



SUSTAINABLE PROCUREMENT POLICY

Authorized by:	Sustainability Council
Version number:	1
Implementation date:	10 th April 2025
Last revision date:	-

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SUSTAINABLE PROCUREMENT POLICY

1) Introduction

Usha Martin Limited (hereinafter referred to as “UML” or “Company”) recognizes the crucial role of a sustainable supply chain in driving business growth and long-term viability. Fostering strong supplier relationships and developing supplier capabilities are essential to enhancing the Company's performance. Improving supplier practices is a priority and integral to the Company's commitment to responsible stewardship.

This Sustainable Procurement Policy outlines the Company's commitment to sustainable procurement, compliance with the UN Global Compact Principles (UNGC) and applicable national environmental and labor regulations, as well as relevant global sustainability frameworks. The Company acknowledges the significant impact of its supply chain on promoting human rights, fair labor, environmental protection, and anti-corruption. Consequently, the Company strives to contribute to the UN Sustainable Development Goals, particularly SDG 8 (Decent Work and Economic Growth) and SDG 12 (Responsible Consumption and Production), by proactively addressing poor working conditions, eliminating forced and child labor, and fostering healthier workplaces within its supply chain.

This policy serves as a foundation for minimizing environmental impact, promoting responsible sourcing, and contributing to a sustainable future.

2) Scope & Applicability

This policy applies to all suppliers providing the Company (UML) with goods and/or services, including their agents and their sub-contractors in India. Suppliers are responsible for verifying and monitoring compliance with this policy within their own operations and the operations of their subcontractors. In the event of any conflict between this policy and the terms of a specific written agreement/contract between the Company and a supplier, the terms of that agreement/contract will govern.

3) Commitment Framework

The Company's sustainable procurement objectives are to integrate responsible practices across our operations, generating long-term environmental, social, and economic value. We prioritize sourcing that minimizes environmental impact, reduces our carbon footprint, and upholds ethical labour standards. We actively pursue responsible sourcing, waste reduction, and the use of eco-friendly materials throughout our supply chain to create a more sustainable future for all stakeholders.

UML aims to:

- **Ethical and Responsible Sourcing:** The Company prioritizes ethical and sustainable sourcing practices, ensuring fair labor conditions, safe workplaces, and supplier accountability through due diligence. It actively seeks to engage diverse suppliers, including small-scale enterprises.
- **Environmental Stewardship:** The Company is committed to minimizing its environmental impact by reducing waste and resource consumption, encouraging the use of renewable energy and energy-efficient processes throughout its supply chain, and promoting innovation in sustainable product development and circular economy practices.

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- Collaborative Partnerships: The Company builds long-term relationships with responsible suppliers, working together to implement sustainable procurement practices. It provides training to both suppliers and its own buyers to foster a shared understanding and commitment to sustainability.
- Transparency and Local Economic Growth: The Company promotes transparency in its supply chain through regular reporting and supplier disclosures. It also prioritizes supporting local and regional businesses to stimulate economic growth and reduce environmental impact through shorter supply chains.

Commitment towards sustainable practices

The Company is committed to (i) conducting its business ethically and in accordance with all applicable laws; (ii) adhering to standards of safety and care for the protection of its suppliers; and (iii) promoting the policy through education, supervision, and regular reviews. The Company expects its suppliers to conduct business responsibly, with integrity, honesty, and transparency and to adhere to the following principles:

- (i) Environmental Sustainability: The Company expects suppliers to comply with environmental laws and regulations. We encourage suppliers to integrate sustainable business practices in their operations, adopt environmental management systems and technologies that are energy efficient as well as responsible management of water and waste that lead to reduced resource consumption.
- (ii) Occupational Health and Safety: We expect our suppliers to comply with relevant safety regulations and have occupational health and safety management system in place. Suppliers should safeguard the health, safety and well-being of their employees. We also encourage them to progressively track relevant safety metrics.
- (iii) Product Quality and Safety: Suppliers involved in any aspect of developing, handling, packaging, or storing Company's products are expected to:
 - i. Know and comply with the product quality standards, policies, specifications, and procedures that apply to the products produced at their location.
 - ii. Follow and adhere to good manufacturing practices and testing protocols.
 - iii. Comply with all applicable central, state, and local laws and regulations.
- (iv) Labour & Human Rights: We expect our suppliers to safeguard the human rights of their workers and enable a workplace that is safe, diverse and free from all forms of discrimination. The suppliers shall ensure that all applicable local, state and national laws regarding human rights shall be complied with. They should ensure that no form of child labour and forced labour is accepted in their operations. We also expect suppliers to ensure fair treatment and respect union affiliation and collective bargaining. Standard working hours as per applicable regulations are expected to be followed in addition to the regulations on minimum wage and overtime pay. Our suppliers shall conduct employee skill development sessions. We also encourage suppliers to engage with local communities and have a grievance mechanism for addressing their issues and concerns.
- (v) Non-Discrimination/Non-Harassment/Humane Treatment

Suppliers shall respect all workers' human rights and shall not engage in harsh and inhumane treatment or threats such as violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers. Suppliers shall establish, implement, and promote policies and

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procedures relating to discipline that ensure a humane treatment of their workers and there shall be no discrimination based on race, sex, sexual orientation in hiring and employment practices. Workers shall not be subjected to medical checkups or physical examinations that could be used in a discriminatory way, and suppliers shall provide reasonable accommodations for their workers' religious practices when requested.

