

Responsible Sourcing Policy

BEIL Infrastructure Ltd

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Contents

- 1. Purpose 3
- 2. Applicability 3
- 3. Objectives 4
- 4. Responsibility 4
- 5. Supplier Classification.....4
- 6. Supplier Selection and Management 5
- 7. Principles as per Business Partner Code of Conduct.....6
- 8. Supplier Obligation, Monitoring and Audit Requirements 6
- 9. Reporting Concerns 7
- 10. Amendments 7

1. Purpose

BEIL Infrastructure Limited and its subsidiaries (the “**BEIL**”, “**BEIL Group**”, “**Company**”, “**us**” or “**our**”) are committed to conducting business with integrity, ethics, and responsibility. This Responsible Sourcing Policy (“**Policy**”) defines BEIL’s internal procurement approach to integrate environmental, social and governance (ESG) considerations into supplier selection, contracting and ongoing supplier management, in a manner proportionate to supplier criticality and risk.

This Responsible Sourcing Policy (“**Policy**”) establishes a Dual-Directional Framework designed to integrate sustainability across our entire value chain. The objectives of this Policy are:

1. **For BEIL Teams (Internal Mandate):** To govern the actions of all BEIL procurement, commercial, technical, and user departments, mandating the integration of ESG criteria into supplier pre-qualification, RFP evaluations, contract awards, and performance management.
2. **For BEIL Business Partners & Suppliers (External Obligation):** To define binding obligations on all suppliers, contractors, and service providers to provide sustainable, resource-efficient, low-carbon, and ethically produced products and services, and to actively cooperate with BEIL's ESG assessment and audit frameworks.

This Policy must be read in conjunction with the **BEIL Business Partner Code of Conduct (BPCOC)**. While the BPCOC establishes minimum behavioral standards, this Policy outlines the operational processes, category-specific mandates, and supplier obligations required to achieve sustainable procurement in practice.

2. Applicability

This Policy applies to:

- **All Procurement & Contracting Activities:** Every spend category across BEIL operations, including but not limited to Operational Inputs (chemicals, consumables, utilities), Third-Party Services (logistics, transportation, consulting), and Infrastructure & CapEx (construction, engineering, equipment OEMs).
- **All Business Partners (Suppliers & Contractors):** Any third-party entity engaged to provide goods, materials, or services to BEIL.
- **All BEIL Personnel:** All employees, executives, and contract staff involved in sourcing, requisitioning, contract drafting, supplier onboarding, and vendor management.

3. Objectives

To drive meaningful ESG outcomes, BEIL's procurement processes are aligned with the following five core objectives, supported by concrete operational processes:

- i. **Promote Resource Efficiency & Environmental Stewardship:** Encourage the procurement of products and services that support efficient use of materials, energy, and water resources, minimize waste generation, and contribute to recycling, recovery, and circular economy principles.
- ii. **Support Informed Purchasing:** Equip BEIL purchasing teams with the guidance and criteria needed to consider sustainability alongside commercial and technical factors.
- iii. **Manage Supply Chain Risks:** Proactively identify and address potential environmental, safety, and human rights risks within our supply chain.
- iv. **Encourage Local and Inclusive Growth:** Promote opportunities for local businesses and Micro, Small, and Medium Enterprises (MSMEs) within our operating regions.
- v. **Foster Collaboration and Improvement:** Work constructively with our partners to monitor performance and support mutual sustainability milestones.

4. Responsibility

- i. Purchase Department: Owns and implements this Policy for BEIL, including supplier onboarding/registration, assessments, contracting controls and ongoing supplier performance monitoring.
- ii. DGM Commercial: Oversees critical/high-risk supplier governance, including approvals as per Delegation of Authority (DOA) and decisions related to supplier risk classification and continuation/blocking, where applicable.
- iii. User Department: Defines technical and service requirements, supports supplier evaluation (including technical comparisons where required), provides input on supplier performance and supports closure of corrective actions (CAPA) relevant to BEIL work.
- iv. ICP Committee: Supports integrity compliance due diligence for high-risk/exception scenarios and provides oversight on integrity-related supplier risks and escalations.
- v. EHS Department: Defines EHS requirements for supplier pre-qualification and participates in supplier audits/assessments for EHS aspects where relevant.
- vi. IT Department: Creates Vendor Code in the system and executes blocking/unblocking actions in SAP based on approved requests from the Purchase Department.
- vii. Accounts Department: Processes payments as per agreed terms and supports payment holds/controls where supplier non-compliance or unresolved issues are notified by Purchase/Compliance as applicable.

