



Clean Max Enviro Energy Solutions Limited
Procurement Policy

Description	The policy is to provide rules and guidelines to be adopted and followed by Clean Max Enviro Energy Solutions Limited, it its subsidiaries, and joint ventures (“ CMES ” or “ Organization ”), its employees, and any third-party contractors appointed by CMES (to the extent as set out in this document).
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Versions and History

Version	Date	Summary of Changes
1.0	12 November 2024	Version 1

Contents

1. Overview.....	2
1.1 Purpose/Objectives.....	2
1.2 Scope and Exclusions	2
1.3 Related Policies and Forms	2
1.4 Currency	3
1.5 Functional Responsibilities.....	3
 2. Overview of the Procurement Process.....	 4
2.1 CAPEX – Procurement Process	4
2.2 OPEX – Procurement Process:	5
 3. Supplier Selection Process	 6
3.1 Competitive Procurement Process	6
3.2 Sole Source Procurement Process	7
3.3 Overview of Roles.....	7
3.4 Exceptions to Supplier Selection Process.....	8
 4. Contracting and Legal Requirements.....	 8
4.1 Overview of the Contractual Process.....	8
4.2 Risk Rating	8
4.3 Contractual Terms.....	9
 5. Roles and Responsibilities.....	 9
5.1 Policy Owner.....	9
5.2 Policy Accountability	9
5.4 Compliance	9
 APPENDIX A	 11
Procurement Process Procedures	11
 2. Accounts Payable	 12
2.1 Goods Receipts or Provision of Services	12
2.2 Invoice Processing	12

1. Overview

This policy applies to all the companies and affiliates of the **Clean Max Enviro Energy Solutions Ltd. Operating Business (CleanMax)**. It is intended to control, guide, and serve as a reference to all employees of CleanMax to perform, or who are involved in any way with Procurement functions.

This Procurement Policy (the “Policy”) commits the Organization and every individual involved in purchasing and supply management processes within the Organization, to conduct purchasing and contracting activities in a manner that is:

- Compliant with laws, regulations, and the Organization’s policies and procedures.
- Accountable and auditable.
- Ethical, environmentally, and socially responsible; and
- Cost effective.

1.1 Purpose/Objectives

The purpose of the Policy is to establish guidelines for all procurement activities, including the planning, acquisition, and management of goods, supplies, expendable property, plant and equipment, and services by the Organization (each such procurement activity governed by this Policy, a “Procurement Activity” and each third party providing such products, goods or services governed by this Policy, a “Supplier”). The principal objectives of the Policy are the following:

- Providing a framework for disciplined procurement decision-making that focuses on value enhancement and cost reduction that aligns corporate social responsibility (including operating health, safety, security, and environmental protection requirements) with investment risk and meets the needs of external and internal clients.
- Defining responsibilities for Procurement Activities.
- Implementing appropriate internal controls and audit trail processes, including regular reporting of Procurement Activity to assess performance; and
- Promoting strong corporate governance and effective oversight across all Procurement Activities.

1.2 Scope and Exclusions

This Policy applies to the CleanMax operating business (CleanMax) and all its controlled subsidiaries, employees, and consultants when conducting any Procurement Activity, regardless of rupee value.

The following nature of expenses are considered exclusions.

1. For Individual Expense reimbursements, please refer to the **Travel and Expense Policy**.
2. Site Expense advance and reimbursements, please refer to **Petty Cash Policy**.
3. Statutory payments like Employee State Insurance (ESI), Provident Fund (PF), Tax Deducted at Source (TDS), With Holding Tax (WHT), Income tax, Goods and Services Tax (GST), Professional tax.

1.3 Related Policies and Forms

This Policy should be read in conjunction with the various related CleanMax policies and procedures, where applicable, including but not limited to:

- CleanMax's Code of Business Conduct and Ethics.
- CleanMax Anti-Bribery and Anti-Corruption Policy and related procedures and guidelines.
- CleanMax's Delegation of Authority and Commitment Policy ("DOA Policy").
- CleanMax's Travel and Entertainment Expense Policy.
- CleanMax's Health, Safety, Security, and Environmental Policy including Contractor's. Health, Safety, Security and Environmental Obligations.
- CleanMax's Donations and Corporate Social Responsibility (CSR) Policy.
- CleanMax's Third-Party Due Diligence Procedure.

1.4 Currency

All monetary values presented in this Procurement Policy represent Indian Rupee (INR), as applicable in the circumstance, unless otherwise indicated. The currency that will apply in each case will be the currency in which the expense or commitment is incurred or set to be incurred.

