

22.0 Environment, Social & Governance
P22.13 Supplier Code of Conduct Policy
Vardhman Group

Document Attributes

Policy Document Number	VG/ ESG/ P22.13 Supplier Code of Conduct Policy	
Policy Owner(s)	Functional Head	
Process Approvers	Board Chairperson	
Process Council	ESG Committee	
Applicability	Vardhman Group	
Review Frequency	As & When	
Version and Issue Date	Version 01.0	January 2025

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22.13.1. Overview

Supplier code of conduct refers to a set of standards and guidelines that spell out both ethical and business practices that suppliers need to follow if they wish to conduct business with Vardhman.

Most companies with a global footprint tend to use the Supplier Code of Conduct to ensure that the set standards are met by suppliers and that they implement them in labor practices, human rights, environmental impact, and business conduct.

22.13.2. Objectives

The purpose of this document is to enumerate the guidelines to develop ethical business practices, follow applicable laws, safely monitor their supply chain, and follow business operations and fair business practices as expected.

This document strives to implement fair, ethical labor practices, protect employees, and protect the environment in the midst of global warming while dealing with outside suppliers. Therefore, its main purpose is to ensure that both suppliers and their employees are subject to both safe and fair labor practices.

22.13.3. Scope & Applicability

This policy guideline applies to all the suppliers dealing locally and internationally in the below-mentioned categories:

- **Suppliers of People:** Suppliers (business and support) who provide manpower to Vardhman.
- **Suppliers of Services:** Suppliers who provide essential services (such as catering, food and beverage counters, transportation, and construction) at Vardhman’s locations.
- **Suppliers of Products:** Suppliers who supply products to Vardhman (such as hardware, software, electrical/electronic equipment, furniture, heavy equipment, stationery, etc.) across Vardhman’s locations.

22.13.4. Mandatory Guidelines for Suppliers

1. Fair Labour Practises

Labor standards include the requirement of freely chosen employment, meaning suppliers are not permitted to use forced labor, such as modern slavery and workers hired through human trafficking. The use of child labor in any stage of manufacturing is also prohibited. Working hours and wages must comply with local laws, including labor laws. Violence, bullying, and verbal abuse are prohibited.

Labor standards also emphasize non-discrimination/non-harassment. In their hiring and employment practices, companies are not allowed to engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity, ethnicity or national origin,

disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status.

Companies may not impinge on freedom of association and collective bargaining efforts: companies must respect the rights of workers to form and join unions. Workers may not face retaliation in the work environment for their choices.

2. **Environment, Health & Safety**

Suppliers should mandatorily follow the environmental standards to identify the environmental impacts and minimize adverse effects on the community, environment, and natural resources while safeguarding the health and safety of the public.

The standards cover securing approvals for environmental permits, pollution prevention and resource reduction, hazardous substances handling, solid waste disposal and recycling, water management, air emissions management and monitoring, and greenhouse gas emissions reduction.

Health and safety standards encompass guidelines on occupational safety, emergency preparedness, managing occupational injury and illness, industrial hygiene, physically demanding work, and safeguarding workers when machinery presents a hazard.

3. **Ethics**

Ethical standards promote the highest standards of business integrity such as zero tolerance for bribery, corruption, extortion, and embezzlement, as well as compliance with anti-corruption laws. They also emphasize transparency in business dealings; protection of intellectual property rights; fair business practices; fair competition standards free of conflicts of interest; responsible sourcing of minerals, including due diligence on the chain of custody of those minerals; protection for whistleblowers; and the protection of the personal information of everyone with whom a company does business.

4. **Conflict of Interest**

This includes situations where a Vardhman's employee or director may have an interest of any kind in the Supplier's business, whether through personal relationships, investments, directorships, or any kind of economic ties with the Supplier. In the event of any conflict of interest arising at the time of empanelment or prior/ post/ during an engagement, Suppliers shall promptly disclose such situations to Vardhman.