5. Supplier Classification

Business Partners shall be classified using a risk- and criticality-based approach to determine the level of due diligence, assessment and monitoring. Classification may consider:

- i. Criticality to operations/project delivery and business continuity impact
- ii. Spend/contract value and strategic importance

- iii. Regulatory and safety sensitivity (e.g., chemicals handling, waste/wastewater operations, transport safety)
- iv. Labour and site-based risks (especially for construction and subcontracted services)
- v. Data access and information security exposure (where suppliers handle BEIL information/systems)

Classification will be applied across procurement categories aligned to BEIL's value chain: Operational Inputs, Third-Party Services, and Infrastructure & Capex. For operational use, partners may be categorized as Low Risk or High Risk, consistent with BEIL's procurement processes (e.g., single-supplier dependency and/or higher annual order value may drive High Risk classification). High Risk partners may be subject to enhanced due diligence and increased monitoring as per internal procurement procedures.

6. Supplier Selection and Management

BEIL will use a risk-based approach for supplier pre-qualification, selection and ongoing management. Business Partners shall be assessed prior to onboarding using questionnaires/assessments proportionate to their criticality and the nature of work. Assessment areas may include quality, safety, legal compliance, integrity and relevant ESG risk indicators.

Supplier pre-qualification and re-approval will be conducted as per BEIL's Purchase/Work Order SOP, including confirmation of EHS requirements during pre-qualification, where applicable.

For critical/higher-risk Business Partners, BEIL may conduct on-site or off-site audits (directly or through authorised third parties). Where gaps are identified, corrective and preventive actions (CAPA) may be required within agreed timelines, and outcomes may influence supplier ratings, preferred supplier status and future sourcing decisions.

Category-specific evaluation considerations

Operational Inputs

- i. Responsible Management: Working with partners who ensure the safe, transparent, and legally compliant handling and storage of all physical inputs.
- ii. Waste & Packaging Optimization: Preferring packaging solutions that reduce single-use materials, promote bulk delivery, or utilize returnable/recyclable containment systems.
- iii. Eco-Preferable Alternatives: Encouraging suppliers to offer environmentally friendly, resource-efficient, or certified green materials whenever they are technically and commercially viable.

Third-Party Services

- i. Safety & Fleet Efficiency: Partnering with logistics providers who demonstrate a strong safety culture, protect driver well-being, and work to optimize fuel efficiency.
- ii. Fair Labor & Social Welfare: Engaging service providers who share our commitment to fair compensation, legal working hours, safe working environments, and dignified labor practices. Engage with suppliers who shall comply with all applicable labour and human rights laws and shall prohibit child labour, forced labour,

human trafficking, discrimination, harassment, and any form of modern slavery and who respect freedom of association and collective bargaining rights where permitted by law.

Infrastructure & Capex

- i. Optimized Lifecycle Value: Considering the long-term energy efficiency, durability, and operational costs of equipment alongside the initial purchase price.
- ii. Responsible Project Execution: Supporting engineering and construction partners who maintain high standards of site safety and promote responsible environmental management throughout their operations and subcontractor networks.

Responsible sourcing strategies BEIL may apply, where feasible

- i. Consider refurbished/remanufactured equipment/components with warranties/service SLAs where technically acceptable.
- ii. Encourage repair-first and life-extension approaches through spares standardisation and preventive maintenance support.
- iii. Prefer recycled/secondary materials and circular alternatives where compliant with specifications and regulatory requirements.
- iv. Apply Life Cycle Costing/Total Cost of Ownership (LCC/TCO) for equipment and O&M-intensive contracts where relevant.
- v. Promote local/MSME sourcing and supplier development where feasible while maintaining quality and compliance.

7. Principles as per Business Partner Code of Conduct

Partners are required to adhere to the principles laid down in the BPCOC under environmental responsibility, social commitment, and ethical business conduct.

8. Supplier Obligation, Monitoring and Audit Requirements

Partners shall ensure that they adhere to the Policy and BPCOC. The same shall be communicated to their employees, subsidiaries, business partners and subcontractors involved in providing services to the Company in the language known to them. Partners shall maintain appropriate documentation to demonstrate compliance with the Policy and BPCOC. Partners shall be subjected to audits conducted by the Company or authorized third-party audit partners. These audits include aspects of supplier operations, workplace safety, labour practices, environmental compliance, and supply chain traceability.

Where gaps or instances of non-compliance are identified, Business Partners may be required to implement corrective and preventive actions within agreed timelines. BEIL may consider the nature, severity, and recurrence of such issues when evaluating supplier performance, engagement status, and future sourcing decisions.

9. Reporting Concerns

Partners are expected to promptly report any violations of the Policy by making a protected and confidential disclosure through the reporting channel: whistleblower@beil.co.in

BEIL is dedicated to providing a safe reporting environment and strictly prohibits any form of retaliation or adverse treatment against anyone who reports a concern in good faith.

10. Amendments

The Policy shall be reviewed at least annually or earlier if required due to regulatory, operational, or business changes. The amendments to the Policy shall be reported to the Board of Directors for their review and approval.

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