1.5 Functional Responsibilities

Each Procurement Activity undertaken pursuant to this Policy should involve the following three functional departments which should be collaborating with one another throughout the process.

1.5.1 The department with which the request for the Procurement Activity originates (the "Requestor")

- Makes the initial request for the Procurement Activity and provides guidance and direction as to the objectives and parameters of the Procurement Activity.
- Ensures the Procurement Activity conducted by the department adheres to this Policy and all other policies of the Organization and reflects the corporate strategy and objectives of the Organization, with a focus on operating risk mitigation, cost reduction, and strong internal controls.

1.5.2 Procurement Department

- Establishes and maintains the CleanMax Operating Business (CleanMax) procurement strategy and objectives under the direction and oversight of the **Chief Procurement Officer** along with the other members of CleanMax's senior management.
- Designs and executes objective procurement processes that are consistent with this Policy and the procurement strategy and objectives of the Organization.
- Leverages CleanMax's global business to optimize processes.

1.5.3 Legal Department

- Participates in the procurement process with the above departments and provides legal advice as necessary or required.
- Drafts, reviews, and participates in the negotiation of legal and commercial terms for Procurement Activity contracts as set out herein.
- Creates and maintains templates for Procurement Activity contracts containing the Organization's preferred terms and conditions.

2. Overview of the Procurement Process

The general steps applicable to any Procurement Activity are as follows. All Procurement Activities conducted pursuant to this Policy should be made through the Organization's ERP system ("SAP") and in compliance with this Policy and should not be made using cash or cash equivalents. If petty cash funds are necessary, they should be disbursed in accordance with the guidelines of the Petty Cash Policy.

The CAPEX procurement process is defined below:

CAPEX – Capital Expenditure (CAPEX) is the cost incurred for developing or improving a fixed company asset or business that creates a benefit in the future.

Capital expenditures include the following:

- Development and Construction Projects
- Mergers and Acquisitions and related matters
- Sustaining Capital and Major Maintenance
- Information Technology Projects and Expenditures and
- Dispositions.

OPEX – An Operating Expense (OPEX) is an expense required for the day-to-day functioning of a business. Any procurement activity that is not covered under CAPEX is considered OPEX.

2.1 CAPEX – Procurement Process:

2.1.1 Step One – Kick-off/Launch meeting.

If the project is approved under PMFC/MIC, no kick-off meeting is required. The approval itself is to be considered as the Kick-off meeting.

2.1.2 Step Two – Supplier Selection

The Requestor, with the support of the Procurement Department as applicable, will determine and conduct the appropriate Supplier selection process pursuant to Section 3 below, based on the estimated value of the Procurement Activity.

2.1.3 Step Three – Approvals

A) Investment Requisition Form ("IRF")

Projects approved under the PMFC/MIC will not be required to have IRF.

B) Purchase Requisition ("P.R.")

A Purchase Requisition (P.R.) should be created by the Requestor for all Procurement Activities in SAP and approved as per the Annexure 1: Section 1 subsequently the supplier creation procedures to be followed as per section 3.4 The P.R. precedes the creation of a Purchase Order and contains information such as the Requestor, vendor details, the purchase price of the goods or services to be procured, coding, and a description of the goods/services being procured.

C) Purchase Order ("P.O.")

Once the Supplier selection process is complete and a P.R. has been approved, the Procurement Department should create a Purchase Order (P.O). The P.O. is created as per the given process in the Annexure-1 which will be followed once the project is approved under PMFC/MIC

2.1.4 Step Four – Contract Review and Execution

Once the above steps have been completed, the contract applicable to the Procurement Activity should be reviewed and executed in accordance with Section 4 below.

2.2 OPEX – Procurement Process:

2.2.1 Step One – Kick-off/Launch meeting.

At the beginning of each financial year, budgets for all operational sites shall be prepared and approved by the Management Committee. For power plants that commence operations in the midst of the financial year, budgets for the remaining period shall be prepared and approved.

2.2.2 Step Two – Supplier Selection

The Requestor, with the support of the Procurement Department as applicable, will determine and conduct the appropriate Supplier selection process pursuant to Section 3 below, based on the estimated value of the Procurement Activity.

2.2.3 Step Three – Approvals

A) Investment Requisition Form ("IRF")

Procurements approved by the Management Committee will not be required to have IRF. Any deviation from the approved budget, shall be approved as per DOA.

B) Purchase Requisition ("P.R.")

A Purchase Requisition (P.R.) should be created by the Requestor for all Procurement Activities in SAP and approved as per the Annexure 2 subsequently the supplier creation procedures to be followed as per section 3.4 The P.R. precedes the creation of a Purchase Order and contains information such as the Requestor, vendor details, the purchase price of the goods or services to be procured, coding, and a description of the goods/services being procured.

