

NORTHERN ARC GROUP
SUPPLIER CODE OF CONDUCT

Document Information

Document Name	Supplier Code of Conduct
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Document Version History

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1 About

Northern Arc Group (Northern Arc Capital Limited and its subsidiaries) provide non-banking financial products and services through online and offline channels directly and through third parties. In the course of our business operations, we engage with many local and international suppliers for a wide range of goods and services through our corporate and branch offices across India. Our vendors include consultancies, IT services, printing service providers, transport service providers, housekeeping & security services, etc.

The choice of Northern Arc Group's contractors and suppliers corresponds to our environmental and social performance. As an extension of our belief in responsibly conducting our business, we encourage our suppliers to integrate the principles in their own organisational values and supply chain by using this Supplier Code of Conduct ("Code") as a guide.

This Code applies to all suppliers of goods and services to Northern Arc Group such as service providers, contractors, agents, consultants and third parties. The Code is also inspired by international standards such as UN Global Compact, Principles of Business and Human Rights and International Labour Organisation. Yet, there might be a situation where the Code's guidance diverges from an international norm. In such a case, we shall seek to uphold our company values and develop a case-by-case basis response.

2 Principles of Responsible Business Practices

Ethical and responsible business is the cornerstone of Northern Arc Group's values. Suppliers are expected to uphold this Code and comply with all applicable laws and regulations pertaining to labour rights, environment protection and business integrity.

2.1 Ethical Treatment of Employees

Suppliers should ensure all employees including contract based workers ("employees") feel respected and safe in the working environment. To enable this, Suppliers will follow the following practices and principles:

2.1.1 *Equal and Fair Treatment of Employees*

- Ensure no employee or worker faces any form of discrimination based on age, gender, disability, religion, caste, nationality, or any other protected identity characteristic.
- Provide equal opportunities, equal treatment and an environment helpful for their professional growth.
- Ensure that employees and contract workers are not charged any illegal fees or costs for recruitment and hiring, whether directly or indirectly by middlemen.
- Shall work towards preventing use of practices involving threat, force or any type of intimidation, reprisals or abuse of power in interaction by superiors with employees and workers.

2.1.2 *Proper and Timely Wages and Benefits*

- Comply with national and local regulation on working hours, minimum wage, overtime pay and any legally mandated benefits.
- Ensure timely payment of wages.
- Apply the principle of equal remuneration between men and women without discrimination.

2.1.3 *Sexual Harassment Free Workplace*

- Provide a working environment free of harassment and improper or offensive conduct.
- Resolution of grievances of sexual harassment in compliance with Prevention of Sexual Harassment Act, 2013, as applicable.

2.1.4 *Prohibit Child Labour*

- Shall not hire minors under the legal minimum age to work, as prescribed by national laws.
- It will work towards the effective abolition of child labour from its operations.

2.1.5 *Free of Forced Labour, Human Trafficking and Modern Slavery*

- All their employees and workers are hired on their own free will and prohibit all forms of forced labour such as modern slavery, human trafficking and bonded labour.
- Will not confiscate or withhold any identity documents, work permits, travel documentation or other valuable items of any of its workers/ employees.

2.1.6 *Freedom of Association*

- Respect and promote the freedom of association of their employees and workers and recognize their right to collective bargaining.

2.1.7 *Health & Safety at Work*

- Suppliers should ensure a safe and healthy working environment for all their employees and workers in accordance with applicable laws and regulations.
- Implement health and safety standards relevant to the sector and industry as per applicable laws and regulations, including provision of personal protective equipment and safety gears where required.
- All workers should be trained on occupational health and safety aspects, including emergency procedures related to their work environment.

2.1.8 *Resolution of Employee Grievances*

- Provide a fair and formal mechanism to raise any grievances regarding human rights violations and/or health and safety concerns. At the minimum, the supplier will identify a department or person who can be approached for employee grievances.
- No employee or worker should be punished out of retaliation for raising a complaint.
- The grievances shall be addressed and resolved by the supplier in a timely, documented and reasoned manner.

2.2 *Protection of Environment*

Suppliers shall conduct their business in an environmentally responsible manner and not cause any adverse impact on the environment. Suppliers commit to:

2.2.1 *Following Environmental Laws*

- Complying with all applicable laws on protection of environment protection and waste management.

2.2.2 *Reduce Energy and Resources Consumption*

- Taking measures and initiatives to reduce the consumption of resources such as water and energy.
- Reduce paper usage and provide electronic invoices to the extent reasonably practicable.