5. **Quality & Product Responsibility**

Suppliers shall ensure that the quality of product/service delivered shall be in line with all the contract terms and conditions. Suppliers shall adhere to all applicable laws and regulations regarding the prohibition or restriction of specific substances, including the labelling of products if required.

6. **Fair Business, Advertising & Competition**

Suppliers shall uphold standards of fair business, advertising, and competition. Suppliers shall not engage in collusive bidding, price fixing, price discrimination, or other unfair trade practices in violation of applicable antitrust laws.

7. **Freedom of Association & Collective Bargaining**

Vardhman expects its suppliers to respect their workers' right to form and join any association and bargain collectively. They shall be free to join an organization of their choice and their doing so will not result in any negative consequences or penalty. The company shall not in any way interfere with the establishment functioning, or administration of such organizations.

8. **Non Discrimination**

We expect our suppliers to strictly adhere to all applicable laws and regulations and prohibit workplace discrimination based on Age, Gender, Caste, Creed, Religion, Language, Ethnicity, Disability, Sexual orientation, Race, Colour, Marital Status, or any other status protected by appropriate laws.

Vendors must not indulge in forceful medical testing or examinations that are not associated with work-related risks.

9. **Data Privacy**

Vardhman along with its subsidiaries ensures that it complies with all applicable data protection laws and contractual requirements.

We expect our Suppliers to adhere to similar standards when processing such Personal Data, including sensitive personal information. Where the Supplier is an independent controller, Supplier shall comply with local laws of the land, when processing such personal data. Where the supplier is acting on behalf of Vardhman, the Supplier shall comply with all obligations under applicable Data Protection Laws and Regulations, and also abide by the obligations under Data Processing Clauses and standard contractual clauses relevant to the processing of personal data, and ensure adequate measures are implemented to address technical and organizational security measures, data subjects rights, transfer of data and retention of data, including deletion, while processing personal data owned, controlled and managed by Vardhman.

Supplier shall inform Vardhman of any instance of data breach within 48 hours upon discovery of the same. Supplier is expected to fully cooperate with Vardhman and provide them with reasonable access to data processing facility, for conducting investigations into the reported data breach incident.

10. **Business Continuity**

The Supplier shall ensure that there are plans and procedures to resume business in the event of any physical disaster (e.g., Such as fire, flood, wind, earthquake, explosion, etc.) or work stoppage

of any kind (e.g., Labor strike, economic/social structure breakdown, etc.). Subject to mutual agreement on business continuity plan terms by both parties, the Supplier shall resume services within committed timelines following a disaster or work stoppage event.

11. **Vardhman’s Brand Name, Logo & Media Rights**

Our logo is the most prominent symbol of our products, platforms, and services. The Suppliers shall ensure the following.

- All usage of the Vardhman’s logo must strictly adhere to Vardhman’s brand guidelines with respect to color, appearance, and size.
- All manifestations of the Vardhman’s brand including but not limited to case studies, brochures, and advertisements must be in accordance with established brand guidelines;
- Suppliers shall not use Vardhman’s brand name, logo, or any other visual vehicles implying or representing Vardhman without explicit consent. Suppliers shall not make any comments about their engagement with Vardhman in the media without prior approval. The specific content of any media report and/or comments and details of usage shall be shared for approval with Vardhman.

12. **Third-Party Engaged by the Supplier**

In the event, that Suppliers engage any third party to provide services/goods to Vardhman, Suppliers shall ensure that such third party adheres to the Supplier Code and does not indulge in any activity that violates the terms of the Supplier Code.

Suppliers shall be responsible for monitoring compliances by such third parties and determining that they are in accordance with the applicable laws and regulations.

13. **Pollution Prevention, Resource Efficiency & Waste Management**

Suppliers shall ensure to minimize and possibly avoid waste of all types, including through resource efficiency e.g. the reduction of water consumption as well as to promote the reduced usage of energy, fossil fuels, minerals, and other resources, including raw materials.