C) Purchase Order ("P.O.")

Once the Supplier selection process is complete and a P.R. has been approved, the Procurement Department should create a Purchase Order (P.O). The P.O. is created as per the given process in the Annexure-2 which will be followed once the budget/s are approved by the Management Committee.

2.2.4 Step Four – Contract Review and Execution

Once the above steps have been completed, the contract applicable to the Procurement Activity should be reviewed and executed in accordance with Section 4 below.

2.3 Exceptions to Purchase Order Creation

Purchase order against all Procurement activities must be created through SAP, only Exempting PO creation for payments made directly to government entities for taxes (both direct and indirect), government levies, other statutory payments as required by law and site administration petty cash procurement.

3. Supplier Selection Process

CleanMax is committed to partnering with Suppliers who align with our values and standards, in order to ensure the same, all Suppliers are to be vetted and evaluated in terms of their reputation, financial stability, technical capabilities, past performance, and adherence to ethical business practices. Onboarding vendors shall involve primary due diligence and ongoing monitoring to ensure compliance with our policies, and regulations like CleanMax's ABC policy, HSSE policy, etc. Refer to Appendix C for detailed procedure for Supplier Assessment, Performance & Periodic Audit.

The applicable process for selecting Suppliers is based on the value and nature of the goods or services being procured. There are two main Supplier selection processes to be employed for Procurement Activities covered by this Policy: competitive proposal procurement and sole source procurement. Whenever possible, competitive proposal procurement is encouraged.

Unless otherwise justified pursuant to this Policy, Procurement Activities that have a total value of more than INR 5,00,000 per PO should be subject to a competitive proposal process. The number of proposals required is set forth below.

Total Value of Contract (PO)	Minimum Number of Proposals
< INR 5,00,000	1 Proposal (Sole source authorized) with justification.
≥ INR 5,00,000	3 Proposals (competitive proposal procurement), If less than 3 proposals then proper justification to be provided as per Annexure 1 section 3.
≥ INR 50,00,000	The reverse auction is to be carried out as per the E-Bidding Policy

The aggregate value of Procurement Activity cannot be split up to avoid bid requirements.

Dividing the value of a Procurement Activity into two or more parts to evade a limit of authority is prohibited and is a violation of this Policy and the DOA Policy. A series of reasonably related Procurement Activities shall be treated as a single transaction for purposes of determining approval and authority levels required under this Policy.

Changes to a Procurement Activity

If a change to a Procurement Activity, including by way of a change order or otherwise, results in the total value of the contract related to such Procurement Activity being increased such that additional bids would have been required pursuant to this section, the Requestor should seek advice from the Chief Procurement Officer, who should make a determination as to whether the Requestor should apply a different Supplier selection process for the additional goods and services to be procured.

3.1 Contracts exceeding INR 5,00,000 – Competitive Procurement Process

3.1.1 General Process and Objectives

A competitive procurement process requires a formal written proposal to be solicited from a

minimum of three (3) Suppliers. The purpose of the competitive process is to ensure the procurement is cost effective, in line with the policy's objectives and other favorable terms while providing fair opportunities to Suppliers submitting proposals. Steps applicable to a competitive procurement process can be found in the Procurement Process Procedures (Refer to Annexure-1). All documentation related to Supplier selection in a competitive procurement process should be retained with the Procurement team.

3.1.2. Ethical and Fairness Considerations

The Organization is committed to conducting fair and ethical competitive procurement processes. An offer to submit a proposal should only be extended to Suppliers whom the Organization believes have the knowledge and capability to perform the work required by the opportunity. The Procurement Process Procedures include guidelines, criteria and processes that reflect the following principles, among others:

- ›› Objective, unbiased, and fair processes between potential Suppliers relating to disclosure of Procurement Activity information, requirements/deadlines, access to Organization, Q&A.
- ›› Protection of Suppliers' confidential information.
- ›› Compliance with the Organization's different relevant Policies including but not limited to ABC Policy, HSSE Policy and ESG Policy.
- ›› Ethical, environmentally and socially responsible.

3.2 Sole Source Procurement Process

3.2.1 General Process and Objectives

Sole source procurement is a procurement process by which a contract is entered with a Supplier in connection with a Procurement Activity without a competitive procurement process taking place. Sole source procurement is typically the preferred procurement process across the Organization for securing goods or services of a low value. Sole source procurement is authorized under this Policy for any Procurement Activity where the total value is under **INR 5,00,000**. Where the total contract value for a Procurement Activity is over **INR 5,00,000** sole source procurement must be authorized and documented pursuant to Section 3.4 below.

