



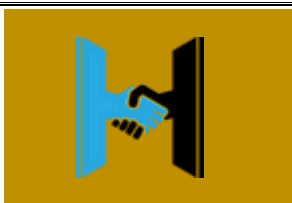
HARISONS
INDUSTRIAL
PRODUCTS INC



SUSTAINABLE PROCUREMENT POLICY

REVISION NUMBER: 2.0

EFFECTIVE DATE: 01.01.2024



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Introduction:

We are dedicated to embedding sustainability at the core of our procurement processes. As a global provider of high-quality engineering products, we recognize the importance of responsible sourcing that respects environmental stewardship, ethical labor standards, and the creation of long-term value for our customers and stakeholders.

This Sustainable Procurement Policy reflects our commitment to fostering sustainability, ensuring that our procurement practices uphold the highest levels of transparency, integrity, and responsibility. Through close collaboration with our suppliers, partners, and stakeholders, we strive to lead by example in promoting sustainable development across our supply chain.

Scope:

This policy applies to all locations and subsidiaries of the Group and extends to all employees, workers, contractors, stakeholders, suppliers, business partners, clients, and representatives associated with Harisons Industrial Products Inc., ensuring that all parties involved in procurement activities adhere to the sustainable, ethical, and responsible sourcing standards and practices outlined in this policy.

Sustainable Procurement Commitment:

We are dedicated to minimizing our environmental impact through responsible sourcing practices that support sustainability, ethical standards, and positive contributions to local communities and economies.

Sustainable Procurement Policy on Environmental Responsibility:

We are committed to minimizing the environmental impact of its procurement activities by collaborating with suppliers who adhere to environmental regulations and actively promote sustainable practices. Our key environmental objectives include partnering with suppliers who:

- Demonstrate a strong commitment to water conservation and sustainable resource management.
- Utilize energy-efficient processes to reduce carbon emissions.
- Implement effective waste reduction strategies and responsible disposal practices.

Harisons ensures that environmental performance is a critical criterion in selecting suppliers, working together to lessen the ecological impact of our entire supply chain.

Sustainable Procurement Policy on Labor Practices and Human Rights:

We uphold the highest standards of ethical labor practices and human rights within its procurement network. We expect all suppliers and contractors to:



- Comply with both national and international labor regulations, covering fair wages, working hours, and employee benefits.
- Ensure safe, healthy working environments, prioritizing the well-being of their workforce.
- Promote diversity, equity, and inclusion by fostering fair treatment and equal opportunity for all, regardless of gender, race, religion, or background.
- Maintain strict policies against child labor, forced labor, and any form of exploitation, enforcing these practices throughout their operations.

Regular assessments and audits will be conducted to confirm compliance with these labor and human rights standards.

Ethical Sourcing and Fair Trade:

- We are dedicated to sourcing materials and products ethically, ensuring that fair wages and dignified working conditions are upheld across its supply chain.
- We support suppliers who follow fair trade principles, especially those involving small producers or cooperatives, ensuring no exploitation and promoting equitable business practices.

Supplier Collaboration and Development:

- We believe in fostering long-term partnerships with suppliers to enhance sustainability performance.
- We offer guidance, training, and capacity-building initiatives to help suppliers align with our evolving sustainability goals and global standards.
- Regular evaluations of supplier performance are conducted to ensure ongoing alignment with Harisons' sustainability objectives.

Responsible Sourcing of Conflict Minerals:

- We committed to the responsible sourcing of minerals, ensuring that any materials used in our products, are not sourced from conflict regions where human rights violations occur.
- We expect our suppliers to adhere to conflict-free sourcing standards and ensure transparency in their supply chains by providing documentation to trace the origins of these minerals.

Innovation in Sustainable Product Development:

- We are actively encouraging innovation in the development of sustainable products. We prioritize suppliers who incorporate new technologies, materials, and processes that reduce environmental impact, improve energy efficiency, and extend product life cycles.
- By embracing cutting-edge solutions, we aim to contribute to the creation of a more sustainable future while offering high-quality engineering products to our customers.



