



## Sustainable Procurement Policy

Abilities India Pistons & Rings Ltd

GT Road Giani Border Post-Chikamberpur, Ghaziabad UP-201006

### POLICY INFORMATION

Document No.	Issue No. & Date	Implementation Date	Communicated To
POLICY/ AIP/010	02 (10.04.2025)	10.04.2025	All Stakeholders, All employees Supplier and Contractors etc

### REVISION HISTORY INFORMATION

4.		
3.		
2.	01.07.2025	Policy had been reviewed and revised
1.	10.04.2025	New Release
<b>Issue No.</b>	<b>Issue Date</b>	<b>Amendment History</b>

<b>Proposed By</b>	<b>Approved By</b>
<b>CONTROLLED COPY, DATE- 01.07.2025</b>	
<b>HRD</b>	<b>Managing Director</b>

## TITLE: - Sustainable Procurement Policy

### 1. Policy Statement

Abilities India Pistons & Rings Ltd (AIP) is committed to integrating environmental, social, and ethical considerations into its procurement practices to ensure responsible sourcing and sustainable value creation.

The Company aims to:

- Promote sustainability across its value chain
- Minimize environmental and social risks across the value chain
- Encourage ethical and transparent business practices

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### 2. Scope

This policy applies to:

- All procurement activities across the Company
- Suppliers, vendors, contractors, and service providers
- All goods and services sourced

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### 3. Governance & Responsibility

- Top Management: Strategic oversight
- Procurement Team: Implementation and supplier engagement
- EHS/ESG Team: Sustainability assessment and monitoring
- Suppliers: Compliance with policy requirements

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## 4. Core Principles of Sustainable Procurement

### 4.1 Ethical Business Practices

- Procure from suppliers adhering to:
  - Anti-corruption and ethical standards
  - Transparent and fair business practices

### 4.2 Environmental Responsibility

Suppliers are expected to:

- Minimize environmental impact
- Improve energy efficiency and reduce emissions
- Manage water responsibly
- Reduce waste and promote recycling
- Handle hazardous materials safely

Preference shall be given to suppliers who:

- Have environmental certifications (e.g., ISO 14001)
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### 4.3 Social Responsibility & Human Rights

Suppliers must:

- Prohibit child labour and forced labour
- Ensure fair wages and working conditions
- Provide safe and healthy workplaces

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- Respect diversity, inclusion, and human rights
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#### 4.4 Health & Safety Standards

- Suppliers must comply with occupational health & safety laws
- Maintain safe working environments
- Provide appropriate PPE and training

Preference shall be given to suppliers who:

- Have OHSAS certifications (e.g., ISO 45001)
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#### 4.5 Quality & Product Responsibility

- Ensure supply of authentic, high-quality materials
  - Prevent use of counterfeit components
  - Comply with applicable product safety and quality standards
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#### 4.6 Local Sourcing & Community Impact

- Encourage procurement from:
    - Local suppliers
    - MSMEs and small businesses
  - Support community development and local economies
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## 5. Supplier Evaluation & Due Diligence

### 5.1 Supplier Selection

Suppliers shall be evaluated based on:

- Environmental performance
- Social and labor practices
- Ethical conduct
- Compliance with regulations

### 5.2 Supplier Audits & Monitoring

- Conduct periodic supplier audits
- Monitor compliance with sustainability criteria
- Encourage continuous improvement

### 5.3 Supplier Code of Conduct

- Suppliers shall adhere to Company's:
  - Code of Conduct
  - EHS and Human Rights policies

## 6. Capacity Building & Engagement

- Engage suppliers through:
  - Training programs
  - Awareness initiatives

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- Support suppliers in improving sustainability practices
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## 7. Compliance & Reporting

- Ensure compliance with:
    - Applicable laws and regulations
  - Track and report:
    - Supplier compliance
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## 8. Non-Compliance & Corrective Action

Non-compliance by suppliers may result in:

- Corrective action plans
  - Suspension or termination of contracts
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## 9. Review & Continuous Improvement

- Policy reviewed periodically
  - Updated based on:
    - Regulatory changes
    - ESG requirements
    - Business needs
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**Proposed By**

**Approved By**

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**HRD**

**Managing Director**

## 10. Conclusion

AIP is committed to building a responsible and resilient supply chain, ensuring that sustainability principles are embedded across procurement decisions.

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