Moreover, the adoption of renewable energy sources is key to managing pollution, reducing waste, and using natural resources more efficiently. It helps mitigate climate change, lowers dependence on fossil fuels, and promotes environmental sustainability. By relying on energy sources that are replenished naturally, we can reduce our environmental footprint and create a more sustainable future. Here are some examples of how renewable energy can help preserve the environment:

- Solar Energy
- Wind Energy
- Hydropower
- Biomass energy

In addition to embracing renewable energy, it is essential to ensure that waste treatment practices are conducted in compliance with environmental laws.

14. **Biodiversity, No Deforestation & Land Conservation**

Suppliers and Sub-Contractors are expected to ensure legal compliance and obtain relevant certifications to align with biodiversity-related laws and regulations. They are also expected to be committed to respecting ecosystems and biodiversity, including considerations for soil conservation, no deforestation, land conservation, and responsible management of the surrounding territory.

15. **Transparency & Anti-Corruption**

We expect our suppliers to comply with all the relevant anti-bribery and anti-corruption laws including but not limited to the Indian Prevention of Corruption Act, 1988 (IPC), and bribery, whether public, commercial, or both. The suppliers for obtaining favourable treatment shall ensure adherence to the following:

- Supplier and its employees shall not directly or indirectly offer or give any bribe, kickbacks, or any other improper payments to obtain or retain a business.
- Supplier shall not offer any cash, gift, meals, entertainment, or other hospitality to obtain any improper benefit or advantage.
- Supplier shall not take any advantage (social/ political connections) to obtain favourable treatment from Vardhman.
- Any dealings or transactions with Vardhman shall be solely based on merit, honesty, and integrity.
- Suppliers must take aggressive actions to remove all forms of corruption, including bribery, fraud, maintaining falsified documents, cheating, and any other illicit behaviour.

22.13.5. **Monitoring Compliance to the Supplier Code of Conduct**

1. Vardhman encourages all suppliers to review the Code regularly and ensure they are in full compliance.
2. Regular monitoring and audits may be conducted to ensure adherence to the policies outlined in the Supplier Code of Conduct.
3. By maintaining these standards, Vardhman seeks to uphold its reputation as a responsible and ethical business partner and ensure sustainable and mutually beneficial relationships with suppliers.

22.13.6. **Non-compliance to the Supplier Code of Conduct**

1. Vardhman holds its suppliers to the highest standards of ethical conduct, integrity, and compliance with all applicable laws, regulations, and the Supplier Code of Conduct. The company considers any violations of the Code as serious matters and expects prompt corrective actions.
2. Failure to comply with the Supplier Code of Conduct, Company policies, or applicable laws and regulations may result in disciplinary actions including termination of the business relationship, Legal penalties, and any other Corrective Action.

3. Any violation of the law, whether civil or criminal, could subject the supplier to legal penalties, including fines or other sanctions imposed by government authorities or courts of law.

22.13.7. Governance

- The Environment, Social & Governance (ESG) Committee of the Board shall govern the Supplier Code of Conduct policy.
- A designated committee oversees the implementation and adherence to this policy.
- This committee is responsible for periodic assessments and reporting compliance to the management.

22.13.8. Policy Review

This policy will be reviewed As & When needed, to ensure adherence to the policies outlined in the Supplier Code of Conduct.

22.13.9. Compliance Declaration

- Refer to Annexure-1, Compliance Declaration by Supplier

Annexure-1, Compliance Declaration by Supplier

We, the undersigned hereby confirm:

1. That we have received and taken due note of Vardhman’s Supplier Code of Conduct and commit ourselves to fully comply with its principles and requirements.
2. That we agree that Vardhman or a third party appointed by Vardhman may carry out periodic, announced, or unannounced inspections at our facilities to verify our compliance with the aforesaid Code of Conduct.
3. That we effectively communicate the contents of this Code of Conduct to our employees, agents, sub-contractors, and suppliers and ensure all measures required are implemented accordingly.

Name (Authorized Signatory):

Position / Designation:

Supplier / Company Name:

Address:

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Contact Details:

Date:

Seal:

Note: *The Compliance Declaration must be signed by a duly authorized representative of the company and returned to the assigned Vardhman contact within 15 working days of receipt.*