SGR

SHREE GANESH **REMEDIES** LIMITED

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Shree Ganesh Remedies Limited

SUSTAINABLE PROCUREMENT POLICY

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Sustainable Procurement Policy

1. Purpose

Shree Ganesh Remedies is committed to responsible procurement that upholds environmental stewardship, ethical labour practices, human rights, and transparent, sustainable sourcing across our global supply chain. This policy defines our strategic commitments, governance structure, and measurable performance indicators to continuously improve supply chain sustainability and compliance with international standards.

2. Scope

This policy applies to all procurement activities conducted by Shree Ganesh Remedies, including:

- Direct raw materials (e.g., herbs, excipients, packaging)
- Indirect goods and services (e.g., IT, logistics, office supplies)
- All suppliers, contractors, and third-party service providers globally
- All operational sites under Shree Ganesh Remedies' legal control

3. Principles & Commitments

3.1 Environmental Responsibility

- Prioritize suppliers with ISO 14001 or equivalent EMS certification.
- Require full traceability of botanical/raw materials, ensuring legal harvest, biodiversity protection, and zero deforestation.
- Prefer low-carbon transportation and local sourcing.
- Require disclosure of Scope 1, 2, and relevant Scope 3 emissions from strategic suppliers by 2026.

3.2 Labor Practices & Human Rights

- Enforce zero tolerance for child labor, forced labor, discrimination, or unsafe working conditions.
- Suppliers must comply with ILO Core Conventions, UN Guiding Principles on Business & Human Rights, and national labor laws.
- Conduct human rights due diligence on all new and high-risk suppliers using third-party audits.
- All suppliers must sign the Supplier Human Rights & Environmental Commitment during onboarding.

3.3 Ethics & Transparency

- Mandatory adherence to Supplier Code of Conduct, which includes anti-corruption, data privacy, and fair competition clauses.
- Require full sub-tier supplier disclosure for critical raw materials and high-risk goods.
- Implement and promote anonymous grievance channels (e.g., ethics hotline, digital reporting).
- Suppliers must promptly report conflicts of interest, environmental incidents, or labor violations.

3.4 Local & Inclusive Sourcing

- Actively engage and support women-owned, minority-owned, and rural enterprises, particularly in the herbal supply chain.
- Prefer vendors with documented CSR initiatives or community engagement programs.

4. Objectives & Targets

Objective Area	Qualitative Objective	Quantitative Target (by 2028)
Supplier Assessment	Evaluate all strategic suppliers on ESG criteria	100% Tier-1 suppliers assessed; 90% meet Sustainable Procurement Criteria
Carbon Footprint	Reduce emissions via green logistics	15% Scope 3 (Category 1 & 4) GHG emissions reduction vs. 2022 baseline
Ethical Labor	Enforce fair wages & safe working conditions	100% high-risk suppliers audited; 100% issues resolved in 30 days
Human Rights Due Diligence	Systematic screening of new suppliers	100% sign Human Rights & Environmental Commitment
Local Sourcing	Increase local & inclusive procurement	20% annual growth in spend with local & women-led cooperatives

5. Governance & Accountability

- Chief Sustainability Officer (CSO) is responsible for oversight, strategy, and reporting.
- The Procurement Department integrates ESG in:
  - RFx templates
  - Supplier selection
  - Performance reviews
- A Supplier Sustainability Scorecard tracks and evaluates ESG performance.
- Sustainability Steering Committee reviews progress quarterly and policy annually.
- Supplier non-compliance results in corrective action plans and may lead to contract termination.

6. Implementation

6.1 Supplier Onboarding

- All new suppliers must:
  - Complete Sustainability Self-Assessment Questionnaire
  - Sign Supplier Code of Conduct
  - Undergo risk-based screening
- High-risk suppliers must provide:
  - Valid third-party audit reports
  - Improvement plans for non-conformances

6.2 Capacity Building

- Annual training for internal teams and suppliers on:
    - ESG requirements
    - Anti-corruption and fair labor practices
    - Grievance mechanisms
- Encourage supplier participation in industry initiatives

6.3 Monitoring & Reporting

- Track KPIs using a centralized ESG procurement dashboard
- Publish a Sustainable Procurement Report annually on company website
- Report EcoVadis score and progress to management and key stakeholders

7. Endorsements & Alignment

Shree Ganesh Remedies aligns with and supports the following international frameworks:

- UN Global Compact (Principles 1–10)
- UN Sustainable Development Goals (SDGs) – especially SDG 8, 12, 13, and 15
- OECD Guidelines for Multinational Enterprises
- EcoVadis Assessment Criteria

