



Green Procurement Policy

SCOPE:

This policy shall apply to all supply chain partners and shall impact all purchases and procurement for the organization.

PURPOSE:

The purpose of this policy is to fully fulfill the management philosophy of "Corporate Citizenship- Building a Better Future Together" for TGV SRAACL to prevent the overconsumption of resources and environmental pollution in the entire process of our business activities and comply with relevant laws, while implementing sustainable procurement to fulfil our social responsibilities.

OUR COMMITMENT:

Our undeterred focus on good corporate governance is strengthened by our commitment to sustainable development and our short-term and long-term goals. Green procurement policy helps us make purchase decisions, that are socially and environmentally responsible. It helps in improving operational efficiency, mitigate any risks including regulatory risks and enhance us as a sustainable brand. We believe that, environmentally sustainable business operations have become a normative practice and forms a key part of our sustainability strategy and governance practices. Implementation of green procurement practices include conducting a sustainability assessment, setting clear sustainability goals, educating and training procurement staff, engaging suppliers and vendors, and optimizing packaging and transportation etc.

OUR PROCUREMENT POLICY:-

TGVSRAACL seeks to reduce the environmental impacts of our procurement process and also encourage our suppliers to adopt sustainable supply chain practices.

TGVSRAACL shall engage with 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.
- Prefer products that have energy star ratings or green certifications like EPEAT GOLD, TCO, 80 PLUS, ECOLABEL etc.
- Disposing goods to authorized agencies/recyclers in environmentally friendly manner.
- Using products that are water efficient and reduce water usage.
- Procure less toxic products and chemicals to reduce health effects.
- Utilizing clean technology and/or clean fuels.
- Minimum / no use of hazardous or toxic substances.
- Monitoring, evaluating sustainability performance and identifying improvement opportunities.
- Reducing environmental footprints by means of material, energy & water conservation



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- Encouraging logistics optimization, local buying and using Circular economy principles for waste management using 4 R (Reduce, Recover, Recycle & Reuse).
- Promoting a safe and healthy workplace for the employees.
- Promoting sustainability awareness and green work culture among suppliers & associates to reduce emissions.
- Enhancing sustainability within their own supply chain.
- Procuring recycled/part-recycled products to optimize resource consumption.
- Procuring energy-efficient equipment by defining specifications in tender & contracts.
- Green & Sustainable Procurement decisions for capital assets, office products as well as consumable supplies for all its establishments.
- Compliance to all relevant international/national/local regulatory compliance standards and requirements.
- Supplier preferably & prioritized to have a certified Environment management system in place.
- Preference to consider & engage sustainability rated LEED Certified vendors for the Data Centers, we utilize.
- Intrinsically safe designs including all safeguards and controls to prevent any health and safety risks to people
- Designed for environment with extended product life, reusability, recyclability and use of recycled content
- Involve or encourage lesser consumption of resources like energy, water, and other natural resources
- Extended producer responsibility with "take-back/ buy-back "policy
- Minimum and environmentally compatible / recyclable packaging.
- Certification and eco-labels for products where applicable.

Scope of Application:- This policy applies to TGV SRAACL and its employees. It is recommended that all of TGV SRAACL workplaces, investment corporations, employees, and business partners who engage in transactions with TGV SRAACL shall comply with this policy or a similar policy.

Accountability in Organisation: Overall accountability for implementation & review of the policy and program rests with the CMD, CEO & Executive Directors. The Heads of various Functions are accountable for locations within their respective areas of supervision, implementation, and review of the policy.

Definition: Definitions of terms used in this policy are as follows.

1. **Green Purchasing policy** is the practice of procuring goods and services that cause less harm to the environment, and the living beings that depend upon it for survival. Green Products are those manufactured with more environmentally-friendly materials or which are produced with minimal impact to the environment.



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2. **"Green procurement"** refers to purchasing activities, where we operate purchase contracts and supply chain management in an eco-friendly manner by evaluating the environmental impact of the production, supply, distribution, and post-processing process of products, which are necessary for our business activities, such as raw/subsidiary materials, office supplies, and other equipment, at the stage of procuring such products.

3. **"Green products"** refer to the following products.--

Products that have received a certification for their eco-friendliness in accordance with the relevant laws and regulations of the Republic of India and the policies of the government and public institutions or that meet the standards

(A) for the above certifications

(B) Products that meet the green purchasing criteria (GP grade) within TGV Group.

