

BHARAT FORGE



Supplier Code of Conduct

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Bharat Forge Limited (BFL) has always embodied the true spirits of business ethics in its interactions with all its stakeholders –the customers, suppliers, employees, agents, representatives, consultants, advisors, retainers, shareholders, the Government or the society at large.

BHARAT FORGE LIMITED (BFL) is proud of its heritage and would do everything to sustain this tradition. At BFL, we are committed to integrate economic, social and environmental sustainability in all our activities. At BFL, we are dedicated to exceed customer expectations, by always being first to market with the best products and world class practices. “Supplier(s)” here means any business, company, corporation, person or other entity that provides, sells, or seeks to sell, any kind of goods or services to BFL and its group companies, including the Supplier's employees, agents and other representatives.

We believe that our Suppliers are extension of our company and an important part of our Supply chain who value our commitment to quality, timely delivery and low cost. To assist Suppliers in understanding BFL's expectations, we have a BFL Supplier Code of Conduct (the "Supplier Code"), which applies to all businesses that manufacture/sell goods or provide services to BFL and any of its subsidiaries, joint ventures, group companies, divisions, associates or affiliates having presence globally. The Supplier Code provides the foundation for BFL's ongoing assessment or audit of a Supplier and constitutes additional terms of the Purchase Order, work order, scheduling agreement or any commercial agreement entered into with the Supplier. It also deals with Supplier's employees, officers, workers, agents, representatives and including any individual who provides direct service to the Supplier, whether full-time, part-time, temporary or occasional employment.

We expect that all our Suppliers promote and disseminate compliance with the Code of Conduct principles in their own supply chain. Failure to adhere with this Supplier Code may result in termination of commercial relationship with BFL as its Supplier and any of BFL subsidiaries/associate companies.

BFL expects its Suppliers to comply with the following principles:

1. GENERAL PRINCIPLE

Suppliers shall comply with all the applicable laws, rules and regulations, including those related to labour, health, safety and environment and conduct their business in ethical manner.

2. BUSINESS ETHICS & COMPLIANCE

Suppliers shall at all times comply with the national or international anti-corruption laws or regulations of the countries in which they operate, and shall not engage in any activities of corruption, extortion, fraud, bribery or embezzlement in any form. Suppliers shall maintain high level of integrity, transparency and accuracy in record keeping. In particular, kickbacks, bribery and blackmail are not permitted to influence the representatives of business partners, politicians, administration, the judiciary or the public. Laws protecting and promoting competition must be respected. Suppliers must respect fair competition and stick to the prohibition of agreements with competitors and other measures that hinder the free market. Suppliers are obliged not to disclose any commercial and technical details/processes, which become known by them through the business relation with BFL. They shall be treated as business confidential/secrets.

3. SOCIAL RESPONSIBILITY

Suppliers are urged to respect internationally recognized human rights standards and to work towards them in all business activities within their own sphere of influence. Any slavery, servitude, human trafficking, forced or compulsory labour are prohibited.

Child Labour: Only workers who meet the minimum employment age requirement in the country where they are working, may be hired by a Supplier. The Suppliers must comply with all the applicable labour laws, including those related to hiring, wages, hours worked, overtime and working conditions. The Suppliers are urged to formulate work-study programs and government-sponsored educational programs for the younger working section of the society.

Wages, Benefits and Working Hours: Working hours, wages, overtime pay and other elements of compensation must comply with all applicable laws. Workers must be paid at least the minimum legal wage or a wage that meets local industry standards and will provide all legally mandated benefits. Workers should be paid annual leave and holidays as per the applicable laws.

Work Environment and Equal Opportunities / Anti-Discrimination: Suppliers are obliged to refrain from any discrimination and to ensure equal employment. Supplier shall not discriminate the employees, on the basis of nationality, color, origin, ideology, religion, race, caste, creed, trade union or political activity, sexual orientation, age, sex, illness, disability, pregnancy or any medical condition. Suppliers' employees should be treated with dignity and work environment should be free of all types of harassment, whether physical, verbal or psychological.

Diversity: Suppliers to promote such a culture where every individual is encouraged to reach his or her full potential, regardless of gender, ethnicity or cultural background. This diversity is considered a distinct competitive advantage as each individual is encouraged to contribute his or her unique perspective and strength to the whole, while respecting and learning from the experience of others.

Supplier shall maintain a fair, secure, productive and inclusive workplace for all members of their workforce, one in which everyone is valued for their unique contributions to the company. Suppliers shall ensure the freedom of association including without limitation collective bargaining etc. and should have whistle blower mechanism in place with protection against retaliation.

4. SUSTAINABILITY

Suppliers shall strive to abide and act in accordance with the applicable statutory and international standards for environmental protection. All products manufactured along the supply chain must meet the environmental protection standards of their market segment such as water quality, air quality etc. and should have in place Responsible Chemical Management. This includes the complete product life cycle as well as all used materials. Suppliers shall, on BFL's request, provide evidence that they have implemented an environment program in order to reduce the carbon footprint on the environment.

