

SUSTAINABLE PROCUREMENT POLICY

INTRODUCTION AND PURPOSE:

This policy depicts BGL's commitment, objectives, and principles for establishing Sustainable Procurement practices at BGL. BGL's Sustainable Procurement policy is intended to promote fair and transparent business relationships with respect for people, and uncompromising ethical standards.

SCOPE:

This policy is applicable to:

- Bharat Gears Limited, Kausa Shil, Mumbra, Thane-400612 (Maharashtra)
- Bharat Gears Limited 20 KM, Mathura Road, Amar Nagar (P.O) Opp. Sarai Khwaja Faridabad-121003, Haryana, India
- Bharat Gears Limited Lonand, Taluka Khandala, Satara-415521 (Maharashtra)

ROLES AND RESPONSIBILITIES:

- The leadership team ensures the policy is integrated into the company's overall strategy and business decisions.
- The supply chain head leads the execution of the policy.

POLICY DESCRIPTION:

BGL is committed towards positive environmental and social impact and will strive to integrate sustainability across every function including sourcing and procurement.

BGL will strive for sustainable and ethical procurement operations by:

- Upholding all applicable laws and regulations
- Adopting highest standards of economic, social, ethical, and environmental practices
- Identifying and minimizing environmental, ethical, and labour risks associated with procurement Operations
- Actively seeking to include diverse suppliers that are owned, managed, and controlled by representatives who are minorities, women-owned businesses, persons with disabilities, service veterans, and micro, small, or medium enterprises, who can provide competitive, high-quality goods and services
- Communicating the policy with stakeholders and raising awareness among our suppliers and vendor partners

BGL in its endeavour to achieve the highest procurement standards, expects its suppliers to adopt the following principles in their business relationship with BGL:

 Establish authority, roles, and responsibilities for management and governance of the procurement process

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- Ensure procurement operations are conducted in accordance with BGL's Supplier Code of Conduct
- Identify, minimize, and control risks associated with different stages of the procurement process and enhance BGL's capability to prevent, withstand and recover from interruption to the supply of goods and services
- Comply with all applicable environmental and labour laws while following the highest possible ethical practices in all business operations
- Deliver products/services with a lesser negative impact on the environment and adopt the highest level of quality and safety standards in the lifecycle
- · Promote a safe and healthy workplace for employees
- · Promote diversity, equity, and inclusion at workplace and within their supply chain
- Uphold internationally recognized human rights of their employees and treat them with dignity and respect
- · Prohibit slavery and the use of forced, bonded, or child labour across their supply chain
- Prohibit discrimination and harassment in all forms
- Ensure compliance with applicable wage laws including minimum wages, overtime hours prohibition on excessive overtime, and mandated benefits
- Demonstrate existing procedures to prevent and monitor- Money laundering, Fraud, bribery, and all forms of corruption, Conflicts of interest, Data / Information security breaches.

TARGETS:

- Establish a supplier engagement and capacity-building program to train and assist suppliers in adopting responsible business conduct and corrective action plans aligned with Bharat Gears Limited's expectations.
- Integrate ESG due diligence into all new supplier onboarding and procurement processes to ensure suppliers meet the minimum environmental and human rights standards.

Date	01-04-2022	
Rev. No.	02	
First date of revision	01-04-2023	
Second date of revision	01-04-2024	

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Chairman & Manging Director