

# RESPONSIBLE PROCUREMENT POLICY







## INTRODUCTION

Sustainability is one of the strategic dimensions of Aarti Industries Ltd (AIL). AIL acknowledges the importance of embedding the sustainability principles in its supply chain partners for being the responsible player.. The responsible supply chain is increasingly recognized as a key component of Business Responsibility and Sustainability (BRS). Ensuring supply chain sustainability is key to managing business continuity through the uninterrupted supply of materials for production, protecting reputation, and maintaining the integrity of a brand. Therefore maintaining a responsible supply chain is at the core of realizing AIL's strategy of Growth with Sustainability for Sustainable Growth.

Aarti Industries Ltd's (AIL) policy demonstrates its commitment for a sustainable ecosystem in procurement and supply chain. It elaborates the core intent of the organization on extending ESG practices in it's supply chain partners. It has a commitment to continually engage with the business partners to improve sustainability practices and strengthen the supply chain

## SCOPE

The scope of this Policy applies to all our business operations including subsidiaries over which we have direct control. Our business operations include our manufacturing locations, warehouses, offices, and R&D sites, employees, contractors, visitors and other business partners working at our manufacturing locations. We also encourage our business partners who are part of our value chain but outside our direct control to apply the requirements set out in our Policy.

## OUR POLICY

At Aarti Industries Limited, we are committed to:

- Encourage the business partners (contractor, supplier, transporter, service provider) to ensure total compliance to applicable legal and other requirements which have a significant impact on Occupational Health, Safety, Environment, Quality, and other applicable ESG (Environmental, Social and Governance) aspects;
- Give priority to the procurement from the local available sources of high quality to minimize AIL's overall Environment footprint and maintain adequate supplier diversity;
- Procure goods and services from suppliers who comply with AIL supplier code of conduct;
- Evaluate business partners based on the criteria of environment & Climate change and social impact along with the quality criteria during onboarding or vendor registration;
- Inculcate responsible procurement awareness and sustainability in buyers and business partners for continual improvement of processes within the boundary of AIL Supplier Code of Conduct
- Allocate adequate financial and human resources necessary for continual improvement in supplier sustainability management systems and practices throughout the procurement life cycle
- Communicate Responsible Procurement policy and sustainability performance to employees, business partners, community & other interested parties to create a channel for receiving feedback from them at regular intervals.
- Set benchmark, monitor and review objectives and targets on Responsible Procurement performance, continually improve them by implementing effective supplier sustainability management program







## IMPLEMENTATION

The Policy is implemented through the framework of Aarti Management Systems

## RESPONSIBILITY

The AIL Board, Chief Procurement Officer along with members of Apex Sustainability Council of AIL are responsible for establishing, implementing and monitoring the Policy, consistent with local laws and the applicable Standards.

## GOVERNANCE

The Policy is governed by Apex sustainability council of AIL

## REVIEW

The Responsible Procurement policy will be reviewed in the wake of emerging risks/issues/trends in the sector and the ecosystem in which we operate to ensure its applicability. The default period for the review of policy would be 5 years.

### Signed By

**RAJENDRA V GOGRI**  
CHAIRMAN AND MANAGING DIRECTOR



**PRASANTA GUPTA**  
CHIEF PROCUREMENT OFFICER

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