

SUPPLIER

CODE *Of* CONDUCT



Making A
Material Difference

Version 1.5 - Published on 14th Mar 2024





The basic principle which guides the business activities in the Murugappa Group has been derived from one of the ancient Indian treatises, which reads,

“The fundamental principle of any economic activity is that no man you transact with will lose; then you shall not”

Different people define ethics as they perceive it to be. However, there is no denying that it is fundamental to any society and all civilisations. Further, Ethics is devoted to systematising, defending and recommending the concepts of right and wrong behaviour.

Ethics, in an organisation, defines how a corporation conducts its business in accordance with the social contract it holds, and its cohesive processes and policies with its employees and with the external stakeholders.

CUMI “The Right Path” has been prepared with a view to :

01 Provide more clarity on ethical issues.

02 Maintain transparency in all our dealings.

03 Practice ethics in a dynamic business environment.

We hope the guidelines provided in this manual will be internalised both in letter and in spirit, and each one of us at CUMI will exemplify the high standards of the Company in manner and behaviour.

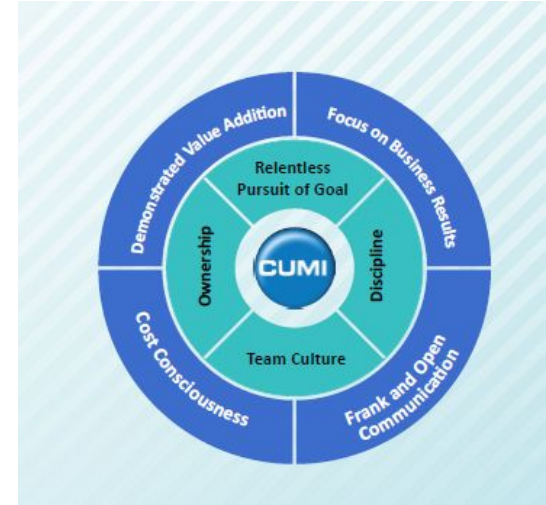
CUMI's Value Systems



CUMI's value systems are aligned with the Murugappa Group's Values and Beliefs, and reiterate the Five Lights of Integrity, Passion, Quality, Respect and Responsibility, which define our work ethic. As part of team CUMI, we are committed to upholding the highest value standards in all our interactions, be it with our customers, colleagues, and community.

The corporate culture across CUMI's offices worldwide is based on a work environment that is non-discriminatory, equitable, and inclusive.

CUMI is committed to the Health and Safety of its employees by maintaining the highest standards of safe workplace practices and a clean and healthy environment. Besides adhering to the regulatory environment standards, CUMI's corporate social responsibility also includes protecting and conserving the natural environment by planting trees, reducing waste and exploring alternate methods of green energy. The company also promotes and participates in education and health initiatives in the local community.



CUMI's customer-centric work culture, with an abiding commitment to quality, determines that each of the products designed and manufactured by the company meet the highest international standards of safety. At CUMI, business transactions are treated as trust partnering, to offer products and services that add value to the customer on a continuous basis.

The terms “Supplier,” “Vendor” or “Business Partner” refer to any entities such as suppliers, service providers, vendors, traders, agents, consultants, contractors, joint venture partners, and other third parties—along with their employees, agents, and representatives, who have a business relationship with CUMI and provide, sell, or seek to sell goods or services to CUMI.

Human Rights And Equal Treatment

As a business partner of CUMI, you are expected to uphold the fundamental human rights of all individuals and ensure fair treatment across all operations, with a commitment to creating an inclusive and respectful environment, including:

- ✓ **Respecting the personal dignity, privacy, and rights** of every individual, fostering a culture of mutual respect and fairness.
- ✓ **Ensuring no employee is discriminated against** based on ethnic or racial status, color, nationality, descent, religion, caste, gender, age, physical characteristics, appearance, sexual orientation, cultural backgrounds, life experiences, thoughts, or ideas.
- ✓ **Creating a harassment-free workplace**, where employees are protected from any form of verbal, physical, or emotional abuse.
- ✓ **Prohibiting all forms of child labor**, in compliance with local laws defining "child," and ensuring no exploitation of underage workers.
- ✓ **Eliminating forced, bonded, or involuntary labor**, ensuring that all work is voluntarily undertaken, with no form of coercion.
- ✓ **Promoting an inclusive and equitable work environment**, where all employees are treated with respect and given equal opportunities for growth and advancement.

