



SUSTAINABLE PROCUREMENT POLICY

REF : CEV/Policy/SP

ISSUE : A/03.01.2024

REV: 01/03.01.2024

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1. Introduction

CEV Engineering Pvt. Ltd. is committed to integrating sustainability principles into our procurement processes. We recognize that our purchasing decisions have significant impacts on the environment, society, and economy.

This policy is designed to ensure that we responsibly source products and services in a manner that supports our sustainability goals, contributes to global efforts such as the UN Sustainable Development Goals (SDGs), and upholds ethical business practices.

2. Scope

This policy applies to:

- All procurement activities conducted by CEV Engineering Pvt. Ltd.
- All suppliers, contractors, and service providers engaged by CEV Engineering Pvt. Ltd.

3. Our Commitments

a. Promoting Responsible Sourcing

Ensure that key materials are sourced responsibly, avoiding products linked to deforestation, child labour, or human rights violations.

b. Supporting Supplier Sustainability

Collaborate with suppliers to adopt sustainable practices, including environmental management, fair labour standards, and ethical business conduct.

c. Minimizing Environmental Footprint

Prioritize suppliers offering products with reduced environmental impacts, such as lower carbon footprints, recycled content, or eco-certifications.

d. Integrating Circular Economy Principles

Promote reuse, recycling, and resource efficiency across our supply chain.

e. Respect Human Rights & Fair Labor

Ensure suppliers operate in compliance with national labour laws, international conventions (ILO), and human rights standards.

f. Prevent Child & Forced Labor

Require suppliers to categorically prohibit child labour, forced labour, and all forms of human trafficking.

g. Promote Safe & Healthy Workplaces

Expect suppliers to provide a safe, hygienic, and healthy work environment for all employees.



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h. **Enhancing Transparency**

Maintain transparent communication on sustainability expectations and performance with our suppliers.

i. **Managing Social Risks in Supply Chains**

Actively monitor supplier practices to prevent excessive working hours, ensure fair wages, avoid discrimination, and promote equal opportunities, thereby safeguarding the dignity and well-being of workers across our value chain.

4. **Targets**

- 100% of suppliers to sign the Supplier Code of Conduct covering labour rights, health & safety, anti-discrimination, and business ethics.
- Reduce Supply Chain emission by 10% by 2030 (baseyear 2024)
- 60% of packaging materials to contain recycled content.
- Zero reported incidents from suppliers related to child labour, forced labour, unsafe working conditions, or wage violations.
- 10 suppliers annually to undergo on-site sustainability audits.
- 2 or more supplier workshops annually to drive awareness, continuous improvement, and knowledge sharing.
- 100% contracts with major suppliers to include sustainability clauses addressing environmental and social risks (wages, working hours, health & safety).

5. **Implementation Measures**

• **Supplier Code of Conduct**

All suppliers must acknowledge and adhere to our Supplier Code of Conduct, which outlines expectations on environmental stewardship, labour rights, fair wages, safe working hours, and business ethics.

• **Risk-based Screening**

Suppliers will be evaluated based on ESG risk factors, including environmental compliance, human rights risks, wages, working hours, and occupational health & safety.

• **Capacity Building**

We will provide resources, training sessions, and collaborative workshops to help suppliers understand and meet our sustainability requirements.

• **Integration into Contracts**

Sustainability clauses will be embedded in all major supplier agreements, including provisions for compliance with applicable environmental, social, and ethical standards.



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6. Roles & Responsibilities

The **Procurement & Sustainability Team** will oversee sustainable procurement implementation, supplier ESG compliance, risk assessments, and annual reporting. Cross-functional teams will collaborate to ensure procurement aligns with corporate sustainability goals.

7. Review & Communication

This policy will be **reviewed annually** and revised as needed to reflect changes in regulatory requirements, stakeholder expectations, and organizational goals. Updates will be communicated to all relevant internal and external stakeholders, including suppliers, contractors, and employees.

Effective Date: 02.01.2024

Young Jin Kim
Managing Director