3.3 Overview of Roles

The following is a general overview of the roles of each party in the procurement processes:

3.3.1 Requestor:

- ›› Provide the Procurement Department with a list of Approved Supplier/s.
- ›› Provide technical requirements and support negotiations.

3.3.2 Procurement Department:

- ›› Manage the procurement process, be it sole source, competitive or E-bidding.
- ›› Develop the negotiation mandate to ensure internal stakeholder alignment and buy-in (technical requirements, budget, contractual /legal expectations & agreement/contract templates)

›› Drive the commercial negotiations assist the legal department in the negotiation of legal terms and support the technical discussions.

3.3.3 Legal Department:

›› Provide legal advice as required and provide support as set out in Section 4 below.

3.4 Exceptions to Supplier Selection Process

3.4.1 Deviation Justification:

A Requestor may request a deviation to the Supplier selection processes set forth in this Section 3 (e.g., reducing the minimum number of bids required or sole sourcing above **INR 5,00,000**) by getting it approved as per Approval Matrix set forth in Annexure 1: Section 3.

3.4.2 Emergency Procurement:

In the event of an emergency where the requirements set forth in this Policy cannot be complied with (such as in the case of a credible threat to health, safety, security, the environment or the maintenance of essential company services) and response to the emergency requires the immediate procurement of goods and/or services, such goods and/or services as is deemed necessary to remedy the emergency may be procured by the department responding to the emergency. Such emergency procurement should be approved via email in accordance with the DOA Policy. The relevant details surrounding the emergency, along with the approved requisitions, should then be included in a report and submitted within 48 hours to the individual who approved the emergency procurement and the appropriate head of the function that conducted the emergency procurement. The procurement should be regularized with PR / PO as per the Procurement process.

4. Contracting and Legal Requirements

4.1 Overview of the Contractual Process

Whether the selection of a Supplier is conducted through sole source procurement or a competitive procurement process, a contract setting out the terms and conditions of the arrangement should be entered between the parties. For Low-Risk suppliers, a Purchase Order with terms and conditions may be used but for Medium & High-Risk suppliers based on the services, the Procurement Team decides whether to execute a Contract or agreement. Once the procedures set out in this Section are completed, the contract should be ready for execution. To get the contract ready for execution, the Procurement Department should contact the Legal Department for execution.

4.2 Risk Rating:

The risk involved in relation to the supplier would be assessed and they would be classified as Low, Medium, or High-risk Third Party by the Procurement team as per Third Party Due Diligence Procedure.

4.3 Contractual Terms

The Organization's General Counsel may authorize the use of certain form agreements that may be utilized by the Requestor or the Procurement Department without legal counsel review. The Legal Department is responsible for establishing and maintaining standard form procurement agreement templates containing the Organization's preferred terms and conditions. Whenever possible and appropriate, these standard forms of agreements should be used.

Any modifications to approved standard form agreements must be approved by the Organization internal legal counsel prior to execution.

The Legal Department is also responsible for reviewing Supplier contract terms where the Organization's standard terms cannot be used. In such a case, the Legal Department should be consulted and is responsible for drafting and providing an appropriate form of contract or approving the form of contract proposed by the Supplier. All contracts related to Procurement Activities from Medium and high-risk suppliers must be provided, reviewed, and approved by the Legal Department.

In situations where a standard form of agreement was modified by the Legal Department in the context of a particular Procurement Activity, the revised agreement may not be used for any subsequent Procurement Activity without the prior approval of internal legal counsel.

5. Roles and Responsibilities

5.1 Policy Owner

The owner of this Policy is the CPO/Finance Controller of India Platform; any amendments or deviations to this Policy must be approved by the CPO/Finance Controller, except as otherwise expressly provided herein.

5.2 Policy Accountability

Department managers are tasked with the responsibility to ensure that all Procurement Activity in their departments is conducted pursuant to this Policy.

5.3 Health & Safety

CleanMax employees and Suppliers must maintain safe working conditions, complying with CleanMax HSSE policy & guidelines, providing adequate training, and implementing emergency response plans. To monitor and uphold these standards, contractors shall assist with regular audits and assessments by CleanMax personnels or any representative.

5.4 Compliance

All employees are expected to understand the requirements of this Policy and, where applicable, their approval limits as defined in the DOA Policy. Where necessary, guidance can be sought from line managers or the Procurement function. Each employee must ensure their full compliance with this Policy. The CleanMax operating business (CleanMax) Procurement Policy should be included in induction programs for positions that undertake any procurement activities, and it should be provided to all employees. Procurement will monitor the implementation of and

compliance with this Policy and intervene in the case of any divergence. If you witness behavior on the part of the Organization's personnel that you believe may represent a violation of this Policy, you should promptly report it.