Fair Labor Practices, Compensation, and Employee Welfare

You are required to provide fair labor practices, appropriate compensation, and a safe and healthy working environment, including:

- ✓ **Adhering to national labor laws regarding working hours**, ensuring that employees' working hours comply with legal limits and are balanced with adequate rest.
- ✓ **Complying with applicable wage laws**, ensuring employees are paid fairly and on time, in line with national standards and regulations, and promoting pay equity across all levels.
- ✓ **Providing necessary health and welfare benefits**, including access to healthcare, insurance, and other services that support employees' well-being.
- ✓ **Offering ample training and professional development opportunities**, enabling employees to enhance their skills and advance within the organization, ensuring equitable access to growth opportunities.
- ✓ **Ensuring equal remuneration for equal work**, promoting gender pay equity, and ensuring all employees receive the same compensation and opportunities regardless of gender.

- ✓ **Maintaining a safe working environment**, where employees are protected from workplace hazards, free from any form of harassment and health and safety regulations are strictly followed to minimize risks.
- ✓ **Grievance Mechanisms**, provide appropriate policy to whistle blower, hotlines, feedback mechanism, encourage trade unions, etc
- ✓ **Steps on handling Grievances**, For a verbal or written complaint, acknowledge the grievance, analyse the grievance, mediation, closing, appeal if not sorted
- ✓ **Human Rights Impact**, provide periodic assessments on human rights impact, list down violation, provide periodic self-assessment questionnaire, etc
- ✓ **Training**, involve in regular training to proactively mitigate the human right violation, to have expert trainer,



Health, Safety, and Environmental Management



CUMI

As a business partner and supplier to CUMI, you are expected to meet the highest standards of health, safety, and environmental management, aligning with local laws and global best practices. You shall take proactive measures to ensure the protection of your workforce and the environment, minimizing risks to both. Specifically, you will:

- ✓ **Comply with all relevant local and international regulations**, obtaining and maintaining all necessary permits, licenses, and certifications required to operate legally and ethically. Ensure these documents are kept current and are accessible for audit or inspection.
- ✓ **Provide comprehensive Safety Data Sheets (MSDS)** for all hazardous substances, ensuring these are made available to CUMI and other stakeholders. These should include all safety-relevant information regarding proper handling, storage, and emergency procedures.
- ✓ **Establish and implement a formal health, safety, and environmental management system**, ensuring the effective identification, management, and mitigation of health and safety risks, as well as minimising the significant environmental impacts.
- ✓ **Ensure that all workers are adequately trained** on health, safety, and environmental risks, empowering them with the knowledge to use safety measures and controls effectively. Regular training updates should be conducted to ensure ongoing awareness.
- ✓ **Take necessary steps to protect workers from chemical, biological, physical, and ergonomic hazards**, including addressing the physical demands of tasks and the risks associated with machinery, equipment, and infrastructure used.

- ✓ **Provide appropriate personal protective equipment (PPE)** when risks cannot be fully mitigated through engineering or administrative controls, and ensure that PPE is maintained and used correctly.
- ✓ **Conduct risk assessments for hazardous activities and installations**, particularly where the risks of chemical releases, explosions, or other incidents exist, and implement measures to minimize such risks.
- ✓ **Implement environmentally sustainable practices in waste management**, emissions, and wastewater discharge, ensuring safe handling, storage, recycling, adoption of circularity concepts and discharge extended producer responsibility norms, eco labelling requirements, product life cycle studies and disposal of waste in line with environmental laws. Work to reduce environmental impact through innovation and continuous improvement efforts in sustainability.
- ✓ **Sustainability and Climate Action** : CUMI encourages its suppliers to adopt sustainable business practices and reduce their environmental impact. Suppliers should implement measures to improve energy efficiency, increase and promote the use of renewable energy ,reduce carbon emissions, and pursue climate action initiatives in line with local and global environmental goals.



