



MOTILAL OSWAL FINANCIAL SERVICES LIMITED
SUSTAINABLE SOURCING AND PREFERENTIAL PROCUREMENT POLICY

VERSION DETAILS

Sr. No.	Details of Changes	Date of Creation/ Change	Department	Author	Version Number	Approved/ Ratified By
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1. Purpose

This sustainable sourcing and preferential procurement policy reflect our commitment to promoting economic empowerment, transformation, and sustainable development. By adhering to the principles and objectives outlined in this policy, we aim to create a more inclusive and prosperous supply chain for the benefit of our organization and society as a whole.

2. Introduction

The organization is committed to promoting economic development, job creation, and empowerment within our communities. As part of this commitment, we have developed this sustainable sourcing and preferential procurement policy to guide our purchasing decisions and promote the inclusion of historically disadvantaged individuals and businesses in our supply chain.

Motilal Oswal Financial Services Ltd. (herein referred to as “The Company” or “MOFSL”) is committed to adopting the standard sustainability practices in adherence with various environmental, social and governance guidelines when procuring goods and / or services. The Company intends to be associated only with supply chain partners that are willing to maintain the standards and dynamically evolving labor practices while upholding basic human rights.

As a forward-looking business strategy, we endeavor to help develop a robust supply chain which can adapt to risks or opportunities coming from the regulatory, enviro-social, and technical trends.

3. Policy Scope

This policy applies to all procurement activities undertaken by our organization, including the acquisition of goods, services, and works.

4. Policy Objectives

The objectives of this sustainable sourcing and preferential procurement Policy are to:

- Minimize the ecological footprint of sourcing activities by reducing carbon emissions, preserving biodiversity, conserving water resources, and avoiding deforestation.
- Promote the economic empowerment of historically disadvantaged individuals and businesses.
- Ensure fair labor practices, safe working conditions, and respecting human rights throughout the supply chain. This includes fair wages, reasonable working hours, and no child labor.
- Foster the development and growth of Micro, Small & Medium Enterprises (MSMEs).
- Enhance competition, innovation, and efficiency in our supply chain.

- Facilitate local sourcing initiatives to support community development and economic resilience.

5. Policy Principles

- **Environmental Responsibility:** Company's aim to source goods and services from suppliers who adhere to environmental standards and practices that minimize negative environmental impacts. This includes reducing carbon footprint, conserving natural resources, and promoting sustainable plantation and forestry practices.
The company shall procure, to the extent possible, the goods /products and services which are recycled, eco-friendly, energy efficient and sourced locally, from within the district and neighboring districts.
- **Social Impact:** Company's prioritize suppliers who uphold fair labor practices, promote diversity and inclusion, and ensure safe working conditions for employees. This also extends to respecting human rights and supporting communities where suppliers operate.
- **Fairness and Transparency:** Procurement decisions will be made in a fair, transparent, and impartial manner, with due regard to the principles of fairness, equity, and integrity.
- **Value for Money:** The Company will seek to obtain value for money in all procurement transactions, balancing cost considerations with quality, service delivery, and socio-economic objectives.
- **Preference for Historically Disadvantaged Suppliers:** Where feasible and in line with operational requirements, preference will be given to suppliers that meet the criteria for historically disadvantaged status.
- **Local Sourcing:** The Company will prioritize the sourcing of goods and services from local suppliers, where feasible, to support community development and economic resilience.
- **Compliance:** The Company shall ensure compliance with all applicable legislation, regulations, and contractual requirements throughout the procurement process.
- **Continuous Improvement:** The Company shall continually review and improve procurement processes to enhance efficiency, effectiveness, and compliance with policy objectives.

6. Policy Implementation

To implement this Policy, the following measures will be taken:

- **Adherence of environmental standards:** The Company shall adhere environmental standards and practices that ensure minimize negative environmental impacts reducing carbon footprint at Company level and also encourage vendors to adopt the same.

- **Social safety and respecting human rights:** The Company shall uphold fair labor practices, promote diversity, ensure safe working conditions for employees including respect for human rights.
- **Supplier Development:** The Company shall actively support the development and capacity-building of historically disadvantaged suppliers through mentorship, training, and access to resources.
- **Preferential Procurement:** The Company shall regularly review its procurement processes and implement necessary adjustments to uphold environmental, social & ethical standards.
- **Local Sourcing Initiatives:** The Company shall actively seek out opportunities to source goods and services locally, engaging with local suppliers and communities to identify and develop partnerships.
- **Monitoring and Reporting:** The Company shall monitor and report, if required, on our procurement practices, including the level of spend with historically disadvantaged suppliers and the impact of our initiatives on economic empowerment.
- **Stakeholder Engagement:** The Company will engage with relevant stakeholders, including suppliers, industry associations, to promote collaboration and alignment with our policy objectives.

6. Sustainable Sourcing:

- MOFSL shall comply with all the applicable environmental laws and regulations.
- The Company will ensure mandatory compliance of its suppliers and vendors on the following ESG aspects: -
 - Adoption of environmentally and socially responsible practices.
 - Health & Safety standards.
 - Human Rights.
 - Applicable labor laws to have a zero tolerance on all forms of child or forced labor.
 - Diversity, equity, and inclusion policies wherever applicable.
 - Respect for collective bargaining rights.
 - Maintaining data privacy and take appropriate measures to ensure prevention of breaches.
 - Adherence to anti-corruption / anti-bribery and code of ethics.
- MOFSL shall encourage its Suppliers / vendors to undertake periodic ESG training to update themselves to the latest norms and regulations.
- The company shall engage with its suppliers through transparent communication methods disclosing its ESG approach and in turn help raise ESG awareness and improve supplier performance.
- The suppliers will adhere to supplier code of conduct by maintaining high standards of ethics, labor practices, fair treatment of their employees and safe working conditions.

7. **Policy Review**

This sustainable sourcing and preferential procurement policy shall be reviewed periodically as and when required to ensure its continued relevance, effectiveness, and alignment with our organizational goals and external requirements.
