

# **SUPPLIER CODE OF CONDUCT**

Code Name	Supplier Code of Conduct
Code No	LEGAL -01
Code Release Date	26 July 2022
Effective Date	26 July 2022
Code Owner	KEC LEGAL
Version	1.1

## PREFACE

KEC International Limited (“**KEC**”) as amongst most respected Engineering, Procurement, and Construction companies globally, firmly believes that to build sustainable businesses, creation of a sustainable ecosystem of environment, society, safety and governance is of paramount importance.

As stated in the RPG Code of Corporate Governance & Ethics (“**RPG Code**”), a core principle of the RPG Group, KEC is required to conduct its business responsibly, ethically and ensuring high governance levels at all times. Consistent with this core principle, KEC ensures all its activities, including its procurement operations, and staff adhere to the highest ethical standards.

KEC’s Supplier Code of Conduct (“**Supplier Code**”) sets out the essential requirements expected from our Suppliers as regards compliance with laws and regulations, corruption, bribery, social and working conditions, child labor and the environment. Suppliers are required to ensure compliance of the principles set out in Supplier Code and are also expected to promote extend the same to their suppliers and subcontractors.

We appreciate Suppliers understanding of the Supplier Code and as a valued partner, we look forward to a mutually positive and productive business relationship by the Supplier’s adherence to this code for its dealings with KEC.

This Policy applies to KEC and its subsidiaries and shall be imbibed /adopted by its joint ventures globally.

Vimal Kejriwal  
CEO & Managing Director  
KEC International Limited

Date: 26 July 2022

# SUPPLIER’S CODE OF CONDUCT

For KEC International Limited (“**KEC**” or “**Company**”), sustainability is essential component of its business operations. As an EPC Company we purchase raw materials, finished and semi- finished goods and services from Third Parties to secure sustainable success of our customers by providing innovative solutions for products and services.

As part of this journey of sustainability, we believe that our Third Parties who are our key partners in this journey of sustainability, to comply with applicable regulatory requirements and KEC’s Supplier Code of Conduct (“**Supplier Code**”).

This Code of Conduct defines the basic requirements placed on the Third Parties of the Company concerning their responsibilities towards their stakeholders and the environment.

## 1. Definitions

Term / Expression	Definition
Bribes	Bribe includes the offering, promising, giving, accepting, or soliciting something of value in exchange for an act which is dishonest, illegal, and improper or a breach of trust, designed to influence the recipient in the exercise of their duty and to incline them to act contrary to accepted standards of honesty and integrity, to avail improper business advantage. Bribes often involve payments (or promises of payments) but may also include providing lavish/inappropriate Gifts and Hospitality or other significant favors. Bribery includes advantages provided directly, as well as indirectly through Third Party.
Coercive Practice	Impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
Collusive Practice	An arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
Compliance Officer	An Employee appointed for overseeing KEC’s compliance processes and for ensuring applicable laws and compliance policies are communicated to all Employees.
Corruption	Corruption or corrupt practices shall mean the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.

