

Holistic Green Sourcing Policy

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1. Introduction

At Rakheja Enterprises LLP, we are committed to implementing sustainable and environmentally friendly sourcing practices throughout our textile supply chain. This Holistic Green Sourcing Policy emphasizes the use of eco-friendly materials, ethical production processes, and responsible supplier partnerships to minimize our environmental impact and promote sustainability in the textile industry.

2. Planned objectives

- To prioritize the use of organic, recycled, and eco-friendly fibers in our textile production.
- To ensure all stages of production adhere to fair labor practices and environmental standards.
- To implement water-efficient processes and promote water recycling in textile manufacturing.
- To minimize the use of harmful chemicals and promote safer alternatives in textile processing.
- To implement circular economy principles to reduce waste and promote recycling in our supply chain.
- To maintain clear communication about our sourcing practices and environmental impact.

3. Scope

This policy applies to all our manufacturing facilities and encompasses all employees (at all level), stakeholders, partners, contractors, customers, suppliers, and any other individuals or entities acting on behalf of Rakheja Enterprises LLP.

Rakheja Enterprises	Plot No. 132, Udyog Vihar, Phase-I, Gurugram, Haryana, India- 122016.
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4. Certified Sustainable: A badge of honor

Our suppliers earn this certification only if they align with Rakheja's ESG criteria, demonstrating their commitment to Environmental, Social, and Governance standards. This badge signifies their adherence to our rigorous sustainability and ethical benchmarks.

5. Rakheja's procurement key focus area

➤ **Supplier's Environmental issue:**

- We are focusing to evaluating and selecting suppliers based on their commitment to sustainable and environmentally friendly practices.
- We are committed to selecting suppliers who adhere to rigorous environmental standards, ensuring their practices align with our sustainability goals and regulatory requirements.
- We prioritize working with suppliers who demonstrate effective measures for reducing their environmental footprint and managing resources responsibly.
- We focus on assessing suppliers' adherence to environmental regulations and their efforts to minimize waste and emissions.
- We emphasize requiring suppliers to provide transparent environmental performance data and sustainability certifications.

➤ **Supplier's Social issue:**

- We are committed to partnering with suppliers who uphold high standards of social responsibility, including fair labor practices and worker rights.
- We are committed to engaging with suppliers who uphold high standards of social responsibility, including fair labor practices, worker safety, and community impact.
- We prioritize engaging with suppliers who provide safe working conditions and equitable treatment for all employees.

→ We focus on evaluating suppliers based on their contributions to local communities and their adherence to human rights standards.

➤ **Supplier's Ethical Conduct:**

→ We are committed to ensuring that our suppliers operate with the highest standards of ethical conduct, including integrity, transparency, and anti-corruption measures.

→ We prioritize selecting suppliers who have strong anti-bribery and anti-corruption policies in place, ensuring ethical business practices across all operations.

→ We focus on evaluating suppliers based on their adherence to ethical business practices and their commitment to maintaining transparency in their dealings.

6. Rakheja's procurement strategies

➤ **Supplier's Environmental issue:**

→ We aim to evaluate suppliers' environmental performance using sustainability assessment tools and enforce compliance with our environmental standards.

→ Our commitment is to require suppliers to demonstrate their environmental management practices through certifications such as ISO 14001 and regular environmental audits.

→ We strive to collaborate with suppliers to develop and implement sustainable practices, such as waste reduction and energy efficiency, by providing guidance and resources.

➤ **Supplier's Social issue:**

→ We aim to assess suppliers' social responsibility practices using tools like Sedex to ensure they uphold fair labor practices and human rights standards.

→ Our commitment is to require suppliers to comply with international labor standards and provide evidence of their adherence to policies on worker safety, fair wages, and non-discrimination.

- We strive to engage with suppliers to address social issues by supporting initiatives that promote employee well-being, community development, and ethical labor practices.
- We aim to incorporate social responsibility criteria into our supplier evaluation process, ensuring that all selected suppliers meet our ethical and social standards.

➤ **Supplier's Ethical Conduct:**

- We aim to implement a supplier code of conduct that includes ethical guidelines and anti-corruption measures, and require all suppliers to acknowledge and comply with these standards.
- Our commitment is to conduct thorough due diligence on potential suppliers using ethics assessment tools and background checks to ensure they adhere to our ethical standards.
- We strive to establish a transparent reporting system for suppliers to disclose any ethical concerns or breaches, providing a clear process for investigation and resolution.
- We aim to provide ethics training and resources to suppliers to promote awareness and adherence to our ethical policies and industry best practices.

7. Rakheja's procurement targets

➤ **Supplier's Environmental issue:**

- By 2029-30, we aim to ensure 100% of our suppliers comply with our environmental standards, compared to the baseline year 2022-23.
- Our goal is to increase the number of suppliers with certified environmental management systems by 50% by 2029-30, relative to the baseline year 2022-23.
- We plan to conduct environmental audits for 100% of key suppliers by 2029-30, based on the baseline year 2022-23.

