

# Supplier Code of Conduct

## 1. Introduction

Vakrangee is committed to adopt policies which help improve the lives of all workers across the supply chain and help preserve the environment. One such policy developed is the Sustainable Sourcing Policy which clearly define the prerequisites for suppliers of doing business with Vakrangee.

Vakrangee expects all suppliers to comply with necessary social, business integrity and environmental sustainability standards defined in this policy and adopt best practices to reduce our environment footprint. Vakrangee expects its suppliers to review these standards, ensure adherence and improve up on parameters on a regular basis to help contribute to the welfare of the society and environment.

Suppliers are strongly urged to familiarize themselves with this Code of Conduct to ensure successful working relations with Vakrangee.

## 2. Social Interest

Vakrangee expects its suppliers to comply with all applicable laws, in accordance with the principles of the International Labor Organization, the UN Global Compact and the UN Universal Declaration of Human Rights.

- **Freedom of Association and Right to Collective Bargaining** - Supplier must respect that all workers / employees have the freedom to association and right to collective bargaining. They shall under no circumstances be harassed or intimidated in the exercise of their right to join any organization.
- **No Child Labor** - Suppliers must ensure that they do not employ any person below the age of 15 or as per the minimum age for work as per applicable law, whichever is higher. If any young worker is employed (above the minimum age for work as per applicable law), supplier must ensure that they are not exposed to any harmful or dangerous tasks or task which deprives them of the opportunity to attend school.
- **Gender Equality and Non- Discrimination** - Suppliers must treat their employees with dignity and respect. There should be no discrimination in hiring and employment practices on the ground of criteria such as gender, race, religion, age, marital status, disability, sexual orientation, disability, or citizenship.
- **No Forced or Bonded Labor** - Suppliers must not use any bonded or forced labor, slavery, or human trafficking.
- **Fair Wages and Benefits** - Suppliers must ensure that workers are paid minimum wages as per local laws, minimum living wages, or industry benchmark rates, whichever is

highest, including overtime pay and additional benefits. The legally binding employee contract should be adhered to.

- **Maximum Working Hours** - Suppliers must ensure that all maximum working hours regulations such as ILO Conventions and applicable laws of the Land are adhered to including that pertaining to overtime pay, and rest periods. All Suppliers must ensure that the working hours do not exceed the 48 regular hours per week, and 8 hours per day in any case.
- **Safe and Healthy Working Conditions** - Suppliers must provide a safe and healthy workplace in compliance with all applicable laws and regulations. Adequate steps should be taken to prevent accidents and injury to health during work. Basic facilities such as proper emergency exits, ventilation, right temperature, portable drinking water, proper sanitation, etc. should be provided at the place of work.
- **Safe and Clean-Living Conditions** - Suppliers must ensure that the housing facilities, wherever provided, must be built safely meeting all the required safety parameters. The facilities must be clean and must be maintained on a regular basis.
- **Engage and Protect Local Communities** - Suppliers must take steps to encourage involvement of local communities and indigenous people by providing them employment as well as goods and services. Along with this, the legal rights of the local people, including but not limited to land rights, should be protected.
- **Disciplinary Practices** - Suppliers must not use or threaten to use corporal punishment, mental or physical coercion as a form of discipline. All workers must be treated with dignity and respect.
- **Proper Grievance Redressal Mechanism** - Suppliers must ensure workers have access to proper remedial and grievance redressal mechanism in place.

### 3. Business Ethics

Vakrangee conducts its business activities in a fair and transparent manner with honesty, integrity, high ethical & moral standards and respect for human rights. Vakrangee strongly believes that high ethical standards are essential for sound business relationships. Vakrangee expects its suppliers to share this commitment while conducting their business.

- **Conflict of interest** – Suppliers must report any conflict of interest in any business dealings with Vakrangee that supplier is aware of to allow us the opportunity to take appropriate action. Such conflict should be disclosed if any of Vakrangee's employee or professional under contract may have significant ownership or interest in a supplier's business.