8. Policy Review

This policy is reviewed annually by the Sustainability Steering Committee and updated to reflect:

- Emerging regulations.
- EcoVadis feedback and re-assessment results
- Stakeholder input (investors, customers, regulators)
- Internal performance outcomes

9. Communication

This policy shall be actively communicated through:

- Company noticeboards
- Security & Compliance offices
- All Directors, Managers, and Employees
- All Suppliers & Business Partners
- Publicly available on the company's official website

10. Supporting Documents / Annexures

- Annex 1: Supplier Code of Conduct
- Annex 2: Supplier Assessment & Risk Management Policy
- Annex 3: Responsible Raw Material & Conflict Minerals Policy
- Annex 4: Supplier Diversity & Inclusive Sourcing Policy
- Annex 5: Supplier Grievance & Whistleblowing Mechanism
- Annex 6: Supplier Performance Monitoring & Reporting Policy
- Annex 7: Sustainable Procurement Training & Awareness Policy

Annex 1: Supplier Code of conduct

1. Purpose

To define how Shree Ganesh Remedies (SGR) ensures that all suppliers, contractors, and business partners uphold ethical practices, respect for human rights, environmental protection, and zero tolerance for corruption or unfair labor practices. This SOP operationalizes our **Supplier Code of Conduct (SCoC)** in line with international standards and **EcoVadis assessment criteria**.

2. Scope

This SOP applies to:

- All Tier 1 suppliers
- Sub-tier suppliers involved in raw materials and critical services
- Third-party contractors and service providers globally

This SOP supports compliance with:

- UN Global Compact
- ILO Core Conventions
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- EcoVadis Sustainable Procurement & Ethics Pillars

3. Policy Statement: Supplier Code of Conduct

All suppliers must commit to and comply with the following principles:

3.1 Labor and Human Rights

- No use of child labor, forced labor, or human trafficking
- Non-discrimination on the basis of gender, religion, ethnicity, caste, disability, or sexual orientation
- Fair wages and working hours compliant with national law or industry standards, whichever is higher
- Freedom of association and the right to collective bargaining
- Safe and hygienic working conditions, with access to PPE, clean water, and sanitation

3.2 Environmental Responsibility

- Compliance with applicable environmental laws and regulations
- Implementation of practices that reduce air, water, and soil pollution
- Responsible waste disposal and hazardous material handling
- Promotion of biodiversity and sustainable harvesting in herbal/raw material sourcing
- Demonstrated efforts to reduce carbon emissions and energy usage

3.3 Ethics & Anti-Corruption

- Zero tolerance for bribery, fraud, extortion, and kickbacks
- No facilitation payments to obtain business advantages
- Accurate and transparent record-keeping and financial reporting
- Mechanisms to report unethical conduct via anonymous whistleblower systems

3.4 Compliance & Transparency

- Allow SGR or appointed third-party auditors to conduct site visits, assessments, or audits
- Promptly disclose any sub-tier suppliers, especially for raw material inputs
- Notify SGR of any material breaches of this Code within 10 business days

4. Responsibilities

Role	Responsibility
Procurement Department	Distribute Code to all suppliers during onboarding and contract renewal
Sustainability Team	Develop training, monitor compliance, maintain grievance mechanisms
Suppliers	Sign, implement, and ensure internal dissemination of the Code
Third-Party Auditors	Conduct supplier audits and provide corrective action reports
Compliance Officer	Maintain records and manage escalation of serious breaches

5. Implementation Process

5.1 Communication

- The SCoC is:
  - Included in all RFx documents, contracts, and POs
  - Shared in local languages where necessary
  - Made publicly available on the company website
- Suppliers must sign a Declaration of Commitment confirming understanding and acceptance.

5.2 Training & Capacity Building

- Annual Supplier Training Program (virtual or in-person) covering:
  - Labor & Human Rights
  - Environmental Management
  - Ethical Business Practices
  - Reporting Mechanisms
- Training completion tracked via Supplier Training Tracker

5.3 Risk-Based Due Diligence

- Suppliers are classified as:
  - Low, Medium, or High Risk (based on geography, product type, past performance)
- High-risk suppliers:
  - Must undergo third-party audit (e.g., SMETA, SA8000)
  - Must submit corrective action plan (CAP) within 30 days of any non-compliance
  - Are reviewed annually

5.4 Grievance Mechanism

- Suppliers and workers can report violations via:
  - Email: ethics@shreeganeshremedies.com
  - Anonymous digital portal
  - Physical grievance box at supplier sites (where applicable)
- All grievances are investigated within 10 business days, and resolved within 30 days

6. Monitoring & Auditing

Activity	Frequency	Owner
Supplier Self-Assessment Questionnaire (SAQ)	Annual	Procurement
ESG Supplier Audits	Annual (High-risk)	Third-party auditor
Corrective Action Plan Reviews	Quarterly	Compliance Officer
Supplier Scorecard Review	Quarterly	Sustainability Team

Audit results and corrective actions are recorded in the Supplier Compliance Register.