Measurable Goals:

Establishes FY 2022-23 as the reference year for monitoring our green procurement initiatives and environmental performance.

Environmental Sustainability in Procurement:

- Ensure 40% of suppliers meet Harisons' environmental sustainability criteria by FY 2029-30, collaborate with suppliers to set environmental goals and provide training on sustainable practices.
- Reduce supply chain carbon emissions by 12% by FY 2029-30 through the procurement of energy-efficient materials, prioritize low-emission logistics and energy-efficient products.
- Increase the procurement of renewable or recycled materials by 35% by FY 2029-30, by creating incentives for suppliers that offer eco-friendly materials.
- Cut waste generated through procurement by 15% by FY 2029-30, implementing waste reduction protocols with suppliers.

Labor Practices and Human Rights in Procurement:

- Conduct audits on 50% of high-risk suppliers for labor practices by FY 2029-30, schedule regular assessments and third-party audits.
- Ensure 60% of suppliers comply with Harisons' labor standards on wages and working conditions by FY 2029-30.
- Achieve zero instances of forced labor and child labor in the supply chain by FY 2029-30, Set strict anti-labor violation agreements with suppliers.
- Improve diversity and inclusion among suppliers by 15% by FY 2029-30, encourage diversity through supplier selection and partnerships.

Responsible Sourcing of Conflict Minerals:

- Conduct audits on 60% of suppliers using high-risk minerals by FY 2029-30, engage third-party auditors to assess mineral sourcing compliance.
- Source 40% of materials free from conflict minerals by FY 2029-30, partner with verified conflict-free suppliers and conduct due diligence.
- Ensure 50% of suppliers provide transparency on conflict mineral sourcing by FY 2029-30, require conflict-free certification and traceability documentation.

Innovation in Sustainable Product Development:

- Increase the procurement of products with eco-innovative designs by 30% by FY 2029-30, partner with suppliers focused on sustainable technologies and materials.
- Adopt 20% more energy-efficient product lines by FY 2029-30, incentivize suppliers to develop and supply energy-efficient options.



- Implement 25% more circular economy-based products by FY 2029-30, encourage suppliers to offer products with extended life cycles and recycling options.
- Develop or source 3 new eco-friendly product innovations by FY 2029-30, collaborate with R&D teams and suppliers to push for green innovation.

General Targets

- Ensure 100% of Tier-1 suppliers acknowledge and sign the Harisons Supplier Code of Conduct by FY 2029-30.
- Conduct sustainability assessments (including labor, environment, and ethical sourcing) for 100% of new suppliers before on boarding by FY 2029-30.
- Train 100% of procurement-related employees on sustainable procurement practices, including ethical sourcing, labor rights, and environmental stewardship, by FY 2029-30.
- Develop and implement supplier capacity-building programs, ensuring 75% of key suppliers participate in sustainability training and development initiatives by FY 2029-30.
- Implement corrective action plans for all non-compliant suppliers identified through audits and assessments, resolving at least 90% of issues within defined timelines by FY 2029-30.
- Integrate environmental and social responsibility clauses into 100% of new supplier contracts and procurement evaluations by FY 2029-30.
- Review and update procurement risk and supplier impact assessment tools every year to align with updated regulatory, market, and stakeholder expectations.
- Achieve 90% supplier compliance with sustainability reporting requirements (covering environment, labor practices, and ethical sourcing) by FY 2029-30.

Establish bi-annual stakeholder engagement sessions with key suppliers, customers, and regulatory bodies to align on sustainable procurement priorities by FY 2029-30.

Roles and Responsibilities:

Procurement Officer (PO):

- The PO leads the execution of the Sustainable Procurement Policy, ensuring that procurement strategies are aligned with our sustainability and ethical objectives.

Sustainability and Compliance Team:

- This team collaborates with the procurement department to assess suppliers, oversee compliance, and conduct audits.
- They are also tasked with developing and maintaining the Supplier Code of Conduct.

Procurement Managers:



- Responsible for incorporating sustainability criteria into procurement decisions and engaging with suppliers to ensure they meet Harisons' environmental and labor standards.