Internal reporting is important to the Organization, and it is both expected and valued. Reports should in the first instance be made to the Finance Controller, internal legal counsel or your supervisor who will ensure that the information is properly handled and escalated as necessary. In the event that this does not appear to be an appropriate avenue because of the nature of the content of the report, it should be made to the Ethics Reporting Line or Ethics Reporting Website. The Ethics Reporting Line is managed by an independent third party called "Syntrio" and **allows anyone to anonymously report suspected unethical, illegal or unsafe behavior, toll-free, 24 hours a day, 7 days a week. Anonymous reports can also be made online using the Ethics Reporting Website, which is also managed by Navex and is offered 24 hours a day, 7 days a week.** Please see Appendix B for the contact details of the Ethics Reporting channels.

CleanMax will impose disciplinary measures on individuals found to have breached this Policy in a manner that is fair, consistent and that reflects the nature and facts of the violation.

APPENDIX A

Procurement Process Procedures:

1. Supplier Creation

The Organization should only select and enter into procurement contracts with Suppliers who have been appropriately vetted and who meet the Organization's requirements, including those relating to corporate social responsibility (including health, safety, security, and protection of the environment), anti-bribery, and anti-corruption prevention.

The Requestor and, where applicable the Procurement Department, are responsible for complying with all of the Organization's policies when contracting with any Supplier, including the Organization's ABC Policy. Once selected, the Supplier should be vetted and recorded in SAP pursuant to the Procurement Process Procedures. Prior to entering into a contract with a selected Supplier, the Requestor is responsible for determining whether the Supplier is already recorded in SAP. If the Supplier is a new Supplier, the Requestor is responsible for filling out the Supplier Master Request Form to create the Supplier and have it approved by Finance.

1.1 Supplier Creation – Process

The below-mentioned step-by-step procedure explains the supplier creation in SAP.

1. The CleanMax Supplier form needs to be collected from the vendor by the vendor requestor.
2. A scanned copy of the following documents is required from the supplier:
 - a. PAN Card
 - b. GST Certificate
 - c. Void cheque or a letter **from the bank** (NOT from the vendor) stating that the specific entity or individual has an account in their bank. The account number and the name of the entity or individual must be clearly mentioned in the letter.
3. Create a request in SAP with the set of documents.

Notes:

- The Supplier creation request needs to be submitted **only** by the respective Site Supervisor. (For example: A Site personnel from Tamil Nadu cannot submit a vendor creation request for MP sites)
- Only the relevant entities (*only the entities where the service is being provided by the vendor*) need to be selected in which the vendor needs to be created.
- In case the vendor needs to be created in all entities an e-mail approval of the same is required from the Procurement Team/Operations Manager.

2. Accounts Payable:

2.1 Goods Receipts or Provision of Services

Goods and Services are delivered to Business units of **CleanMax Operating Business (CleanMax)** as needed and received physically by the appropriate individual or services are carried out as agreed. Once goods are delivered or services performed, the relevant requisitioner will record and attest in SAP through GRN. Receipting is done in SAP (SAP) without obtaining confirmation that the goods and services procured have been received. Requisitioners attach the "tax invoices" while booking the receipts in ERP(SAP) which is comprehensive evidence of receipt of goods/services. A separate gate pass /deliver note duly acknowledged by the receiving site for good and a confirmation that the services covered in the PO have been received is necessary for completing the 'Receiving' function in SAP.

2.2 Invoice Processing

All invoices received and receipted are provided to the Accounts Team for processing. SAP will not receipt goods that exceed the PO value or quantity.

Invoices are posted to ERP (SAP) as follows. Accounts Team will

1. Generate the GRN report (Goods receipt note report) from SAP on a weekly basis.
2. Enter the PO number as referenced on the GRN report. The vendor is displayed on SAP.
3. Select the PO and download the 'Tax invoice' attached in GRN submitted against that PO. GRN without 'Tax invoices' are sent back & communicated to the GRN creator who in turn looks into the matter and submits the GRN again after attaching the tax invoice.
4. Check the details of invoices with GRN such as quantity, GST, and values, and once found correct book the invoice.
5. While booking the invoice enter the Invoice number, date of invoice, and WHT (With Holding Tax) if applicable in SAP and submit the same.

A check for duplicate invoice numbers is performed in ERP (SAP). SAP will flag duplicated invoices and will not allow the duplicate to be processed. Duplicate invoices are identified as the value of invoices processed under a PO cannot exceed the value of that PO.

