

Procurement & Supply Chain Policy

1. Policy Objective

The objective of this Procurement & Supply Chain Policy is to ensure that **Miten** procures goods, services, and materials responsibly, efficiently, and ethically. This policy supports our commitment to sustainability, supplier diversity, and regulatory compliance, fostering a resilient supply chain that aligns with our core values and strategic goals.

2. Scope

This policy applies to all procurement activities conducted by Miten, including sourcing, contracting, purchasing, and supplier management. It covers all sectors in which the company operates, such as energy, renewable energy, hydropower, transmission infrastructure, agribusiness, food processing, warehousing, and cold storage.

3. Core Principles

A. Ethical and Transparent Procurement

1. Fair and Transparent Practices

- Conduct all procurement activities transparently, ensuring fair competition and impartial selection of suppliers.

2. Zero Tolerance for Corruption

- Maintain a zero-tolerance approach to bribery, corruption, and fraud in the procurement process, adhering to anti-corruption regulations and international standards.

B. Sustainability and Environmental Responsibility

1. Sustainable Sourcing

- Prioritize sustainable sourcing of materials and products, selecting suppliers that share our commitment to reducing environmental impact.

2. Minimizing Carbon Footprint

- Encourage local sourcing to reduce transportation emissions, contributing to our sustainability and carbon reduction goals.

C. Cost-effectiveness and Value for Money

1. Competitive Pricing

- Ensure that all procurement decisions are cost-effective, delivering the best possible value without compromising quality or ethical standards.

2. Lifecycle Cost Consideration

- Evaluate the total cost of ownership, including initial purchase, maintenance, and disposal, to make informed and financially sound procurement decisions.

4. Supplier Selection and Evaluation

A. Supplier Prequalification

1. **Qualification Criteria**
 - Establish clear criteria for supplier qualification based on quality, reliability, sustainability practices, and compliance with legal and ethical standards.
2. **Supplier Background Checks**
 - Conduct thorough background checks on suppliers, including assessments of financial stability, legal compliance, and past performance.

B. Supplier Evaluation and Performance Monitoring

1. **Performance Metrics**
 - Develop performance metrics to evaluate suppliers regularly, focusing on quality, delivery reliability, and adherence to contractual obligations.
2. **Sustainability and Compliance Audits**
 - Perform sustainability and compliance audits to ensure that suppliers meet environmental and social responsibility standards and regulatory requirements.
3. **Continuous Improvement**
 - Engage suppliers in continuous improvement efforts, fostering a collaborative approach to quality and sustainability enhancements.

C. Supplier Diversity and Local Engagement

1. **Diverse Supplier Pool**
 - Support supplier diversity by including small, local, and minority-owned businesses in the procurement process to foster inclusive economic growth.
2. **Local Supplier Preference**
 - Where feasible, prioritize local suppliers to reduce environmental impact and support regional economic development.

5. Procurement Process and Procedures

A. Competitive Bidding and Contracting

1. **Bidding Process**
 - Use a structured and transparent competitive bidding process for all procurement activities to ensure fair market pricing and supplier accountability.
2. **Contractual Clarity and Terms**
 - Develop clear contracts with well-defined terms and conditions, specifying quality standards, delivery schedules, pricing, and penalties for non-compliance.

B. Purchase Orders and Payment Terms

1. **Purchase Order Issuance**
 - Issue formal purchase orders for all procurement transactions, ensuring detailed documentation and clear communication of requirements.
2. **Standardized Payment Terms**
 - Apply standardized payment terms across suppliers, ensuring timely and accurate payments based on contractual terms.

C. Risk Management in Procurement

1. **Risk Assessment and Mitigation**
 - Assess procurement risks, such as supplier financial stability, supply chain disruptions, and compliance risks, establishing mitigation strategies where necessary.
2. **Supplier Financial Monitoring**
 - Continuously monitor the financial health of key suppliers, especially those critical to project success, to minimize disruption risks.

6. Sustainability and Environmental Standards

A. Green Procurement

1. **Environmentally Friendly Products and Services**
 - Prioritize procurement of products and services with eco-friendly certifications, such as energy-efficient equipment, recyclable materials, and low-carbon products.
2. **Waste Minimization in Procurement**
 - Choose suppliers who demonstrate a commitment to waste reduction, reuse, and recycling practices, particularly for sectors with high resource consumption like agribusiness and warehousing.