- **Bribery, corruption, gifts and donations** - Suppliers in all commercial dealings with Vakrangee or otherwise must not receive or offer to make any illegal payments, gifts, bribes, donations or other improper advantage in order to obtain unethical favors for the business. Suppliers must ensure that no action is taken to violate any applicable anti-bribery or anti-corruption laws and regulations in the locations of their operations and make every effort to eliminate all forms of corruption and bribery.
- **Confidentiality** - Suppliers must safeguard and respect Vakrangee's intellectual property, trade secrets and other confidential, proprietary, and sensitive information or data at all times and shall not disclose the same. The information provided by Vakrangee should be used only for its intended and designated purpose as decided and agreed upon between Vakrangee and the supplier.
- **Anti-competitive and restrictive trade practices** - Suppliers must comply with applicable local and international laws to promote free and fair competition and to get business by offering competitive prices and innovative products.
- **Competition and Competitor Information** - Suppliers must ensure that all information about Vakrangee's competitors is obtained legitimately and will only be used for legitimate purposes in compliance with all relevant anti-trust and other laws and regulations. Suppliers must ensure that no attempt is made at any time to divulge to Vakrangee any information about our competitors that is confidential to them and not in the public domain.
- **Financial Records, Money Laundering** - Suppliers must ensure that all business and commercial dealings are transparently performed and accurately recorded in the supplier's books and records. There should be no actual or attempted participation in money laundering.
- **Compliance with Laws** - Suppliers must ensure that all laws and regulations are complied with in the countries in which the supplier operates. All other applicable international laws and regulations should be complied with including those relating to international trade (such as those relating to sanctions, export controls and reporting obligations), data protection and anti-trust/competition laws.
- **Financial Fraud** - Suppliers must be committed to preventing, detecting, and reporting fraud, including fraudulent financial reporting and to maintaining a control environment that mitigates any risk of fraud.
- **Fair competition** - Suppliers must be committed to a fair and competitive free market system. While companies may compete vigorously in their many business activities, the efforts of a supplier's employees in the marketplace must be conducted in accordance with the letter and in the spirit of all applicable antitrust, competition and trade practice laws.
- **Reporting issues** - Suppliers must have systems and process in place to address business

integrity issues, including potential issues related to bribery and corruption. Such systems shall include means for employees to raise compliance concerns in a confidential way and without fear of retaliation.

## 4. Environmental Sustainability

Vakrangee commits to give preference to suppliers with lower environmental impact of products and services. Vakrangee recommends the following steps to its suppliers to curb emissions, reduce waste, reuse, and recycle from their units:

- **Environmental management principles at manufacturing plants** - Suppliers must observe the following environmental management principles at their manufacturing plants
  - Use management plans to meet environmental compliance obligations and mitigate impacts on the environment
  - Monitor operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high conservation value to manage impacts on biodiversity
- **Emissions** – Vakrangee recommends the following steps to its suppliers to curb emissions from their units
  - **Reducing carbon emission and water intake** – Vakrangee suggests that its suppliers identify sources of carbon emission and make progressive efforts towards reducing carbon emissions. Opportunities for reduction in water usage should be identified and measures for water conservation should be implemented
  - **Renewable energy** – Vakrangee recommends its suppliers to use renewable sources of energy wherever possible to become more energy efficient and energy independent. The suppliers should take steps to identify the scope of replacing conventional sources of energy with sustainable and renewable sources in their operations.
    - Emissions to air, boundary noise and effluent discharge should meet applicable local laws
  - **Efficient systems and process** - Suppliers should strive towards enhancing the efficiency and performance of the equipment and processes by continual improvement, monitoring and assessment of technology. Good practices should be followed to ensure environmental resources are valued and Protected.
- **Reduce, Reuse and Recycle** – Vakrangee recommends the following steps to its suppliers to reduce waste, reuse, and recycle:
  - **Zero Waste to landfill** — Waste to landfill should be analyzed and suppliers should try and set targets to reduce the quantity of disposal to landfills. Alternate waste disposal techniques should be adopted in order to reduce the impact on the environment