- (vi) Ethical and compliant business practices: The Company expects highest standards of ethical conduct from its suppliers. We expect our suppliers to comply with all anti-bribery and corruption laws and Company guidelines. The Supplier shall not, directly or through intermediaries, take any recourse to any unethical behaviour (implicit or explicit), or offer or promise any personal or improper advantage to obtain or retain a business or other advantage from a third party, whether public or private, including with any employee of the Company. They shall also maintain transparency of all the transaction records. We expect our suppliers to avoid conflicts of interest in dealing with the Company. In case conflicts of interest arise, supplier shall manage it proactively by disclosing it to the Company.
- (vii) Freedom of Association and Collective Bargaining: Suppliers shall guarantee workers the right and freedom to associate, the right to freely organize and join unions, the right to collective bargaining, the right to participate in peaceful assemblies, and the right to refrain from such activities under the applicable laws and regulations. Suppliers shall not unlawfully interfere with workers' right to association and collective bargaining. Workers and/or their representatives shall be able to openly communicate with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.
- (viii) Third Party representation: The Suppliers shall not be authorized to represent the Company or use its brand without the written permission of the Company. Third parties and their employees who are authorized to represent the Company shall sign a non-disclosure agreement to support confidentiality of information.
- (ix) Confidentiality: We expect our suppliers to ensure data confidentiality. Supplier shall safeguard the Company's intellectual property and other confidential information and data. All information provided by the Company should be used by the supplier only for its intended and designated purpose as decided and agreed upon between the Company and the supplier. If the Supplier becomes aware of material, non-public information relating to the Company or its business, it may not buy or sell the Company's securities or engage in any other action to take advantage of that information, including passing that information on to others.

4) Governance Mechanism

a. Awareness & Training

The Company will implement training and awareness programs to educate contractors, buyers, and supply chain partners on sustainable procurement principles and practices. These programs will ensure a clear understanding of individual roles, responsibilities, and how each contributes to achieving the Company's sustainable procurement goals.

b. Supplier Evaluation & Performance Assessment

The Company shall conduct supplier evaluation through a detailed assessment for its identified critical suppliers incorporating environmental, social and governance criteria to integrate sustainability into its supply chain. Based on the assessment, these critical

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suppliers may be categorized into varying performance groups: Leading, Emerging, Transitioning and Lagging.

c. Monitoring & Implementation

- o The Sustainability Council provides governance for this policy, overseeing its implementation and conducting progress reviews across business units.
- o The Council also champions sustainable development through various procurement-related initiatives.
- o Supply chain partners and contractors share responsibility for adhering to this policy and engaging in related training and awareness opportunities.
- o Promotes sustainable procurement through regular risk assessments, supplier audits, capacity building, and performance-based sustainability incentives.

d. Periodic Review and Continuous Improvement

- o To ensure effectiveness, UML will implement a system of periodic assessments and audits to monitor compliance with its Supplier Procurement Policy.
- o The Sustainability Committee will conduct an annual review of the policy, incorporating regulatory changes, industry best practices, and feedback gathered from stakeholders.
- o Email ID: UML_Purchase@ushamartin.co.in for allocation of responsibility, for any queries or concerns.
- o UML will maintain a transparent and accessible mechanism for suppliers to provide feedback and raise concerns related to this Sustainable Procurement Policy, guaranteeing prompt acknowledgment, thorough investigation, and appropriate resolution.
- o Suppliers and stakeholders can raise concerns via the Grievance Portal (link) or write to us via UML_Purchase@ushamartin.co.in

e. ESG Questionnaire Compliance for onboarding for Critical Item Vendors:


As a policy, ESG questionnaires for vendor onboarding shall be collected from all vendors supplying critical items. This shall be done in accordance with UM-L4-PUR-016 Issue-2, Rev 0, or its latest revision, within 60 days from the date of onboarding the vendor.

This policy will be communicated through multiple channels, including the UML's website, intranet, sustainability reports, and training sessions and workshops for supply chain partners. Other specific stakeholder engagement communication channels will also be utilized.

In addition to this Policy, procurement activities will be carried out in accordance with all relevant Policies (Supplier Code of Conduct, Occupational Health & Safety Policy, Human Rights Policy, Environmental Policy, Code of Business Ethics & Conduct, Anti-Bribery and Anti-Corruption Policy, Sexual Harassment Policy, Human Resources Policy, Information Security Policy, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Code of Conduct to Regulate, Monitor and Report Trading).

5) Amendments

The policy shall be reviewed annually by Sustainability Council to incorporate suitable modification according to future needs. However, this policy can be reviewed earlier for its applicability and relevance considering any major changes to any applicable law.

Signature: 
Designation : Whole-time Director
Date : 10th April 2025

