board and have a strong risk management framework along with relevant policies and procedures to ensure transparency and accountability.**

### Our core principles of governance



Trusteehip



Strategic oversight



Sustainability



Reinforcing a risk culture



Compliance with laws and regulations



Corporate Social Responsibility



Accountability

### ENSURING GOVERNANCE

We conduct our business in alignment with the highest standards of business ethics. Our values underpin our commitment to be an equal opportunity employer ensuring respect, dignity, fairness and human rights for all our employees. All aspects of the human rights are built into and covered under the Code of Business Conduct as well as by various human resource practices and policies.

### INTERNAL CONTROL FRAMEWORK

We have put in place an adequate internal control system to safeguard all our assets and ensure operational excellence. Our internal controls framework covers financial, operational, compliance and information technology controls, as well as risk management policies and systems. The framework also diligently records all

transaction details and ensures regulatory compliance. We have well-established risk management processes embedded within the business that enable us to identify, evaluate, record, and monitor significant risks.

### ACCOUNTABILITY AND TRANSPARENCY

The Board commits to providing reliable and comprehensive financial and non-financial reporting accompanied by a robust feedback mechanism. We align with global best practices relating to disclosures and subject ourselves to internal and/or external assurance and governance procedures.

### BOARD'S ROLE IN DELIVERING STRATEGIC OBJECTIVES

The ACC Board possesses requisite qualifications, experience and expertise in the fields of manufacturing/ cement manufacturing, finance, people management, strategy, auditing, tax and risk advisory services, infrastructure, banking, insurance, investments, mining and mineral industries and e-commerce. It plays a significant role in strategy formulation. The Board meets periodically to discuss the strategic roadmap and other relevant topics such as Environment, Social and Governance (ESG), succession planning, talent, etc. and provides insights, suggestions and guidance to the management.

### Memberships and collaborations

Various bodies with which ACC is associated are:

- |  |   |
|--|---|
| • Global Cement and Concrete Association India (GCCA)          | • Indian Merchants' Chamber (IMC)         |
| • Confederation of Indian Industry (CII)                       | • Indian Green Buildings Council (IGBC)   |
| • National Safety Council                                      | • Cement Manufacturing Association (CMA)  |
| • Federation of Indian Chambers of Commerce & Industry (FICCI) | • Swiss India Chambers of Commerce (SICC) |
| • Bombay Chamber of Commerce & Industry (BCCI)                 |   |

# Supported by strong internal processes and systems

**At ACC, compliance is more than a legal requirement. We have zero tolerance towards corruption and ensure ethical conduct and fair competition through a gamut of policies and set processes and procedures. The Executive management regularly reviews progress on compliance and the effectiveness of internal processes.**

## RELATED PARTY TRANSACTIONS

All transactions of the Company entered into with related parties during the year under review were in the ordinary course of business and on an arm's length pricing basis.

## STRICTURES AND PENALTIES

No strictures or penalties were imposed on the Company by the stock exchanges or by the Securities and Exchange Board of India (SEBI) or by any other statutory authority on any matter related to the capital markets during the last three (3) years.

## FAIR COMPETITION DIRECTIVE PROGRAMME AND WHISTLE-BLOWER POLICY

The Fair Competition Directive programme, earlier known as Value Creation in Competitive Environment (VCCE), was introduced in 2008 and since then, we have been carrying out extensive training sessions annually for creating awareness among our employees on fair competitive practices. Employees in Sales and Purchase and other relevant functions also receive training on Competition Law and on behavioural aspects for ensuring fair competition in the marketplace.

We have an Ethical View Reporting (EVR) policy to deal with instances of fraud, mismanagement and unethical behaviour, if any. The EVR policy ensures that strict confidentiality is maintained whilst dealing with concerns and ensures that no one faces discrimination of any sort. A dedicated ACC Ethics Helpline has been set up and it is managed by an independent professional organisation.

Details of the EVR policy can be accessed on the Company's website at <https://acclimited.com/assets/new/pdf/ethicalview-reporting-policy.pdf>

Employees receive extensive training through e-learning modules and face-to-face sessions to create increased awareness about ACC's Fair Competition Directive and Anti- Bribery and Corruption Directive (ABCD).

In 2021, the Company received 128 complaints under the EVR policy, out of which 88 were resolved and the balance 40 complaints are under various stages of investigation and completion.

## DONATIONS AND POLITICAL CONTRIBUTIONS

As a Company, we are politically neutral, as emphasised in our Code of Business Conduct. ACC avoids political donations, campaigns and promotions of a political nature and we request our employees to observe strict neutrality.

## FAIR COMPETITION

We regularly organise Fair Competition training sessions on Competition Law for relevant employees, with a special focus on functions such as Sales, Marketing and Procurement, among others. The purpose of this training is to create awareness on various aspects of compliance with the Competition Law and facilitate risk mitigation.

## COMPETITION LAW COMPLIANCE

Apart from the face-to-face training sessions, e-learning modules are also rolled out to ensure better understanding of Competition Law compliance. We have implemented various policies of the Holcim Company and the Group, including the Commercial Documentation Directive on Competition Law, to ensure awareness. We regularly review these as part of our risk mitigation strategy. We undertake both internal and external audit of the process to identify gaps, if any, and accordingly, take corrective action.