7. Non-Compliance Management

- Minor Non-Conformities: Require corrective action within 60 days
- Major Violations (e.g., child labor, forced labor, bribery): Immediate investigation and potential contract suspension
- Repeated violations or lack of cooperation may lead to:
  - Delisting
  - Termination of contract
  - Notification to regulators or clients

8. Documentation & Record-Keeping

All the following must be retained for minimum 5 years:

- Signed SCoC Declaration Forms
- Audit Reports & CAPs
- Grievance Records
- Training Attendance Sheets
- Supplier Scorecards

9. Review and Continuous Improvement

- The Sustainability Steering Committee reviews this SOP annually based on:
  - Audit findings
  - Supplier feedback
  - Updated regulations (e.g., EU CSDDD, Indian labor codes)
  - EcoVadis performance feedback
- Revisions are communicated to all suppliers and relevant internal teams.

Annex 2: Supplier Assessment & Risk Management Policy

1. Purpose

This SOP establishes a structured framework to assess, monitor, and mitigate sustainability-related risks in our supplier base. It ensures suppliers meet Shree Ganesh Remedies' ethical, environmental, labor, and human rights standards. The process supports compliance with international frameworks.

2. Scope

This SOP applies to:

- All suppliers and subcontractors, including Tier-1 and critical sub-tier vendors
- Direct and indirect procurement, including raw materials, packaging, and services
- All new and existing suppliers of Shree Ganesh Remedies

3. Objectives

- Integrate **ESG risk analysis** into all procurement decisions
- Conduct **due diligence** based on supplier risk level
- Promote transparency, ethics, environmental stewardship, and human rights compliance
- Ensure high-risk suppliers undergo **corrective action plans and audits**
- Maintain ongoing monitoring and improvement processes

4. Definitions

Term	Definition
ESG	Environmental, Social, Governance
High-Risk Supplier	Suppliers from high-risk geographies or sectors (e.g., agriculture, herbal, packaging, logistics), or with history of violations
SAQ	Supplier Self-Assessment Questionnaire
CAP	Corrective Action Plan

5. Risk-Based Supplier Assessment Framework

5.1 Risk Categories

Suppliers are categorized into:

- Low Risk
- Medium Risk
- High Risk

5.2 Risk Factors Considered

Risk Area	Factors Considered
Country Risk	Based on Global Slavery Index, Environmental Performance Index, Transparency International Index
Industry Risk	Known ESG risks (e.g., herbal sourcing, logistics, chemical processing)
ESG Practices	Lack of certifications, past non-compliance, lack of grievance mechanisms
Spend Risk	Annual procurement value or critical dependency on the supplier

5.3 Risk Assessment Tools

- Initial SAQ (mandatory for all new suppliers)
- Risk Classification Matrix (Annex 1)
- EcoVadis scores or Sedex/SMETA ratings (if available)
- External risk databases (e.g., Maplecroft, Verisk, etc.)

6. Supplier Assessment & Due Diligence Process

6.1 New Supplier Onboarding

Step	Action
Step 1	Complete supplier registration with basic compliance documentation
Step 2	Supplier completes SAQ
Step 3	Procurement assigns risk level (Low/Medium/High) using Risk Matrix
Step 4	For Medium/High risk: Request evidence of compliance (certifications, audits)
Step 5	Supplier signs the Supplier Code of Conduct and Human Rights & Environmental Commitment

6.2 Existing Supplier Reassessment

- All strategic suppliers are re-evaluated annually
- High-risk suppliers are subject to:
  - Third-party audits.
  - CAP submission within 30 days of audit findings.
  - Follow-up review within 90 days.