- By 2029-30, we aim to reduce the environmental impact of our supply chain by 25%, compared to the baseline year 2022-23.
- We target a 40% increase in the use of environmentally friendly materials by our suppliers by 2029-30, relative to the baseline year 2022-23.

➤ **Supplier's Social issue:**

- By 2029-30, we aim to achieve 100% compliance with our social responsibility standards among our suppliers, based on the baseline year 2022-23.
- Our goal is to increase the number of suppliers conducting regular social impact assessments by 50% by 2029-30, compared to the baseline year 2022-23.
- We plan to enhance our supplier social audits to cover 100% of our key suppliers by 2029-30, relative to the baseline year 2022-23.
- By 2029-30, we aim to reduce instances of reported social non-compliance in our supply chain by 30%, using the baseline year 2022-23.

➤ **Supplier's Ethical Conduct:**

- We aim to achieve 100% compliance with our ethical standards among suppliers by 2029-30, relative to the baseline year 2022-23.
- By 2029-30, we plan to increase the number of suppliers with anti-corruption and ethics training programs by 40%, based on the baseline year 2022-23.
- Our goal is to conduct ethics audits for 100% of high-risk suppliers by 2029-30, compared to the baseline year 2022-23.
- We aim to reduce reported ethical violations within our supply chain by 50% by 2029-30, relative to the baseline year 2022-23.

8. General Targets

- Provide structured training on sustainable procurement principles, ESG risk assessment, ethical sourcing, and supplier engagement to 100% of relevant

employees by 2029-30, using 2022-23 as the baseline year, to promote responsible procurement practices across the organization.

- Conduct ESG on-site supplier audits and supplier self-assessments covering 100% of suppliers by 2029-30, compared to the 2022-23 baseline, to ensure comprehensive evaluation of sustainability performance across the supply chain.
- Verify that 100% of suppliers comply with applicable environmental, social, and ethical laws, regulations, and standards by 2029-30, relative to the 2022-23 baseline year.
- Organize regular ESG-focused training sessions and capacity-building workshops covering 100% of suppliers by 2029-30, based on the 2022-23 baseline, to strengthen supplier awareness and capabilities in sustainability, labor rights, ethical conduct, and environmental responsibility, thereby enabling continuous improvement across the value chain

9. Other targets:

1. We prioritize equitable pricing to ensure fair compensation for textile workers and aim to increase fair trade-certified textile procurement by 25% by FY 2029-30 from the baseline FY 2022-23.
2. To support small and medium-sized textile enterprises, we have introduced a supplier development initiative, aiming to boost SME participation by 30% by FY 2029-30 from the baseline FY 2022-23.
3. We commit to providing ESG training to 100% of our suppliers, ensuring all are educated on our sustainability and ethical standards by FY 2029-30.
4. We aim to award certification to all suppliers who meet Rakheja's ESG criteria, ensuring 100% compliance by FY 2029-30.

10. Responsibility

1. Senior Management

- **Strategic Oversight:** Ensure the implementation and effectiveness of sustainable procurement strategies aligned with the company's sustainability commitments and business objectives.
- **Resource Allocation:** Allocate adequate resources to support responsible sourcing and sustainable procurement initiatives.
- **Stakeholder Engagement:** Engage with suppliers, industry associations, and regulatory bodies to promote responsible sourcing practices and remain informed about emerging sustainability requirements.
- **Risk Management:** Oversee supply chain risks related to environmental, social, and ethical issues and ensure appropriate mitigation measures are implemented.

2. Sourcing and Procurement Team

- **Policy Implementation:** Implement the sustainable procurement policy across sourcing and supplier management processes.
- **Supplier Evaluation:** Integrate environmental, social, and ethical criteria into supplier selection, evaluation, and performance monitoring.
- **Supplier Engagement:** Communicate sustainability expectations to suppliers and encourage adoption of responsible business practices.
- **Monitoring and Reporting:** Monitor supplier performance related to sustainability requirements and report progress to management.
- **Continuous Improvement:** Identify opportunities to improve responsible sourcing practices and promote sustainable procurement within the supply chain.

3. Sustainability & Compliance Officer

- **Compliance Monitoring:** Monitor supplier compliance with the company's sustainability standards, codes of conduct, and applicable regulations.

- **Audit and Assessment:** Conduct supplier assessments or audits to evaluate environmental, social, and ethical performance.
- **Risk Identification:** Identify and assess supply chain risks related to human rights, environmental impacts, and ethical business practices.
- **Policy Improvement:** Recommend updates to sustainable procurement practices based on audit findings, risk assessments, and evolving sustainability standards.