2.2.3 *Responsible Sourcing*

- Procure its goods and materials responsibly and legally, and through sustainable sources where possible.

2.2.4 *Waste Management*

- Reduce the generation of waste and implement effective and responsible waste management including reuse and recycling practices.
- Handle and manage hazardous waste with due care and as per applicable laws to ensure it does not negatively impact environment and surrounding communities,

2.3 *Anti-Corruption and Business Integrity*

Suppliers will take all necessary steps to ensure ethical conduct of their business through honesty, trust, fairness, transparency, integrity. Suppliers will also comply with Northern Arc Group's Anti-Corruption and Bribery Policy in their interaction with Northern Arc Group, it's employees and representatives. The suppliers undertake the following:

2.3.1 *Anti-bribery, Anti-competition and Criminal Activities*

- Will not take or receive bribes, undue favours, improper advantage etc that can unduly affect business decisions.
- Desist from any unfair or anti-competitive trade practices.
- Will undertake due care to ensure they engage with persons and entities of good reputation with respect to their business purposes.
- Implement processes and controls to detect and investigate criminal activity including but not limited to money laundering/terrorism financing; circumvention of economic sanction regulations; bribery/corruption or other fraudulent activity.
- Suppliers will be expected to notify Northern Arc Group, to the extent permitted by applicable law, if the supplier becomes suspicious or aware of any criminal activity that adversely affects Northern Arc Group's interests.

2.3.2 *Proper and Accurate Accounts and Record Keeping*

- Supplier will maintain true, accurate, verifiable and proper records of all accounts and records including of the payments made and received in their business interaction with Northern Arc Group.

2.3.3 *Gifting Policy*

- Implement a gifting policy including maintain a gift register, limiting the cost of such gifts to a reasonable price and provide a list of permissible occasions such as festivals and other appropriate events.

2.3.4 *Conflict of Interest*

- Shall not enter into a financial or any other relationship with a Northern Arc Group employee that creates any actual or potential conflict of interest for Northern Arc Group.
- It will implement necessary internal measures to prevent conflict of interest and report any such situation to Northern Arc Group.

2.3.5 *Whistle-Blowing Mechanism*

- Shall provide a formal whistleblowing mechanism for personnel to raise concerns, without fear of retaliation, about violation of laws. Supplier will record the concerns properly and resolve with documented reasons.

2.4 *Data Protection and IT Security*

2.4.1 *Information Security Practices and Controls*

- Implement a mechanism to ensure safety of supplier's information including information received from business partners and clients. This includes limiting access to critical information to authorized personnels only and implementing technological solutions to ensure information security wherever required.

2.4.2 *Data Privacy and Protection*

- Implement a data privacy policy detailing how the supplier collects, uses, stores and retains data, as per applicable business nature.
- Ensure protection of personal data in accordance with laws and regulations.

2.4.3 *Care and Commitment to Protection of Data*

- At the minimum, extend the same level of care, protection and security to data of business partners and clients, including that of Northern Arc Group's data and information, as supplier would with its own data.

3 Supplier Selection

Northern Arc Group will evaluate Supplier's compliance with the Code during the suppliers' evaluation, selection and onboarding process. Northern Arc Group can at its discretion choose to undertake an audit of the Supplier's adherence to the Code at any time during the course of the business relationship. Suppliers will undertake to cooperate and provide access to all necessary information and resources required by Northern Arc Group to conduct its review.

4 Compliance and Violation

Suppliers shall establish suitable mechanisms to effectively promote this Code among its employees and work force.

Each Supplier shall ensure their compliance with the Code and report any violation to Northern Arc upon becoming aware of the violation.

In the event of any non-compliance with or violation of the Code, which is not a violation of law, Northern Arc Group will provide the Supplier a reasonable opportunity to address the issue through agreed corrective action(s). In case where the Supplier is in violation of the law or continues to not comply with the Code despite provision of reasonable opportunity and time to address the issue, Northern Arc Group may suspend or terminate its relationship with the Supplier and may also disclose it to the appropriate authorities.

5 Administration of Review of Policy

The administration of this policy will be ensured by the concerned functional head whose department and team appoints a supplier for providing goods and services to Northern Arc Group and payments to any supplier shall be subject to (a) placing on the contract management tool of Northern Arc Group the duly executed agreement with such supplier (which incorporates undertaking of such suppliers to adhere to this Code) and (b) such agreement is in effect. Once approved by the Board of Directors ("Board"), the policy will be reviewed annually, and any changes made will be appraised for approval to the Board.