5. WORKING CONDITIONS IN FACTORY/PLANT/OFFICES

A safe environment, in which all workers are treated with dignity and respect, is the most important and critical part of an effective business association between BFL and the Suppliers. The Supplier should maintain an employee safety management as may be applicable to its business operations. The Suppliers must comply with all applicable laws regarding working conditions, including worker's health, safety, sanitation, fire safety, risk protection, mechanical and structural safety. The work environment should be well lighted and sufficient for the safe performance of production activities. There must be sufficient, clearly marked exits that allow workers to evacuate in an orderly fashion in the event of a fire or other emergencies. Emergency exit routes should be posted and clearly marked. Appropriate fire extinguishers should be highly visible and shall be mounted on walls and columns throughout the Supplier's factory. Production machinery must be equipped with operational safety devices. Appropriate PPE (personal protective equipment), such as gloves, rubber boots, safety glasses, goggles, ear plugs and ear muffs should be provided to the workers along with usage instructions

6. POLITICAL ACTIVITY

BFL restricts the use of its name in any political activity. Suppliers shall not be involved in any political activity as a representative of BFL or use the name of BFL to participate in legislative campaigns.

7. BRIBERY

The Suppliers must comply with applicable anti-bribery laws in all such jurisdictions wherein they conduct their businesses. Suppliers and its employees shall neither receive nor offer or take, directly or indirectly, any illegal payments, remuneration or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of its business and shall participate in efforts to eliminate such forms of an illicit payment, bribery, corruption and extortion.

8. ANTITRUST COMPLIANCE

The Suppliers must comply with applicable anti-trust laws and regulations. If a Supplier is under investigation for actions related to the anti-trust laws, he or she must be obliged to intimate BFL immediately.

9. CONFLICT OF INTEREST

Suppliers are expected to avoid conflicts of interest that may compromise the Supplier's credibility with BFL. There is a potential for conflict of interest, if a Supplier's employee or his or her family member has a relationship with a BFL employee who can make decisions that will affect the Supplier's business.

10. COMMUNICATIONS, ENFORCEMENT

All Suppliers must comply with this Supplier Code as a condition of doing business with BFL. BFL will maintain a system to assess and ensure compliance. BFL understands that many Suppliers have code of conducts of their own that cover most or all of the principles listed herein; Suppliers can use their own code of conducts to meet the intent of this requirement. If BFL determines that a Supplier has violated this Supplier Code, the Supplier must provide information relating to the incident(s) and show within 30 days the actions taken to correct the condition. BFL has the authority to access the Supplier's code of conduct as and when required.

11. SUPPLY CHAIN MANAGEMENT

The Supplier is expected to implement its own binding code of conduct, and is expected to make reasonable efforts to promote the principles of this Supplier Code in its own supply chain. The Supplier must establish a proactive process to ensure compliance with the intention of this Supplier Code. Acceptance of purchase order/work contract by a Supplier shall be presumed as an acceptance of this Supplier Code as well.

12. THIRD PARTY REPRESENTATION

The Suppliers shall not be authorised to represent BFL or to use the *BFL/Kalyani* brand without the written permission of BFL. Authorised representatives of BFL are expected to abide by this Supplier Code in their interaction with, and on behalf of BFL, including the confidentiality of information shared with them. The actions of third-party agents or representatives (including government representatives) on behalf of the Supplier will be considered to be the actions of the Supplier for the purposes of this Supplier Code.

13. PROTECTING COMPANY ASSETS AND INTELLECTUAL PROPERTY

Suppliers shall ensure that the assets of BFL are not misused and shall use in a reasonable manner as Suppliers use its own assets. Suppliers shall use assets for the purpose of conducting business for which they are duly authorized and shall not cause damage to the assets of BFL. Suppliers must respect and protect the intellectual property rights of all parties by only using information technology and software that has been legitimately acquired and licensed. Suppliers must protect and responsibly use the physical and intellectual assets of BFL, including intellectual property, tangible property, supplies, consumables, and equipment, when authorized by BFL to use such assets.

Suppliers must comply with all BFL requirements and procedures for maintaining passwords, confidentiality, security and privacy as a condition of providing BFL with goods or services or receiving access to the BFL internal corporate network, systems, and buildings. All data stored or transmitted on BFL owned or leased equipment is to be considered private and the property of BFL. Supplier shall inform BFL of any new intellectual property acquired by the Supplier (including any of its employee, representative or its group company).

14. DATA PROTECTION

Suppliers shall comply with all data protection and privacy laws applicable to the processing of personal information/ data and maintain reasonable safeguards to protect personal data from misuse, loss, disclosure, unauthorized access and illegal use. Personal data shared by BFL, if any, shall be processed only for the sole purpose of providing goods and/ or services to BFL. Suppliers shall comply with General Data Protection Regulation (GDPR) in EU law wherever applicable.

15. LEGAL COMPLIANCE

Suppliers will be responsible for violations of the rules, regulations and laws of their own country or country of origin of goods and services. For example, if a Supplier is a U. S. based company, it will be subject to laws that regulate, restrict and sometimes prohibit business dealings with certain countries, entities and individuals. These restrictions include controls on the exports and re-exports of goods that originate in the U. S. or that contain U. S. parts, components or assemblies. Suppliers must be aware of these restrictions and must not take any action that violates U. S. laws and regulations.

REPORTING

If you observe any situation, circumstance, or action that violates this Supplier Code, please contact the BFL's Corporate Office in the respective country.

For contacting the Corporate Office in India, please reach us at

Direct Telephone: +91 020 2682 2452 Email: jawlikar.Kumar@bharatforge.com