Product & supply chain Safety, Quality, Material Compliance, Conflict Minerals, and Counterfeit Materials

As a supplier to CUMI, you are responsible for ensuring compliance with regulations and customer requirements concerning product safety and quality, control on restricted substances, hazardous materials, conflict minerals (3TG), and the prevention of counterfeit materials. Specifically, you will:

- ✓ **Implement a conflict minerals policy** to ensure responsible sourcing of tin, tungsten, tantalum, and gold (3TG) and other rare earth minerals, avoiding any contribution to conflicts in high-risk regions, where mineral trade has been linked to armed conflict or violation of human rights (as per CAMERAs under Regulation (EU) 2017/821)
- ✓ **Comply with global regulations**, including REACH and RoHS, to meet all legal obligations concerning restricted and hazardous substances.
- ✓ **Prevent counterfeit materials** by maintaining strict controls to ensure that only authentic, verified, and quality-assured materials enter the supply chain.
- ✓ **Establish a robust traceability system**, ensuring transparency in the supply chain for 3TG and all critical materials, and providing documented proof of origin.
- ✓ **Respond promptly to compliance requests from CUMI**, providing declarations, Safety Data Sheets (SDS), and evidence of responsible and legal sourcing practices..



- ✓ **Secure all necessary statutory clearances, consents, Permits and approvals**, such as NOCs and permits for handling restricted or hazardous materials, ensuring full legal and ethical compliance. Ensure product safety protocols and adherence to quality specifications and on time delivery commitment

- ✓ **Protecting Company Assets**, by using them solely for authorized business purposes. This includes equipment, machinery, systems, materials, tools, and resources. Suppliers are responsible for safeguarding CUMI's assets and information technology from theft, destruction, misuse, or waste. Suppliers must adhere to CUMI's guidelines, policies, and applicable laws in the countries where they operate. At the end of the asset's life or upon CUMI's request, the Supplier must return any provided assets, including tools and fixtures, and maintain a holding certificate for them until returned.

- Ensure business continuity** and minimise impacts of any disruptions in the supply chains and bring to our notice any likely supply chain related issues at the earliest opportunity

- ✓ **Commit to continuous improvement practices** and respond to any corrective action requests expeditiously

- ✓ **Security Management Systems for the Supply Chain**. Take necessary steps to assess risks and eliminate risks related to security during transportation, storage, ensuring the integrity and safety of goods throughout the entire supply chain. Develop procedures for managing security incidents and emergencies, including response plans, communication protocols, and recovery strategies.

- ✓ **Communication Channels** - Establish clear channels of communication detailing the names and contact details of responsible person/s for facilitating communication and for product and service related requirements, approval processes, process and product validations, change management, audits, assessment of materiality, social practices and community engagement, governance issues, problem solving and escalation levels for resolution of issues as needed.

- ✓

Intellectual Property, Confidentiality, and IT Security

The CUMI logo is a blue circle with the word "CUMI" in white capital letters. It is positioned in the top right corner of the page, overlapping the background image.

CUMI

As a supplier to CUMI, you are required to ensure the protection of intellectual property (IP), maintain confidentiality, and secure all information systems. Specifically, you must:

- ✓ **Protection of Intellectual Property (IP):** Respect and safeguard all CUMI intellectual property rights, ensuring no unauthorized use, reproduction, or distribution of IP, and ensuring your operations do not infringe on CUMI IP rights. Must not misuse Intellectual Property, and must maintain the integrity and security of those documents or information for which you are responsible
- ✓ **Confidentiality of Sensitive Information:** Maintain the confidentiality of all proprietary or non-public information from CUMI, using it only for its intended purpose and taking necessary measures to prevent unauthorized access, disclosure, or misuse.
- ✓ **IT Security and Data Protection:** Implement robust IT security measures such as encryption, firewalls, and secure access controls to protect CUMI's data, comply with industry best practices, and promptly report any data breaches to CUMI.
- ✓ **Obligations of Subcontractors and Employees:** Ensure subcontractors, partners, and employees who have access to CUMI's confidential information follow the same confidentiality and IP protection standards, including requiring them to sign non-disclosure agreements (NDAs) and ensuring adherence to IT security protocols.
- ✓ **Information Security, Data Privacy and GDPR Compliance:** Suppliers must comply with applicable data protection standards and laws, including the Digital Personal Data Protection Act, 2023 and the General Data Protection Regulation (GDPR) in jurisdictions where it applies. Suppliers should ensure that CUMI's data is securely stored and processed, and that personal data is handled with utmost confidentiality and care as per applicable laws and standards. Ensure that you collect and use data in a lawful, fair, legitimate and ethical way.
- ✓ **Identification and adherence to the latest applicable compliance** requirements to local national and international guidelines, regulations,, and standards and disclosure of performance is expected from our supply chain partners .

