

HFCL Limited

Supplier Code of Conduct

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Version Number	Reviewed by	Review Date	Approved By
1.0	Supply Chain Department	1 April, 2025	Mr. Arvind Chawla, President & Head- SCM

1. Objective

The Supplier Code of Conduct for HFCL Limited, serves as a vital means of communication to ensure that all our Suppliers and service providers are thoroughly informed about our Environmental, Occupational Health and Safety standards, as well as the Principles of Ethical Conduct we uphold.

By adhering to this Code, Suppliers are expected to align with international standards and comply with relevant statutory and regulatory mandates. This commitment underscores our dedication to fostering responsible business practices and maintaining high standards across our supply chain.

2. Scope and Applicability

The Supplier Code of Conduct is applicable to any party that contributes to the products, services and subcontracted activities. This Code may be sent to each Supplier and/or potential Supplier during Pre-qualification process and the Supplier are encouraged to acknowledge their awareness and commitment to HFCL's Supplier Code of Conduct by signing and submitting the same. .

3. Definitions

- **“Company”** or **“HFCL”** or **“we”** or **“our”** refers to HFCL Limited.
- **“Code”** refers to the Supplier Code of Conduct.
- **“Supplier”** refers to any individual/business that HFCL procures equipment, products, raw material, or services from.

4. Supplier Commitments

Working with a strong sense of integrity is critical to maintaining trust and credibility with Suppliers and subcontractors. Therefore, this Supplier Code of Conduct is a guiding framework for all Suppliers.

1.1. Environment

HFCL Limited is committed to manage activities and associated resources as a series of planned processes to produce the quality product with minimum wastage, preventing pollution while seeking to maximize efficiency across its businesses. We shall reduce the negative impacts of our operations through proactive energy efficiency, sustainable resource use, water conversion, re-use and recycling initiative as well as comply with all the statutory, regulatory, and legislative requirements and the requirements of the International Standard for Environmental Management System (ISO 14001: 2015).

ISO 14001: 2015 (Environment Management System – EMS)

Suppliers are expected to have an EMS compliant with ISO 14001 or a similar standard. While formal certification is not mandatory, the EMS must be implemented and documented. This includes key documents such as an Environmental Policy or Environmental Statement. Supplier shall identify the environmental Impact of their Operation and the associated “Significant Environmental Aspects & Risks” with their Action Plan for mitigation to reduce the undesirable effects on Environment activities and shall comply with applicable environmental laws and regulations.

1.2. Health and Safety

Supplier shall provide and maintain a safe and healthy workplace environment for their employees, Sub-contractors, and Service Providers by preventing work-related injury and ill health in compliance with all applicable laws and regulations.

Setting up and implementing an Occupational Health and Safety (OHS) Management System according to ISO 45001 or equivalent is recommended.

1.3. Compliance with Laws

Supplier shall ensure that their production, products, and services are in compliance with applicable laws and regulations, both local and otherwise. The Supplier shall also comply with the local laws, regulations and procedures that apply to their manufacturing plants.

1.4. International Trade Compliance

- Export and import control:

Supplier shall ensure that their actions comply with all applicable laws and regulations that apply to the import and export of goods they provide or services they render. In particular, the Supplier shall take measures to avoid acting in any manner that would result in a violation of any applicable sanction laws, administered, or enforced by any national or international authority.

- Hazardous substances and conflict minerals

Supplier shall comply with any applicable laws and regulations regarding hazardous substances and conflict minerals. In particular, the Supplier shall take measures to ascertain whether their products contain conflict minerals are REACH and RoHS complied.

1.5. Prohibition of Child Labour

Supplier shall respect the children's right to development and education and employ no workers under the age of eighteen (18) years or any other age as required under the applicable laws and to comply with provisions of Child Labour Prohibition and Regulation Act, 1986 along with Rules & Regulations thereunder, as amended from time to time.

1.6. No Forced Labour

Supplier Shall not engage in the use of forced, bonded or compulsory labor in any form. Employees must be free to leave their employment after the notice required by applicable law or contract. Employees shall not be required to lodge deposits of money or surrender original educational & identity papers with their employer.

1.7. Fair Employment Conditions

Supplier shall ensure that employees understand their employment conditions, with pay and terms being fair and reasonable and in compliance with applicable laws.

Working hours shall comply with applicable laws.

Supplier shall prohibit corporal punishment, physical or verbal abuse, unlawful harassment, threats, or any other forms of intimidation.

1.8. Wages and working hours

Supplier shall follow all applicable laws regarding working hours, wages and overtime pay. Workers must be paid at least the minimum legal wage or a wage that meets local industry standards. The Supplier shall pay overtime and any incentive rates that meet all legal requirements or the local industry standard. Workers should receive necessary time off, paid annual leaves and holidays as required by local laws.

1.9. Participation and Consultation

Supplier shall ensure adequate Participation and Consultation of their employees on O&HS matters. Suggestions from the employees on other aspects such as Quality of Product & Services, Environmental Conditions, improvements etc. shall be welcomed.

1.10. Elimination of Discrimination

Suppliers shall treat all employees with respect and dignity.

