



**Supplier Code of Conduct Policy**

Networked Elements of Security and Trust Ltd.

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**(NEST)**

<b>Document Number</b>	NEST/DHA/2016/09/153
<b>Date</b>	01 <sup>st</sup> September 2016
<b>Document classification</b>	CONFIDENTIAL



## **Supplier Code of Conduct Policy**

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### **1. Purpose**

1.1 The purpose of the “Supplier Code of Conduct Policy” is to provide written guidelines surrounding the procurement of third-party services and products in accordance with the company’s mission, obligations, and ongoing administration. NEST is committed to ethical business practices, sustainability, and social responsibility. Our policy outlines the standards and expectations we have for our suppliers and vendor partners.

### **2. Background**

2.1 NEST utilizes vendors to provide services and products for the benefit of the Company’s uninterrupted services to the clients. Vendors include but are not limited to clothing and kit providers, electronic security equipments provider, trainer, printing, speakers, event planning, financial institutions, audit Company, software providers, and food services, etc. The company utilizes some one-time vendors, and some vendor relationships are ongoing.

### **3. Supplier Code of Conduct**

3.1 We want to help our suppliers meet the expectations set out in NEST’s’ Supplier Code. The Code is based on international standards or, in the absence of such standards, accepted good practice. It is divided into four sections:

- Labor practices
- Environmental management
- Responsible sourcing of materials and products
- Business conduct

3.2 We also expect all suppliers to meet the obligations of relevant national laws. Should local legal requirements be higher than the standards set out in the NEST Code, suppliers must meet the local standards. This means that suppliers should meet the higher of the two requirements.

#### **3.3 Labor Practices**

**3.3.1 Child labor:** A ‘child’ is defined as anyone below 15 years of age, unless the legal minimum age for employment or leaving age for compulsory education is higher. Suppliers must not use child labor, directly or indirectly, in their business. Suppliers must not recruit child labor. Young workers must not be employed at night or in hazardous conditions.

**3.3.1.1** Suppliers must have systems in place to validate the age of employees at recruitment; they should keep copies of age records in the workplace for all employees and contract workers, and there must be no new recruitment of child labor. Policies and programs to deal with any



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existing child labor should include financial support to ensure the child's welfare during the transition period, and a robust monitoring system to ensure this is implemented.

**3.3.1.2** A 'young worker' is defined as anyone above the age at which they are considered a child (based on the above definition) but below the age of 18. 'Hazardous' work is any task that may negatively impact on the health and safety of a young person or that may harm their physical, mental, or social development. 'Night work' is defined as any time after 22:00 hours.

**3.3.2 Freely Chosen Employment:** Suppliers must not use slavery, indentured servitude, forced or bonded labor or involuntary prison labor in their businesses.

**3.3.2.1** Suppliers must not directly or indirectly engage in or support human trafficking, by recruiting, transferring, harboring, or receiving a worker using threat, force, coercion or deception and suppliers must have adequate processes in place to deal with any reports and incidents of such behavior taking place. Suppliers must have a system in place to check that employees have a legal right to work.

**3.3.2.2** Employees should be able to leave the supplier after a reasonable notice period and should be paid promptly for the work they have done and benefits they have accrued. Overtime should be on a voluntary basis.

**3.3.3 Freedom of association:** Suppliers should respect the rights of employees to associate freely, to join or form labor unions if they so wish.

**3.3.3.1** Suppliers should not discriminate against elected worker representatives and should allow them reasonable time to access employees and carry out their representative functions. If labor unions are restricted under local law, then suppliers should support a parallel means of worker representation that facilitates open and constructive dialogue between employees and management.

**3.3.4 Health and safety:** Suppliers must provide a safe and healthy environment for all employees, contractors, and visitors on the site. This should include all workspaces, any transport to or from the supplier's site if provided by the supplier, and any accommodation and other amenities provided by the supplier. Suppliers must carry out a health and safety risk assessment for all buildings and activities under their control.

**3.3.4.1** Suppliers must comply followings:

- Suppliers must comply with all occupational health and safety, building and environmental regulations.



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- Suppliers should assign responsibility for health and safety to a senior management representative onsite.
- Suppliers should have a process in place to identify any hazards and to then manage actively – and where possible remove – those hazards in a way that is proportionate to the risk they present.
- Suppliers must provide any necessary personal protective equipment and ensure that employees understand why it is being provided and how it should be used.
- Suppliers should have an emergency response plan to deal with emergencies and accidents covering all areas of the site, including employee accommodation if provided.
- Suppliers should communicate emergency and evacuation procedures to all individuals on the site, in a language that they understand.
- Suppliers should carry out regular health and safety training for all employees.
- Suppliers must provide access to clean toilet facilities and provide safe drinking water.
- If accommodation is provided, suppliers should ensure that it is clean, meets the basic needs of employees, and it must be safe.
- Suppliers must have a system to record, investigate and respond to health and safety incidents.
- Any health and safety concerns raised by the supplier's employees must be thoroughly investigated and, if valid, appropriate, and timely action should be taken.