GP GRADE	SUMMARY	EXPLANATION
GP1	Products with environmental Certification	Certified product with the environmental mark as defined by laws and regulations related to environmental technology development and support.
GP2	GR Mark (Good Recycled Mark) Product	Certified recycled products defined by laws and regulations related to resource conservation and promotion of recycling.
GP3	Energy-saving products	Energy efficiency grade 1-2 products and energy saving certified products designated by laws and regulations on energy rationalization, energy-saving marks, and high-efficiency energy equipment.
GP4	Products that reduce 6 types of harmful substances	Products that reduce hazardous substances such as lead, mercury, cadmium, chromium, PCBs (polychlorinated biphenyls), asbestos, etc.
GP5	Waste reduction purchasing	Waste reduction products such as lightweight packaging, refillable containers, and container recycling.
GP6	Others (flame retardant, foreign environmental label)	Flame-retardant products, recycled products using waste materials, and products with foreign environmental labels are other eco-friendly products that are recognized for their eco-friendliness.
GP7	Products that require eco-friendliness	Products requiring consideration of environmental friendliness (such as compliance with environmental regulations)



Code of Conduct:

1. We shall conduct effective and practicable green procurement activities that consider eco-friendliness and sustainability throughout the entire process of business activities, from the procurement of raw/subsidiary materials, manufacturing, operation, and logistics/distribution to waste treatment.
2. In order to ensure feasible and effective environmental management, we shall implement green procurement not only in purchasing materials for main business activities, but also for the company-wide procurement of consumable materials such as office supplies, workplace tools, etc.

Action Plans:

1. Strong Recommendation for Green Procurement : We shall actively purchase green products, and prepare support programs to ensure that green products can be considered as a priority in the process of purchasing materials, etc.
2. When it is difficult to purchase green products because there is no certification system or certified product in the market, we shall purchase eco-friendly products as much as possible using available information on the impact of products on the environment, taking into consideration, whether recycled raw materials are used, whether the products contain hazardous chemicals, the recyclability of products and packaging materials, and the amount of carbon generated in the manufacturing and distribution process.
3. Establishment of Green Procurement System :
 - In order to ensure effective implementation of green procurement and continuous improvement of effective green procurement activities, we shall establish a green procurement system whereby, we can monitor the status of green procurement, discover and introduce green products and suppliers of such products, evaluate green procurement performance, and establish mid- to long- term goals.
 - We shall prepare measures to share information on green procurement performance and goals with stakeholders.
4. Encourage the Supply Chain to Implement Green Procurement : We shall encourage our affiliates, contractors, suppliers, and counter-parties to implement green procurement to the extent permitted by law. In particular, we shall consider whether candidates have established and implement their own green procurement policies when selecting contractors.

BENEFITS OF GREEN PROCUREMENT:-

Resource and Operational Efficiency:-

- Buying sustainable products and purchasing from green suppliers and vendors promotes resource efficiency. Often GPPs instruct businesses to purchase products that consume less resources such as energy efficient light bulbs or low-flow faucets. Further, purchasing from a supplier who offers products with eco-friendly packaging or no packaging at all reduces our waste stream. These improvements in efficiency translate into cost savings for our business and resource conservation at large which is a win all the way around.



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- Having a GPP in place also improves operational efficiency as it provides our team with clear guidance on, which green products to look for across all areas of our business. Providing detailed information on our GPP requirements and product standards makes it easy for our business to make credible green purchases quickly and confidently.

Improved Employee Health and Safety:

- Green procurement also serves our employees health, safety and overall well-being. For example, buying certified eco-friendly cleaners to use in our workplace avoids the caustic and often toxic chemicals used in many conventional store-bought products.
- The food items we provide in the break room vending machine can also be included in our GPP. Buying locally-made, organic and sustainable food options are usually healthier and can make our employees feel better and be more productive.

Employee Engagement :

Launching a GPP will keep employees aware of both the sustainable products and habits they should be using, but also the company's larger sustainability mission. Raising employee awareness of and engagement in green purchasing can help build a green work culture and inspire employees to adopt such practices into their personal lives.

Innovation:

- Procuring sustainably means evaluating your current products and practices in an innovative way.
- Sometimes choosing the eco-friendly option for products and suppliers may be required to rethink and redesign the way we operate. Example: Some brands are manufacturing their final products from recycled and biodegradable materials and sourcing sustainably, while still achieving the durability and comfort that customers expect.
- As a best practice, invite all ideas to the table from across all levels and departments in our business and be open to new ways of greening our products, practices, and habits, as we never know what creative solutions we may come up with.

Green Market Support :

Continuing to buy truly eco-friendly products and support other sustainable businesses helps build the green market, that is taking hold in economies worldwide. There are more eco-friendly products on the market today than ever before. However, having a GPP in place, can help our team choose only the products that meet high standards and certifications thus, combatting the rampant greenwashing that exists today.

