



## Supplier Code of Conduct

### Disclaimer

- i. The Supplier Code of Conduct (“Responsible Partner Code”) has been drawn upon for better understanding of Core Values of the Tata Code of Conduct and its key aspects applicable to Supply chain partners of the Nelco Limited.
- ii. While this (“Responsible Partner Code”) aims to be comprehensive, it is not exhaustive of all the situations Supply chain partners may encounter. Supply chain partners are required to exercise sound judgement and to seek guidance from the Company contact person regarding any clarification or concern.
- iii. This Responsible Partner Code is to be read in conjunction with the purchase order or agreement, or contract signed by the Supply chain partner, or any formal communication issued by the Company.
- iv. The Company reserves the right to amend or modify this Responsible Partner Code to align with regulatory requirements or address critical areas with or without prior notice to the Supply chain partners.

### Purpose

1. Nelco has been a values-driven organization since its inception. The five core values in the Tata Code of Conduct (collectively “**the Core Values**”) underpins the way we conduct our business activities:

- ❖ **INTEGRITY:** *We will be fair, honest, transparent, and ethical in our conduct; everything we do must stand the test of public scrutiny.*
- ❖ **UNITY:** *We will invest in our people and partners, enable continuous learning, and build caring and collaborative relationships based on trust and mutual respect.*
- ❖ **RESPONSIBILITY:** *We will integrate environmental and social principles in our businesses, ensuring that what comes from the people goes back to the people many times over.*
- ❖ **PIONEERING:** *We will be bold and agile, courageously taking on challenges, using deep customer insight to develop innovative solutions.*
- ❖ **EXCELLENCE:** *We will be passionate about achieving the highest standards of quality, always promoting meritocracy.*

2. Nelco Limited having adopted the Tata Code of Conduct (“TCOC”) is committed to the Core Values. The company believes that the Supply chain partners are an integral part of its ecosystem and expects them to uphold the Core Values in their business transactions with the Company.
  3. This **Supplier Code of Conduct (“Responsible Partner Code”)** outlines Company’s expectations from Supply chain partners for upholding the Core Values and the key principles elucidated in this Responsible Partner Code under three principles of 1) business ethics; 2) labour practices and human rights; and 3) environment, health, and safety.
  4. Supply chain partners are expected to adopt similar principles in dealing with their suppliers across their Supply chains
- I. **Scope**
1. This Responsible Partner Code applies to the third-party entities providing products or services to the Company or acting on behalf of the Company, including but not limited to vendors, contractors, subcontractors, consultants, agents, advisors, service providers, manufacturers, distributors, sales representatives, channel partners, intermediaries, and business or technology partners (referred individually as “**Supply chain partner**” and collectively “**Supply chain partners**”) of Nelco Limited and its subsidiaries.
- II. **Principles of Responsible Partner Code**
1. **Principle 1 - Business Ethics**
    - 1.1. **Compliance with laws and regulations**
      - The Supply chain partner shall always maintain the highest standards of ethical conduct and is expected to comply with all the applicable local, national, and multi-jurisdictional laws and regulations (broadly and collectively, the “**Laws**”) related to the conduct of its business.

- In case the standards mentioned in the Responsible Partner Code differ from any legal requirements provided by such laws, the stricter of the standards prescribed in the Responsible Partner Code or the laws shall apply.

### **1.2. Integrity and transparency**

- The Supply chain partner shall uphold integrity and transparency while doing business with the Company.
- All products and services delivered must meet the timelines, quality, specifications, terms agreed and comply with applicable Laws concerning importing, exporting, re-exporting or transfer or packaging or labelling or sales or after sales of products and services.
- The Supply chain partner shall accurately record and maintain information regarding its operations, financial transactions, labor & Workforce, Environment, health, and safety in relation to the Company's business transaction and shall disclose such information to the Company or entities as and when reasonably requested by the Company and/or as required by the Laws.
- Supply chain partners who undertake marketing or promotional activities for, on behalf of, or with the Company shall do so without making unfair or misleading statements and in compliance with the Laws.
- Supply chain partners shall responsibly source their raw materials/products/services by implementing appropriate mechanism for due diligence of its own Supply chain partners and supply chain traceability to support Company's effort to mitigate ethical and/or sustainability risks.

