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**BAJAJ AUTO LIMITED**

# **Supplier Code of Conduct**



**Mod - 01**

**Date : 24.05.2024**



## Bajaj Auto Limited -- Supplier Code of Conduct

### ❑ BACKGROUND

Bajaj Auto Limited ('BAL') believes and demonstrates a very high level of ethical practices and good governance. BAL's high standards of integrity, impartiality, equity and objectivity are the benchmark in the industry while dealing with all the stakeholders.

### ❑ OBJECTIVE

BAL values conducting a business in a legally compliant and ethical manner. Consistent with this commitment, BAL wants to engage in business with those who share the same values and culture of fair and ethical business practices.

BAL has developed this Supplier Code of Conduct to guide its Suppliers as to how to engage in ethical, responsible, fair, transparent and legal business practices in their operations. This is applicable to all 'Suppliers' i.e. domestic and international. Suppliers here refer to suppliers, service providers, vendors, traders, agents, consultants, contractors, joint venture partners, third parties including their employees, agents and other representatives, who have a business relationship with and provide, sell, seek to sell, any kind of goods or services to BAL.

BAL encourages all Suppliers to reflect their working as per Code of Conduct.



## **Bajaj Auto Limited -- Supplier Code of Conduct**

The Bajaj Auto Limited's (BAL) Supplier Code of Conduct (BAL SCoC) represents the values and core principles of BAL's business. At BAL, we are committed to improve the quality of life of the communities we serve globally through long-term stakeholder value creation based on 'Leadership with Trust'. BAL upholds highest standards of ethics, integrity, impartiality, equity, and objectivity in its interactions with all its stakeholders – be it the Customers, Suppliers, Employees, Shareholders, the Government or the Society at large.

BAL follows the BAL SCoC globally and expects all Suppliers to adhere to the principles of BAL SCoC.

### **❑ Products and Services**

Suppliers shall be committed to supplying products and services of the highest quality that meet all applicable standards. The products and services offered shall comply with applicable laws, including product packaging, labelling and after-sales service obligations. Suppliers shall market their products and services on their own merits and not make unfair or misleading statements about the products and services of BAL.

### **❑ Statutory and Regulatory Compliance**

Suppliers shall comply with all applicable laws and regulations, in letter and in spirit, in all the nations / territories in which they operate. If BAL is penalised by any Govt. Authority, due to any non-compliance / wrong-doing by Supplier, then BAL may recover such financial loss from Supplier.



## □ Human Rights

Suppliers shall support and respect the protection of internationally proclaimed human rights and make sure their organisations are not complicit in human rights abuses. Suppliers are expected to keep their workplaces free of forced labor, child labor, harassment, harsh treatment, violence, intimidation, corporal punishment, physically abusive disciplinary practices and discrimination. Suppliers are expected to respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance redressal mechanisms, which means working constructively with recognized employee representatives to promote the interests of its employees and, in locations where employees are not represented by unions, providing opportunities for employee concerns to be heard.

Suppliers should ensure compliance in the deeper supply chain for all Tier 1 and Tier 2/3 /4 for following measures including but not limited to:

- Safety compliance
- Statutory compliance of all applicable laws, rules, by-laws, regulations etc.
- Providing letter of employment
- Conducting Health Examination
- Payment for overtime inclusive of statutory dues
- ESIC registration
- Making ESIC Card available to all workers on the date of joining



#### **❑ No Child Or Forced Labour**

Suppliers shall not hire any person less than 18 years of age. Suppliers shall not use involuntary labour of any kind, including forced prison labour, debt bondage or forced labour. Additional standards include the following:

- a) Suppliers shall comply with all applicable child labour laws, including those related to hiring, wages, hours worked, overtime and working condition. Vocational or developmental programs for young people require an exception to the age requirements.
- b) Suppliers shall maintain official documentation that verifies a worker's date of birth, employment, and training history. BAL reserves the right to review this information whenever required.

#### **❑ Equal Opportunity Employer**

Suppliers shall ensure equal opportunity to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, sex, gender, age, nationality, and disability.

Employees of Suppliers shall be treated with dignity and in accordance with maintaining a work environment free of harassment, whether physical, verbal, or psychological.

Suppliers shall not resort to unethical or corrupt recruitment practices nor promote any discrimination during the recruitment process.

#### **❑ Prevention of Sexual Harassment**

Suppliers shall ensure strict compliance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH).

Suppliers should devise an organizational policy for the same and ensure proper redressal of complaints.

## ❑ **Providing Safe And Healthy Environment**

Suppliers shall maintain and provide a safe and healthy work environment for all personnel that meets or exceeds applicable legal standards for occupational safety and health. Suppliers will comply with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk protection and electrical, mechanical structural and machine safety.

They shall have well-established safety procedures, preventative maintenance, and protective equipment in compliance with the law. Suppliers shall have a Business Continuity Plan to minimize business impacts in the event of major disruption like flood, fire, earthquake, strikes, any riots or Pandemic etc. They shall have a written Emergency Response Plan to minimize harm to the employees, local community and environment and risk of business disruption to BAL in the event of a disaster.