Mitigated Risks:

A GPP can help us adhere to corporate regulations and avoid the risk of malpractice from using harmful products or partnering with unethical providers. We will also maintain public trust and avoid lawsuits and legal action.



Improved Public Image:

Abiding by a green procurement policy looks good in the public sphere in which, more customers are preferring businesses that are socially responsible and good environmental stewards. Having a GPP allows us to be transparent with our customers, employees and other stakeholders on the products we buy, the providers you support and your purchasing habits. Launching a GPP is another way to reflect our commitment to sustainability and the well-being of communities and the environment.

Increased Profitability:

- ❖ Green procurement can drive higher profits in various ways. Along with the customer attraction and loyalty that comes from having a greener reputation, green purchasing yields cost savings in the form of energy efficiency and reduced waste. While some green products can be more expensive, many are associated with rebate programs such as those offered by ENERGY STAR.
- ❖ GPP simplifies the green purchasing process. The time originally spent in navigating a market overwhelmed with so many product options can now be used towards other important areas of our business.

Principles of Green Procurement Policy:

- ⇒ **Understand** the impact our business purchases have on our community, the environment, and our profits.
- ⇒ **Commit** to developing a plan of action to address negative externalities and find solutions.
- ⇒ **Measure** and track GPP progress and its effects at all parts of the value chain.
- ⇒ **Be transparent** with our stakeholders on the motives, goals, and strategies behind our GPP.

Best Practices of Green Procurement Policy:

- ⇒ **Source locally** from credible and certified businesses
- ⇒ **Choose certified eco-friendly products** made from 100% biodegradable, compostable, or post-consumer content and those that do not include toxic chemicals. **Note:** When buying biodegradable products, ensure that there is a facility that can collect these items as biodegradable materials require special processing.
- ⇒ **Choose ethical products** that support quality working conditions, worker health and safety, and community prosperity. Look for fair trade labels and other ethical certifications.
- ⇒ **Avoid plastic** products whenever/where ever possible, as many plastics are non-recyclable and can break down into micro-plastics that threaten wildlife and human health.
- ⇒ **Choose efficient products** that conserve natural resources and reduce/control waste.
- ⇒ **Think ahead** and have a plan for how to manage the disposal of products.

GREEN ECONOMY PILLARS/SECTORS - (1) Renewable Energy (2) Green Buildings
(3) Clean Transportation (4) Water Management (5) Waste Management (6) Land Management.



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Green Procurement Examples:

Purchasing energy-savings light bulbs, serving organic food in the cafeteria, using non-toxic ink toner in the printer, and offering only post-consumer recycled paper products in the facilities are ways that any workplace can make greener procurement decisions.

Some of the Direct Initiatives that can be considered for implementation :

- ⇒ **Solar Panels**:- Installation of Solar Panels at corporate & regional Offices for reducing the carbon emissions.
- ⇒ **Procured LED Light Bulbs** :- Installation of LED lights at all workplaces, which enables energy conservation, thus reducing environmental load at all our plant sites & offices.
- ⇒ **Green Building - Glass walls** :- To install glass walls through which natural light is used more often and lesser electricity is used, thus enabling conservation of energy.
- ⇒ **Sensor based lights** :- To install sensor-based lights installed at various locations due to which, energy is conserved when these locations are not in use.
- ⇒ **Water Re-Use points**:- To install water collection& re-use points at our plant locations & offices, thus helping in conservation of water.

POLICY IMPLEMENTATION: - We engage with all suppliers to implement management systems that allow the compliance with this Sustainable Sourcing Policy. The Supplier should communicate the provisions in this policy to its own suppliers and is expected to initiate, maintain and verify a process of continuous improvement towards sustainable practices in the entire upstream supply chain, in line with the requirements and principles set forth in this document.

Implementation Guidance:

In order to ensure compliance with all the topics of this policy, our company shall :

- ❖ Formulate policies
- ❖ Define and assign roles and responsibilities
- ❖ Implement procedures
- ❖ Communicate on these standards to employees and relevant third parties
- ❖ Provide sufficient training to its employees and suppliers
- ❖ Monitor the compliance to the policies and procedures
- ❖ Implement corrective actions
- ❖ Report on its progress on these topics

POLICY REVIEW: The policy will be effective from dt. 01.01.2025 & will be owned by Procurement team & Corporate Sustainability Team, who will be responsible for making suitable amendments, if any, from time to time.

Date: 01.12.2024

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