



Sustainable Supply Chain Management Policy

Version No. 2.0

Document Revision History

Document Version	Approval Date	Modified By	Section, Page(s) and Text Revised	Approved By
1.0	10-Oct-2023	Bharat Bhushan	Initial version	Ajit Kumar
2.0	10 Jan 2025	Bharat Bhushan	Addition of Targets and Roles & Responsibilities	Ajit Kumar

Objective

The aim of this policy is to promote responsible and sustainable procurement and supply chain management practices at Mphasis. This also sets the expectation for enhancement of legal, social, ethical and environmental performance of all the suppliers. The policy also states our expectations from suppliers with respect to their compliances and business commitments towards environmental, social and governance (ESG) best practices.

Scope

It applies to all domestic and international suppliers providing goods, services and manpower. We expect all suppliers to extend the same scope to their respective supply chain partners also.

Policy

Mphasis Limited is certified for ISO 14001: 2015 (Environmental Management System). We are committed towards reducing any negative impacts of our business on biodiversity and the environment. We expect our suppliers to follow the same standards while managing their operations and in turn encourage their supply chain partners also to follow these standards.

The success of a company depends on its sustainability and suppliers plays a major role in this. Better quality products and services are produced by suppliers that abide by superior operating principles and practices. We expect our suppliers to encourage and display continuous improvement in:

- a. Following all laws and regulations of the country in which they are operating.
- b. Ethical business practices
- c. Management practices that respect the rights of all employees and the local community
- d. Privacy and Data protection
- e. Prohibited business practices as per law of the land.

- f. Minimizing impact on the environment
- g. Providing a safe and healthy workplace
- h. Encouraging diversity and inclusivity.
- i. Promoting business with MSME suppliers
- j. Respecting human rights

Targets:

Mphasis as an IT-enabled Services (ITeS) company, setting sustainable procurement targets involves aligning purchasing practices with environmental, social, and governance (ESG) goals. Below are some key sustainable procurement targets to consider:

1. Reduce Carbon Footprint in Supply Chain

- **Target:** Reduce supply chain-related carbon emissions by **20%** over the next 5 years.
- **Action:**
 - Work with transport partners to ensure that they supply us with 20% green cabs in the next 5 years.
 - Procure all electric and electronic items with 5-star rating or maximum rating available in the market.

2. Diversification and Inclusion in Supplier Base

- **Target:** Increase procurement from minority-owned, women-owned, or small and medium-sized enterprises (SMEs) by **20%** within 3 years.
- **Action:** Develop a supplier diversity program and set goals to increase the share of procurement from diverse suppliers, ensuring equitable opportunities across the supply chain.

3. Sustainable Waste Management

- **Target:** Achieve 100% waste disposal to only certified and government authorized vendors.
- **Action:** Work with only those vendors who have proper authorization and certificates to deal in particular type of waste which we are disposing like batteries, e-waste, paper, thermocol, etc.

4. Sustainability in Services Procurement

- **Target:** Establish sustainability criteria for procurement of outsourced services (e.g., cloud services, consulting, BPO), ensuring that **50%** of service contracts meet sustainability benchmarks by 2027.
- **Action:** Introduce sustainability clauses in service contracts, focusing on ethical business practices, and responsible resource management.

General Obligations The Supplier shall use its best efforts to ensure that the Services are executed in compliance with the relevant specifications and instructions of the Company and delivered to the Company within the delivery milestones specified therein. Further, the Supplier shall ensure that the Services are performed for the Company with all requisite skill and care and as per the industry recognized standards for the provision of such Services.

Compliance with Laws The Supplier shall ensure that in the execution of the Services, it shall comply with all applicable laws, regulations and notifications and shall exercise its best efforts to obtain all applicable licenses, approvals and permits required for the execution of the Services.

Human Rights Mphasis has zero tolerance for slavery and human trafficking. We adhere to the human rights in letter and spirit of it. We expect all our suppliers to follow the same very meticulously. It must be ensured that child labor, forced labor, verbal or any other form of harassment and physical punishment are not permitted.

POSH All suppliers are expected to have an Internal Committee (IC) for prevention of sexual harassment (POSH) at workplace. (As per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

EXPECTATIONS FROM OUR SUPPLIERS FOR SUSTAINABLE GROWTH We look for the following from our prospective suppliers to ensure our business to prosper in the best interest of all stakeholders and the contracts are awarded to suppliers based on criteria including but not limited to: -

- Best quality at the best price.
- Providing requirements at the right time.
- Ethical ways of doing business.
- Adhere to our supplier code of conduct in letter and spirit.
- Innovation: the suppliers should have a continuous product and process improvement mindset.
- Improved risk management
- Deal in good faith, ethically and build trusting, cooperative and long-term relationships.
- Ensure that suppliers do not discriminate against MSME and diverse suppliers in their supply chain.

Supplier Assessment (Pre-Onboarding): Mphasis before onboarding itself asks the suppliers to fill up the supplier registration form which has a list of questions related to social (human rights) and environment, apart from compliance requirements mandated by the local/regional laws.

Supplier Performance evaluation We periodically carry out supplier performance evaluation for our selected group of high value suppliers to ensure they are providing a reliable support to the requesters of goods and services. If any supplier does not come up to the expectations of the users, it is given an opportunity to improve and if the desired results are not achieved then the supplier is delisted to ensure that no further business is conducted with such a supplier.

Roles and Responsibilities:

We recognize the importance of ensuring we have the right internal roles and responsibilities to ensure commitment, oversight and support for the Framework. The Procurement Team works closely with the Company's ESG Team to implement this Framework. The key responsibilities include:

Management

1. Data management of suppliers
2. Providing details of suppliers/vendors for audit purpose

Corporate Sustainability

1. Assessments and Audits of suppliers
2. Facilitating responses from the suppliers.

Process Improvement

1. Integrating SSCM into relevant business and sustainability strategies.
2. Assigning roles and responsibilities for integrating sustainability into our sourcing processes.
3. Providing appropriate training and employee engagement for staff involved in SSCM.

Review of this policy

This policy will be reviewed periodically to embed the ideas and suggestions provided by all stakeholders to ensure that a sense of inclusivity is inculcated, and we have a sustainable supply chain.