- **Responsible consumption of resources** — Vakrangee recommends its suppliers to minimize use of all resources, including raw material, in their processes. The supplier should look for opportunities to reduce resource consumption by improving efficiency, investing in advanced technology, reusing material by innovating products and processes. The supplier should minimize dependence on scarce natural resource by identifying and using appropriate replacements
- **Packaging material** - Suppliers should try to take steps to reduce the environmental impact of packaging material by developing innovative, practical solutions to modify the design and disposal method to the best possible extent.
- **Adopting Green Initiatives and Practices** - To monitor the environmental performance and to become environment friendly, practices to monitor and minimize environmental impact should be imbibed in organization's processes. Vakrangee recommends that its suppliers inculcate such practices in their operations and start new initiatives to reduce their impact on the environment

## 5. Quality Focus

“Quality “is the most important tool for Vakrangee. Vakrangee expects that all its vendors/suppliers ensure and adhere to the quality management system and their products and manufacturing facilities are as per the standards

- **Quality Management System** - Vakrangee expects its suppliers to follow quality objectives and policies thoroughly and should certified by the authority like ISO. The suppliers should ensure about the rules and regulations of the local authority, proper product knowledge and training to the staff and the internal reviews, feedback on the Quality Management System for its timely improvement.
- **Facility & Material Management** - Vakrangee expects its suppliers to focus on proper installation of equipment with zero error and the timely maintenance of all the equipment as well as facilities. Also, Vakrangee expects that its suppliers to have housekeeping staff to maintain the hygiene all the time and to arrange pest control over the time for safety and security of its staff. Vakrangee expects that its suppliers have enough place or warehousing capacity for the storage of manufacturing goods. They should have proper or the updated techniques/ mechanism for carry the material and its transportation.
- **Manufacturing Goods** – Vakrangee expects that its suppliers are very well established while their process of manufacturing and packaging and complete their order not only in time but also with thorough quality. They should have proper records of order placed and production.

## 6. Implementation Guidance

To ensure compliance with all the topics of this policy, the Supplier should:

- Formulate policies
- Define and assign roles and responsibilities
- Implement procedures
- Communicate on these standards to employees and relevant third parties
- Provide sufficient training to its employees and subcontractors
- Monitor the compliance to the policies and procedures
- Implement corrective actions
- Report on its progress on these topics

## 7. Monitoring compliance to the Code of Conduct

Vakrangee expects all suppliers to implement management systems that allow the compliance with this Sustainable Sourcing Policy. The Supplier should communicate the provisions in this policy to its own suppliers and is expected to initiate, maintain and verify a process of continuous improvement towards sustainable practices in the entire upstream supply chain, in line with the requirements and principles set forth in this document.

To facilitate the monitoring of suppliers' compliance with this Code of Conduct, Vakrangee expects suppliers to:

- Develop and maintain all necessary documentation to support compliance with the described standards; such documentation must be accurate and complete.
- Provide Vakrangee's representatives with access to relevant records, upon Vakrangee's request.
- Allow Vakrangee to conduct audits as per ESG parameters.
- Allow Vakrangee's representatives to conduct site visits of supplier locations
- Respond promptly to reasonable inquiries from Vakrangee's representatives in relation to the implementation of the Code of Conduct.

## 8. Reporting on Breaches

Vakrangee supports and encourages those who report actual or suspected breaches without any fear of retaliation. Any failure to comply with this Policy (including any failure by our team member or anyone acting on behalf us to so comply), of which the supplier is aware, should have immediately reported to Vakrangee.

Vakrangee will investigate any reported non-conformity and discuss findings with the supplier. If a supplier is not in compliance with this policy, Vakrangee will take appropriate action to address such non-compliance.

## 9. Acknowledgment and Acceptance of Suppliers Code of Conduct.

This is to certify that I have fully read the Supplier's Code of Conduct attached. Having fully read and understood the completed requirement of this Supplier's Code of Conduct, I hereby commit myself and my company to serve this Code of Conduct and to fully comply with all its principles. I also certify that I am authorized by my company to sign and accept this document in its behalf.

Supplier: \_\_\_\_\_

Address: \_\_\_\_\_

Representative Name: \_\_\_\_\_

Signature: \_\_\_\_\_

### CORPORATE OFFICE:

Vakrangee Corporate House

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