Business Ethics

As a supplier or vendor to CUMI, you are expected to adhere to the following principles to ensure a fair, transparent, and ethical business relationship

- ✓ **Fair and Transparent Selection:** CUMI values suppliers and vendors who demonstrate capabilities in pricing, quality, service, reliability, subcontracting arrangements and integrity. We expect suppliers to align with these criteria and make reasonable profits while delivering value to CUMI.
- ✓ **Compliance with Legal and Ethical Standards:** As a supplier/vendor to CUMI, you must comply with applicable legal requirements and ethical standards, including labor laws, non-disclosure of customer/company information, and ethical manufacturing practices. Your business operations should align with the statutory laws of the relevant jurisdiction.
- ✓ **Avoidance of Unjustifiable Benefits:** Suppliers/vendors must not offer unjustifiable discounts, gifts, or commissions for personal gain or to influence business transactions with CUMI. Offering such benefits is considered bribery and may lead to the termination of the business relationship.
- ✓ **Transparency in Relationships:** If a personal connection exists between the supplier/vendor and any CUMI employee (such as a relative or friend), it must be disclosed to CUMI management. The supplier/vendor must still meet all selection criteria and contractual obligations to ensure fairness and compliance.

- ✓ **Timely and Fair Payments:** Suppliers/vendors are entitled to receive payment as per the agreed terms and timelines in the contract. Any discrepancies in payments, such as short payments or penalties, should be aligned with the contract and not be done arbitrarily.

- ✓ **Anti-Corruption and Bribery:** CUMI is committed to maintaining the highest ethical standards, and all suppliers must ensure that their business activities do not involve bribery or corruption. Suppliers are prohibited from offering, giving, or receiving bribes, kickbacks, or any illegal or unethical benefits to influence business decisions
Antitrust Compliance: Business partners must comply with all applicable antitrust, competition, and trade practice laws, and should not carry out any activity that promotes unfair competition and restraints of trade. Suppliers are prohibited from engaging in discussions, agreements, or practices that harm competition, such as price-fixing, market or customer allocation, or other illegal activities, at any stage of the production or distribution process.

- ✓ **Implications of Non-Compliance:** Failure to adhere to the standards outlined in this Code of Conduct or to implement required corrective measures may result in CUMI taking the following actions:

1

Notifying relevant authorities or regulators, and/or

2

Suspending or terminating the agreement with the Supplier immediately, and/or

3

Taking appropriate action, including legal action, at the CUMI's sole discretion.

Whistleblower Policy

To provide protection from reprisals or victimisation, the Company has a 'Whistleblower Policy' applicable to all employees, suppliers, customers, vendors, and contractors. The Ombudsperson would resolve all concerns raised under this policy.

This mechanism is an independent channel and can be triggered by any of the above persons/entities. They can, at their sole discretion, choose this channel as a first recourse, simultaneously with other redressal mechanisms, or after exhausting normal channels.

It provides immunity to anyone who is reporting a legitimate complaint. The complainant is not provided the option of anonymity but the contents and circumstances of the report will be handled under strict confidentiality as allowable under legal constraints.



All such serious concerns should be reported to:

The Ombudsperson 6th Floor, Dare House, Chennai 600 001.

Phone : +91 44 2530 6444
Dare House Extension : 6444

Cellphone : +91 99400 45453
Email : ombudsperson@corp.murugappa.com