

HAPPY FORGINGS LIMITED

SUPPLIER CODE OF CONDUCT

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To

The Managing Director Happy
Forgings Ltd.
B-XXIX-2254/1, Kanganwal Road,
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SUPPLIER CODE OF CONDUCT

We,....., the Supplier of Happy Forgings Ltd., understand that Happy Forgings Ltd. stresses on the highest standards of moral and ethical conducts in doing business and in establishing a transparent Corporate Culture based on mutual trust.

All suppliers must comply with all applicable laws (including, without limitation, laws relating to anti-corruption and competition), as well as the principles set out in the HFL Code of Conduct and in this Supplier Code of Conduct. In addition, all suppliers are expected to provide applicable information to the Company or take other actions necessary to allow the Company to fulfil its reporting, disclosure and other legal obligations.

This Supplier Code of Conduct applies to all persons and entities who sell goods or services of any type to HFL and summarizes the standards to be followed in their daily business activities as a Supplier to the Company.

All Suppliers carrying on business with HFL are deemed to agree and accept the contents of this Supplier Code of Conduct and such agreement and acceptance is evidenced by the Supplier continuing to do business with HFL.

Labor and Human Rights

Child labor

No Suppliers may employ child labor. The term “child” refers to a person who is younger than 15 years old or who has not yet reached the age for completing compulsory education, whichever is greater. (ref. ILO Convention n. 138)

Forced labor

No Suppliers may employ forced labor. Employment must be voluntarily and freely chosen. All Suppliers, including recruitment agencies used by a Supplier, must verify the legal employment eligibility of all persons to work and not use any form of prison, indentured, forced, involuntary, bonded or slave labor. Involuntary labor includes the transportation, harboring, recruitment, transfer, receipt, or

employment of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation.

No Suppliers will require employees to lodge deposits or identity papers, or to pay recruitment fees. (ref. ILO Conventions n. 29 and n. 105)

Wages and Hours

All Suppliers must ensure that all of their workers receive at least the legally mandated minimum wages and benefits. Working conditions, working time and compensation must be fair, complying with the laws, standards and practices applicable in those countries where the Supplier operates.

Suppliers must maintain required official documentation that verifies an employee's age, wages, and hours worked. HFL reserves the right to review this documentation if necessary.

Freedom of association

All Suppliers shall freely allow workers to join associations, and bargain collectively, in accordance with local law, without interference, discrimination, retaliation, or harassment. (ref. ILO Conventions n. 87 and n. 98)

Health and safety

Health and safety in the workplace is a fundamental right of employees. All Suppliers must provide and maintain a safe work environment in compliance with all applicable laws. (ref. ILO Convention n. 155)

Non-discrimination

All Suppliers must treat their workers in a fair and non-discriminatory manner, with the guarantee of equal opportunity and the absence of any policy aimed at, or indirectly resulting in, discrimination toward them on any basis whatsoever, including, but not limited to, race, gender, sexual orientation, social and personal position, health condition, disability, age, nationality, religion or personal belief (in accordance with applicable laws). (ref. ILO Convention n. 111)

Environment

To minimize the impact of production processes and products on the environment, all Suppliers should:

- (i) make every effort to optimise the use of resources and minimise polluting and greenhouse gas emissions;
- (ii) design and develop products taking into account the impact they have on the environment and the potential to re-use and recycle them;
- (iii) properly manage, in compliance with applicable laws, waste treatment and disposal;
- (iv) avoid the use of potentially dangerous substances (as defined by applicable laws); and,
- (v) apply logistics management policies that take environmental impacts into consideration.

An Environmental Management System (EMS), according to international standards (i.e. ISO14001, EMAS), is strongly recommended.

Trade Restrictions/Export Controls

All Suppliers are either directly or indirectly responsible for the import and export of goods sold to HFL, and must be aware of and comply with all applicable laws that govern international trade. Accordingly, Suppliers are expected to, among other things, make accurate customs declarations, not mischaracterize the value or nature of goods in any way that may create liability for HFL, and obtain (or assist in obtaining) any required licenses, approvals or other permits.