7. Monitoring & Performance Evaluation

7.1 Supplier Scorecard (Quarterly)

Key KPIs tracked:

- SAQ completion rate
- ESG audit results
- CAP status
- Delivery & quality performance
- GHG emissions reporting (where relevant)

Each supplier receives a performance rating:

- A (Fully Compliant)
- B (Minor Issues – Under Improvement)
- C (Non-Compliant – Requires Urgent Action)
- D (Delisting Candidate)

7.2 Auditing Plan

Risk Level	Audit Frequency	Type
High Risk	Annual	3rd-party or Internal ESG Audit
Medium Risk	Every 2 years	Internal Audit or Virtual Assessment
Low Risk	Every 3 years	SAQ Only

8. Non-Compliance Management

Severity	Action
Minor Non-Conformance	CAP within 60 days
Major Breach (e.g., child labor, bribery)	Immediate suspension, investigation, and potential contract termination
Non-cooperation	Blacklisting or delisting from approved vendor list

9. Roles and Responsibilities

Department	Responsibilities
Procurement	Conduct assessments, maintain SAQ & Scorecard, assign risk ratings
Sustainability	Monitor compliance, develop CAPs, supplier training
Legal/Compliance	Ensure legal compliance and contract terms
Suppliers	Submit required documents, allow audits, implement CAPs
Third-Party Auditors	Conduct independent ESG audits (where applicable)

10. Documentation & Recordkeeping

All records to be stored for minimum 5 years:

- SAQs
- Risk ratings
- Audit reports
- CAPs
- Supplier meeting minutes
- Communications related to violations or grievances

11. Continuous Improvement

- Annual review of risk categories and assessment tools
- Performance review against:
  - % of high-risk suppliers audited
  - % of CAPs closed on time
  - Supplier sustainability improvements
- Supplier engagement forums and workshops conducted bi-annually

12. Reporting

- Internal: Quarterly ESG performance dashboards to senior management
- External: Supplier ESG performance summary in the Sustainable Procurement Annual Report

13. Review & Update

This SOP shall be reviewed annually by the Sustainability Steering Committee and updated to reflect:

- Regulatory changes (e.g., EU CSDDD, Indian ESG guidelines)
- Stakeholder feedback

Annex 3: Responsible Raw Material & Conflict Minerals Policy

1. Purpose

This SOP defines the procedures used by **Shree Ganesh Remedies (SGR)** to ensure the responsible and ethical sourcing of high-risk raw materials, including:

- Mica, conflict minerals (tin, tantalum, tungsten, and gold — 3TG), and other materials associated with human rights or environmental risks.

2. Scope

This SOP applies to:

- All suppliers and subcontractors that provide:
  - Mica or other high-risk raw materials
  - Any material with potential links to conflict-affected or high-risk areas
- All SGR operations and procurement activities globally

3. Policy Commitments

SGR is committed to:

1. Ensuring traceability and legal compliance of all high-risk materials in accordance with applicable international and national laws.
2. Avoiding raw materials from:
   - Suppliers involved in illegal mining, deforestation, or land grabbing
   - Regions with severe child labor or human rights violations

4. Risk Identification & Due Diligence Process

4.1 High-Risk Material Categories

Material Type	**Examples**	**Risk Type**
Mica	Used in pigments, coatings	Child labor, unsafe mining
Conflict Minerals (3TG)	Tin, Tantalum, Tungsten, Gold	Financing armed conflict, human rights abuses
Other Minerals	Cobalt, lithium, graphite	Poor labor conditions, environmental degradation

4.2 Supplier Screening & Risk Categorization

- All new suppliers of high-risk materials must:
  - Complete the **Responsible Sourcing Supplier Assessment Questionnaire (SAQ)**
  - Disclose supply chain origin and smelter/refiner information (for 3TG)
  - Provide traceability records and certifications (e.g., RMAP, ISO 14001, or other recognized standards)
- Risk is assessed based on:
  - Country of origin (especially conflict-affected or high-risk areas)
  - Certification and audit status
  - History of ESG or compliance violations

Tool used: Risk Classification Matrix

4.3 Conflict Minerals Due Diligence (3TG)

In alignment with the **OECD 5-Step Framework**, SGR implements the following:

Step	Action
Step 1	Establish strong company-level sourcing policies (this SOP + Supplier Code of Conduct)
Step 2	Identify and assess risks in the supply chain (via CMRT collection)
Step 3	Design and implement a strategy to respond to identified risks
Step 4	Carry out third-party audits of smelters/refiners (if applicable)
Step 5	Report annually on due diligence efforts via public disclosure (website or sustainability report)

Tool Used: Conflict Minerals Reporting Template (CMRT)

5. Supplier Engagement & Requirements

5.1 Supplier Code of Conduct Compliance

All suppliers of high-risk raw materials must:

- Sign the **Supplier Code of Conduct**
- Commit to ethical sourcing and traceability
- Disclose sub-tier supplier and mine/refinery origins

