



असीमित ऊर्जा, अनन्त संभावनाएं  
Endless energy. Infinite possibilities.

**A MAHARATNA COMPANY**

**REC Limited**

# **Sustainable Procurement Policy**

**(Approved by BoD in the 515<sup>th</sup> Board Meeting held on 31.05.2024)**

## 1. Forward:

REC Limited (herein after referred to as “REC,” “We,” “Us,” “Our”) recognises the importance of sustainable development for its success and values relationships with suppliers who share similar principles in conducting business.

Aligned with our dedication, we have formulated a Sustainable Procurement Policy, which serves as an extension of our core values. Through this procurement policy, we aim to enhance the sustainability of our operations by:

- Adhering to legal requirements and regulations
- Promoting exemplary standards in economic, social, ethical, and environmental practices
- Recognising and mitigating risks inherent in our procurement procedures
- Disseminating the policy to stakeholders and fostering ESG awareness among our suppliers
- Supporting and training suppliers on skill enhancement and sustainable practices

At REC Ltd, prioritising quality and compliance is paramount. Adherence to ESG guidelines and human rights requirements are key requirements integrated in our business agreements and contracts. We require our suppliers to comply with sustainable procurement policies. REC strives to ensure that statutory dues have been deducted and deposited by the value chain partners. It is our best endeavour to provide trainings on NGRBC principles and ESG best practices to our supplier. We also plan to conduct regular assessment on our value chain partners on environmental, health and safety practices, working conditions, and human rights aspects such as sexual harassment, discrimination at workplace, child labour, forced labour / involuntary labour, wages.

## 2. Salient Policy Features

We expect our suppliers to:

- Embrace environmentally and socially responsible practices.
- Adhere to relevant laws and regulations and complying with the necessary permits and registrations to maintain legal compliance consistently.
- Maintaining financial records following generally accepted reporting standards and guidelines.
- Adhere to fair labour practices, ensuring a safe working environment, fair wages, and compliance with applicable labour laws.
- Uphold ethical business conduct, including anti-corruption measures.
- Ensure full compliance with all applicable environmental regulations in their respective jurisdictions.
- Provide products that are environmentally sustainable, have consciously minimised carbon footprints in the production or sourcing process and invariably incorporate a minimum percentage of recycled materials wherever applicable.

- Encourage diversity and inclusion within their organization and supply chains and comply with health and safety regulations, ensuring the well-being of their employees.
- Promote for free and fair competition.
- Respect REC Ltd.'s trade secrets, intellectual property, and other confidential information, ensuring that information provided by REC Ltd is utilized solely for its intended purpose as agreed upon between REC Ltd and the supplier.
- Disclose any conflicts of interest related to business transactions.
- Ensure that statutory dues have been deducted and deposited.
- Ensure all employees/workers are paid fair wages.
- Prohibit slavery, forced, bonded, or child labour within their operations.
- Uphold the freedom of workers to organize unions and engage in collective bargaining.
- Adopt best practices on health and safety practices and working conditions.
- Integrate human rights requirements in business agreements and contracts.
- Take reasonable measures to mitigate risk exposure and prevent accidents and injuries.
- Prohibit unlawful discrimination and harassment in hiring and employment practices based on race, colour, gender, age, nationality, religion, sexual orientation, marital status, citizenship, disability, veteran status, medical condition etc. Provide a safe and inclusive work environment.
- Refrain from offering or accepting any illegal payments, bribes, gifts, donations, or other improper incentives to secure unethical business advantages.
- Adhere to the supplier code of conduct and provide ESG data to REC as and when requested.

We acknowledge that enhancing procurement performance is an ongoing endeavour and appreciate the role of our suppliers in our quest for sustainability.

### **3. Review and Monitoring**

The senior management is actively involved and oversee the implementation of this policy. We intend to collaborate with suppliers and conduct training and capacity-building sessions to foster a sustainable supply chain.

This policy shall undergo periodic review to ensure its ongoing suitability and be updated as necessary.

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