B. Carbon Reduction and Renewable Energy

1. **Renewable Energy Sourcing**
 - Where applicable, procure renewable energy and carbon-neutral products to support the company's sustainability goals.
2. **Supplier Emissions Tracking**
 - Request that suppliers track and report their carbon emissions, encouraging initiatives to reduce greenhouse gas output and improve energy efficiency.

C. Sustainable Packaging and Materials

1. **Low-impact Packaging**
 - Opt for sustainable, minimal, and recyclable packaging to reduce waste associated with procurement and delivery activities.
2. **Environmentally Friendly Material Selection**

- Select materials that are sustainably sourced, durable, and recyclable, especially in construction and infrastructure projects where material choice has a significant environmental impact.

7. Compliance and Ethical Standards

A. Legal and Regulatory Compliance

1. **Adherence to Local and International Laws**
 - Ensure that all procurement and supply chain activities comply with local, national, and international laws, including labor rights, environmental regulations, and industry standards.
2. **Human Rights and Labor Standards**
 - Require suppliers to uphold international human rights and labor standards, including fair wages, safe working conditions, and prohibition of forced or child labor.

B. Anti-Corruption and Anti-Bribery

1. **Zero-tolerance Anti-Bribery Policy**
 - Maintain a strict anti-bribery and anti-corruption stance, complying with the Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.
2. **Third-party Due Diligence**
 - Conduct due diligence on third parties to mitigate risks of bribery and corruption, especially in regions with heightened risk.

8. Supplier Relationship Management

A. Strategic Partnerships and Collaboration

1. **Long-term Supplier Relationships**
 - Develop long-term relationships with strategic suppliers who demonstrate consistent performance, quality, and alignment with our sustainability goals.
2. **Joint Sustainability Initiatives**
 - Collaborate with key suppliers on joint sustainability and innovation initiatives to reduce environmental impact and enhance supply chain resilience.

B. Dispute Resolution and Performance Improvement

1. **Constructive Dispute Resolution**
 - Establish a clear, constructive process for resolving disputes, focusing on timely communication and mutually beneficial solutions.
2. **Supplier Performance Improvement Plans**
 - Implement performance improvement plans for underperforming suppliers to address issues in quality, delivery, or compliance.

9. Monitoring, Reporting, and Continuous Improvement

A. Performance Monitoring and Reporting

1. **Regular Procurement Audits**
 - Conduct regular audits of procurement processes and supplier performance to identify improvement areas and ensure compliance with company policies.
2. **Key Performance Indicators (KPIs)**
 - Track KPIs related to cost savings, supplier reliability, compliance rates, and sustainability metrics to evaluate the effectiveness of procurement activities.

B. Sustainability and Supply Chain Reporting

1. **Annual Supply Chain Reports**
 - Publish annual reports detailing supply chain sustainability, procurement performance, and environmental impact, aligned with standards like the Global Reporting Initiative (GRI).
2. **Stakeholder Communication**
 - Engage stakeholders in procurement practices and performance through transparent communication, emphasizing sustainability and ethical sourcing.

C. Continuous Improvement and Feedback

1. **Feedback Mechanisms**
 - Encourage feedback from internal stakeholders, suppliers, and contractors to continually refine procurement processes and strengthen supplier relationships.
2. **Innovative Procurement Practices**
 - Explore and adopt new technologies, tools, and best practices to improve procurement efficiency, reduce costs, and enhance supply chain sustainability.

10. Training and Awareness

A. Procurement Training Programs

1. **Mandatory Procurement Training**
 - Provide mandatory training for all employees involved in procurement, covering ethics, compliance, and sustainability practices.
2. **Role-specific Training**
 - Offer specialized training for procurement officers and supply chain managers on supplier management, contract negotiation, and risk assessment.

B. Supplier Awareness Programs

1. Supplier Code of Conduct

- Implement a Supplier Code of Conduct outlining expected standards in ethics, labor, environmental practices, and compliance, ensuring that suppliers understand and uphold these standards.

2. Sustainability Workshops

- Conduct sustainability workshops for key suppliers to share best practices and foster alignment with our sustainability goals.

11. Policy Review and Updates

This Procurement & Supply Chain Policy will be reviewed annually to ensure it aligns with emerging industry best practices, regulatory requirements, and Miten's strategic objectives.

Contact Information

For inquiries about this Procurement & Supply Chain Policy, please contact:

- **Procurement and Supply Chain Department**
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"The policy ensures that **Miten** upholds responsible, sustainable, and efficient procurement and supply chain practices that support operational excellence and contribute positively to our communities and environment."

Miten Energy

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