5.2 Certifications & Documentation Required

Material	Acceptable Certifications
3TG	RMI conformant smelter list, CMRT
Mica	RMI RMAP (Responsible Minerals Assurance Program), ethical mining documentation
Other Minerals	IRMA, CFSI, ISO 14001, or equivalent ESG verification

5.3 Non-Compliant Supplier Protocol

- High-risk suppliers without adequate documentation are required to:
    - Submit a **Corrective Action Plan (CAP)** within 30 days

6. Monitoring & Auditing

Activity	Frequency	Owner
Responsible Sourcing SAQ	Annually	Procurement
Conflict Minerals CMRT Collection	Annually	Sustainability Team
Supplier ESG Audits (High-Risk)	Annually	Third-Party Auditor

Findings and improvements are recorded in the **Supplier Risk Register** and reviewed quarterly.

7. Reporting & Disclosure

- **Conflict Minerals Due Diligence Report** published annually on the company website.

- **Mica and high-risk material traceability** reported in the **Sustainable Procurement Annual Report**.

8. Training & Capacity Building

- **Annual supplier training** on:
  - Responsible sourcing expectations
  - Legal and certification requirements
  - Grievance mechanisms and reporting violations
- **Internal procurement staff training** on:
  - Risk identification
  - Verification procedures for 3TG, mica, and other high-risk materials

9. Roles & Responsibilities

Role	**Responsibility**
Procurement	Collect SAQs, assess risks, maintain supplier documents
Sustainability	Monitor compliance, lead due diligence, report findings
QA	Validate certifications and documentation
Suppliers	Disclose material origins, comply with certifications, submit CAPs
Legal/Compliance	Ensure legal documentation and regulatory adherence

10. Review & Continuous Improvement

- Updates made based on:
  - New risk assessments
  - Regulatory changes
  - Stakeholder feedback

Annex 4: Supplier Diversity & Inclusive Sourcing Policy

1. Purpose

To establish clear guidelines for integrating diversity, equity, and inclusion (DEI) into all supplier selection and procurement activities at Shree Ganesh Remedies (SGR). This policy aims to:

- Promote equal opportunity for underrepresented businesses
- Encourage participation of minority-, women-, rural-, and community-owned enterprises
- UN Sustainable Development Goals (SDGs), and emerging ESG regulations

2. Scope

This SOP applies to:

- All procurement activities: direct (raw materials, packaging) and indirect (services, logistics, consulting, etc.)
- All suppliers and vendors globally, especially in India
- All SGR departments involved in procurement, sourcing, or supplier management

3. Definitions

Term	Definition
Diverse Supplier	A business that is at least 51% owned, operated, and controlled by individuals from underrepresented or marginalized groups
Underrepresented Groups	Women, Scheduled Castes/Scheduled Tribes (SC/ST), rural entrepreneurs, minority-owned, disabled-owned, LGBTQ+ owned, and micro-enterprises
Inclusive Sourcing	Procurement practices that actively seek to include businesses from disadvantaged or historically excluded communities

4. Policy Commitments

SGR commits to:

- Providing **fair and equal access** to sourcing opportunities for all qualified suppliers
- Increasing **spend with diverse and inclusive suppliers** year-over-year
- Removing **barriers** that may limit supplier participation due to bias, geography, or lack of certifications
- Supporting capacity building of local, women-owned, and rural enterprises in the chemical supply chain
- Ensuring **non-discrimination** in all supplier evaluations and awards

5. Supplier Inclusion Criteria

To be considered a **Diverse or Inclusive Supplier**, a business must meet at least one of the following:

- Certified women-owned or minority-owned enterprise (We Connect, MSME, etc.)
- Registered **SC/ST business** (India-specific)
- Small or micro-enterprise as defined by **Indian MSME Act**

- Located in a **rural or economically disadvantaged region**
- Operating under **self-declared ownership** from any underrepresented category.

6. Implementation Plan

6.1 Procurement Process Integration

Stage	Action
RFx Process	Ensure diverse suppliers are invited to bid for all relevant projects
Supplier Registration	Add mandatory field for self-declaration of diverse ownership
Evaluation Criteria	Include “Supplier Diversity” as a weighted score in bid evaluation
Contracting	Encourage partnerships with diverse Tier-2 suppliers or subcontractors
Spend Tracking	Monitor % spend with diverse suppliers quarterly

6.2 Goals & Metrics (by 2026)

Objective	Metric	Target
Expand diverse supplier base	% of approved suppliers self-declaring as diverse	≥20%
Local/rural supplier engagement	% of raw material spend from India-based SMEs	≥25%
Inclusive spend tracking	% of total procurement spend with diverse suppliers	≥15%
Outreach	No. of supplier engagement or capacity-building events annually	≥4 events

