	<b>Integrated Management System (QMS, EMS, OH&amp;S)</b>	
	<b>Responsible Sourcing &amp; Traceability Policy</b>	Doc. No. : M-05.02
		Issue No. : 03
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**Overview:**

Maral Overseas Limited has established, implemented and maintained the policy for Responsible Sourcing of Raw Material to ensure quality product without any unwanted contamination and to strengthen the compliances related to Environment & Human Rights Protection.

We are aware of and actively support the international efforts to investigate, monitor, and mitigate forced labor in the origin of raw material purchasing. We strive to only purchase materials from sources that have been verified as not involving or contributing to forced labor during their production and supply. In support of the above, all our relevant staff members are directed to be trained on and follow procedures to implement a responsible sourcing due diligence system. This Policy Includes;

- a) Exercises due diligence with relevant suppliers consistent with the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains in the Garment and Apparel Sector and the Yarn Ethically & Sustainably Sourced (YESS) initiative, and encourages our suppliers to do the same.
- b) Provides, and expects our suppliers to cooperate in providing, due diligence information to confirm cotton in our supply chain does not contribute to forced labor in cotton production.
- c) Aims to establish long-term relationships with our immediate suppliers.
- d) Considers ways to support and build capacities of cotton-supplying counterparties to improve performance and conform to this responsible cotton sourcing policy.
- e) Includes an annual assessment to verify our conformance status as well as identify opportunities to continually improve our responsible material due diligence management system.
- f) Commits to transparency in the implementation of this policy by making reports on our progress available to our customers, relevant stakeholders, and the public (as required).
- g) Appropriate to the purpose and context of the organization and support its strategic directions.
- h) Provides a framework for setting Traceability objectives with regards of compliance related to various standards and customer requirement.
- i) Includes commitment to satisfy applicable legal and other requirements.
- j) Includes commitment to eliminate hazards and reduce Environment and Occupational Health & Safety risk.

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- k) Includes commitment to monitor the Human Rights Due Diligence in the supply chain i.e. No Child Labour, No Forced/Bondage/Abused Labour, Ensure Wage Payment as per applicable wage rules etc. and provide enough awareness in the all engaged stake holders.
- l) Includes a commitment to consultation and participation of workers and worker's representatives.
- m) Includes commitment to continual improvement of the supply chain towards the expectation of the customers and requirements of the applicable regulations.

**1- Objectives:**

Management has decided and established measurable Sustainability Objectives including those needed to meet requirements for product at relevant functions within the organization and out of the organization as possible covering entire supply chain. These measurable objectives are being monitored by relevant department heads on day to day basis and shall review time to time in Quarterly meetings and once in a year in Management Reviews Meetings.

- A) To enhance the business with Sustainable/Certified Products.
- B) To minimize and bring down customer complaints in term of Product Traceability.
- C) Proper Identification of Products and Maintain documents related to traceability.
- D) To enhance competence of our employees & Supply chain partners.
- E) To monitor the Environment, OH&S and HRDD conditions in the supply chain as extend possible and increase the awareness in the supply chain partners.

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**2- Policy Statement:**

**RESPONSIBLE SOURCING AND TRACEABILITY POLICY**

Maral Overseas Limited, engaged in manufacturing of textile products. We believe that traceability increases the ability to manage the value chains more effectively which contributes towards the sustainability and customer satisfaction. It improves the ability to trace the whole lifecycle of a product from the raw material to the consumer, to disposal and recycle. It conveys the source Area/Region and the impact of product on the environment and society. Hence, we are committed to achieve following objectives;

- **Sustainable Development Goals:** To ensuring that sustainability is considered through all our business decisions – increase production of sustainable material from responsible sources, safe & fair work culture with decent working conditions and economic growth and save our environment.
- **Sustainable Material:** To achieve 100% sustainable supply chain certified material from various standard i.e. GOTS, OCS, GRS, RCS, Regenagri, ROC, Fair-Trade, BCI, Supima, USC, CMiA etc. including dyes/chemicals/inks to be 100% certified with ZDHC compliance with Indian Insecticides Act 1968, ZDHC MRSL/RSL, our End customer's MRSL, Oekotex standard 100 etc.
- **Sustainable Technology:** To adopt Complete Material Traceability mechanism and other new technology to identify the material from origin source to end customer.
- **Sustainable Environment:** To minimize climate impact by our production process. Optimize consumption of resources, conserve energy and reduce, & reuse waste.
- **Human Rights Due Diligence:** To ensure the Human Rights due Diligence in the supply chain as extent possible i.e. No Child Labour, No Forced/Bondage/Abused Labour, Ensure Wage Payment as per applicable wage rules, Right of Education of the Children and overall growth of farmers & workers involved in the supply chain.
- **Customer Satisfaction:** Strive for the highest level of customer satisfaction by implementing risk assessment to improve our performance and opportunity for improvements.



We are committed to measure and continuous improvement in our work practices in the supply chain through the sustainable, Social, Environmental, Health & Safety performance by consultation/participation of Workers/Employees, customer satisfaction/feedback and our financial performance.