**3.3.5 Fire prevention and firefighting:** Suppliers must ensure the safety of their employees, contractors, and visitors while on their premises, including dormitory areas where provided, and must ensure all necessary precautions are taken to minimize the risk of fire. Every practical provision must also be made to reduce the impact of any fire, and emergency procedures must be communicated and understood by all who come on site.

**3.3.5.1** Suppliers must carry out a regular fire risk assessment for all buildings and activities under their control and act on its findings. Below are some fire prevention measures. It is not an exhaustive list and should not be taken as such:

- The supplier's premises should have a valid Fire Certificate in place, issued by the appropriate local authority.
- Electrical wiring and circuit boxes must be maintained in a good and safe condition.
- Emergency exits and access routes must be kept clear and always unblocked.
- Every floor should have more than one exit route, as far apart from each other as possible.
- Emergency exits must be clearly marked with illuminated signs in a language which is understood by everyone on site.



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- Exit doors must always be unlocked from the inside, open outwards, in the direction of the evacuation and be easy to operate.
- Evacuation routes should be clearly marked on the floor and posted in each work area. These routes should lead to a safe assembly (muster) point.
- The Assembly points should be at a safe distance from buildings and roadways and should be clearly marked.
- Suppliers must conduct regular fire drills, at least once per year or as mandated by local law, whichever is more frequent. These should be documented.
- Fire and smoke alarms must be provided and audible in every part of the building. They should be tested regularly, at least once every 3 months, to ensure the functionality of the system.
- Suppliers should have functional, sufficient, and accessible firefighting equipment, which should be inspected at least annually.
- Provision should be made for free access of fire brigade vehicles and other firefighting equipment throughout the site.
- Induction / on-board training should extend to all employees and should include Health & Safety training and basic fire safety training. This training should be refreshed and delivered to all employees at least annually. Appropriately trained employees with evacuation responsibilities should be in each department and on each floor.
- Hazardous and flammable materials should be securely stored in an appropriate location, away from all possible sources of ignition.
- Childcare facilities, if provided, should be on the ground floor of a non-production building.
- Emergency lighting along the exit routes should be provided on each floor / department and should be inspected every six months to ensure functionality.

**3.3.6 Non-discrimination:** Suppliers should operate a respectful working environment and should not discriminate in hiring, compensation, access to training, promotion, termination, or retirement based on race, caste, national or ethnic origin, religion, age, disability, gender, marital status, sexual orientation, gender reassignment, union membership, personal circumstance, or political affiliation.

**3.3.6.1** Suppliers should treat employees, in all circumstances, on the ability to perform their jobs, and not based on personal characteristics or beliefs of any kind. Suppliers should not carry out non-consensual medical checks, unless required to ensure the individual's safety or the safety of other employees.

**3.3.7 Fair treatment:** Suppliers must not engage in or support the use of corporal punishment, mental, physical, sexual, or verbal abuse or the threat of such abuse, or any form of harassment or intimidation.



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**3.3.7.1** Suppliers should have a grievance policy and reporting mechanism that is clearly communicated to and understood by all employees. Suppliers should establish a fair disciplinary procedure and all disciplinary measures taken should be documented and auditable.

**3.3.8 Wages and benefits:** Suppliers must pay employees and contract workers all wages and benefits at least in accordance with the local laws, including any minimum wage and mandated overtime pay premium.

**3.3.8.1** Where there is no local or national minimum wage, suppliers should pay the industry benchmark which should be at least enough to meet basic needs and to provide some discretionary income. Few guidelines for the supplier are:

- Employees should be paid on a known, regular basis – at least monthly – and in full for the work carried out and any benefits due.
- Before starting employment, the suppliers should provide all employees with written and/or clearly understandable information about their employment conditions, including wages and agreed deductions.
- Suppliers should provide written and/or clearly understandable information to employees each time they are paid. This should detail the hours worked (including any overtime), rates of pay, benefits, any deductions made, and the net pay due. Deductions from wages are only allowed where it is legally permitted to do so and after consultation with the worker concerned. Any deductions should be fair and reasonable.
- Deductions from wages as a disciplinary measure are not to be permitted.
- Suppliers must pass on in a timely manner all wage increments and final settlements to employees that have been agreed and billed to NEST.

**3.3.9 Working hours:** Working hours should not be excessive and should be defined by contract. Working hours must comply with the local and national laws, collective agreements, and be no more than 48 hours per week (excluding overtime), whichever affords employees greater protection. Employees should be provided with at least one day off in every seven-day period, unless local laws stipulate otherwise, in which case the supplier must meet the higher requirement. In addition, employees should be granted special leave, e.g. sick leave, carers, and maternity leave, according to local law.

**3.3.9.1** We recognize that from time-to-time employees may be asked if they are available for overtime to meet peak periods of demand. Such overtime should ensure that the total hours worked by any individual in any seven-day period does not exceed 60 hours, and that employees have at least one day of rest in every seven worked. All overtime should be voluntary and should be paid.