Responsible Sourcing of Minerals

Suppliers shall exercise due diligence, in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High- Risk Areas, on its entire supply chain with respect to the sourcing of all tin, tantalum, tungsten, and gold contained in its products, to determine whether those metals are from the Democratic Republic of the Congo (“DRC”) or any adjoining country and, if so, to determine whether those metals directly or indirectly financed or benefited armed groups that are perpetrators of serious human rights abuses in the DRC or an adjoining country. Countries that adjoin the DRC are Angola, Burundi, Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia.

Business Ethics

Improper Payments

Any form of bribery, “kickback”, or improper payments (of cash or anything else of value) to government officials, Company employees, or other third parties, to obtain an unfair or improper advantage are strictly prohibited. In particular, all Suppliers and their employees, agents or representatives are prohibited from directly or indirectly accepting, soliciting, offering or paying a bribe or providing anything else of value (including gifts or gratuities, with the exception of commercial items of modest economic value) to any HFL employee or any third party.

Accurate Records

All Suppliers will provide the Company with accurate and complete invoices and other transaction documentation and will not assist or engage in any action or inaction that could reasonably be expected to result in the Company’s books and records not being accurate and complete in all respects. Among other things, discounts, rebates, and other credits will be provided to the Company in full and in the applicable period earned or granted, unless otherwise specified in the terms of the applicable agreement with the Company. In addition, the amount and effective date of any price increases must be in accordance with the terms and limits, if any, set forth in the applicable agreement with the Company.

Costs, fees and expenses chargeable to the Company must be clearly and accurately described and actually incurred.

Confidential Information

All Suppliers must respect intellectual property rights and safeguard all HFL information, including, but not limited to, know-how, trade secrets, financial information, new product or service development plans and other sensitive HFL or personal information and limit access to such information only to those Supplier personnel who have a legitimate business need for such information when permitted by applicable law.

Conflicts of Interest

All Suppliers must disclose any actual or potential conflict of interest, and discuss it with HFL's management. Any activity that is approved, despite an actual or apparent conflict, must be documented.

Fair Competition

All Suppliers will conduct their business in line with fair competition principles and in accordance with applicable antitrust and competition laws.

Anti-Money Laundering

No Suppliers may engage or otherwise become involved in any activity involving, or which may give rise to the appearance of, money laundering and shall strictly comply with applicable anti-money laundering laws.

Supplier Relations

All Suppliers are expected to assist HFL in enforcing this Supplier Code of Conduct and are responsible for communicating the principles contained in this Supplier Code of Conduct to their respective employees, subsidiaries, affiliates and subcontractors.

HFL seeks to foster long-term "partnerships" with its Suppliers through specific tools and periodic workshops designed to achieve a smooth integration between the respective business cultures and processes and to work jointly toward meeting market expectations. HFL is committed to supporting small and local suppliers and minority-owned businesses.

Monitoring and Remedial Actions

HFL monitors adherence of all Suppliers with this Supplier Code of Conduct. Accordingly, the Company reserves the right to request from Suppliers applicable documentation and conduct onsite audits.

Training

HFL encourages suppliers to establish training programs for their workers to enhance the level of their professional skills.

Reporting Violations

Suppliers are responsible for reporting to the Company suspected violations of law, the HFL Code of Conduct or this Supplier Code of Conduct. Among other means, Suppliers may use the Company's Compliance Helpline, available at: www.happyforgingsltd.com

We agree and accept any action as may be initiated by Happy Forgings Ltd. including termination of our Agreement and levy of any penalty by Happy Forgings Ltd. in the event of our failure to comply with this Code of Conduct. It includes forfeit all dues/payments.

We fully indemnify Happy Forgings Ltd. for all the costs, damages, losses, liabilities, etc. incurred or suffered by Happy Forgings Ltd. by reason of or as a result of our failure to comply with this Code of Conduct.

This Code of Conduct shall be in addition to the provisions of any agreement or contract executed between us and shall survive termination of such agreement or contract.

For
(Supplier's name)

(Signature)

Place:

Name:

Date:

Designation:

References:

- Universal Declaration of Human Rights;
- International Labor Standards (ILO);
- OSHA Health and Safety Standard.