Suppliers must have SHE Policy (Safety, Health & Environment Policy) available in public domain. Suppliers shall strive to provide a safe, healthy, and clean working environment for its employees. Target must be :

- Zero Fatal Occupational Injury
- Zero Non-Fatal Occupational Injury

Suppliers should maintain the record of Major/Minor Accident & First Aid Injury along with analysis and action plan every month along with monitoring mechanism for closure of all the identified actions. The accident data (Major/Minor) & actions initiated must be shared with BAL periodically or within 10 days after any major accident. Suppliers should take necessary action like accident reporting with govt officials etc with necessary action plan. Suppliers should take green initiatives like Energy saving and use of renewable energy sources.



#### ❑ **Global Environment**

Suppliers shall strive for environmental sustainability, particularly with regard to the emission of greenhouse gases, consumption of water & energy and the management of waste and hazardous materials. Suppliers shall endeavour to offset the effect of climate change in its activities. Suppliers must adopt green energy initiatives and projects.

#### ❑ **Conflict of Interest**

Suppliers shall not enter into a financial or any other relationship with a BAL employee/ family that creates any actual or potential conflict of interest for BAL. Suppliers understand that a conflict of interest arises when the personal interests of the BAL employee are inconsistent with the responsibilities of his/her position with the company.

Onboarding of new Tier suppliers (i.e. BAL Tier-II / III) to be done through centralized process. For approval of Tier suppliers, supplier will conduct background checks, proper screening & will take necessary declarations confirming that new supplier have no affiliations with BAL employee or with their family that shall create conflicts of interest with BAL.

All such conflicts must be disclosed. Even the appearance of a conflict of interest can be damaging to BAL and to the Suppliers and are to be disclosed and approved in advance by BAL management.

#### ❑ **Bribery, Corruption, and Money Laundering**

Suppliers shall not engage in any form of bribery or corruption or money laundering. Suppliers shall not accept, facilitate or support bribery or corruption or money laundering.



#### **❑ Gifts And Donations**

Suppliers shall not (directly or indirectly) offer any gift, entertainment, trip, discount, service, or other benefit to any official of BAL which would or reasonably appear to be capable of influencing such person's decision. This includes giving or receiving anything of value, including money, gifts or unlawful incentives to improperly influence negotiations.

#### **❑ Third Party Representation**

- a) Suppliers shall represent our company (including Bajaj Auto brand) only with duly authorized written permission from our company. They are expected to abide by the SCoC in their interactions with, and on behalf of us, including respecting the confidentiality of information shared with them.
- b) Suppliers shall safeguard the confidentiality on the use of intellectual property and data of BAL.

#### **❑ Protecting Company Assets**

The assets of BAL shall not be misused; they shall be employed solely and judiciously for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials and resources as well as intangible assets such as proprietary information, intellectual property, etc.

#### **❑ Protecting Company Assets including IPR**

Suppliers are responsible for safeguarding, securing, and protecting BAL's assets and information technology / IPR. Further supplier acknowledges and agree that all intellectual property / proprietary rights of BAL are solely owned by BAL and shall remain the property of BAL.





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#### ❑ **Compliance with the SCoC**

Suppliers shall strictly adhere to this SCoC. They shall promptly inform BAL when any situation develops that causes them to operate in violation of this SCoC. While Suppliers are expected to self-monitor and demonstrate their compliance with this SCoC, Suppliers shall allow BAL to audit or inspect Supplier's facilities to confirm their compliance when requested by BAL with reasonable notice. BAL reserves the right to take appropriate action including immediate removal of any Supplier who behaves in a manner that is unlawful or inconsistent with this SCoC. Additionally, Suppliers need to exercise due diligence with regards to social and environmental responsibility when sourcing materials, parts and services.

#### ❑ **Reporting Violations**

Suppliers shall notify BAL regarding any known or suspected improper behavior by them relating to its dealings with BAL, or any known or suspected improper behavior by BAL employees by email to: [vmsonar@bajajauto.co.in](mailto:vmsonar@bajajauto.co.in)

Reported violations will be treated confidentially without retaliation.

#### **Disciplinary Actions against Suppliers:**

1. For smaller breaches may lead to penalty of Rs. 1 Lac.
2. For severe breach may lead to penalty of Rs. 10 Lacs and / or termination of contracts with the supplier



## BAL Supplier Code of Conduct Compliance Commitment

We hereby confirm that we have received the BAL Supplier Code of Conduct and commit to comply fully in true spirit. We are also aware that these clauses/provisions form an integrated part of Suppliers agreement, signed with BAL.

We understand that BAL reserves the right, upon reasonable notice, to check compliance with the requirements of Supplier Code of Conduct.

We understand that BAL encourages its Suppliers to implement their own binding Code of Conduct and agree that we will be responsible for complying obligations under this code. Failure to adherence to this code would attract the disciplinary consequences as mentioned above.

Supplier Code (Vendor code)	.....
Supplier Name	.....
Supplier Authorised Signatory with Company Stamp	.....
Name & Designation of Authorized Signatory	..... .....
Place	.....
Date	.....