

	Pheon Auto Tech Pvt Ltd	Format Ref.	F-MR-05
Format Name	Controlled Guidelines & Policies	Rev No/Dt	02/ 09.02.2022

Sec.	Description	Particulars			
1	Particulars	Type of Guideline	Policy ☒ Guidelines ☐		
		Name	Sustainable Procurement Policy		
		Ref.	G-P-05		
		Department	Purchase		
2	Purpose	At Pheon Auto Tech Pvt. Ltd., we recognize that our procurement decisions have a direct impact on the environment, society, and economy. This Sustainable Procurement Policy sets out our commitment to responsible sourcing, ethical supply chain practices, and the integration of Environmental, Social and Governance (ESG) considerations into all stages of the procurement lifecycle.			
3	Scope	This policy applies to: All procurement activities carried out by Pheon Auto Tech All employees involved in procurement, sourcing, contract management, and Supplier engagement All suppliers and service providers, both direct and indirect It applies across goods, services, and capital projects, and commitments.			
4	Owner	Group Manager – Purchase & Sourcing			

APPROVED

By MR at 2:30 pm, Sep 02, 2025

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5	Guideline / Policy
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1. Definition

Sustainable procurement:

The process of buying goods and services while considering their full environmental, social, and economic impacts, going beyond just price and quality to minimize negative effects and maximize positive outcomes for society and the planet, supporting goals like reducing waste, ensuring fair labor, and promoting long-term viability

Scope 1 Emission (Direct Emissions):

It covers GHG emissions from sources owned or controlled by the organization, such as fuel combustion in company vehicles, on-site boilers, or fugitive leaks from manufacturing equipment. In manufacturing, this often includes diesel generators, factory furnaces, or refrigerant leaks, making it the most directly controllable category.

Scope 2 Emission (Indirect Energy Emissions):

Indirect greenhouse gas (GHG) emissions from the generation of purchased energy, like electricity, steam, heat, and cooling, consumed by a company, even though the actual pollution happens at the utility's facility

Scope 3 Emission (Value Chain Emissions):

All indirect greenhouse gas (GHG) emissions occurring in a company's value chain, both upstream (suppliers) and downstream (customers), that aren't covered by direct (Scope 1) or purchased energy (Scope 2) emissions, including purchased goods, business travel, product use, and waste disposal, often representing the largest part of a company's carbon footprint.

2. Policy Statement

We aim to build a supply chain that:

- Minimizes environmental impacts
- Promotes social responsibility and ethical labor practices
- Delivers long-term value to our business and stakeholders

3. Our Commitments

3.1 Environmental Stewardship

- Source materials and services that reduce carbon emissions, energy consumption, and waste.
- Promote Suppliers using renewable energy, circular economy practices, and eco-certified products.
- Work with suppliers to reduce Scope 3 emissions and packaging waste as feasible.

3.2 Social Responsibility

- Avoid suppliers involved in child labor, forced labor, discrimination, or unsafe working conditions.
- Encourage inclusion of diverse suppliers, including women-owned and MSMEs.
- Promote fair wages, safe working environments, and freedom of association in supply chains.

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3.3 Ethics & Integrity

- Work only with suppliers that uphold anti-bribery, anti-corruption, and fair competition principles.
- Enforce a zero-tolerance policy for fraud or unethical conduct in procurement activities.
- Expect full compliance with our Code of Conduct and Whistleblower Policy.

3.4 Supplier Engagement & Transparency

- Require suppliers to sign and follow our Supplier Code of Conduct.
- Conduct audits, or self-disclosure questionnaires.
- Support suppliers with capacity-building and corrective action plans where needed.

4. Implementation Measures

- Embed sustainability criteria in RFPs, RFQs, and contracts where feasible
- Maintain a preferred Supplier list based on Audit.
- Set annual targets for:
 - % suppliers with signed Code of Conduct
 - % suppliers audit.

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Sec.	Description	Details			
		Particulars		From	Reference
6	Inputs				
7	Outputs				
8	Monitoring & Measurement	Frequency		KPI	Responsibility
		Annual		100% New Suppliers with signed Code of Conduct	Purchase & Sourcing
9	Revision History	Rev No.	Details of Revision	Date	DCR No.
		00	INITIAL RELEASE	01.09.2025	
		01			
10	Format Usage Related	Format Template Loc.	Not Applicable		
		Document Retention Format	Policies	To be Stamped and Signed by MD and then Retained in PDF Format.	
			Guidelines	Controlled Document to be retained in PDF Format	
		Document Retention Loc.	PAT Systems Data > PAT - Document Resource > Controlled - PAT - Guidelines and Policies > Purchase (P) Related > Controlled G-P-05 - Sustainable Procurement Policy		
		Retention Period	Perpetual		
		Circulation	MD, MIS, Group Manager - Purchase& Sourcing		
11	Abbreviations	RFP	Request For Proposal		
		RFQ	Request For Quotation		
12	Document Control	Particulars	Name	Date	Sign
		Prepared By	Raman Singh	01.09.2025	
		Approved By	Gaurav Singhal 	01.09.2025	
		Controlled By	Mayank Mishra	01.09.2025	

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