

Shivalik Bimetal Controls Limited

Sustainable Procurement Policy

OBJECTIVE:

SHIVALIK BIMETAL CONTROL LIMITED ('SBCL') has fully acknowledged, through our varied Sustainability Policies, that we are, and shall always be, accountable for the impacts of our activities on the environment, society and the local and national economy. In the context of procurement, this means we must also acknowledge our accountability for the impacts of our supply chains, encompassing what we choose to buy and those from whom we choose to purchase.

In furtherance of this acknowledgement, the Board of Directors has adopted this 'Policy on Responsible and Sustainable Procurement'*.

PURPOSE:

Suppliers are an essential part of any business's value chain and have the potential to contribute substantially to a business's growth and long-term prosperity and success. However, suppliers also present significant risks to a business through their potential to impact directly on a business's operations and production efficiencies through poor supply performance, and indirectly on a business's brand through association with irresponsible, unsustainable and sometimes illegal/unethical activities and behaviours.

Whilst many businesses exercise controls to mitigate the risks associated with their supply chains (as SBCL does), progressive businesses have also recognised and aim to seize upon the many opportunities that exist within the supply chain to promote responsible and sustainable practices that can deliver both mutually beneficial outcomes for supplier and buyer, and for our wider society.

It is the seizing of these opportunities, as much as the mitigation of risks, that should be the focus of any business committed to the concept of responsible and sustainable procurement.

SCOPE:

SBCL wishes to collaborate with its suppliers to nurture long-term strategic partnerships in ensuring business sustainability. In this endeavor, it is a pre-requisite for SBCL and its suppliers to conduct business in a legal and ethical manner, and in compliance with all applicable laws and regulations.

In pursuance of this stated commitment to work with our suppliers and across our supply chain to bring about improvements across the whole range of sustainability issues, we have adopted a number of aims towards which we will strive.

These aims are supported by a range of actions and improvements through which those aims are to be achieved.

POLICY FRAMEWORK/OUR AIM:

- to buy, wherever possible, the most sustainable alternative;
- to only ever buy what is needed;
- to constantly seek out the new and the innovative;
- to ensure that all potential suppliers, including local suppliers and small and medium-sized enterprises (SMEs), without any discrimination are given a full and fair opportunity to participate;
- to be transparent with regards to our procurement practices and decisions;
- to seek to continually improve our sustainable procurement practices and outcomes;
- to recognize, respect, consider and respond to the impacts that our procurement decisions may have upon our stakeholders, based on dialogue and collaboration;
- to behave ethically in all our procurement activities;
- to avoid bias and prejudice in all our procurement decisions;
- to have respect for, and to abide by, the rule of law and international norms;
- to encourage everyone in our supply chains to abide by the sustainable procurement practices.

We strive to the following in relation to the sourcing of our raw materials:

- to source raw materials from suppliers whose policies and practices support the sustainable procurement;
- to achieve full visibility of input material supply chains over time;

To achieve these aims and commitments, we have established within our Sustainability Framework a Sustainable Supply Chain Management Standard through which, three distinct mechanisms to achieve the above aims and commitments are implemented across our business. Those are:

- evaluating our suppliers (both new suppliers and existing suppliers) and promoting improvement;
- evaluating what we procure;
- promoting a 'culture' of responsible and sustainable procurement across our business.

Key to the operation of our Sustainable Supply Chain Management Standard is our Supplier Code of Conduct (the 'SBCL Code'). It is through our Code that SBCL:

- defines and communicates SBCL's principles in relation to:
- compliance management (including our expectations regarding suppliers' openness with regards to regulatory breaches);
- environment (GHG emissions, energy consumption, pollution prevention, waste management, resource efficiency, biodiversity, etc.);
- act in accordance with applicable standards regarding OHS and providing safe working conditions.
- human rights (discrimination, harassment, freedom of association, etc.);
- labour (including forced labor, child labor, no-discrimination, minimum wage etc); and
- business ethics (anti-corruption, anti-bribery, anti-competitiveness, conflict of interest, intellectual property rights, data security etc.);
- confirms each supplier's commitment to comply with the SBCL Code and its provisions

(including the commitment to procure their own raw materials with equal responsibility in line with applicable laws).

Through our Sustainable Supply Chain Management Standard and through our wider Sustainability Framework, we also define:

- the means of assessing the risks associated with the value chain towards environment, social and governance issues;
- mechanisms to encourage suppliers to adopt green initiatives and processes as well as adopt their own sustainable procurement policy and green procurement systems across their own supply chains;
- how we seek to educate suppliers about the environmental and social impacts of their manufacturing processes;
- the means by which we track the progress and effectiveness of this Responsible and Sustainable Procurement Policy and its impacts across all parts of the value chain.

* The definitions of Sustainable Procurement are many and varied. Here at SBCL, we define this term as follows: 'Procurement that has the most positive environmental, social and economic impacts possible across the entire life cycle of that which is being procured, and that strives to eliminate or minimise any and all of the procured item's adverse impacts.'

REVIEW:

SBCL shall review the policy as and when any changes are to be incorporated in the policy due to change in applicable law or any other organizational requirement.

Note: This policy was reviewed and revised by the Board of Directors of the Company at its meeting held on 07.02.2024.