Any differences noted when comparing the invoice to the receipted PO are raised with the accountant of the relevant company and investigated.

Once the invoice is submitted by the Accounts team the same is automatically assigned to AM Accounts & controls/ Regional Finance controller for approval as per workflow set up in SAP.

AM Accounts & controls/ Regional Finance controller downloads the invoice attached and rechecks all the details such as invoice date, amount, quantity, rate, GST (Goods & Services Tax), WHT (With Holding Tax), entity name etc. and approves the invoice.

All the approved invoices are posted by the AP team.

2.3 .3. Supplier Advance Requests

The general payment term is payment after delivery of goods and services. Only in the following cases, the supplier advances will be paid with the prior approval of the CPO/Finance Controller. It can also be approved based on cash flow considered during PMFC approval. The approved PO is a pre-requisite requirement for making advance payments to the supplier. The advances should be settled within one month from the day of receipt of advance by doing GRN and submission of invoices to the AP team.

Advance Payment Codes:

001: Monopoly / OEM / No alternate purchases are allowed

002: One Time Purchase / No Frequent Purchase possible

003: Supplier's Policy, no supply without advance payment

004: Small vendors cannot supply without advance

005: Emergency Procurement can be made by paying advance with approval

006: Advance payment makes hard saving compared to regular vendors

APPENDIX B

Ethics REPORTING LINE

For Indian locations, the helpline contact info is as follows –

Phone Line (toll-free): 1800-202-8303

Web reporting portal: <https://cleanmax.integritymatters.in>

Email: cleanmax@integritymatters.in

***For locations outside India, the helpline contact info is as follows -**

The Phone line is accessed in two stages:

Dialing the country-specific access code:

For Thailand - 1-800-0001-33

For Dubai - 8000-555-66

For Bahrain - 800-00-001

For any other locations outside India, refer: Access code list

Entering the toll-free hotline phone number, 800-603-2869, once prompted

Web reporting portal: <https://report.syntrio.com/cleanmax>

Email: reports@syntrio.com (please include company name 'CleanMax' in the email)

APPENDIX C
Supplier Assessment and Performance.
Abbreviations

ISO	International Standard Organization
CMES	CleanMax Enviro Energy Solution
RFQ	Request for Quote
GTP	Guaranteed Technical Particular
QAP	Quality Assurance Plan
SCM	Supply Chain Management
O&M	Operation and Maintenance
ESG	Environmental Social & Governance

1. Purpose

To lay down a procedure for identification, selection, qualification, approval or rejection of potential Suppliers.

2. Scope

This procedure applies to the evaluation and monitoring of supplier supplying materials, components, parts, and subassemblies that are incorporated into the final products. Also included are suppliers of associated services that may affect product quality, such as design, delivery, maintenance of production equipment, calibration of measuring equipment, etc.

3. Responsibility

The purchase Head is responsible for identifying the potential manufacturers with the help of the Quality, Safety, and Engineering departments.

4. Accountability

Purchase Head, Quality, Safety, and Engineering

5. Reference

- ISO 9001:2015 Control of externally provided processes, products and services
- ISO 9001:2015 General

6. Code of Conduct

A. Legal Compliance

CMES's suppliers shall comply with all the applicable laws and regulations in all locations where they conduct business. In addition to complying with all applicable legal and regulatory

B. Requirements, CMES's suppliers are expected to act following high standards of business ethics Anti-corruption and anti-bribery.

The highest standards of integrity are to be expected from CMES's suppliers, including its subcontractors, and other entities acting on behalf of the supplier, in all business interactions. Any form of extortion, bribery and corruption, including improper payment offers to or from employees or organizations, is prohibited.

C. Protection of intellectual property and confidential information

CMES's suppliers shall agree to safeguard the confidentiality of confidential information concerning CMES's business partners and customers, issue accurate and relevant financial and other information on CMES's business operations and compete fairly and ethically in all other respects as well.

D. Health and Safety

CMES's suppliers shall provide their employees with a safe and healthy workplace in compliance with all applicable laws and regulations. Suppliers shall ensure that appropriate health and safety information is provided to its employees, sub-suppliers and contractors and that relevant training and equipment (PPE) is provided. At a minimum, suppliers shall provide employees and suppliers with drinking water, clean toilets, adequate ventilation, emergency exits, proper lighting and access to first aid supplies or other provisions for emergency care.

E. Human Rights

CMES's suppliers shall support and respect human rights as per applicable laws and regulations. CMES's suppliers shall identify and mitigate their human rights impacts whenever it is needed. Supplier shall report to CMES and provide remedial actions in case of human rights violations.