7. Capacity Building & Outreach

SGR will:

- Host annual supplier diversity workshops (virtual or in-person)
- Partner with industry associations, NGOs, and government programs (e.g., NSIC, DIC)
- Provide mentoring or technical assistance to high-potential diverse suppliers
- Offer simplified onboarding processes for micro- and small enterprises

8. Monitoring & Reporting

Activity	Frequency	Responsible
Supplier Diversity Audit	Annually	Internal Audit Team
Diverse Spend Analysis	Quarterly	Procurement Team
Policy Review	Annually	Sustainability Steering Committee
EcoVadis Upload & Reporting	Annually	ESG Reporting Team

- Performance is published in the **Sustainable Procurement Annual Report**,

9. Roles & Responsibilities

Role	Responsibilities
Procurement Team	Identify, evaluate, and track diverse suppliers
Sustainability Team	Ensure alignment with ESG strategy and SDGs
Legal Team	Verify supplier eligibility and contractual clauses
Suppliers	Declare ownership status and provide supporting documents
Leadership	Champion supplier diversity at executive level

10. Non-Compliance

Failure to comply with this policy may result in:

- Internal procurement review
- Supplier delisting (if found misrepresenting ownership)
- Revisions to sourcing and evaluation procedures

11. Review & Continuous Improvement

- This policy will be reviewed annually to align with:
    - Emerging DEI regulations
    - Performance feedback
- KPIs and spend targets may be revised to reflect growth and scalability

Annex 5: Supplier Grievance & Whistleblowing Mechanism

1. Purpose

This SOP establishes a formal grievance and whistleblowing mechanism for suppliers, subcontractors, and third-party service providers to:

- Report unethical, illegal, or non-compliant behavior
- Ensure protection against retaliation
- Promote accountability and integrity within the supply chain
- OECD Due Diligence Guidelines

2. Scope

This policy applies to:

- All Tier-1 and Tier-2 suppliers, vendors, contractors, and agents
- Incidents or concerns related to:
    - Labor rights violations (child labor, forced labor, unsafe working conditions)
    - Environmental non-compliance
    - Corruption, bribery, or fraud
    - Discrimination or harassment
    - Violation of Shree Ganesh Remedies' Supplier Code of Conduct

3. Grievance Channels

Suppliers may report concerns using any of the following confidential and accessible channels:

Channel	Details
Email	ethics@ganeshremedies.com (monitored by Ethics Committee)
Web Portal	www.ganeshremedies.com/supplier-ethics-reporting
Postal	Ethics Committee, Shree Ganesh Remedies, [Plot No. 6011, 6012, 6002 & 6003, GIDC Estate, Ankleshwar - 393002, Gujarat, India.]
Anonymous Drop Box	On-site at select factory gates (for on-premise contractors)

Reports may be submitted anonymously. Identity is protected by confidentiality protocols.

4. What Can Be Reported

- Labor issues: Underpayment, discrimination, excessive hours, unsafe conditions
- Environmental breaches: Hazardous waste dumping, regulatory non-compliance
- Business ethics: Bribes, kickbacks, bid rigging, false documentation
- Human rights: Forced or child labor, harassment, retaliation
- Violations of contracts, laws, or SGR Code of Conduct

5. Procedure for Grievance Handling

Step	Description	Timeframe
1	Complaint received via any channel	Day 0
2	Acknowledgment sent to reporter (unless anonymous)	Within 3 working days
3	Preliminary review & classification (Critical / Moderate / Low)	Within 5 working days
4	Investigation initiated by Ethics Committee / ESG / Legal	Within 10 working days
5	Corrective Action Plan (CAP) developed with supplier (if required)	Within 30 days
6	Monitoring of CAP completion	Monthly follow-up
7	Close-out report with actions taken	Upon resolution
8	Feedback provided to complainant (if known)	Within 10 days of resolution

6. Protection Against Retaliation

- Zero tolerance for retaliation against anyone who:
  - Submits a complaint in good faith
  - Participates in an investigation
- Any retaliation will result in:
  - Internal disciplinary action
  - Potential termination of contract with the retaliating party

7. Awareness & Communication

- This policy is:
  - Shared with all suppliers during onboarding
  - Available on SGR's website and procurement portals
  - Reinforced during supplier audits and training sessions
- Posters and digital notices are displayed at key manufacturing locations and supplier premises