President

Place: Khalbujurg

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**3- Sourcing & Traceability Key Personal (Roll & Responsibility):**

Following official's /Core Team is responsible to ensure the compliance of Responsible Sourcing.

Sr. No.	Role / Designation	Role in Sustainable Management
01	President	All Over Monitoring, Controlling & System Support
02	Head of Marketing	Find out the possibilities of enhancing scope of sustainable product business
03	Head of Commercial	Identify the responsible resource, evaluation & grading of suppliers and enhance the procurement of good quality sustainable material & environment friendly equipment suppliers and ensuring the verification of required documents / approvals. Handling of sustainable material with proper identification during shipments & storage. Timely disposal of various wastes as applicable.
04	Head of Cotton Purchase	Identify the responsible resource, evaluation & grading of suppliers and enhance the procurement of good quality material and Environment & Socially complied suppliers. Ensure the verification of required documents / approvals, Supplier Grievance Handling etc.
05	Head of HR	Develop & maintain the skill development programs in terms of HRDD & Traceable supply chain.
06	Heads of Production	Process analysis and product developments to minimize the energy & resource consumption. Ensure proper identification of sustainable material during the production.
07	Planning Head	Understand the customer requirement and communicate the production plan with specific requirement if any
08	Head of SPG QA	Checking of Raw Material quality as desired, monitoring of process Control parameters, checking the quality of finished product.
09	Head of Fabric QA	Checking of Finished Fabric quality as desired, monitoring of process control parameters. Final verification of product Traceability regulations.
10	Head of Compliance & Sustainability	Verify the authenticity of the sustainable material suppliers, Conduct Supplier Site Inspection, Maintaining the desired document, ensure required Certification of various standards related to supply chain, coordination with Suppliers, Management & Customers to ensure various compliances and data exchange.
11	Safety Officer	Identify the Hazard & Risk involved in the various process, monitoring of abnormal environmental emissions

**Note:** Other functional role & responsibilities will be same as per IMS Manual.

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**4- Scope of Implementation & Procedures:**

**Scope:** Implementation Scope of Responsible Sourcing identified as below:

- I. Procurement, Processing & Handling of all sustainable products as specified in various standards i.e. GOTS, OCS, GRS, RCS, Fair-trade, BCI, Regenagri, Cotton USA, Supima, ROC, CMiA etc.
- II. Procurement, Processing & Handling of all Conventional products based on specific requirement of customer.

**Procedure:**

**A- For Internal Implementation**



- Circulation of Policy to all the internal stack holders through mail and organize awareness / training sessions along with regular IMS trainings.
- Display of Policy Statement in Local Language on the various prominent places of the organization.
- Handling of products as per various IMS SOPs to maintain proper Segregation & Traceability during the production.


**B-For External Implementation**

- Circulation of Policy to all the Suppliers along with MOL Code of Conduct and get their written acceptations to follow the same.
- Provide the Policy & Process document to the customers or any other interested party as required.
- Upload the Policy Statement on the Company Website.
- Assessment of Suppliers in terms of Environmental & HRDD Compliance one in year.
- Procurement of Material subjected to verification of the implementation of necessary code of this policy and traceability documents as per "Traceability Flow Diagram".
- This policy is referenced in supplier contracts and purchase agreements.

**5- Monitoring & Review of the Implementation Status:**

- Annual Audit of the Suppliers to make them aware about the Importance of the effective implementation of this policy and check the actual implementation during their facility / process.
- Internal Process Monitoring of the complete product traceability on each level as per IMS procedure P-11

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- Annual internal reviewed during the IMS Internal Audits and Management review meetings.



**6- Control Plan for Non-Conformity / Risk Management:**

- Product Non Conformity should be deal as per IMS procedure P-17
- Compliance Non Conformity at Supplier site or at any stage in supply chain will be handled as per the acceptance & CAP of the supplier.
- Purchase / Compliance team will coordinate with the supplier to educate & guide them about the preparation & implementation of the corrective & preventive action plan.
- Sourcing activities may stop in case of supplier observed uncooperative or not interested to implement the necessary code of this policy.
- Apart from above, the Sourcing & Compliance team will maintain a risk database and regularly evaluates sourcing regions based on the supplier or field observation, customer feedback or various other media reports.

**7- Grievance Mechanism:**

- Internal (Employees, Workers, Contractors): may raise their grievance to their immediate supervisor, company grievance committee, Factory Manager, Compliance Manager, Safety Manager or drop it to the various Suggestion/ Complain Boxes.
- External (Suppliers): may raise their grievance directly to the Commercial Head or Compliance Manager through the Email or Phone Call.
- External (Customers or any other interested party): may raise their grievance to the relevant Marketing representative or Compliance Manager through the Email or Phone Call.

Every received grievance will be noted and escalated to the concern authority based on the nature of the grievance. status of the action taken will be informed to the concerned grievance raiser/complainant.

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