

Global Supplier Management Policy (Abridged)

Version 2.0

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Revision History

Version No.	Release Date	Function	Reviewed by	Approved by	Description of Change
1.0	01/12/2023	Procurement	Procurement Lead	Procurement Head	Policy Release
2.0	27/09/2024	Procurement	Procurement Lead	Procurement Head	Policy Template Standardization

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1. Purpose & Scope

The purpose of the Supplier Management Policy is to establish a complete framework & defining procedure for effectively managing all suppliers who provide either Products and/or Services to Birlasoft.

The scope is to manage the acquisition of the Product & Services from the supplier which is applicable for all Birlasoft business locations including client offshore where suppliers deliver Products and/or Services to assist Birlasoft run its business.

2. Policy Statement

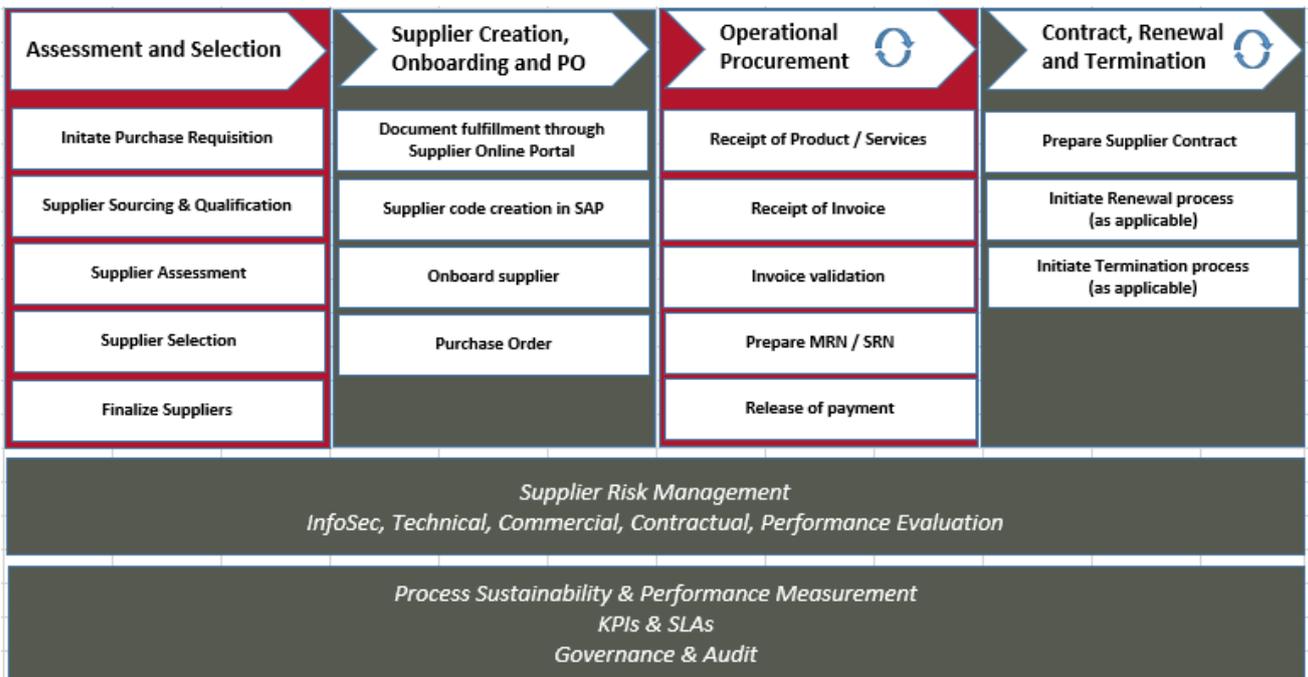
The Supplier Management Policy comprises of a comprehensive operating framework/model that includes management processes, standard procedures and process of managing supplier risks and its reporting.

3. Objective

The business objective of the supplier management policy is to minimize the impact of supplier risks on business performance and company image, protect confidential information, comply with regulations, efficiently handle disruptions and maintain high performance levels.

4. Supplier Management Framework

The objective of supplier management framework is to define the set of process which are required to be executed to effectively run an entire supplier management function.



4.1 Supplier Segmentation

The objective of supplier segmentation is to focus on the key suppliers who are important for business continuity. Supplier is classified in two major categories (**Business Critical and Non-Critical**).

The segmentation of suppliers is to be done before Onboarding for all New Suppliers and reviewed/modified for all existing suppliers when there is change in delivery of any new product / service.

It is mandatory for the respective Business Function to do the technical assessment for all “**Business Critical**” Suppliers before Onboarding and evaluate Supplier’s performance Bi-Annually.

Technical, Performance Evaluation and Financial Risk Assessment will not be applicable for Government, Semi Government, Customer Recommended Suppliers and Leased Building Owners.

Any other exception to Technical, Performance Evaluation and Financial Risk Assessment needs to be approved by Procurement and User function leader.

4.2 Supplier Identification, Assessment & Selection

The objective of this process is to identify the supplier who fulfil the business need and perform a thorough assessment of the identified suppliers in order to finalise the supplier who most aptly fit into the required criteria.

Supplier Identification

Post receiving the business request from business function supplier management team (SMT) starts the process of identifying suppliers (at least three suppliers) who all can fulfil the requirement.