Director(s)	Directors appointed on the Board of the Company including executive, non-executive, independent and nominee Directors.
Employee(s)	Every employee of the Company and its subsidiaries / affiliates / associates, including regular employees, contractual employees, and retainers.
Fraudulent Practice	Any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation
Gift	<p>Any payment, gratuity, gratification, present or advantage (pecuniary or not), offered or received. In a business environment, "Gifts" cover items such as, but not limited to:</p> <ul style="list-style-type: none"> <li>• Presents, goods, equipment,</li> <li>• Cash payments or cash equivalents like gifts certificates, gift vouchers, shopping cards, etc.</li> <li>• Stocks, shares, equities</li> <li>• Free services, for instance insurance, tuition fees, repair or improvement works or any preferential treatment.</li> <li>• Honorarium</li> <li>• Transportation, promotional items or use of a giver's time, materials, and facilities.</li> </ul>
Government Official(s)	<p>Any person or people employed part / full time by the government or regional sub-division of the government, states, provinces, city, district, town, villages or by independent government agencies, state owned business or public (government funded) institute. Officers and employees of government-owned companies, or companies substantially controlled by such governments, are also Government Officials. Examples of Government Officials include:</p> <ul style="list-style-type: none"> <li>• Any individual who holds a legislative, administrative or judicial position of any kind, whether appointed or elected, for the country or state;</li> <li>• Any officer, employee or agent of a public international organization such as the World Health Organization or the United Nations;</li> <li>• Any officer, employee or agent of a political party or any person acting in an official capacity on behalf of a political party;</li> <li>• Any individual acting on behalf of a government owned enterprise or enterprise performing governmental functions;</li> <li>• Any person defined as a government or public official under applicable local laws (including anti-bribery and corruption laws) and not already covered by any of the above;</li> </ul>
Hospitality	<p>Hospitality means any form of amenity, entertainment, travelling or accommodation or invitation offered or received. In a business environment, "Hospitality" covers items such as but not limited to:</p> <ul style="list-style-type: none"> <li>• Hotel accommodation,</li> <li>• Travel and trips by car, air train or boat,</li> </ul>

	<i>Note: The Company may conduct seminars / summits / events at various locations and may also sponsor / partner various events. In all such events, the amenities extended to the Third Parties should not be considered as Hospitality for the purpose of this policy if it does not seem to be an inducement or attempt to influence them in an unfair manner.</i>
Kickbacks	Kickbacks are typically payments made in return for a business favor or advantage.
Third Party(ies)	<p>Third party(ies) include:</p> <ul style="list-style-type: none"> <li>• Business partners, vendors, suppliers, contractors, sub-contractors, Joint Venture partners, Consortium partners, local representatives, agents, consultants, and intermediaries with whom KEC may enter into agreement(s) for purchasing/selling directly or indirectly materials and/or services or other operational activities.</li> <li>• Associates of the foregoing.</li> <li>• Government Official(s)</li> </ul>

## 2. Applicability

- This Supplier Code applies to Third Parties who hold business relationship with KEC including domestic and international subsidiaries/ affiliates/associates.

## 3. Declaration and Disclosures under Supplier Code of Conduct

- The Supplier Code necessitates declaration (*Refer **Appendix A***) by authorized representative of the Third Party of having read and understood the Supplier Code.
- Further, a full disclosure is also expected from each Third Party of any potential conflict of interest etc. in the prescribed format (*Refer **Appendix B***).
- The Third Party shall agree to provide the declarations and disclosures after 24 months from the date of the previous declarations and disclosures.

In case of any deviations or exceptions to the above, approval of business head and Compliance Officer shall be obtained in writing clearly stating the reason for such a deviation and by when such deviation is expected to be addressed.

## 4. Regulatory Compliance

- The Third Party shall comply with all applicable laws and regulations, contractual obligations, both in letter and in spirit, in all the territories in which it operates. It will be the Third Party's responsibility to ensure that he is always up to date on any changes with regards to Regulatory compliances and ensure his organization / employees meet the same. The products and services offered shall comply with applicable laws, including product packaging, labelling and after-sales service obligations.
- Third Party shall also comply with the applicable export control and customs regulations.