### **1.3. Anti-bribery and anti-corruption**

- Supply chain partner shall not engage in any form of bribery or corruption, including offering, promising, giving, or receiving anything of value to obtain or retain business or gain an unfair advantage. Supply chain partner shall comply with the Laws for anti-bribery and anti-corruption.
- Supply chain partner shall establish systems and processes to monitor and report on their compliance with applicable Laws related to anti-bribery and anti-corruption, and

promptly address and report any non-compliance as required under relevant Laws. Supply Chain. Partner shall conduct due diligence on their Supply chain partners to ensure that they comply with anti-bribery and anti-corruption regulations.

#### **1.4 Anti-money laundering**

- Supply chain partner shall not engage in any activities that facilitate money laundering and/or engaging in transactions with individuals, groups or entities known to be involved in money laundering or terrorism or criminal activities.

#### **1.5 Sanctions and trade controls**

- Supply chain partner shall comply with applicable sanctions and trade restrictions imposed by the governments in the countries in which they operate. This would include and relate to restrictions on trade with embargoed countries, entities, or individuals, as well as restrictions on the use or transfer of certain technologies or products.

#### **1.6 Competition and anti-trust**

- Supply chain partner shall comply with applicable anti-trust Laws in the countries in which they operate. This includes but not limited to the Laws related to price-fixing, market allocation, or any other kind of anti-competitive behavior.
- Supply chain partner shall compete fairly and honestly in the market. They shall not engage in any activities that could be considered anti-competitive including but not limited to predatory pricing, bid rigging, cartelization, or restrictive trade practices etc.

#### **1.7 Gifts and hospitality**

- Supply chain partner shall not offer or give gifts, hospitality, or other favors to employees, officers, directors, or anyone related to the Company that could influence or appear to influence business decisions or create a conflict of interest.
- Any gift or hospitality offered on festive or special occasions to employee(s), officers, or directors of the Company shall adhere to the Gift and Hospitality Policy of the Company.
- Supply chain partner shall never offer, directly or indirectly, any form of gift, entertainment, or anything of value on behalf of the Company to anyone including but not

limited to government officials or customers, or their representatives to obtain or retain business; influence business decisions; and/or secure an unfair advantage.

### 1.8 Conflict of interest

- The company expects that the transactions with Supply chain partner shall be objective, fair and avoid even the appearance of a conflict of interest.
- A conflict of interest exists when personal or financial relationships or activities impair, or even appear to impair the ability to make objective and fair decisions. This includes but is not limited to Supply chain partner's Key Management Personnel's immediate family (including parents, siblings, spouse, partners, and children), relatives or a close personal relationship employed with the Company. The Supply chain partner is therefore required to give full disclosure of its personal or financial relationship with any employee of the Company, which could lead to an actual or potential conflict of interest.
- Supply chain partner shall avoid engaging in any activity that would create an actual or apparent conflict of interest that would impact their business transaction with the Company. In the event an actual or potential conflict of interest does arise, Supply chain partner shall immediately report it to the Company.

### 1.9 Insider trading

- Supply chain partner and their personnel shall not use any confidential information or non-publicly disclosed information, or unpublished price sensitive information obtained during their business relationship with the Company as the basis for trading or for enabling others to trade in the stock or securities of the Company. Such information shall include but not be limited to information about the Company's financial information, new product development/launches, investment decisions and acquisition/divestiture of businesses.

### 1.10 Information security and data privacy

- Supply chain partner shall comply with all applicable Laws relating to information security and data privacy and ensure that their own Supply chain partners also comply with such Laws. Supply chain partner shall:
  - only collect, process, and use data for the purposes specified in their contract with the Company and comply with applicable Laws for data collection and processing.

- take adequate measures to protect any data that they may have access to, including customer data, financial data, and intellectual property.
- implement appropriate access controls to prevent unauthorized access to data and systems.
- have a plan in place to respond to data breaches or other security incidents and shall notify the Company promptly in the event of such an incident within the time frame prescribed under the applicable Laws or 24 hours of having knowledge of the breach, whichever is earlier and provide all the necessary information and assistance to investigate and mitigate the breach.
- Adhere to the Company data retention and destruction policies. They shall not retain data longer than necessary for the purposes specified in their contract and as per Laws and shall securely return or dispose off data when it is no longer needed.