Supplier shall prohibit all kinds of discrimination based on Race, Color, Gender, Cast, Creed, Religion, Political Opinion, Nationality, Ethnic Background, Social Status, Disability or any other characteristic.

Supplier shall treat all its employees with dignity and in accordance with maintaining a work environment free of sexual harassment, whether physical, verbal or psychological.

1.11. Incident and Reporting

Supplier are expected to maintain a robust incident management process that includes documentation and reporting of all incidents (Major / Minor / near-miss). Each reported incident must be thoroughly analyzed to identify its root cause, and appropriate corrective and preventive actions should be implemented to mitigate the risk of recurrence..

1.12. Business Compliance and Ethics

Supplier shall conduct business in accordance with the highest ethical standards with no tolerance for any form of corruption or bribery, including any payment or other form of benefit conferred on any official for influencing his/her decision.

1.13. Gifts and Invitations

Suppliers shall not use exchanges of gifts or invitations to gain an unfair competitive advantage. In any business relationship, Supplier shall ensure that the offering or receipt of any gift, invitation, entertainment, or business courtesy is permitted by law and regulation, for a legitimate purpose, reasonable, and not intended to influence, and that these exchanges do not violate the rules and standards of the recipient's organization and are consistent with reasonable marketplace customs and practices.

1.14. Confidential Information

Supplier shall take the necessary measures to protect all HFCL sensitive information and data, including, but not limited to, confidential, proprietary, company specific and personal information and data. Information and data must not be used for purposes beyond the scope of the business arrangements with HFCL, without first obtaining HFCL approval in writing.

1.15. Disclosure of Information

Supplier shall accurately record information regarding its business activities, labour, health and safety, and environmental practices and shall disclose such information, without falsification or misrepresentation, to all appropriate parties including HFCL.

1.16. Intellectual Property

Supplier shall take appropriate steps to safeguard and not infringe any confidential and proprietary information/intellectual property/ technology belonging to HFCL, which come to its knowledge during the course of its business relationship/ dealings with HFCL. In case of sub-contracting, sharing of confidential information should be done with the consent of HFCL.

1.17. Supply Chain

Supplier shall use best efforts to promote among its Supplier's compliance with this Code of Conduct. The Supplier shall comply with the principles of non-discrimination with regards to Supplier selection and treatment.

Supplier shall not use any subcontractor for production purposes in connection with any HFCL business unless the subcontractor has signed a copy of this Supplier Code of Conduct. This applies in addition to any restrictions on the use of subcontractors that are otherwise agreed to between the Supplier and HFCL or its subsidiary.

5. Roles and Responsibilities for Implementation

The Supply Chain Management (SCM) Team and Purchase managers share joint accountability for ensuring that the Supplier Code of Conduct is effectively communicated to all Suppliers.

Additionally, they are responsible for reviewing procurement activities to verify compliance with the Code. The Company reserves the right to conduct internal or external evaluations of its Suppliers to assess their adherence to the Code.

6. Grievance Redressal

Suppliers may submit their complaints to the designated account managers within the respective Business Units (BUs). The respective BU is responsible for addressing these concerns within a defined response window of 12 hours.

If a complaint remains unresolved for any reason, an escalation matrix is in place, extending to a third level of resolution. This ensures that outstanding issues are addressed and resolved within 48 hours at the final escalation stage.

The Suppliers can also reach out through the following channels:

- **Email:** iosupport@hfcl.com ; naresh.gupta@hfcl.com; info@hfcl.com
- **Toll-Free Number:** +91 8792701100

7. Monitoring and Review

The Procurement Team is accountable for upholding the commitments outlined in the Supplier Code of Conduct and for tracking progress toward their fulfillment. Should a Supplier fail to implement

adequate risk mitigation measures identified during assessments, the Company reserves the right—beyond its contractual entitlements—to terminate the Supplier relationship without further obligations.

The Supplier Code of Conduct is subject to an annual formal review and revision process, during which its commitments are evaluated and updated as necessary. The Head of Procurement is responsible for overseeing this review, monitoring and compliance.

8. Communication of the Code

Our Supplier Code of Conduct is made available to all our stakeholders on our website. In addition, Suppliers must sign this Code of Conduct, as indicated in the Annexure of this Code.

9. Related Policies

This Policy should be read alongside the following policies of HFCL:

S. No.	Related Policy
1.	Anti-Bribery & Anti-Corruption Policy
2.	Code of Conduct
3.	Conflict-Free Sourcing Policy
4.	Environmental Management Policy
5.	Human Rights Policy
6.	Procedure for Control of External Provided Process, Product and Services
7.	Procedure for Purchase
8.	Sustainable Procurement Policy

Annexure: Supplier Agreement to the Code

Declaration:

I / We solemnly affirm that we have clearly understood the requirements of the above given HFCL's Supplier Code of Conduct and agreed to adhere to the same. I / We also clarify that we will have no objection / provide our consent to HFCL Ltd. for Auditing (Informed / Un- informed) our facilities to verify the compliance of the above given HFCL's Supplier Code of Conduct.

For & on Behalf of Supplier:

Supplier Name: M/s _____

Authorized Signatory (Sign & Stamp):

Name: _____

Designation: _____

Mobile No.: _____

Date: _____