



# **FIEM INDUSTRIES LIMITED**

## **Supplier Code Of Conduct** **(SCC)**

## I. INTRODUCTION & BACKGROUND

**Fiem Industries Limited (referred herein as 'FIEM' / 'Company' / 'we' / 'our')** strive to offer right quality, innovative and latest technology products and solutions to its valued customers in automotive space, by adopting practices across its operations that conforms to high standards, best practices and applicable legal framework for the **environmental, social and governance** aspects such as business ethics, integrity, human rights, working conditions, health & safety, environmental protection responsibilities, among others.

Company firmly believe that supplier partners are critical to achieve Company's commitment to sustainable growth and positive societal impact.

Hence, this **Supplier Code of Conduct ('SCC'/'Code')**, provides the minimum requirements, FIEM expects from its value chain / supplier partners, and defines the requirements for suppliers with regard to the relevant standards and practices to be followed by the suppliers across its operations and also principles with respect to **Environmental, Social and Governance** aspects.

This Code applies to all supplier partners of Fiem through the whole supply chain including, but not limited to suppliers, service providers, consultants, vendors or contractors referred herein as "**Suppliers**". The Suppliers are also expected to work with their subcontractors and sub-suppliers in compliance with this Code.

## II. INTER-SE APPLICABILITY OF CODE Vs CONTRACT Vs LAWS

The Supplier's acknowledgment and acceptance to this Code serves as a binding basis for cooperations. In case of any violation of the Code, Company reserves the right to reconsider its business relationships with the Supplier and take necessary actions, including termination of business association.

The contents of this Code supplement the contractual relationship for the supply of goods and/or the provision of services between a direct Supplier and the Company. The Supplier undertake to ensure compliance with requirements relating to the environment, human rights and occupational health and safety as well as other binding requirements of the contractual relationship and also endeavor their compliance along their supply chains. Should the applicable laws impose stricter legal requirements than set out in this Code, the stricter legal requirements will prevail.

### III. BROAD PRINCIPLES AND REQUIREMENTS FOR THE SUPPLIERS

#### 1. BUSINESS ETHICS AND COMPLIANCE.

##### SUPPLIERS UNDERTAKE TO COMPLY THE FOLLOWING:

- 1.1 **Anti-Corruption:** Comply with all anti-bribery and anti-corruption laws wherever they apply. The Supplier is obliged not to tolerate any form of corruption and to prevent all forms of corruption by it and its employees, and to take action to remedy any corruption by Supplier or its employees.
- 1.2 **Antitrust or Competition Law:** Business shall be conducted in a fair manner in accordance with all applicable laws and regulations relating to antitrust or competition law. Anti-competitive practices and collusive agreements in violation of competition law and antitrust law are prohibited.
- 1.3 **Confidentiality:** Data/information provided shall be used within the framework of the business relationship for the agreed and intended purpose only and for the fulfilment of the stated object, unless explicit written consent has been given for other purposes. Confidential information and content shall be protected from internal and external misuse and shall not be published, disclosed to third parties, or otherwise made available without authorization.
- 1.4 **Conflict of Interest:** Decisions shall be made solely on the basis of factual, business-related criteria that are not influenced by personal or financial interests or personal relationships and shall be free from any conflict of interest.
- 1.5 **Financial Responsibility:** Comply with the tax laws and regulations of country in which it operates. Financial reports and accounting records are expected to comply with applicable laws, regulations, and standards and conform to applicable accounting practices.
- 1.6 **Foreign Trade Regulations:** The import and export of goods, services and information, and the provision of funds for these transactions shall comply with all applicable laws, including sanctions, embargoes, regulations, government orders and policies.
- 1.7 **Gifts and Benefits:** No gifts or benefits will be accepted, requested or offered that might create a conflict of interest. These include, in particular, illegal donations, bribes, kickbacks or other unlawful payments to Company's employees, consultants, subcontractors or representatives, or government officials.
- 1.8 **Grievance Redressal / Whistle Blower:** Suppliers shall provide a mechanism by which concerns can be raised anonymously and without the risk of retaliation for any non-compliance, mal-practices, bribery matter, harassment, misconduct, unethical business or environmental conduct, offence or any other such instance in the organisation. Suppliers shall clearly communicate the availability of such a grievance redressal mechanism to all concerned employees and sub-suppliers. Suppliers shall also protect the complainants from any retributive actions.
- 1.9 **Industry Standards:** Supplier shall comply with all applicable industry standards in respect of goods, services, and manufacturing.
- 1.10 **Intellectual property:** Supplier shall respect the intellectual property including, but not

limited to, trade secrets, know-how, patents, trademarks, service marks, and copyrights of FIEM, its Customers and other third parties related to the business relationship with Supplier.

