

SUPPLIER CODE OF CONDUCT

(Version 2.0)



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1. INTRODUCTION

The Federal Bank Limited ("Federal Bank") is a scheduled commercial bank headquartered in India. Federal Bank is driven by the quest to be one of the most admired banking institutions in the country.

Federal Bank has five core values which reflect in the actions and interactions with its stakeholders:

- ❖ **Commitment to Excellence**
- ❖ **Agility**
- ❖ **Relationship Orientation**
- ❖ **Ethics**
- ❖ **Sustainability**

Federal Bank considers its suppliers as indispensable to meet its growth objectives and improve the quality of service, seeking to build relationships with them based on trust and in keeping with its core values.

2. PURPOSE & SCOPE

The purpose of this Supplier Code of Conduct ("Code") is to make sure that the Federal Bank's suppliers are aware of these core values and additional standards of behaviour that Federal Bank requires and expects them to conform to when providing goods and services to Federal Bank.

The term "Supplier" in this Code refers to any third-party individual or entity that supplies products/goods or provides services to Federal Bank.

The contents of this Code do not substitute specific requirements of the contracts/agreements executed between Federal Bank and the Suppliers, but rather complement them. In the event of any conflict between the terms hereof with that of the terms of the contracts/agreements, the latter shall prevail.

3. PRINCIPLES OF CONDUCT

The Supplier shall ensure that it adheres to the guidelines contained in the Code in respect of the following principles:

- Compliance with law
- Human & Labour Rights
- Ethics
- Health & Safety
- Environment and quality
- Confidentiality, privacy & continuity

4. COMPLIANCE WITH LAW

Suppliers shall ensure that they always function in compliance with the applicable laws and regulations in force in India as well as the respective jurisdictions in which they are operating. In case of any actual or suspected breach/violation of laws/regulations, the Suppliers are expected to report the same to Federal Bank and take appropriate corrective action as required by the Bank to ensure that similar breaches/violation of laws/regulations do not recur. Suppliers shall further co-operate with Federal Bank in providing any information as may be required to be furnished to the regulatory authorities and also allow inspection & audit by the regulatory authorities or any person authorized in that behalf by the Bank and/or the regulatory authorities.

5. HUMAN RIGHTS

Federal Bank expects its Suppliers to show strict respect for human and labour rights and encourages them to include conduct aligned with its values in their practices and transmit them to their own value chains.

Thus, the Suppliers will comply with all applicable local and national laws and standards related to labour practices, the health and safety of their workers and anti-discriminatory practices in India as well as in the countries in which they operate, produce or engage in their business activity and shall avoid any activity that does not conform to applicable labour standards.

In addition, the Suppliers:

- Shall avoid discrimination in the workplace and in employment because of gender, gender identity, race, colour, nationality, creed, religion, political opinion, affiliation, age, sexual orientation, status, incapacity, disability and other situations protected by the law.
- Shall avoid colluding in any form of abuse of Human Rights and will work towards eliminating forced and compulsory labour and the effective abolition of child labour.
- Shall not hire minors under the legal minimum age to work, as per local or national legislation that is applicable to them and, in no case, an age lower than that prescribed under the ILO Minimum Age Convention 1973 (No. 138).
- Shall comply with all applicable labour laws, as may be applicable to the jurisdiction of the Supplier relating to working hours, overtime, and leaves, etc. of workers and regulations relating to payment of minimum wages and other employee benefits) and work standards, which include provision of clean and hygienic working conditions to the workers, as may be applicable at all times.
- Shall impede any practice from being carried out that involves a threat, force or any type of intimidation, reprisals or abuse of power for the purposes of exploitation and forced labour of workers.

- Shall promote equal opportunities for employees of all sexes in accordance with the law and shall consequently ensure a work environment that is free from harassment, intimidation or improper or offensive conduct, including sexual propositions or suggestions, graphic material and other actions that may offend the dignity of any person.
- Shall provide a fair and formal mechanism for personnel to raise any grievances regarding human rights violations to be raised, addressed and resolved without fear of retaliation.
- Shall provide a formal whistleblowing mechanism for personnel to raise concerns about operational or business practices that may violate laws or supplier policies and for such concerns to be properly recorded and resolved without fear of retaliation.
- Shall respect the rights of workers to freely associate and to engage in collective bargaining through employee associations or labour unions, in accordance with applicable laws and regulations.

6. ETHICS

Federal Bank does not tolerate any form of corruption, bribery or money laundering from criminal or illicit activities and will not accept activities that are not aligned with prevailing regulations under the premise that one is operating in favour of Federal Bank, regardless of the possible financial benefit or any other kind that may be created.