8. Roles & Responsibilities

Role	Responsibility
Ethics Committee	Manage grievance system, oversee investigations
Procurement Team	Ensure suppliers are aware of reporting channels
Sustainability Team	Monitor trends, escalate ESG risks
Legal & HR	Handle severe labor, legal, or compliance violations
Suppliers	Cooperate in investigations, implement CAPs where applicable

9. Reporting & Improvement

- Quarterly Report to Management:
  - No. of grievances received, type, region, resolution status
- Annual Supplier Ethics Summary published in:
  - Sustainable Procurement Report

10. Continuous Improvement

- Review and enhance grievance channels annually
- Periodic supplier feedback surveys to evaluate:
  - Accessibility
  - Trust in the system
  - Awareness of the policy
- Benchmark against industry grievance mechanism best practices

Annex 6: Supplier Performance Monitoring & Reporting Policy

1. Purpose

This SOP outlines how Shree Ganesh Remedies (SGR) monitors supplier performance, tracks key sustainability indicators, and manages corrective actions. It ensures that suppliers:

- Meet technical, quality, and ESG standards
- Are continuously improving against our procurement expectations
- Are aligned with international frameworks such as:
    - OECD Guidelines for Responsible Business Conduct
    - Indian ESG and labor regulations

2. Scope

Applies to:

- All direct and indirect suppliers of SGR
- Raw materials, chemical intermediates, packaging, logistics, utilities, and professional services
- Tier-1 and critical Tier-2 suppliers
- Internal teams managing vendor qualification and procurement

3. Objectives

- Track supplier performance against clear and measurable KPIs
- Detect non-compliance early and issue corrective action plans (CAPs)
- Improve environmental, labor, quality, and ethical performance of supply chain partners

4. Key Performance Indicators (KPIs)

Supplier performance is evaluated quarterly using the following dimensions:

Category	KPI	Target
Quality	On-time delivery rate	≥ 95%
	Defect/rejection rate	< 2%
Sustainability	Completion of ESG Self-Assessment Questionnaire (SAQ)	100% strategic suppliers
	% suppliers with ISO 14001 / 45001 / SA8000	≥ 70%
	GHG reporting compliance (for high-impact suppliers)	≥ 90%
Compliance	Adherence to Code of Conduct and ESG Policy	100%
Responsiveness	CAP closure within timeline	100% within 30–60 days
Risk	High-risk supplier audit coverage	100% annually

5. Performance Monitoring Workflow

5.1 Supplier Onboarding

- All new suppliers must:
    - Complete SAQ (sustainability + compliance)
    - Sign Supplier Code of Conduct
    - Submit applicable certifications and licenses

5.2 Ongoing Monitoring

Frequency	Activity	Tool
Quarterly	Scorecard update	Centralized Procurement Dashboard
Annually	ESG audit (high-risk suppliers)	Internal / 3rd-party
Ad hoc	Site visits or virtual reviews	Audit checklist
Ongoing	Complaint or incident tracking	Whistle-blower channel, ethics helpline

6. Supplier Scorecard System

Suppliers are rated using a multi-criteria scorecard based on:

1. Commercial KPIs – price, delivery, responsiveness
2. Quality KPIs – product specs, rejection rate, CoA compliance
3. Sustainability KPIs – ESG policies, certifications, transparency
4. Ethics & Compliance KPIs – conflict of interest, anti-bribery, labor rights

Scorecard Ratings:

Score	Rating	Action
90–100	A – Excellent	Preferred Supplier
75–89	B – Compliant	Continue with improvement monitoring
60–74	C – Watch list	Initiate CAP
< 60	D – non-compliant	Delisting process triggered

7. Corrective Action Plan (CAP) Process

For any supplier rated C or D, or if major violations occur:

7.1 CAP Workflow

Step	Action
1	CAP request issued (with specific gaps listed)
2	Supplier submits CAP within 15 working days
3	SGR reviews and approves implementation timeline
4	Follow-up check within 30–60 days
5	If unresolved, escalation to Procurement Head / Legal

7.2 Common CAP Topics

- Environmental violations (e.g., waste disposal, emissions)
- Labor rights (e.g., underage workers, unsafe working conditions)
- Quality defects or late deliveries
- Non-compliance with SGR's Supplier Code of Conduct

8. Reporting & Documentation

All performance monitoring data and CAPs are stored in the Supplier Management System.