- 1.11 Insider Trading:** Suppliers cannot purchase, sell or trade FIEM securities while in possession of any non-public information. Supplier and their employees should not directly or indirectly disclose non-public information acquired by conducting business with FIEM.
- 1.12 Material Sourcing:** All materials used in products supplied to FIEM shall be sourced responsibly and in compliance with applicable legal conditions. Suppliers are required to fully support and cooperate with FIEM's efforts to secure full transparency and traceability of their raw materials supply chain and must engage sub-tier suppliers in their efforts to demonstrate transparency. All necessary preventive measures must be taken to assure through the supply chain to avoid any risk in particular related to direct or indirect financing of armed conflict and violations of human rights, war crimes, serious violations of international humanitarian law, crimes against humanity or genocide, unethical business or environmental damage.
- 1.13 Obey the Laws of Land / Compliance Management:** The Supplier warrants that it complies with all applicable laws in the country in which it conducts its business and undertakes to continue to do so. Suppliers must abide by all applicable local laws and regulations related to social, health and safety, business and environmental concerns. Company expects its Suppliers to follow the principles, laws and practices to comply the human rights, labor rights, environmental and anti-corruption laws, among others. Supplier shall ensure a compliance system and process at place to adhere and comply the applicable laws, regulations and industry standards.
- 1.14 Privacy and Data Protection:** Compliance with all applicable Privacy and Data Protection laws and ensuring the protection of Personal Data through appropriately implemented processes and systems.
- 1.15 Product Safety:** Product Safety is utmost important, hence compliance with all applicable laws, standards and specifications should be adhered to ensure product safety.

## **2. HUMAN RIGHTS & WORKING CONDITIONS.**

### **SUPPLIERS UNDERTAKE TO COMPLY THE FOLLOWING:**

- 2.1 Child Labor:** Prohibition on child labor, using children for unauthorized activities or performing harmful work. Suppliers must ensure that employees are compliant with the minimum working age as set by legal regulations and local labor laws
- 2.2 Forced Labor:** Prohibition on forced labor, slavery, human trafficking, bonded labor, illegal employment. Suppliers must not use any form of forced labor.
- 2.3 Freedom of Expression and Association:** Supplier shall respect freedom of association, including trade unions and facilitate Freedom of Expression and Association, permitted by applicable local laws.
- 2.4 Human Rights Standards:** Compliance with human rights standards based on applicable national regulations and laws.
- 2.5 Health and Safety:** Suppliers are expected to provide an environment that is safe and healthy for the employees, meeting or exceeding local laws for occupational wellbeing.

- 2.6 Health and Safety Training:** Suppliers shall ensure that its employees and workers are given the necessary and adequate safety training before operating machines, equipment or carrying out potentially hazardous operations. The training provided will be renewed according to legislation and/or identified needs.
- 2.7 Harassment:** Suppliers and their sub-suppliers to treat its employees with respect and dignity. Suppliers and their sub-suppliers will work towards establishing a harassment-free workplace, which can take many forms and take action against all forms of harassment in the workplace and cultivate an environment that allows for open communication with management without fear of reprisal.
- 2.8 Minority Rights:** Suppliers shall respect and protect the rights of minorities (e.g., indigenous peoples) and consider the impact of business activities on the human rights of these groups.
- 2.9 Non-Discrimination:** Prohibition on discrimination in employment and in the employment relationship. Suppliers should not tolerate discrimination in any form and should encourage equal opportunities for employees regardless of sex, ethnicity, national origin, pregnancy, age, religion, political affiliation, marital status, disability, sexual orientation or gender identification.
- 2.10 Personal Protective Equipment (PPE):** Suppliers shall ensure that appropriate PPE and protective clothing are available, maintained, used and provided for its workers and visitors in any harmful or potentially risky work areas. Areas where PPE is needed are clearly marked.
- 2.11 Security Forces:** Engaging or deploying private security forces for the protection of a business / project should be in due compliance of applicable local law.
- 2.12 Women's Rights:** Suppliers shall treat women fairly and equally in all matters. This particularly applies to recruitment, promotion, working conditions, remuneration and social benefits. Any distinction, exclusion or restriction based on gender that has the effect of impairing or frustrating women's recognition, enjoyment or exercise of human rights and fundamental freedom shall be totally eliminated.
- 2.13 Wages and benefits:** Compensation paid to employees shall comply with all applicable wage laws, including those related to minimum wages, overtime hours and legally mandated benefits.
- 2.14 Workplace Risk Management:** Supplier are expected to establish a risk management system which shall include the development and implementation of appropriate preventive measures to protect & respect human rights, health & safety and related environmental standards.
- 2.15 Working Hours:** Working hours shall comply with the applicable local laws.

### **3. ENVIRONMENT PROTECTION.**

#### **SUPPLIERS UNDERTAKE TO COMPLY THE FOLLOWING:**

- 3.1 Air Quality:** Ensure that emissions into the environment are minimized and to the extent possible, eliminated and should record at least Scope 1 and 2 emissions and provide data to FIEM as and when requested.
- 3.2 Biodiversity:** it is expected that precautionary measures are taken and that

opportunities to support natural capital replenishment, biodiversity, and net zero deforestation are considered and implemented.

