

HFCL Limited
Code of Business Ethics and Conduct

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1.0	HR Department	1st April 2025	Mr. Sanjay Jorapur Executive President, Human Resources

1. Purpose

The Code of Business Ethics and Conduct Policy (**COBEC**) at HFCL Limited defines our values, principles, and standard behavior to be followed in business activities. The underlying principle of HFCL Limited COBEC policy is Trust. We expect everyone who works for us; to demonstrate exemplary commitment and fulfill their responsibilities towards ethics & integrity standards laid down by the organization.

2. Scope and Applicability

- COBEC at HFCL Limited governs all policies, processes, practices, and business dealings of the organization.
- The COBEC applies to all board members, all employees- full-time/ part-time/temporary, interns, apprentice, trainees, partners, stakeholders, third-party vendors, consultants, contractors, employees of partners & vendors, whether operating within or outside HFCL Limited locations.
- The COBEC also applies to all employees and business partners of HFCL Limited subsidiaries, entities acquired or merged anywhere in the world.
- The COBEC covers various in-practice codes, reporting mechanisms in case of breach or violation of norms laid down in the policy, and disciplinary action.
- This policy document should be read in conjunction with prevalent local laws & regulations and other policies & procedures of HFCL Limited.

3. Definitions

In this document, the terms "we," "us," "our," "the Company" and "HFCL Limited" refer to HFCL Limited, all holding companies, associate companies, branches, and subsidiaries operating globally. The terms "you," "your", "employee(s)" refer to every person who works in HFCL Limited including temporary, full-time and part-time employees, interns, trainees, apprentices, the senior management, and the Board of Directors. "Associated parties" or "party" refers to all board members, directors, employees - full, part, and temporary, partners, stakeholders, third-party vendors, consultants, contractors, employees of partners & vendors, and customers worldwide whether operating within or outside HFCL Limited locations.

4. Our Commitments

COBEC is the guiding tool for expected conduct, required to foster healthy business relationships. HFCL Limited is committed to being fair and impartial with its employees, customers, vendors, stakeholders, and business partners, in all its transactions and dealings. Therefore, by virtue of being part of the HFCL Limited family, it is mandatory for all internal and external stakeholders to comply with our COBEC policy. We are committed to treating those engaged with our Company with dignity and respect.

The Code of Business Ethics and Conduct in HFCL Limited stands on four pillars-

- I. Commitment to Ethical Business Standards
- II. Commitment to Workplace
- III. Commitment to Stakeholders
- IV. Commitment to the Company's Assets and Information

4.1 Commitment to Ethical Business Standards

HFCL Limited employees must uphold integrity by following company policies and applicable laws. Key commitments include:

- **Anti-Bribery & Anti-Corruption:** HFCL Limited has zero tolerance for bribery or corruption, including kickbacks, facilitation payments, donations, or unethical practices. Employees and partners must comply with all relevant laws. HFCL Limited would rather lose business than engage in unfair practices. Employees of HFCL, including Associated Parties, shall adhere to the Company's Anti-Bribery and Anti-Corruption Policy.
- **Conflict of Interest:** Employees must disclose any actual or potential conflicts—personal or financial—that may affect objectivity. Examples include employment, financial, relational, competitive, and confidentiality-related conflicts.
- **Gifts, Entertainment, and Business Courtesies:** Reasonable and customary business gifts and hospitality are permitted if they comply with law and policy, are modest, infrequent, and never intended to influence decisions. Such business gifts and hospitality should be recorded with concerned authority as per the policies of the Company.
- **Compliance with Laws and Regulations:** All associated parties must comply with anti-bribery, human rights, banking, real estate, employment, privacy, and other applicable laws.
Lobbying and Political Activities: Engagement with government officials requires prior written approval from the Governance Risk and Compliance Head. HFCL Limited resources must never be used for political purposes.
- **Money Laundering and Terrorism Funding:** HFCL Limited prohibits involvement in money laundering or terrorist financing. Red flags must be reported to the whistleblower team.