F. Non-discrimination

CMES's suppliers shall treat their employees with respect and dignity. All kinds of discrimination based on partiality or prejudice is prohibited such as discrimination based on race, colour, gender, sexual orientation, marital status, pregnancy, parental status, religion etc. Threats of violence, corporal punishment, physical or verbal abuse or other unlawful harassment are strictly prohibited.

G. Forced Labour

CMES's suppliers shall not use forced labour and employees shall be free to leave their employment after reasonable notice as required by national law or contract. Employees shall not be required to lodge deposits of money or identity papers with their employer.

H. Child Labour and young workers

CMES's suppliers shall not, under any condition, employ children who are below the minimum legal age for employment. Children over minimum age shall not be employed for any hazardous work or work that is inconsistent with the child's personal development. If suppliers are employing young people above the minimum age but under 18 years, suppliers shall not jeopardize their health, safety or moral.

I. Freedom of association

CMES's suppliers shall recognize and respect employees' freedom of association, their right to freely choose their representatives and right to collective bargaining.

J. Harassment

CMES's suppliers shall follow a 'zero tolerance' policy for harassment which is behavior that creates an offensive, intimidating, humiliating, or hostile work environment. Sexual Harassment - The Service Provider shall ensure that all its women employees are given full protection from sexual harassment as per guidelines laid down by the Supreme Court of India.

K. Prevention of alcohol and drug use at work

CMES is an alcohol- and drug-free workplace. Suppliers' employees and their sub-suppliers are permitted to work at CMES's sites only if they are sober and drug-free. Suppliers shall have a policy or guideline to take precautionary action of alcohol and drug abuse. Occasional drug tests can be performed on suppliers' employees when they are working at CMES's sites if it is allowed in national (or local) legislation.

L. Wages and working hours

The employees of CMES's suppliers understand their employment conditions. Salary and terms shall be fair and reasonable and comply at a minimum with national laws or industry standards, whichever are higher. Working hours shall comply with national laws. Employees should have at least one day off per

Process



7.1 Request for a new supplier.

Different situations can lead to the need of a new Supplier, among others:

- Procurement of new materials, parts;
- Change of supplier for existing parts;
- Changes on make vs. buy policy (outsourcing);
- Significant change of the business framework for an existing supplier (relocation business)
- The Purchasing representative issued the RFQ package:
- RFQ document.
- Purchasing Term and Condition document.
- Supplier Pre-audit Questionnaire related to the commodity.

7.2 Technical Assessment

- Engineering team evaluates the new product based the technical documents (Like Drawings, GTP, Type test reports)
- Significant change of the business framework for an existing supplier (relocation business)

7.3 Supplier Assessment

- Supplier Capability evaluation based on the 10C Model.
- Approved third-party agencies or CleanMax Teams are responsible for the assessment.

10 C Model	Criteria
COMPETENCY	Experience, Customers, Training and Development
CAPACITY	Current and Future Orders, Operational Statistics, Resources
CONSISTENCY OF PERFORMANCE	Consistent Quality and Service Levels
COMMITMENT TO QUALITY	Item or Service, Quality Management, Standards Compliance, Continuous Improvement
COST	Price
CASH AND FINANCE	Balance Sheet, Financial Reputation, Credibility
COMMUNICATION	Appropriate Channels of Communication
CONTROL OF INTERNAL PROCESSES	Inventory, Quality, Operations, Procurement, Health and Safety and Environment (HSE) & ESG
CLEAR (Corporate Social Responsibility)	Follows Ethical and Legal Standards
CULTURE	Values, Understanding Business Drivers

7.4 Supplier Approval

- Supplier approval is based on the results of the audit.
- Approved third-party agencies or CleanMax Teams are responsible for the assessment.

SUPPLIER NOT QUALIFIED	Score Above 75	Approved for Product Supply
SUPPLIER UNDER CONDITIONAL QUALIFICATION	Score Between: 70-75	Approval will be based on Product & Service Performance
SUPPLIER NOT QUALIFIED	Score Below: 70	Not Approved for Material Supply

7.5 Performance & Periodic Audit

- Each qualified supplier shall be subjected to performance monitoring with different criteria and periodicity, as specified in the table below.

