

October 2021.

ELECTROSTEEL CASTINGS LIMITED

SUSTAINABLE PROCUREMENT POLICY

Issuing Function:
Materials Management

Target Audience:
Suppliers to Electrosteel Castings Limited.

Approved by:

Mr. Raj Kumar Gupta,
Sr. Vice President – Materials Management & Secondary Sales.

Contact Information:

Mr. T. N. Pandey,
General Manager (Materials)
materials5@electrosteel.com

Mr. S. M. Bhaduri,
Jt. General Manager (Materials)
materials2a.kdh@electrosteel.com



Signature :

Raj Kumar Gupta,
Sr. Vice President – Materials Management & Secondary Sales.

SUSTAINABLE PROCUREMENT POLICY

1. Company Profile

ELECTROSTEEL CASTINGS LIMITED (ECL) is a Six-decade old company engaged in Water Infrastructure Business and is the largest manufacturer of Ductile Iron (DI) Pipes in the Indian Subcontinent. Electrosteel is the pioneer to set up a Ductile Iron Spun Pipe Plant in India for the first time in 1994 using state of the art technology.

It has a strong brand presence around the globe. It caters to a large customer base spread around the Indian Subcontinent, Europe, North and South America, South East Asia, Middle East and Africa. Electrosteel has maintained its technological leadership by continual product innovation and technical upgradation. A widespread marketing network, supported by dedicated professionals helps to deliver the products to the doorstep of the customers.

2. Sustainable Procurement Policy of Electrosteel

For Electrosteel Castings Ltd. sustainable procurement is about implementing our unwavering commitment in each stage of our supply chain to address social, economic and environmental considerations over the entire life cycle, in ways that offer genuine long term benefits to the economy, to communities, to our clients and to the environment.

Electrosteel aims to develop structured relationship with critical and strategic suppliers, sub-contractors and partners, in order to achieve greater level of benefits, including sustainability.

Electrosteel believes that its supply chain will endeavor to formulate its business practice with due respect to the procurement policy and principles formulated and communicated to them by Electrosteel.

Depending upon the various constraints, the extent of compliance may vary but the spirit of policy will never be compromised.

3. Principles of Sustainability followed by Electrosteel

- Electrosteel, being an ISO 14001 certified company, tries to achieve environmental sustainability through continuous improvement of its process, technology and equipment.
- Electrosteel, being an ISO 50001 certified company, endeavors for conservation of energy through adoption of energy efficient technology and service.
- Electrosteel promotes conservation of resources through Reuse, Reduce and Recycle philosophy in its own business practice and as well as with its supply chain.
- Electrosteel complies and adheres to all the applicable environmental laws in respective countries/jurisdiction.
- Electrosteel being a SA 8000 certified company, conducts its business activities in a transparent manner with honesty, integrity and high ethical and moral standard.
- In accordance with our commitment as stated above, we expect our supply chain partners to aspire the same standard in their business operations. We also encourage our suppliers to ensure that principles and practices as outlined in this policy will be reflected in their on-going business dealings.

4. Implementation of Sustainable Procurement Policy

As a part of implementation of our Sustainable Procurement Policy, we have established Supplier's Code of Conduct to share commitment of Electrosteel with supply chain partners as described hereunder:

A. Legal Compliance:

Suppliers shall comply with applicable legislation regarding Labour and Human Rights, working conditions, Health and Safety, Environment and Anti-bribery or Anti-corruption practices.

B. Health and Safety:

Suppliers shall provide a safe and healthy workplace environment and shall take effective steps to prevent potential health and safety incidents and occupational injury or illness arising out of an associated occurring in their natural course of work.

C. Labour and Human Rights:

i. Child Labour, Forced or Compulsory Labour:

- Suppliers shall prohibit the use of under aged children at any stage of their business process. We expect that our suppliers will not employ any person below the age of 15 (or as per the local law, whichever is greater).
- Suppliers are to ensure that remediation policy is available in case under aged children are found to be working at site.
- The Suppliers must not employ forced labour including debt bondage labour and human trafficking.

ii. Working Hours and Remuneration:

We expect suppliers to comply with the applicable laws, regulation and mandatory industry standards pertaining to working hours, minimum wages and provide legally mandated benefits including social insurance.

iii. Developing a culture which discourages any form of discrimination:

Suppliers are to ensure there is no discrimination in their hiring and employment practices on the basis of race, colour, gender, age, nationality, religion, sexual orientation, union membership or any other condition that can lead to some form of discrimination.

D. Business Ethics:

- i. Conflict of interest – Suppliers are expected to report issues regarding any conflict of interest during business dealings with Electrosteel. Prompt public disclosure is to be ensured in case anyone under contractual obligation with Electrosteel has significant ownership or interest in a supplier's business.
- ii. Bribery and Corruption - Suppliers involved in commercial dealings with Electrosteel must refrain taking illegal means to flourish their business. They should not accept an offer unethically motivated and garnered with lucrative gifts which could be construed as bribes. Electrosteel strongly criticizes acceptance of any illegal payments, gifts, donations in order to obtain unethical favours for the business.
- iii. Confidentiality – Suppliers shall safeguard and respect confidentiality related to trade secret, intellectual property, proprietary and sensitive information.

E. Environment:

Electrosteel is committed to comply with environmental laws and reputations. Suppliers are expected to share our concern on maintaining a sustainable environment and take all steps to reduce emission of greenhouse gases and conserve natural resources such water, oil, minerals etc.

Space for Signature and Designation