

C.L Gupta Exports Ltd.



18 Km before Moradabad, Delhi Highway
Vill. Jivai, Amroha – 244221, India
Tel : +91 591 2477 000 Fax : +91 591 2477 300

Doc No.CLG/HR/2021-140/26

Supplier Management Policy

C.L. Gupta Exports Ltd. (herein referred to as either “company” or “CLG”) is committed to the fair and equitable treatment of suppliers, providing qualified suppliers with equal opportunity to grow their business. Supplier confidentiality is maintained by all the company employees in order to maintain high ethical standards and to support the creation of lasting supplier relationships.

In return, suppliers are expected to:

- Maintain the confidentiality of information provided by CLG.
- Conduct business ethically, without attempt to influence through gifts, entertainment, or favors that would create a conflict of interest.
- Advise CLG of product and process technology alternatives that would improve the purchase value.
- Partner with CLG to produce sustainable products using environmentally sustainable materials and processes.

To cover all major Purchase of Raw Material, Packaging Material, Utility and Job work from whom we are purchasing/taking more than 1000 (One thousand only) quantity or value is more than INR2,00,000 (Rupees one lacs only) whichever is higher.

The company is committed to being a sustainable business and aspires to be an overall positive contributor to our communities, people and the environment. We recognise that our performance depends on that of our suppliers and we aim to work in partnership with them in delivering shareholder value and in working towards our vision to create and sustain environments that enrich people’s lives.

Scope

Our suppliers include all organisations from which the CLG sources goods and services in the development and operation of our assets and in our corporate business activities.

We aim to build long-term collaborative partnerships with organisations that share our values and that are willing and capable of helping us achieve our aspirations. We expect our suppliers to share our commitment to sustainability and to be able to demonstrate how they fulfill this commitment, consistent with our policies.

We recognise that this involves us taking a broader view of value, valuing the social and environmental outcomes our suppliers are able to offer as well as the commercial outcomes. It also requires us to look at the value that will be delivered over the course of a supplier relationship. We believe that this approach results in mutual benefit, inspires innovation and will enable us to make best use of our suppliers’ knowledge and expertise.

We engage our suppliers by using a variety of different sourcing strategies and recognise that we need to find the balance between having a consistent approach across our supply chain





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and retaining flexibility that supports creative solutions. Therefore, whilst our goal is the same, our approach to engaging and managing our suppliers may vary.

Policy Statement

C.L. Gupta Exports Ltd. is committed to working in partnership with our suppliers / vendors to realise the full value of our relationships and to positively contribute to our business, partners, people and the environment.

To cover all major Purchase of Raw Material, Packaging Material, Utility and Job work from whom we are purchasing / taking more than 1000 (One thousand only) quantity or value is more than INR1,00,000 (Rupees one lacs only) whichever is higher.

This includes aiming to:

- Proactively engage with our suppliers / vendors with a focus on building trusting, co-operative and long-term relationships;
- Apply good governance to provide oversight and means through which the objectives of the process are monitored, audited and integrity is maintained;
- Define and apply appropriate sourcing methods in our procurement of goods and services, ensuring all capable suppliers / vendors have an equal access to opportunities to work with us;
- Deal with suppliers / vendors in good faith, ethically and responsibly, and make payments in accordance with agreed terms;
- When all other vetting requirements remain equal, give preference to suppliers / vendors that demonstrate a commitment to sustainably manage their business performance, with values complementary to our own;
- Set clear expectations for our suppliers / vendors regarding their sustainability performance and embed its minimum requirements within supplier / vendors contracts;
- Employ appropriate methods for assessing the performance of our key strategic suppliers / vendors and those engaged in higher risk activities and monitoring their progress over time;
- Encourage our key suppliers / vendors to make available high value, environmentally and socially responsible products and services as well as to improve the sustainability performance of their businesses

Supplier / Vendor Selection

Careful selection of suppliers / vendors should be done to ensure that best possible price, quality and delivery time available within the markets is obtained. A list of suitable suppliers / vendors (the list of pre-qualified suppliers / vendors), for each type of goods and services based on letters of introduction and past performance shall be maintained. This will make the process of supplier / vendor identification much faster.



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Once the duly signed requisition is received, the quote for a particular indent is taken from outside suppliers. Based on factors such as price, quality of goods/services, date of delivery, payment terms and others, as mentioned, supplier / vendor is selected for a particular indent. Selected supplier / vendors based on past performance are given preference for future similar indents / projects.