**3.3.9.2** Suppliers must provide adequate rest period between shifts to ensure no employee or contract worker works continuous shifts, unless in exceptional and emergency cases and with prior approvals.



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**3.3.9.3** Suppliers should accurately record hours worked. Supplier must provide NEST with attendance records that it maintains if they are required for billing or reconciliation purposes.

**3.3.10 Career Management and Development:** The supplier should recognize the importance of employee growth and development for effective and efficient performance. The supplier will nurture their employees with the necessary skills, knowledge, and attitudes to succeed.

### **3.4 Environmental Management**

**3.4.1 Compliance with all applicable environmental legislation Standard:** Suppliers must comply with all applicable environmental legislation. Suppliers should maintain all necessary registrations, including any relevant discharge and waste permits required by environmental legislation.

**3.4.2 Managing environmental performance to minimize negative impacts Standard:** Suppliers should have an environmental management system in place, with defined management responsibilities and environmental management controls.

**3.4.3 Efficient use of resources Standard:** Suppliers should actively manage energy, water and material usage and, where practical, set targets to reduce usage. Suppliers should actively seek innovative solutions and offer sustainable alternatives to fossil fuel based and non-renewable materials and processes, where current commercial terms permit. Suppliers should strive to reduce or eliminate waste of all kinds by implementing conservation measures, production efficiencies, and re-using, recycling, or substituting materials.

### **3.4 Responsible sourcing of materials and products**

**3.4.1 Traceability and standards Standard:** Suppliers should be transparent about the origins of any materials and products supplied to NEST and must cooperate to ensure responsible sourcing. They should also ensure that equivalent standards are upheld throughout their own supply chain.

**3.4.2 Compliance with NEST policies Standard:** Suppliers must comply with any materials-specific and product-specific policies in force at the time of supply, including the NEST policies on animal welfare and conflict minerals.

### **3.5 Business Conduct**

**3.5.1 Business ethics Standard:** Suppliers must uphold the highest business ethics when dealing with NEST and their own suppliers. Suppliers must comply with both the letter and the spirit of the laws and regulations (national and international) that govern their businesses.



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**3.5.1.1** Suppliers must be honest, open, and cooperative with all regulators. Suppliers must properly record, report, and review financial and tax information. The process for choosing suppliers must be made transparent, and choices based on merit, free from discrimination and must respect cultural differences. Suppliers must ensure that all confidential or proprietary information they receive from NEST is handled with due care and proper consideration of ethical and legal ramifications and government regulations. All conflicts of interest must be disclosed.

**3.5.2 Anti-trust laws Standard:** Suppliers must compete in an independent, open, and fair manner and not knowingly enter business arrangements that eliminate or discourage competition, or that provide them with an improper competitive advantage.

**3.5.2.1** Suppliers should familiarise themselves with, and adhere to, all anti-trust and competition laws that apply to their areas of the business. Suppliers should not price fix, offer bribes or kickbacks. They should not enter into agreements with competitors to divide the markets in which we compete by allocating territories or markets and/or limiting the production or sale of products or product lines or condition the sale of one product on the sale of another unwanted product or service.

**3.5.3 Anti-bribery and corruption legislation Standard:** Suppliers must not voluntarily give or receive (either directly or through a third party) any financial payment or other advantage, with the intention to induce or reward any person to improperly perform a function or activity that he or she is otherwise expected to perform in good faith, impartially or from a position of trust.

**3.5.4 Responsible financial behavior Standard:** Suppliers must be knowledgeable of, and follow, applicable financial laws and standards. Suppliers must apply robust financial practices and ensure transparency in financial dealings.

**3.5.5 Business licenses Standard:** Suppliers must ensure that all local business licenses are up to date. These should be readily available to prove that the company is in full compliance with local business legislation.

**3.5.6 Data Protection and Information Security Standard:** Suppliers must comply with all applicable laws concerning data protection and information security, ensuring that privacy is safeguarded, personal data is protected, and all business information is kept secure.

**3.5.7 Customs Compliance Standard:** Suppliers will comply with applicable customs laws and will establish and maintain programs to comply with customs laws regarding illegal transshipments of finished products. Suppliers will ensure that all goods are accurately marked or labelled in compliance with all relevant applicable laws. Facilities will keep records of all materials and orders and maintain detailed production records.





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**3.5.8 Security Standard:** Suppliers shall maintain appropriate procedures to ensure proper corporate security, transportation security and the security of people and assets at their facilities.

### **4. Areas of Responsibility**

**4.1** The Managing Director, Finance and Procurement Committee, Account & Finance Division are responsible for the overall implementation of this policy, processes, and prescribed controls.

**4.2** On an annual basis, the Finance and Procurement Committee will review this policy, revise (if necessary), and submit any material changes in the policy to the Board for review and approval.

### **5. Conclusion**

**5.1** The Supplier Code of Conduct Policy is the basic guideline of the company. All concern departments must follow and abide by this policy. Any confusion or queries individuals must contact the management. However, this policy may be reviewed and modified as pre the change of government rules and institutional practices.