Performance	Frequency	Checks	Responsibility
Supplier Performance Score Card/Vendor rating	After the completion of each project	• Quality • Cost • Delivery • Site Service • Engineering • After Sale Service (O&M)	• SCM • Engineering • Quality • Execution Team • O&M

7.5.1 Supplier Performance Score Card/Vendor rating

After the completion of each project, the supplier performance is carried out. In the supplier performance, all results coming from departments are taken into account: Quality, SCM, Engineering, Execution & Operation, and maintenance. The criteria to define the supplier vendor list are based on:

Excellent:	Above 95%	Overall Weighted Rating of > 4.5 to 5
Very Good :	85-95%	Overall Weighted Rating of > 4 to 4.5
Good :	65-85%	Overall Weighted Rating of > 3 to 4
Average :	50-65%	Overall Weighted Rating of > 2 to 3
Poor:	Below 50%	Overall Weighted Rating of 0 to 2

Annexure – 1

S.N.	Description	Action	Approval	Information
Projects Approved Under PMFC/MIC				
1	Process for Purchase Requisition			
1.1	If the Purchase Requisition is within PMFC/MIC approved BOM	The BOM will be shared with the SCM team for order placement.	Regional Engineering Lead/s	CPO, CTO and respective Project Manager
1.2	If the change in the quantities, may lead to Cost escalation within 0.2% of the overall Project Budget. Respective purchase requisition person to check the cost with SCM.	The Respective Engineering lead must provide proper justification to the CTO/Regional Head*.	CTO/Global CEO*	COO
1.3	If the change in the quantities, may lead to Cost escalation more than 0.2% of the overall Project Budget.	The Respective Engineering lead must provide proper justification to the CTO & the COO or Regional Head & Global CEO*.	CTO & COO or Global CEO*	
2	Process for Procurement Approval and PO Creation			
2.1	If the Overall Project Cost is within or exceeding within 1% of the Overall Budget.	- The respective buyer/s will initiate the ordering process as per the SCM Procedure. - Proper Note for Approval (NFA) be sent by the respective buyer/s to the CPO for the approval. Note: Any cost escalation in component/s with respect to the budget, shall be mentioned in the NFA with adequate justification. - Once Approved, Purchase Order (PO) will be created in SAP and approved as per DOA.	COO	
2.2	If the Overall Project Cost is exceeding over 1% of the Overall Budget.	The respective buyer/s will send a Proper Note for Approval (NFA) to the Chief Procurement Officer (CPO) for review. The NFA must include adequate justification, clearly stating the reasons for exceeding the budget.	MD & CFO	

**In the case of On-site Business Projects.*

Note: The above-mentioned approvals are independent of Contingency drawn down.

3	Approval for Deviation in Minimum Number of Bidders.		
S.N.	Description	Action	Approval
3.1	If recommended by the Requestor/Team and Order Value is between 5 to 25 Lakhs	The NFA should have the appropriate reason for considering a single vendor, it should be vetted and approved by CTO.	Chief Procurement Officer
3.2	Recommended by the Requestor/Team and Order Value is between 25 lakhs to 1 Crore	The NFA should have the appropriate reason for considering a single vendor	Chief Procurement Officer
3.3	Recommended by the Requestor/Team and Order Value is above 1 Crore	The NFA should have the appropriate reason for considering a single vendor	Managing Director

Annexure – 2

S.N.	Description	Action	Approval	Information
1	Process for Purchase Requisition			
1.1	If the Purchase Requisition is within MC approved specifications.	The Specifications will be shared with the SCM team for order placement.	Resp. Regional Head	Resp. AM Head
1.2	If the change in the specifications, may lead to Cost escalation within 1% of the Project's overall Annual Budget. Respective purchase requisition person to check the cost with SCM.	The Respective Regional Head must provide proper justification to the Resp. AM Head.	CTO/Country CEO	COO/ Global CEO
1.3	If the change in the specifications, may lead to Cost escalation more than 1% of the Project's overall Annual Budget.	The Resp. AM Head must provide proper justification to the CTO & the COO or Country CEO.	COO or Global CEO	
2	Process for Procurement Approval and PO Creation			
2.1	If the Overall Project Cost is within or exceeding within 5% of the Overall Budget.	The respective buyer/s will initiate the ordering process as per the SCM Procedure. Proper Note for Approval (NFA) be sent by the respective buyer/s to the CPO for the approval. Note: Any cost escalation in component/s with respect to the budget, shall be mentioned in the NFA with adequate justification. 4. Once Approved, Purchase Order (PO) will be created in SAP and approved as per DOA.	COO/Country CEO	
2.2	If the Overall Project Cost is exceeding over 5% of the Overall Budget.	The respective buyer/s will send a Proper Note for Approval (NFA) to the Chief Procurement Officer (CPO) for review. The NFA must include adequate justification, clearly stating the reasons for exceeding the budget.	Global CEO, MD & CFO	