Supplier / Vendor Selection Criteria

The following set of criteria is essential for deciding on choice of suppliers / vendors:

- Price
- Capacity
- Quality of goods/services
- Availability of goods/services within the required delivery time
- After Sales service
- Financial stability of the supplier
- Payment terms
- Warranty offered
- Ability to provide samples
- Adoption of Safety and Legislative requirements in their plant (if applicable)
- Reliability of the material

While making assessment the grades to be awarded are as below:

- Gold: Above 90%
- Silver: 80 - 90%
- Bronze: 50 - 79%

Suppliers / vendors are rated on the basis of their performances as per the above grading system. The supplier / vendors who meet the above criteria are selected and assessment is done as per the annexure attached. The existing vendor / supplier are reevaluated periodically on the basis of their performance as per the set criteria on annual basis.

After the selection process, a confirmation is required from the supplier's side regarding the acceptance of company's code of conduct, policies & procedure and they shall act as per accordance. The company is committed to sourcing components and materials from suppliers that share the values expressed in our Code, which includes the respect of human rights. The company intends to work with suppliers / vendors so as to ensure total compliance with the law incorporating due diligence measures in our supply chains.

In case, any vendor / supplier is not able to meet up the expectations as prescribed in assessment form, the company will conduct a meeting with particular supplier / vendor and will share the feedback and the vendor's / supplier's shortcoming. The vendor / supplier is expected to share a set time plan for improvement in the required areas along with the necessary corrective actions.





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Revisions & Reviews

The policy will be reviewed as and when required and at least once during the year. Appropriate revisions shall be incorporated from time to time on the basis of reviews. Whenever, there will be difference in regards to interpretation on content of this policy with respect to Hindi and English versions, the English version of the policy will have an overriding impact.



Shweta.

[Signature]

[Signature]

Prepared by	Ms.Shweta Singh	Checked by	Mr.P.N Sahu	Approved by	Mr.Raghav Gupta
Date of last revision	08/02/2021	Original/ Revision	Revision	Version	1.1



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ANNEXURE-I

ASSESSMENT OF VENDOR

S.No.

Date:

1. Vendor Code no. :
2. Name of Vendor:
3. Address of Vendor.....
.....
4. PAN no. :
5. GST no. :
6. Type of vendor (**PI tick✓ any one**): Raw material/Consumable/Packing material/Job works/Others
7. Status of vendor (**PI tick✓ any one**):Public Ltd./Pvt Ltd./Partnership/Proprietorship/Individual
8. In business Since:
9. Assessment:

S.No.	Parameters	Levels	Score
1.	Price competitiveness	Lowest (3)/Medium (2)/Highest (1)	
2.	Delivery schedule	On time (3) /Late (2) /Too Late (1)	
3.	Quality (%)	Highest(3) /Medium (2) /Lowest (1)	
4.	Payment terms	Thirty days(3)/Seven days(2) Advance(1)	
5.	After Sales service	Satisfactory (3)/Average (2) /Unsatisfactory (1)	
6.	Child Labour	Yes (3)/No (1)	
7.	Forced and compulsory labour	Yes(3)/No(1)	
8.	Discrimination	Yes (3)/No (1)	
9.	Environment, Health & Safety issues	Minor (3) /Moderate (2)/ Major (1)	
10.	Freedom of Association and collective bargaining	Yes(3)/No(1)	
11.	Working Hrs.	(Normal (3)/Moderately high(2)/Highest(1)	
12.	Management System	(Best (3)/Good (2)/ Bad (1)	
	Total Assessment		



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Note: The scoring will be given as per the instructions above 3, 2, 1 accordingly. Total assessment (%) will be calculated with the total score obtained divided by 36 multiplied by 100 factor.

Risk Number	Grade
Above 90%	Gold
80% - 90%	Silver
50% - 79%	Bronze

Recommendations:

Signature of HR..... Signature of Assessor.....

Signature of Purchase Head.....



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ANNEXURE-II

Date:

M/s
.....
.....

Subject: Compliance Agreement with Vendor / Contractor

Dear Sir,

This is to inform you that we are doing business with M/s IKEA, WALMART, TARGET, WSI, NEXT, H & M & Pier-1 and fully complying with their business norms as prescribed by them and amended from time to time.

As per their business norms, we expect you to follow same norms at least to their minimum requirements for doing business with us.

We are attaching herewith following manuals/code of conducts of our honorable buyers for your reference:

- 1 – Minimum Requirement of IKEA, WALMART, TARGET, WSI, NEXT, H & M & Pier-1
- 2 – I-Way standard of IKEA;
- 3 – Code of conduct of WALMART, TARGET, WSI, NEXT, H & M & Pier-1;
- 4 – C-TPAT Rules & Regulations;
- 5 –Standards of Social Accountability -8000 & FT-USA like Child Labour, Health & Safety, Discrimination, Discipline Ethics, Working Hours and Wages Policy etc.

We sincerely request you to read these documents & follow in your establishments.

If you agree with the terms as above, please send us this letter duly acknowledged in token of your acceptance.

Thanking You,

For C.L. Gupta Exports Ltd.

(Authorized Signatory)

