

SUPPLIER BUSINESS INTEGRITY POLICY

Approving Authority	Board of Directors of Harsha Engineers International Limited (<i>formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited</i>) (“ the Company ”)
Adopted on	20 th February 2024
Effective Date	This policy on supplier business integrity of the Company (“ Supplier Business Integrity Policy / Policy ”) shall come into effect from the date of its approval, i.e. adoption in the meeting of the Board of Directors.

1. OBJECTIVE

The objective of this Policy document is to articulate Company’s expectations of supplier business integrity, to define the area chosen by the Company to bring transparency and promote the ethically doing business demonstration & monitoring framework for ensuring effectiveness of the Policy.

For the Company, business integrity is not negotiable: it is the ONLY way to do business.

Our suppliers must act in accordance with the highest ethical and legal standards as per this policy and we are determined to work with suppliers who are aligned with our values.

To make our expectations clear, we have created this policy which reflects our own ethical standards as well as our commitments to integrating economic, societal and environmental sustainability in all our activities. We intend to strengthen partnerships with our suppliers through transparency, collaboration, innovation, as well as focus on excellence - and this supplier business integrity policy will help us create these closer bonds.

This policy applies to all suppliers of goods or services and all of the suppliers’ subcontractors under their control. It sets forth the minimum requirements of ethical behavior and legal compliance acceptable to be a supplier to the Company. We strongly encourage our suppliers to exceed the requirements set out in this policy and to promote best practices as well as continuous improvement. Suppliers must communicate the provisions of this policy to their employees and subcontractors and must ensure that they comply with the provisions stated herein.

2. Definition:

Words and expressions used in this Policy and not defined specifically in this document shall have the meanings respectively assigned to them under various compliance framework of the Company.

3. LEGAL COMPLIANCE FOR BUSINESS INTEGRITY

Suppliers shall comply with all applicable laws and regulations and conduct their business in an ethical manner.

This includes but is not limited to the following:

- Suppliers shall not engage in or tolerate any form of **Corruption, bribery, extortion, or fraud**. Suppliers shall not use corruption to gain an unfair competitive advantage. “Corruption” means any act that violates any anti-corruption or anti-money laundering laws that govern the jurisdictions in which our suppliers conduct business. Bribery is the offering, giving, soliciting, or receiving of an item of value (or any other advantage) to improperly influence the judgment or conduct of a person in a position of authority. Suppliers shall not offer any gifts or other benefits to improperly obtain or retain business.
- **Books and Records:** Suppliers must register and provide information in accurate, clear, and honest manner. The books, records, and accounts must accurately reflect transactions, payments, and events and be in compliance with current laws and generally adopted accounting practices.
- Suppliers shall avoid any situation, which creates an actual or potential **conflict of interest**. As an example, a conflict-of-interest situation may arise when the supplier is a relative or close friend or acquaintance of the buyer in charge of the supplier. The supplier must disclose any relevant potential or actual conflict of interest immediately to its contact person at the Company.

- Suppliers shall compete fairly in accordance with all applicable competition laws.
- Suppliers shall observe and support all laws and regulations governing the export and import of products, technologies, services, and information throughout the world. In particular, suppliers shall respect all applicable regulations that govern doing business in embargoed countries or with embargoed persons or embargoed organizations.

4. CONFIDENTIALITY

Suppliers are expected to use confidential information and data carefully and appropriately and to protect it.

The prudent management of confidential information necessitates strict adherence to established guidelines to uphold its integrity and restrict its usage. It is expected from suppliers that, the exclusive utilization of such information is solely for the precise execution of pertinent orders or contractual agreements. This fundamental principle emphasizes the importance of aligning the disclosure and utilization of confidential data with the specific parameters delineated within the relevant order or contract.

Moreover, the dissemination of data should be meticulously controlled, limited strictly to the extent necessary for fulfilling the prescribed obligations of suppliers. This approach, commonly referred to as the principle of minimal disclosure, serves to mitigate the risk of unauthorized access or misuse of sensitive information. By exercising discretion in the dissemination of data, suppliers can uphold their commitment to confidentiality while facilitating the seamless execution of contractual duties.

In instances where uncertainty arises with suppliers regarding the appropriate course of action concerning the handling of confidential information, prompt consultation is imperative. This proactive approach ensures that decisions are informed by expert insight and align with established compliance standards. By leveraging the collective expertise of relevant stakeholders, suppliers can mitigate the potential for inadvertent breaches of confidentiality and address any ambiguities or discrepancies that may arise with the Company.

5. RESPECT FOR HUMAN RIGHTS

The Company wants to work with suppliers who share the belief that respect for human rights is in the interest of everyone – individuals, companies, and ultimately society as a whole.

We encourage suppliers to hold themselves to the highest standards in ensuring respect for human rights. This includes but is not limited to the following:

- Suppliers shall avoid any form of child labor. They shall adhere to the legal minimum age requirements as outlined in the relevant International Labour Organization (“ILO”) conventions and the laws of the countries in which the supplier operates. Suppliers allow no employees under the age of 18 to perform hazardous work.
- Suppliers shall not engage in any form of forced or compulsory labor.
- Suppliers shall respect the personal dignity, privacy, and rights of each individual employed. Suppliers shall comply with all applicable laws that protect privacy of personal information, including the European Union General Data Protection Regulation (GDPR) and all laws and regulations in the jurisdictions in which the Company conducts its business, as amended from time to time.
- Suppliers shall ensure that their employees are not discriminated against or harassed in any way on the basis of race, ethnicity, religion, national origin, color, gender, gender identity, sexual orientation, disability, age, political opinion, family status, or any other characteristic protected by law. Discrimination, which is the unfair treatment of employees based on prejudices, will not be tolerated.
- Working hours shall comply with the applicable law.
- Employee compensation shall meet at least the legal minimums including overtime.

- Suppliers shall ensure that employees can freely communicate with their managers concerning their working conditions.

6. HEALTH AND SAFETY

In all their operations, products and services, suppliers shall protect the health of and minimize risks to the safety of all persons - employees, subcontractors and other individuals including users and the community.

In the workplace in particular, suppliers shall ensure safe and healthy workplaces and working conditions.

In the event suppliers perform work or services in the Company sites, they shall comply with and ensure that their employees comply with all health, safety, and environmental rules applicable in that site.

More specifically, suppliers shall provide to their employees:

- Appropriate personal protective equipment
- Reasonable access to potable drinking water and sanitary facilities
- Adequate lighting and ventilation
- Fire safety, emergency preparedness, and response for occupation injury and illness
- Industrial hygiene
- Machine safeguarding
- Appropriate and the minimum legal standards in any canteen facility

7. ENVIRONMENTAL PROTECTION & SUSTAINABILITY

The Company expect suppliers in all of their operations, products, and services to minimize the impact on the environment.

This includes but is not limited to the following:

- Suppliers are responsible for managing, measuring, and minimizing the environmental impact of their facilities and transportations, including reductions on GHG emissions, waste, energy, and water consumption.
- Suppliers shall comply with all local regulations or, in their absence, international standards.
- Suppliers are encouraged to carry out initiatives to favor the sustainable use of renewable resources.

Sustainability is an integral part of the Company's strategy.

The Company expects that suppliers to implement the above principles in their own organization and to commit to a continuous improvement approach. In order to ensure compliance with these principles, the Company may request individual suppliers to perform a third party sustainability assessment or a sustainability audit in function of their risk profile or strategic importance.