



# **SUSTAINABLE PROCUREMENT POLICY**

## **1. INTRODUCTION**

Sustainable Procurement forms an integral part of Sutlej Textiles and Industries Limited's ("Sutlej / the Company") commitment towards environmental sustainability. Sutlej is committed to following responsible business practices by contributing to environmental protection and enhancing people performance by green procurement and encouraging sustainable processes while ensuring business growth. Our approach to sustainable procurement includes how we work with our suppliers.

## **2. OUR COMMITMENT**

Sutlej believes that the development of its suppliers is imperative for its business growth. Therefore, Sutlej is committed to working with suppliers to inculcate the Policy that focuses on - reduced use of toxic substances, conservation of natural resources, minimization of waste generation and release of pollutants / emissions, maximizing reusability and recyclability across value chain. Sustainability is one of the key components of our decision-making process. With a vision to achieve this objective, we expect our suppliers to comply with applicable laws and to adhere to environmental, social and corporate governance standards (ESG standards).

When selecting suppliers, we consider many factors beyond the economic criteria. We consider factors like environmental protection, compliance with trade regulations and human rights. We expect our suppliers to adhere to these standards and become a part of our journey towards building a sustainable future.

## **3. SUSTAINABLE PROCUREMENT**

We believe that it is empirical that our suppliers share our values and vision; and raise the sustainability standards in our supply chain to achieve our goals and ensure ethical conduct. We acknowledge that long-term sustainable development of our suppliers is critical to our joint success and we value our relationship with suppliers who share the same approach and vision towards doing business.

We seek to reduce the environment impacts of our procurement process and also encourage our suppliers to adopt sustainable supply chain practices.

We shall engage with our supply chain partners and shall include the following considerations into procurement decisions:

- Encouraging suppliers to deliver products / services with minimal negative impact on environment and adopt safe practices in the cycle from production to delivery.
- Prefer products that are eco-friendly, energy efficient and less polluting.
- Using products that are water efficient and reduce water usage.
- Procuring less toxic products and chemicals to reduce health effects.
- Utilizing clean technology and / or clean fuels.
- Monitoring, evaluating sustainability performance and identifying improvement opportunities.
- Reducing environmental footprints by means of material, energy & water conservation.
- Encouraging logistics optimization, local buying and using Circular economy principles for waste management using 4R (Reduce, Recover, Recycle & Reuse).
- Promoting sustainability awareness and green work culture among associates to reduce emissions.
- Enhancing sustainability within their own supply chain.
- Procuring recycled / part-recycled products to optimize resource consumption.
- Procuring energy-efficient equipment to the extent possible.

#### **4. General**

- The Policy shall be published on Sutlej's website.
- All end-users and departments responsible for purchasing products and services for Sutlej shall adhere to this policy to the best possible extent and make conscious efforts towards procuring green products and services considering their life-cycle cost and the potential impacts on people and the planet.
- The Board of Directors of Sutlej will ensure that this Policy is reviewed periodically and updated (if necessary) for applicability, relevance and effectiveness.

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