Suppliers:

- Suppliers must comply with Harisons' sustainability and labor policies, provide reports on their environmental and labor practices, and participate in audits and improvement initiatives as required.

Monitoring and Reporting:

Continuous Monitoring: We will establish a robust monitoring system that combines automated tools and manual evaluations to assess supplier performance against our sustainability standards.

Audit Reports: The Procurement and Compliance Team will perform periodic audits of suppliers to ensure alignment with our sustainability policies. Findings will be carefully reviewed to identify non-compliance issues.

For any identified non-compliance, we will develop and implement corrective action plans promptly, fostering accountability among suppliers.

Stakeholder Mechanism: The Compliance Officer and Finance Manager will prepare and publish annual sustainability reports for stakeholders, ensuring adherence to reporting standards while showcasing our achievements.

We will introduce a feedback mechanism for stakeholders - including suppliers, employees, and customers - to refine our procurement practices and enhance the effectiveness of our sustainability initiatives.

Annual Review and Reporting: An annual review of our monitoring and reporting processes will assess their effectiveness in meeting our sustainability objectives. This review will culminate in a comprehensive report detailing our progress, successes, and areas for improvement.

The report will be shared with stakeholders to uphold transparency and demonstrate our commitment to sustainable procurement.

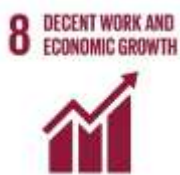
Continuous Improvement:

We are dedicated to the ongoing enhancement of our procurement practices to promote sustainability and uphold ethical standards across our supply chain. As global sustainability challenges progress, Harisons will continually refine our policies, collaborate with suppliers, and embrace innovation to ensure we lead in responsible sourcing.



SDG Alignment:

We align our Sustainable Procurement Policies with the United Nations Sustainable Development Goals (SDGs) to tackle pressing global sustainability challenges. By incorporating the SDGs into our practices, we promote ethical sourcing, enhance supplier sustainability, and minimize environmental and social impacts throughout our supply chain.



Review Mechanism:

This policy will be reviewed on an annual basis by the Compliance Manager to ensure alignment with applicable regulations, sustainability standards, and responsible sourcing practices. The policy may be reviewed earlier in response to regulatory developments, supply chain risks, or changes in the company's sustainability strategy. All revisions will be approved by the President and communicated to relevant internal and external stakeholders to ensure effective implementation.

Policy Revision History:

Revision No.	Date	Description of Change	Reviewed By	Approved By
01	10-04-2024	Initial release	Compliance Manager	Ashok shah - Vice President
02	10-04-2023	Policy reviewed and revised for clarity and format	Compliance Manager	Ashok shah - Vice President
03	10-04-2025	Modify sustainable procurement policy and add general targets	Compliance Manager	Ashok shah - Vice President



Approved by: Ashok shah -
Vice Presidents

Last Review Date:
01/07/2025

Next Review Date:
01/07/2026



ashokshah

Signature



Employee Acknowledgment Form: Sustainable Procurement Policy

I hereby acknowledge that I have received, read, and understood the Harisons Industrial Products Inc. Sustainable Procurement Policy.

I understand that it is my responsibility to read, familiarize myself with, and comply with the procurement standards and practices outlined in the policy, including but not limited to:

- Promoting the use of environmentally friendly and socially responsible products and services.
- Ensuring suppliers adhere to ethical labor practices and human rights standards.
- Avoiding business relationships with vendors involved in corruption, illegal activities, or non-compliance with applicable regulations.
- Encouraging collaboration with suppliers to reduce environmental and social risks.

I understand that failure to comply with the company's Sustainable Procurement Policy may result in disciplinary action, up to and including termination of employment, and legal consequences as per applicable laws.

I also acknowledge my responsibility to report any violations, unethical supplier conduct, or procurement-related concerns confidentially to the company's Ethics Compliance Committee without fear of retaliation.

By signing below, I confirm that I have read and understood the contents of the Sustainable Procurement Policy and agree to adhere to its requirements.

Employee Name: Akash Mekhiya

Designation: NPD Manager

Signature: 

Date: 14-07-2025