## 5. Fair Operating Practices

- Anti-Corruption and Bribery
  - The Third Party shall not tolerate and not engage directly or indirectly in any form of Corruption or Bribery and not grant, offer, or promise anything of value to a Government Official or to a counterparty in the private sector to influence official action or obtain an improper advantage. This includes to renounce from giving or accepting improper facilitation payments.
  - The Third Party shall not extend any Gifts, Kickbacks, Hospitality to Employees and Directors in order to influence official Action or obtain improper advantage. Employees and Directors are bound and Strictly required to adhere to Company's policy on Gifts and Hospitality.
- Fair Competition, Anti-Trust Laws, and Intellectual Property Rights
  - The Third Party shall act in accordance with national and international competition laws and not participate in price fixing or bid rigging with competitors.
  - The Third Party shall respect the intellectual property rights of others.
- Conflicts of Interest
  - The Third Party shall inform any kind of conflict of interest to KEC and if possible, avoid it completely. A conflict of interest exists when a Third Party's direct or indirect personal interests are inconsistent with or interfere with the best interests of Company. To avoid such conflicts:
    - The Third Party shall disclose any direct or indirect personal interests held by an employee or director in Third Party's
    - The Third Party shall disclose family relationship between Employees or Directors of KEC and any director(s), officer(s) or staff of the Third Party
  - Further the Third Party shall not take advantage of any family / social / political affiliations to obtain favorable treatment or business opportunities. The Third Party shall disclose such affiliations before entering into such business transaction.
- The Third Party shall maintain and make available records related to business transaction with the Company as per applicable law and contract requirements. The Third Party shall be consenting and participating during audits/assessment and shall extend all assistance to the Company and/or its representatives conducting the audit.
- The Third Party shall comply with applicable local and global trade compliances and sanctions laws.
- KEC shall not engage the Third Party, directly or through an agent, engaged in Corrupt, Fraudulent, Collusive, or Coercive practices in competing for the contract at the procurement stage or during the execution of that contract).

## **6. Human Rights and Labor Practices**

- The Third Party shall ensure to respect all internationally proclaimed human rights by avoiding causation of and complicity in any human rights violations, heightened attention shall be paid to ensuring respect of human rights of specifically vulnerable rights holders or groups of rights holders such as women, children, or migrant workers, or of (indigenous) communities.
- Prohibition of Child Labor
  - The Third Party shall not tolerate or use child labor as defined in respective territory applicable laws and regulations
- Non-Discrimination and Respect for Employees
  - The Third Party shall promote equal opportunities and treatment of Employees, irrespective of skin color, race, nationality, ethnicity, political affiliation, social background, disabilities, gender, sexual identity and orientation, marital status, religious conviction, or age.
  - The Third Party shall not tolerate any unacceptable treatment of individuals such as mental cruelty, sexual harassment or discrimination including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative.
- Health & Safety of Employees
  - The Third Party shall act in accordance with the applicable statutory and international standards regarding occupational health and safety and provide safe working conditions.
  - The Third Party shall provide training to ensure Employees are educated in health & safety issues.
  - The Third Party shall establish a reasonable occupational health & safety management system.
- Employee Development
  - The Third Party shall provide access to required technical or Non-Technical trainings to Employees and labor for ensuring development
- Supply Chain
  - The Third Party shall use reasonable efforts to make its Third Parties comply with the principles of this Code of Conduct.

## **7. Quality Requirements**

- Third Parties shall meet contractually agreed technical requirements and /or generally accepted technical standards as per the Order confirmation to provide goods and services that consistently meet KEC / Client's specification / Generally acceptable international technical standards for that goods and services, perform as warranted and are safe for their intended use.

## **8. Environment and Safety**

- The Third Parties shall work to implement applicable quality and EHS System and upgrade the same on regular basis.
- The Third Parties shall put effective process and system in place to ensure continuous improvement in resource utilization and reduction of waste.

- The Third Parties shall provide material safety data sheets containing all necessary safety-relevant information for all hazardous substance to KEC and other parties in case of a legitimate need.

## 9. Third Party Representation

- The Third Party shall not be authorized to represent KEC or to use the KEC brand without the written permission of KEC. Authorized representatives of the Third Party are expected to abide by the KEC Code of Conduct in their interaction with, and on behalf of KEC, including the confidentiality of information shared with them.

## 10. Confidentiality

- Third party shall respect KEC's confidentiality by:
  - Following the applicable data privacy laws and remaining duty-bound to ensure protection of any information acquired in their business relationship with the Company.
  - Strictly abstaining from making any video and/or audio recording during any discussions or site show rounds, without obtaining prior consents.
  - Not sharing any confidential information provided by the Company during the course of negotiations and business unless specifically consented in writing by the concerned official of the Company.