#### **1.11 Intellectual property and Company assets**

- Supply chain partner shall not use any intellectual property including trademarks, logos, patents, copyrights, trade secrets and other Company's assets physical or digital or intangible without obtaining proper licenses or permissions from the Company.
- Supply chain partner is expected to take necessary measures to protect the Company's physical, digital and intangible assets including but not limited to confidential and proprietary information, trade secrets, intellectual property.

#### **1.12 Publicity and brand name usage**

- Supply chain partner shall not issue any statements or promotional contents to the press or social media or any other media service relating to the Company or its affiliates, or their operations and/or business and/or activities with the Company without explicit prior written permission from the Company.

### **2. Principle 2 - Labour Practices and Human Rights**

#### **2.1 Non-discrimination**

- Supply chain partner shall not discriminate against any worker or employee based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, gender identity, union membership, or any other status protected by Laws, in hiring and other employment practices.

## **2.2 Anti-harassment and respectful workplace**

- The Supply chain partner shall always uphold the dignity of its employees, workers, contractors and shall work towards establishing and reinforcing a respectful work culture.
- Supply chain partner shall prohibit harsh or inhumane treatment, violence, sexual harassment or abuse, corporal punishment, mental or physical coercion, bullying, verbal abuse, or any form of threat to their employees or workers or contractors.
- Supply chain partners shall work towards a diverse and respectful workplace.

## **2.3 Child and forced labour**

- Supply chain partner shall not employ, engage, or otherwise use any form of child labour at their workplace. The company encourages Supply chain partners to participate in industry efforts aimed at the elimination of such practices wherever they exist in their supply chain.
- Supply chain partner shall not engage in any instance of forced, bonded or compulsory labor and/or slavery or human trafficking at their workplace.
- All employment with Supply chain partner shall be voluntary, and employees shall be free to leave their employment in compliance with Laws and contracts.
- Employees or workers will not be required to surrender any government-issued identification, passports or work permits as a condition of employment.

## **2.4 Wages and benefits**

- Supply chain partner shall comply with Laws related to minimum wages, duration of payment, overtime hours, equal remuneration and other elements of compensation. All legally mandated benefits like leaves, social security, insurance, healthcare etc. shall be provided by the Supply chain partner to its employees, workers, or contractors. Deductions, if any, from wages shall be made solely in strict compliance with the Laws.

## 2.5 Working hours

- Supply chain partner shall comply with Laws and industry standards related to working hours including maximum daily and weekly work hours, overtime, and rest breaks.

## 2.6 Freedom of association and collective bargaining

- Supply chain partner shall recognize and respect the right of their workers to associate with others, form, and join organizations of their choice, and bargain collectively, without interference, discrimination, retaliation, or harassment in compliance with Laws.

### 3. Principle 3: Environment, Health & Safety

#### 3.1 Environment Management and Compliance:

- Supply chain partners are expected to regularly monitor their energy consumption and make efforts to enhance energy efficiency. They should consistently seek ways to update current equipment for energy efficiency. They are encouraged to integrate energy-saving initiatives into their operations and work towards incorporating more renewable energy sources to lower greenhouse gas emissions.

#### 3.2 Waste Management:

- Supply chain partners should adopt the principles of the circular economy by minimizing, reusing, recycling, and reclaiming waste materials produced during operations. They must adhere to all relevant local, national, and international regulations regarding the handling of hazardous wastes, persistent organic pollutants, and dangerous chemicals.
- Supply chain partner shall identify, label, and responsibly manage hazardous materials, such as chemicals, industrial waste, and other hazardous substances, in accordance with applicable laws and ensure that their handling and disposal do not harm the environment, public health or safety.
- Material safety information regarding hazardous or toxic substances shall be written in the primary language of the workforce. The employees and workers who encounter such materials shall be trained to handle such hazardous substances.

#### 3.3 Water management:

- Supply chain partners should create water management plans to monitor water usage and the disposal of wastewater as needed. They are encouraged to implement measures and



- enhance water efficiency in their operations through conservation efforts.