4.2. Respectful Workplace

- HFCL Limited ensures a respectful environment free from harassment, discrimination, or abuse.
- **Maintain Work Ethics:** Employees must demonstrate professionalism, fairness, and discipline at all times and in all modes of communication within and outside the workplace.
- **Workplace Harassment:** Offensive or violent behavior is strictly prohibited. Maintaining professional conduct and demonstrating respect for individuals is expected

of all employees. Employees with managerial responsibilities need to uphold this responsibility to ensure a harassment-free workplace environment in their everyday conduct. HFCL Limited complies with all laws to ensure a harassment-free workplace.

- **Diversity, Equity, and Inclusion:** HFCL Limited does not discriminate based on gender, caste, color, religion, nationality, sexual orientation, or physical condition. Merit is the sole criterion for all its people decisions.
- **Health & Safety:** Employee well-being and safety is a priority. HFCL Limited invests in providing a safe infrastructure for all employees at their respective workplace and provides health benefits to all employees. HFCL ensures compliance with all safety regulations in all its places of business.
- **Drug, Alcohol, & Smoking:** Illegal drugs or alcohol on company premises are prohibited. Offices and Plant locations are smoke-free except for designated areas.
- **Anti-Violence:** Violence, bullying, or aggressive behavior will not be tolerated in any HFCL workplace.

4.3. Fair Business Practices

HFCL Limited ensures fairness in all dealings with customers, suppliers, partners, and competitors.

- **Client Trust:** Deliver quality solutions on time and maintain strict confidentiality of client information.
- **Associates, Investors, and Suppliers:** Supplier selection is based on price, quality, delivery, service, reputation, and ethical practices. Transactions must not involve illegal trade or money laundering.
- **Environment and Community:** Operations comply with regulations, protect the environment, and support community development. CSR initiatives align with statutory norms.
- **Insider Trading:** Employees must comply with the HFCL Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading in Securities by Designated Persons.
- **Data Privacy:** HFCL complies with all laws and regulations related to Data Privacy and Data Retention for business purposes.
- **Audits and Investigations:** Employees must cooperate fully and honestly with audits and investigations.
- **Records and Disclosures:** All business records must be accurate, complete, and maintained with integrity. Misrepresentation or unauthorized changes are prohibited.

4.4 Protection of Company Assets

- Employees must safeguard and use company assets responsibly.
- **Intellectual Property:** Protect HFCL Limited's IP and that of customers and partners, including patents, trademarks, copyrights, and trade secrets.

- **Information Security & Data Protection:** Comply with global data privacy laws and protect personal and confidential information.
- **Asset Protection:** Prevent theft, damage, misuse, or waste of company assets, including funds, equipment, and work hours.
- **Responsible Social Media Use:** Only authorized representatives may post on behalf of HFCL Limited. Employees must use social media ethically.

5. Duties of Independent Directors

The Company has formulated a Code of Business Conduct and Ethics for the members of the Board of Directors in accordance with Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This regulation stipulates that the Board of Directors shall lay down a code of conduct for all members of the Board and senior management of the listed entity. The Code of Conduct has appropriately incorporated the duties of Independent Directors as prescribed under the Companies Act, 2013, which every Independent Director must strictly adhere to.

The following guiding principles are enshrined in this Code:

- Act diligently, transparently, honestly and in good faith upholding the highest ethical standard of integrity, confidentiality, accountability and independence.
- Provide leadership in advancing the Company's Vision, Values and Guiding Principles.
- Discharge duties in the best interests of the Company, its Shareholders and Stakeholders.
- Become and remain familiar with Company's business and the economic and competitive environment in which the Company operates and understand the Company's business plans, strategies and objectives, operation results, financial condition and relative market place position.
- Commit the time necessary to hold attend and actively participate in regular and special meetings of the Board and of the Board Committee Meetings; Meeting of Shareholders and the Management Committee Meetings and other office functions, from time to time.
- Not enter into, without the prior approval of the Board, any transaction or relationship with the Company which the directors/executives will have a financial or personal interest (*either directly or indirectly, such as through a family member or other person or organization with which they are associated*), or any transaction or situation which otherwise involves a conflict of interest.
- Maintain the confidentiality of all material non-public information about the Company, its business affairs.

h. Scrupulous adherence to all applicable laws and regulations and the Company's Code for Prevention of "Insider Trading in Shares."

6. Administration of COBEC Policy

The COBEC policy cannot cover every detail or address all possible questions and situations. To ensure its effectiveness, the concerned stakeholder must refer to the all HFCL policies. Designated supervisors and managers must use HFCL Limited's applicable policies and procedures to resolve any ethical concerns or queries brought to their attention.