4. Department heads

- **Responsible Purchasing:** Ensure procurement decisions within their departments consider sustainability, ethical sourcing, and environmental impact.
- **Supplier Collaboration:** Work with procurement teams to identify suppliers that align with the company's sustainability expectations.
- **Performance Monitoring:** Support monitoring of supplier performance related to sustainability objectives.

5. Employees

- **Policy Compliance:** Follow sustainable procurement guidelines and support responsible purchasing practices.
- **Awareness and Participation:** Participate in training programs related to responsible sourcing and supply chain sustainability.
- **Reporting Concerns:** Report concerns related to supplier practices, ethical issues, or sustainability risks through established channels.

11. Reporting

Transparent and regular reporting is essential for monitoring the effectiveness of our Holistic Green Sourcing Policy, ensuring accountability, and promoting continuous improvement. The following reporting procedures are implemented:

1. Regular Sourcing Performance Reports

We conduct annual evaluations of our sourcing practices, gathering data on key metrics outlined in our Holistic Green Sourcing Policy. These reports provide a comprehensive assessment of compliance with ethical and environmental standards, supplier performance, and progress towards our sustainability objectives. They include:

- **Compliance Evaluation:** Assessment of adherence to the policy's principles, including labor standards, environmental impact, and supplier code of conduct.
- **Progress Tracking:** Measurement of achievements against our policy objectives, such as the percentage of sustainable materials used, waste reduction, and energy efficiency improvements.

2. Internal Audits

Internal audits are conducted to evaluate compliance with the Holistic Green Sourcing Policy and the effectiveness of our sourcing management systems. These audits:

- **Assess Policy Adherence:** Evaluate the extent to which sourcing activities comply with established policies and procedures.
- **Identify Improvement Areas:** Highlight areas requiring corrective actions and opportunities for enhancing our sourcing practices.

3. Stakeholder Engagement

We actively engage with stakeholders, including employees, suppliers, customers, and industry experts, to:

- **Solicit Feedback:** Gather input on our sourcing practices, policy effectiveness, and areas for improvement.
- **Address Concerns:** Respond to stakeholder inquiries and concerns, ensuring that their perspectives are considered in our sourcing decisions.
- **Communicate Performance:** Share updates on our sourcing practices, policy changes, and sustainability achievements.

12. Continuous Improvement

We will regularly review and update our sourcing practices based on performance data, stakeholder feedback, and emerging sustainability trends. Each year, we will conduct comprehensive assessments to identify opportunities for enhancing our environmental and social impact. We will integrate new technologies and innovative solutions to further reduce our carbon footprint, optimize resource use, and improve supplier practices. Our commitment to ongoing training for employees and suppliers will ensure adherence to evolving best practices. By maintaining an open dialogue with stakeholders and incorporating their insights, we will continuously refine our strategies to achieve superior sustainability outcomes and drive progress in our textile supply chain.

13. Review Cycle

The Sustainability and Compliance Officer is responsible for overseeing a biennial review cycle of our Holistic Green Sourcing policy to ensure its effectiveness and relevance. This review will involve a comprehensive assessment of policy adherence, including environmental and social impacts. The Sustainability & Compliance Officer will analyse performance data, audit results, and stakeholder feedback to identify areas for improvement. They will update the policy to reflect new regulatory requirements, industry standards, and emerging best practices. Additionally, the Sustainability and Compliance Officer will communicate any changes to relevant parties and ensure the revised policy is effectively implemented across all operations. This biennial review process is essential for maintaining high standards of compliance and driving continuous improvement in our sourcing practices.

Revision No.	Date	Description of Change
0.0	02/01/2023	Initial release of Holistic Green Sourcing Policy
1.0	01/01/2024	Introduction of qualitative and quantitative Green Sourcing targets
2.0	01/01/2025	Addition of the General Targets, along with a review and update of Green Sourcing targets and strengthening of the review mechanism.
3.0 (Planned)	01/01/2027	Scheduled policy review in line with the defined review cycle.

Rakheja	Designation	Last Review Date	Signature
Prepared by:	General Manager	01-01-2025	For RAKHEJA ENTERPRISES LLP <i>Amit</i> Authorised Signatory
Approved by:	CEO	01-01-2025	For RAKHEJA ENTERPRISES LLP <i>[Signature]</i> Authorised Signatory

14. Acknowledgement by Employee

I acknowledge that I have received, read, and understood Rakheja Enterprises LLP's Holistic Green Sourcing Policy. I am aware of the principles and guidelines outlined in the policy, including our commitment to sustainable materials, ethical production practices, water conservation, chemical management, waste reduction, and transparency.

I understand that it is my responsibility to adhere to these practices in my role and to report any concerns or violations related to our sourcing practices. I also recognize that failure to comply with the policy may result in disciplinary action.

By signing this form, I confirm my commitment to upholding the standards set forth in the Holistic Green Sourcing Policy and contributing to the company's sustainability goals.

Employee Name	Umang Kumar
Acknowledgement Date	02-01-2025
Signature	