- 3.3 Climate Change:** Activities that may impact climate change must be minimized and efforts must be made to achieve carbon neutrality.
- 3.4 Conflict Minerals:** Supplier shall ensure compliance with the all applicable Conflict Minerals Regulation and Guidelines with regard to the supply of **Tin, Tantalum, Tungsten and Gold (3TG)**. Suppliers must carefully monitor their supply chains for conflict materials on a regular basis and take all necessary measures to comply with the conflict minerals regulations including necessary declaration based on credible data.
- 3.5 Environmental Protection:** Ensuring the best possible environmental protection in production, continuous reduction of environmental impacts, the use of energy management systems and ensuring energy efficiency.
- 3.6 Environment Management:** Establishment of an environmental management system by an accredited registration authority. The Supplier is expected to support a proactive approach to environmental responsibility by protecting the environment, conserving natural resources and reducing the environmental footprint of the production, products and services.
- 3.7 Energy Management:** Minimize the use of fossil-based energy sources and maximize the use of renewable energy sources.
- 3.8 Harmful Emissions:** Prohibition on causing harmful soil alteration, water contamination, air contamination, harmful noise emissions or excessive water consumption.
- 3.9 Hazardous substances and the import of chemical substances:** Compliance with the relevant environmental standards for all products manufactured along the supply chain. Supplier shall ensure that chemicals or other materials that pose a hazard when released into the environment are identified and handled in a manner that ensures safe handling as well as transportation, storage, use or reuse, and disposal. **Supplier** commit to comply with the **RoHS Directive** by ensuring that the products to be supplied do not contain any substances whose placing on the market is prohibited under the **RoHS Directive**. The following substances are affected by the RoHS Directive: Lead, Mercury, Cadmium, Hexavalent Chromium, Poly-brominated biphenyls, Poly-brominated diphenyl ethers. **Supplier** also undertake to comply with the **REACH Regulations** by verifiably registering these substances in a central database of the REACH authority (=Registration, Evaluation, Authorization and Chemicals) when applicable.
- 3.10 Water Consumption:** Preserve water through minimizing, recycling or reusing water. Any discharge of water into the environment must be in full compliance with local environmental regulations.
- 3.11 Waste Management:** Supplier commit to support the sustainable, renewable and recycled material sourcing and participate in reusing or recycling waste product.

#### **4. SUPPLIER'S OBLIGATION FOR ITS OWN SUPPLIERS / SUPPLY CHAIN**

- 4.1 Supply Chain:** Suppliers must work to ensure that their entire supply chain also complies with the requirements of this Code.
- 4.2** The Supplier endeavour, vis-à-vis FIEM, to take all the possible measures with regard to the incorporation and passing on of the requirements mentioned in this Code along its supply chain.

#### **5. AUDITING AT THE SUPPLIER'S PREMISES**

- 5.1** At an appropriate time and after sufficient prior notice to Supplier, Company is entitled to audit the Supplier for compliance with the obligations under this Code.
- 5.2** The Supplier shall grant FIEM access to all documents, business areas and premises relevant for the audit and shall cooperate with FIEM in the best possible way during the audit. During the audit, FIEM shall take due account of the legitimate business interests of the Supplier as well as data protection aspects. In addition, FIEM is obliged to maintain confidentiality with regard to the subject matter and the results of the audit in relation to third parties within the framework of the statutory provisions, the respective supply agreement, the applicable terms and conditions of purchase and any other contractual documents as agreed between the Supplier and FIEM.
- 5.3** FIEM is entitled to have the audit performed by a third-party and must protect the legitimate business interests of the Supplier and protect data protection aspects, e.g. by entering into appropriate confidentiality agreements with the third-party.

#### **6. LEGAL CONSEQUENCES FOR VIOLATIONS BY THE SUPPLIER**

- 6.1** If the Supplier breaches its obligations under this Code or a breach is imminent, reasonable remedial action must be taken immediately to ensure the performance of its contractual obligations and to prevent and minimize the extent of the breach.
- 6.2** In case of termination of contract, the Supplier shall not be entitled to assert any claims for damages or other claims arising from or in connection with the suspension of the contractual relationship due to its violation of the Code.
- 6.3** In addition to the right for FIEM to claim damages, the Supplier is obliged to indemnify FIEM from all consequences resulting from violations of this Code for which the Supplier is responsible, in particular from fines and penalties as well as from claims of third parties or authorities.

#### **7. DISSEMINATION & COMMUNICATION OF CODE**

Supplier Code of Conduct of FIEM shall be made available on the Company's website at <https://www.fiemindustries.com>.

## 8. Declaration by of the Supplier

*I hereby confirm and acknowledge that I am an authorized representative of the company / entity referenced below, have received and carefully reviewed and understood the substance of the Supplier Code of Conduct, and confirm that Supplier as an entity shall fully comply with FIEM'S Supplier Code of Conduct. As a representative, I further confirm that Supplier shall comply with the principles and requirements of this Supplier Code of Conduct in addition to the obligations established in the Supply Agreements signed with FIEM.*

<b>Supplier firm / Company name:</b>	
<b>Supplier's representative name:</b>	
<b>Title of supplier representative:</b>	
<b>Signature &amp; company stamp:</b>	
<b>Date and Place</b>	

Declaration to be sent by e-mail to the FIEM'S designated email for supplier compliance management.