6.1 Reporting the Concern

It is the duty of HFCL Limited employees, workers and stakeholders to immediately report, potential or suspected violations of COBEC to the **HR Head/Compliance Officer of the Company for investigation through any of the channels mentioned below:**

- Email
- Written Complaint
- The Chairman of the Audit Committee is the Ombudsperson under the Whistleblower Policy.
- A report can also be made to the immediate supervisor (in case there is no potential conflict of interest) or made to any other official in HFCL Limited whom the reporting employee can expect to have the responsibility to review the alleged unethical activity.

6.2 No Retaliation policy

HFCL Limited strictly prohibits retaliation against any employee, worker, stakeholder for filing a complaint or cooperating in an investigation. Retaliation is illegal and will result in disciplinary action. Employees or associated parties who experience retaliation must immediately report it to HR - Head or the Compliance Officer of the Company.

6.3 Investigation of Violations

Any individual associated with HFCL Limited may report a COBEC violation. Reported concerns are investigated as per the policies of the Company under strict confidentiality.

6.4 Disciplinary Action for COBEC Violations

It is the responsibility of every employee and worker to adhere to COBEC policy. Breach of COBEC policy, in any form, is not acceptable and can lead to disciplinary action. Actions are based on the severity of the violation and its actual or potential consequences. Indiscipline is classified as low, medium, or high. Penalties may include verbal or written warnings, suspension, dismissal with or without notice, termination of contracts, and legal action where necessary.

6.5 Monitoring and Reviewing Policy

The HR team monitors the effectiveness of the Code and reviews its impact. The governing team ensures the adequacy and sustainability of the policy and updates the Code as needed based on reported issues, audit findings, or changes in law.

7. Waivers of the Code

HFCL Limited employees, all business partners and associated parties must strictly adhere to the commitments and responsibilities mentioned in the Code of Business Ethics and Conduct policy. Any exceptions should be appropriately witnessed and approved within specific guidelines and limited circumstances by the HR-Head or the Compliance Officer of the Company.

8. Communication and Awareness

Employees of HFCL Limited are given periodic orientation and by annual training on the Code of Business Ethics and conduct policy through induction programs, awareness mailers, refresher trainings, workshops, HR Connects and Manager Connects.

9. Additional Resources

The below policies and procedures form an integral part of this policy.

- [Board Diversity Policy](#)
- [Modern Slavery and Human Trafficking Statement](#)
- [Prevention of Sexual Harassment at Workplace](#)
- [HFCL Equal Employment Opportunity Policy](#)
- [Anti-Bribery and Anti-Corruption Policy](#)
- [Familiarisation programme for Independent Directors](#)
- [Archival Policy](#)
- [Code of Business Conduct and Ethics for the Board of Directors](#)
- [Code of Business Conduct and Ethics for the Senior Management Personnel](#)
- [Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information](#)
- [HFCL Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading in Securities by Designated Persons](#)
- [CSR Policy](#)
- [Dividend Distribution Policy](#)
- [Policy on disclosure of events/information and for determination of materiality](#)
- [Policy on related party transactions](#)
- [Principles and Policies of Business Responsibility](#)
- [Remuneration Policy](#)

- [Terms and conditions of appointment of independent directors](#)
- [Vigil Mechanism \(Whistle blower policy\)](#)
- [Waste Management Policy](#)
- [Climate Change and Net-Zero Policy](#)
- [Environmental Management Policy](#)
- [Human Rights Policy](#)
- [Occupational Health and Safety \(OHS\) Policy](#)
- [Water Stewardship Policy](#)
- [Conflict Free Sourcing Policy](#)
- [Supplier Code of Conduct](#)
- [Sustainable Procurement Policy](#)
- Any other policy, published by HFCL for its stakeholders

Disclaimer:

COBEC serves as a guide to help employees, business partners, and stakeholders navigate ethical dilemmas. It may not cover every situation due to complex regulations. In such cases, employees and workers should refer to HFCL Limited policies mentioned in COBEC, policies available on the company internet and intranet, for detailed information. Employees can also seek assistance from their manager, HR, or other designated contacts listed in COBEC.