The Suppliers:

- Shall carry out their activity with integrity, transparency and the highest degree of business ethics.
- Shall establish mechanisms to fight against all forms of corruption, extortion, price fixing and/or anti-competitive behaviour, embezzlement, falsification, bribery, money laundering, financing of terrorism or peddling of political favours.
- Shall not accept or offer gifts, benefits, favours or provisions free of charge that are intended to improperly influence their business, professional or administrative relationships.
- Shall avoid entering into actual or potential situations of conflicts of interest, of their employees and those of Federal Bank, and they will maintain mechanisms that, in the event of a potential conflict of interest, guarantee the independence of the Supplier's activity. Any individual affected by the conflict of interest must refrain from becoming involved or participating in the related negotiation or transaction.

For the purpose of this Code "Conflicts of Interest" occurs when personal, professional or institutional interest of the Supplier or any employees of the Supplier interferes or appears to interfere in any way with the interests of the Bank or its customers.

7. HEALTH & SAFETY

The Suppliers shall promote safe and healthy workplaces, carrying out the required activities to reduce the risk of accidents, injuries and exposure of their workers. The Suppliers shall also provide safety information regarding the known risks of the workplace, and employees of the supplier shall be adequately trained. The Suppliers shall detect and evaluate probable and potential emergency situations in the workplace and minimise their impact.

8. SUSTAINABILITY & ENVIRONMENT

One of Federal Bank's core values is "Sustainability". Federal Bank is committed to considering the long-term effects of its activities and to generate sustainable value for its internal and external stakeholders. Federal Bank also expects the Suppliers to do the same.

The Suppliers accordingly shall,

- Comply with all applicable laws related to the protection of the environment and the handling of any hazardous materials.
- Ensure that all goods and materials used by the supplier to provide its goods and services to Federal Bank are sourced legally and, to the extent possible, from sustainable sources.
- Reduce paper usage within its operations and submit invoices electronically, to the extent practicable.
- Provide Federal Bank with such information that Federal Bank reasonably requires to demonstrate the steps taken to improve environmental impact
- Suppliers shall also, if warranted based on the scale and the nature of their operations shall maintain a written environmental or sustainability policy to address potential environmental impacts from its operations.
- Undertake regular assessments to identify ways to reduce its operational environmental impact especially any contribution to deforestation or loss of biodiversity.
- Establish and execute a plan or programme to reduce its greenhouse gas emissions.

Suppliers are also expected to take appropriate steps and to implement adequate due diligence to ensure that the same sustainability standards are respected in their own supply chain and provide information to Federal Bank as requested for assessments.

9. CONFIDENTIALITY, PRIVACY & CONTINUITY

Federal Bank requires that its Suppliers keep confidential the information they access as part of the contractual relationship they hold with Federal Bank. The Suppliers must comply with the laws with regard to applicable data protection, privacy and information security. The suppliers shall process the personal data exclusively by following Federal Bank's instructions, guarantee that the supplier's personnel authorised to process the data have pledged to respect its confidentiality and to adopt the appropriate technical and organisational measures

to ensure that the suppliers properly protect the personal information. Suppliers shall also establish business continuity and technological contingency plans that guarantee the continuity of the services provided. Suppliers shall protect and respect all the intellectual property rights of Federal Bank. Suppliers shall also strictly comply with the provisions of the Digital Personal Data Protection Act, 2023 while processing personal data, including any personal data provided by Federal Bank. This includes ensuring lawful basis for processing of personal data, timely notification of data breaches to Federal Bank, adherence to data minimisation and retention principles, supporting data principal access requests, and cooperating with Federal Bank's data protection audits and assessments.

10. CRIME PREVENTION

In addition to compliance with applicable laws and regulations, Federal Bank expects the suppliers to have appropriate controls in place 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 and suppliers may be required to provide details on its internal policies in order to allow Federal Bank to assess these controls. Further, to the extent permitted by applicable law, suppliers will be expected to notify Federal Bank should the supplier become suspicious or aware of any criminal activity.

11. ADHERENCE & COMPLIANCE WITH CODE

- Suppliers shall establish suitable mechanisms to effectively promote this Code among its employees and, especially, anyone who carries out work for Federal Bank. Suppliers shall also ensure that their own suppliers are subject to the principles of conduct equivalent to the provisions of this Code. Federal Bank reserves the right to audit its suppliers or, where appropriate, request that they show that they have effectively complied with the provisions of this Code. Suppliers will carry out an internal follow-up of compliance with this Code and they will proactively communicate to Federal Bank any non-compliance of the same, paying particular attention to those aspects that may have a direct or indirect economic or legal impact or affect its reputation. Bank shall have the right to take appropriate actions including termination of Agreement in cases where Suppliers fail to comply with ESG related terms specified in the agreements executed between Federal Bank and the Supplier.