Internal Reporting

Report	Frequency	Owner
ESG Supplier Scorecard Summary	Quarterly	Procurement
Supplier Risk Register	Quarterly	Sustainability
CAP Status Report	Monthly	ESG Team
Strategic Supplier Dashboard	Annually	Procurement & ESG Heads

External Reporting

- Sustainable Procurement performance is reported in:
    - Annual Sustainability Report
    - Supplier Audit Summary

9. Roles & Responsibilities

Role	Responsibility
Procurement Team	Maintain supplier performance records, issue CAPs
Sustainability Team	Monitor ESG compliance, conduct assessments
Quality Team	Report on defects, technical compliance
Legal & Compliance	Manage contractual obligations, whistleblower concerns
Suppliers	Cooperate with audits, implement CAPs, maintain transparency

10. Continuous Improvement

- Review supplier performance KPIs and scoring criteria annually
- Provide capacity-building support to underperforming suppliers
- Conduct supplier training sessions on:
    - ESG expectations
    - Corrective action planning
    - Sustainability best practices

Annex 7: Sustainable Procurement Training & Awareness Policy

1. Purpose

This SOP defines the strategy and process for building internal and external awareness around sustainable procurement practices. It ensures that:

- Procurement staff are trained in ESG integration, risk-based sourcing, and supplier assessment
- Suppliers understand and adhere to Shree Ganesh Remedies' sustainability expectations

2. Scope

This SOP applies to:

- All procurement team members and decision-makers
- Relevant functions involved in supplier onboarding, audit, and performance (e.g., Quality, R&D, EHS)
- Tier-1 and strategic Tier-2 suppliers across raw materials, intermediates, logistics, and packaging

3. Objectives

- Build internal capability on sustainable sourcing, ESG risk management, and supplier engagement
- Ensure all procurement staff understand and apply:
  - The Supplier Code of Conduct
  - Responsible Sourcing Policies
  - Human Rights, Environmental, and Anti-Bribery standards
- Enable suppliers to comply with SGR's sustainability standards and improve ESG performance

4. Training Program Overview

4.1 Internal Training (Procurement & Cross-Functional Teams)

Training Topic	Frequency	Mode	Participants
Introduction to Sustainable Procurement	Onboarding + Annual	In-person / LMS	Procurement, QA, EHS, R&D
Supplier Risk Assessment & ESG KPIs	Annual	Virtual / LMS	Procurement & Audit Teams
Corrective Action Plan (CAP) Handling	Semi-Annual	Workshop	ESG + Procurement
EcoVadis Requirements & Supplier Engagement	Annual	Virtual	ESG Reporting Team
Anti-Corruption & Ethics in Procurement	Annual	LMS / Classroom	All sourcing decision-makers

Training Records maintained in HR/LMS system and reviewed by the ESG team annually.

4.2 Supplier Training & Awareness

Training Type	Frequency	Format	Scope
Supplier Code of Conduct Awareness	At onboarding	PDF + Webinar	All suppliers
ESG Risk & Audit Requirements	Annual	Virtual/Live	High-risk & strategic suppliers
CAP & Remediation Training	As needed	Direct engagement	Suppliers under review
Human Rights & Environmental Compliance	Annual	e-learning / workshop	Tier-1 & selected Tier-2

5. Materials & Tools Used

- Training Decks (PPTs)
- Case Studies & Scenario-Based Videos
- SAQs (Supplier Assessments)
- CAP Templates & Guidance Notes
- LMS (Learning Management System) tracking
- Supplier ESG Handbook

6. Roles & Responsibilities

Role	Responsibility
HR & Training Coordinator	Schedule, record and track staff training
Procurement Team	Attend training, apply ESG criteria in sourcing
Sustainability Team	Develop training content, review effectiveness
Suppliers	Participate in sessions, implement sustainable practices
QA & EHS Team	Support supplier audits and awareness campaigns

7. Evaluation & KPIs

Objective	KPI	Target
Staff ESG awareness	% of procurement staff trained annually	100%
Supplier participation	% of strategic suppliers trained	≥90%
Engagement	No. of ESG workshops or webinars/year	≥4
Policy comprehension	Post-training quiz pass rate	≥85%
Improvement	Reduction in supplier non-compliance incidents	≥20% YoY

8. Documentation & Reporting

- Training logs maintained in centralized HR or ESG system
- Supplier training attendance recorded via sign-in sheets or webinar reports
- Training summary included in:
    - Annual Sustainable Procurement Report
    - Internal ESG dashboard

9. Continuous Improvement

- Training content updated annually to reflect:
    - Regulatory changes (e.g., EU CSDDD, Indian ESG laws)
    - New supplier issues or audit trends
- Supplier feedback surveys conducted post-training to improve delivery and relevance

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