### **3.4 People Wellbeing, Health and safety management**

- Supply chain partners are committed to fostering a culture of safety and wellness, ensuring their workforce operates in a secure environment adhering to all relevant regulations and industry benchmarks.
- Supply chain partners shall emphasize and prioritize employee wellbeing by proactively identifying and mitigating workplace hazards, providing comprehensive training on health and safety protocols to all personnel, including contractors.

### **3.5 Business continuity Plan**

- Supply chain partner shall develop and implement emergency response plans and maintain high level of preparedness to address potential accidents, natural disasters, and other emergencies that could impact the environment, health, and safety of their employees, communities, and other stakeholders.

## **III. Supply Chain Partner Responsibility and Accountability**

- The Supply Chain Partner shall ensure suitable communication on the principles highlighted in the Responsible Partner Code to its employees, associates, subcontractors, and others involved in providing products and/or services to the Company.
- The Supply Chain Partner shall take an integrated approach to identify and assess risks, opportunities, and its impact, covering operations, supply chain, human rights; occupational health and safety; labour rights; environmental protection and anti-corruption issues.
- The Supply Chain Partner shall manage the risks adequately including but not limited to business continuity plans in the event of disruptions.
- The Supply Chain Partner is responsible for internally monitoring and proving its adherence to the Responsible Partner Code and share relevant reports with the Company as needed.
- Supply Chain Partner shall voluntarily disclose to the Company any failure to adhere to the standards specified in this Responsible Partner Code or the contract.

- The Company will collaborate with the Supply Chain Partner to enhance compliance. However, failure to adhere to the Responsible Partner Code may lead to necessary actions, such as suspension or termination of the partnership with the Supply Chain Partner.

#### IV. **Support and raising Concern**

- Company recognises that adhering to the principles of the Responsible Partner Code will
- be a progressive and dynamic process. Therefore, the Supply Chain Partners are expected to highlight any clarity or support that may be required with their point of contact in the Company.
- Further, any concern related to operational and financial aspects could be raised through the communication channel provided in Annexure II.
- Company encourages its Supply Chain Partners to raise concerns or make disclosures when they become aware of any actual or potential violation of Tata Code of Conduct, Responsible Partner Code or Laws and such concerns or disclosures may be submitted through the communication channels provided in its Whistleblower Policy and listed in Annexure II.
- It is incumbent on the Supply Chain Partner to adopt similar practices within its organisation and encourage its employees, customers, suppliers, and other stakeholders to report wrongdoings, unethical behaviour, and any suspected violations of the Responsible Partner Code, Laws, or its Code of Conduct.

#### V. **Implementation and Procedures**

##### ***Governance and oversight***

Supplier Code of Conduct at NELCO is the responsibility of the Supply Chain Team. The results of the Supply Chain audits are analysed, aggregated, and reported to senior management and Board of Directors.

##### ***Reporting***

Supply Chain Partners are encouraged to report the initiatives that they have undertaken for reducing their environmental and social impact to ensure adherence with NELCO's Supplier Code

of Conduct. In the event of breaches in compliance to the Principles of this Policy, Supply chain partners are expected to document and report progress regarding the recommendations of the

corrective action plan according to the agreed timeline. For any grievances or suggestions regarding sustainable procurement practices suppliers may write to ethics committee.

**VI. Policy/Code of conduct Review**

This policy/code of conduct shall be reviewed annually for its appropriateness and amended as necessary.

The Management reserves the right to modify/amend the Policy / Code of Conduct at its discretion.

Version	Drafted by	Approved by	Effective from
1.0	Sagar Sonar	P J Nath	March 15, 2024

**Annexure II- Whistleblower channels**

Third-party Ethics Helpline / Web portal	NA
Toll free helpline number	NA
Email id	<a href="mailto:ethics@nelco.in">ethics@nelco.in</a>
Company's postal address	Nelco Ltd (A TATA Enterprise) EL-6, MIDC, Electronics Zone, Mahape Navi Mumbai, Pin 400710

for NELCO Limited,



**P J Nath**  
Managing Director & CEO

