



## Sustainable Procurement / Sourcing Policy of NHPC Ltd.

<b>Policy Objective</b>	To achieve efficiency, transparency, economy, fairness, integrity, fit for purpose and value for money in by following standards, policies, procedures & practices, guidelines and uniformity in all procurement of the corporate office and Projects/Power Stations of NHPC.
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### **I. Preamble:**

NHPC Limited is committed to achieve its goals of fair business practices by integrating various Govt. Regulations, Orders, CVC Guidelines and environmental friendliness of products and services into its supply chain decision making.

The main objectives of this policy are enumerated hereunder:

- i) To achieve uniformity in procurement norms, standards, policies, procedures, practices and guidelines among Contracts Divisions of the corporate office and projects/power stations of NHPC besides improving transparency and public accountability.
- ii) To enhance professional competence and negotiating skills of personnel handling procurement functions.
- iii) To effect all procurement within the prescribed lead time so as to obviate time and cost over runs.
- iv) To promote compliance with the policy of the Government of India.
- v) To ensure strict adherence to Quality Standards and Technical Specifications.
- vi) To maintain close co-ordination with the Contractor to build on a sustainable basis Employer Contractor relationship with a view to enhance the confidence.
- vii) To ensure that the payments due in terms of provisions of the contract are released to the Contractor in time.
- viii) To ensure that purchasing decision achieve the best overall value.
- ix) To ensure that all procurement is carried out consistently and equitably to ensure open and effective competition.
- x) To ensure that the public money be spent efficiently and effectively in accordance with the applicable government policy.



- xi) To ensure Procurement policies, practices and procedures are transparent.

### **ESG Expectations from Suppliers**

We encourage our suppliers to abide by the following ESG directives (not limited to):

- i) **Occupational Health and Safety:** We encourage our suppliers to implement efficient management procedures for health and safety that promote a high degree of protection for their employees and contractors.
- ii) **Labour and Human Rights:** We **encourage** our suppliers to operate in compliance with all applicable local, state, and national laws on Labour and Human Rights.
- iii) **Environmental Sustainability:** We **encourage** our suppliers to maintain efficient policies, and procedures to control their adverse environmental impact.
- iv) **Business Integrity and Ethics:** We **encourage** our suppliers to follow NHPC's Code of Conduct with regard to business integrity and ethics.

#### **Applicability:**

Applicable for all procurement.

#### **Grievance redressal:**

NHPC has signed MoU with Transparency International India for implementation of the Integrity Pact Programme as per guidelines of CVC. Accordingly, integrity pact has been implemented in NHPC and grievance redressal policy through Independent External Monitors (IEMs) as defined in the Bid / Tender Document.

**Note: This policy shall be read and considered alongside NHPC's latest Delegation of Power, Contract Manuals, Procurement Manuals, Circulars and all other relevant Policy Guidelines issued and amended from time to time.**

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