## 11. Reporting Violations

- The Third Party shall notify KEC regarding any known or suspected improper behavior by the Third Party relating to its dealings with KEC, or any known or suspected improper behavior by Employees.
- Reported violations will be treated confidentially without retaliation
- The Third Party shall advocate whistleblower protection by:
  - Escalating misconduct, unethical or dishonest behavior by any of the Company staff or associate by directly reporting / lodging their concern or complaint with the designated officials.  
*Refer KEC's **Whistle Blower Policy** for detail.*
  - Endeavoring to develop mechanisms to expose wrong practices being followed by the Company staff/business associates in business dealings. The Company will ensure that such matters shall be handled in a fair and equitable manner
  - Encouraging and providing such mechanism to its Employees to report unethical or unlawful practices
  - Co-operating with the Company in the investigation of reported allegations of fraud, unethical practices or non-compliance to law and regulation involving the Third Party or its employees and take corrective action where appropriate



## **12. Consequence of violation of Supplier's Code of Conduct by the Third Parties**

- The Third Party has the responsibility to share this Supplier Code with its Employees who may be engaged or expected to be engaged in conducting business activities with KEC and its affiliates.
- KEC shall deal with all infractions with fairness and impartiality. However, established failure to comply with the Supplier Code by any Third Party shall lead to suspension or termination of any contract awarded to the Third Party and its blacklisting. Further any payments due to such Third Party as per the Company's books shall be released only after thorough investigation.

## **13. Interpretation**

- Third Parties may connect with the Compliance Officer of the Company in case of any clarification required.

**Appendix A –Third Party  
Declaration**

**UNDERTAKING**

I / We hereby confirm that I have read and understood the Code of Conduct and undertake to comply with same and all the applicable laws / statutes / directives or regulations and shall promptly notify you of any actual or suspected breach and provide all required information in this regard.

Name of Company: \_\_\_\_\_

Name of Authorized signatory: \_\_\_\_\_

Place/Date: \_\_\_\_\_

\_\_\_\_\_  
Signature & Stamp

### Appendix B - Disclosures

	Disclosure		
1	Are you aware of any regulatory or legal violation by any of KEC's Employee, trustee, Director or officer while working for or on behalf of the Company?	Yes	No
	If yes; please provide details		
2	Does any KEC Employee, trustee, Director or officer hold any direct or indirect interest in your Company?	Yes	No
	If yes; please provide details		
3	Do you or any of your trustee(s), Director(s) or officer(s) have any family relationship with any of KEC's Employee(s), trustee(s), Director(s) or officer(s)?	Yes	No
	If yes; please provide details		
4	Are you related directly or indirectly with any political or socially influential personality?	Yes	No
	If yes; please provide details		
5	Have you or any of your trustee, Director or officer ever been accused of Corrupt practices such as Bribery or offering Kickbacks?	Yes	No
	If yes; please provide details		
6	Have you or any of your trustee, Director or officer made any payments or offered any personal favors to a Government Official on behalf of KEC or any Third Party in violation of the KEC Anti-Bribery and Anti-Corruption policy	Yes	No
	If yes; please provide details		
7	Does any of the invoices or expense vouchers submitted by you or your organization to KEC include any payment for Bribe(s)/Kickback(s) or facilitation payment made to a Government Official or any Third Party for expediting work or obtaining business favors	Yes	No
	If yes; please provide details		
8	Have you ever engaged in or are part of industry cartels or any other anti-competitive activities?	Yes	No
	If yes; please provide details		
9	Have any of your business partners black-listed you or withdrew business from you for other than competitive reasons?	Yes	No
	If yes; please provide details		

Name of Company: \_\_\_\_\_

Name of Authorized signatory: \_\_\_\_\_

Place/Date: \_\_\_\_\_

Signature & Stamp