Supplier Assessment

Detail assessment of all shortlisted suppliers is required to be performed before selecting any supplier to ensure that the selected supplier is best and right fit for Birlasoft business continuity and growth. All the shortlisted suppliers undergo assessment using the defined process where suppliers are assessed on primarily on Commercial, Technical, Information Security Risk & Financial Risk perspective.

Supplier Selection

Supplier is finalized after through assessment and considering the score provided by different functions. Supplier selection is done based on the combination of Technical and Commercial assessment

4.3 Onboarding & Contract Management

Supplier Onboarding

It is important to Onboard the selected supplier within SAP system for effective managing the supplier and associated processes.

Contracting

SMT conducts a meeting with supplier and concerned stakeholders to finalize the terms & conditions. Post finalization of Terms & Conditions, SMT shares the final draft with the supplier for obtaining their consent over the Terms & Conditions mentioned in the draft Contract/addendum.

SMT receives the signed copy of the document from the supplier and gets it signed from the Authorized Person in Birlasoft and shares on the copy with the supplier and respective Business Function.

4.4 Operational Procurement

SMT initiates Purchase Order process through SAP system which includes creation and issuance of PO to supplier post onboarding, signing the contract (If applicable) and release of payment.

4.5 Supplier Risk Management

Birlasoft depends on multiple suppliers to fulfil different types of business needs. Single sourcing puts company at risk by making them too dependent on one supplier. On the other hand, multiple sourcing dilutes the supplier accountability, and makes supplier collaboration and coordination much more challenging. In both sourcing models, supplier risks are high, and should be managed and mitigated through a robust Supplier Risk Management process.

Before Supplier Onboarding

Risk Identification

The purpose of this step is to identify risk associated with the suppliers who are critical for Birlasoft business.

Risk Assessment

Supplier Risk assessment is basically a review of a supplier's processes, policies, and financial health to determine how much risk it poses to the contracting organization. To determine the supplier risk Birlasoft performs different risk assessment in respective areas considering many critical parameters.

After Supplier Onboarding

I. Risk Monitoring

Continuous Monitoring of Risks is very critical to ensure continuity of business without any disruption. Supplier Risks are monitored at various stages.

A. Periodic Performance Evaluation

Once the Supplier is Onboarded it is important that their performance being continuously monitored against the agreed scope of work. While the business function owners is regularly monitoring supplier performance (for business critical supplier), it is mandatory to perform Supplier evaluation periodically to mitigate risk and drive continuous improvement.

The purpose of Supplier performance evaluation Process is to ensure that the supplier is meeting expectations in terms of Delivery & Quality of services and Operational support.

Business Function captures the evaluation score on different parameters in the defined template to evaluate the suppliers The final score is evaluated considering the different weightage to all different parameters.

B. Financial Performance Evaluation

Financial team needs to annually evaluate performance of supplier based on different financial parameters which can impact Birlasoft business.

C. Periodic Supplier Risk Re-Assessment

It is important to perform Information Security risk assessment/Re-assessment after Onboarding of any supplier to safeguard Birlasoft information held by Suppliers from unauthorized or accidental modification, damage, destruction or disclosure during Onboarding time period..

II. Risk Mitigation & Contingency

The primary objective of having a risk mitigation & contingency plan is to ensure business continuity, to avoid any legal/financial implication and maintaining positive reputation of the organization for further growth and sustenance.

4.6 Process Sustainability and Performance Measurement**Governance & Audit**

This is to ensure that appropriate mechanisms are in place for ensuring compliance to Ethics. Each employee who requisites, purchases or approves purchasing transactions is accountable for the business purpose and propriety of the transaction. All purchases must be from Company-approved suppliers using approved purchasing and payment methods for the type of good or service purchased. While the Code of Conduct (COC) sets the basic standards and expectations for employee conduct, the Code of Conduct for Suppliers establishes related requirements for our suppliers.

ESG Integration to promote Sustainable Procurement

Birlasoft is committed to promote sustainable procurement practices in accordance with certain Environmental, Social, and Governance (ESG) parameters outlined by Birlasoft.:

Environmental Ethics:

Birlasoft expect its suppliers and vendors to put in place effective policies, guidelines, and management systems to actively monitor, track, and report on environmental parameters and address any risks that arise. In addition, suppliers are encouraged to develop, support, and implement environment friendly solutions, technologies, and initiatives in their operations in accordance with national regulations, Birlasoft's Vendor code of conduct, and best in class practices.

Social Ethics:

Birlasoft acknowledges that it is crucial for suppliers and vendors to have established policies and procedures to identify, address, and mitigate human resource development, human rights, and health & safety themes in operations and across the value chain.

Governance Ethics:

Compliance with ethical business conduct guidelines also serves as a crucial parameter and is also covered as part of Birlasoft Supplier Code of Conduct.

At Birlasoft, sustainable procurement is a vital component of our commitment to environmental, social, and governance (ESG) principles and integration of these criteria into our procurement process ensures that we advance towards our mission of fostering towards a sustainable, responsible, and ethical business environment. We believe in fostering long-term value-added partnership with our suppliers and vendors; we invest in capacity building initiatives to help suppliers enhance their ESG practices through workshops.

5. Reviews

Supplier Management Policy to be reviewed and updated by SMT Head once in a Year and appropriate approvals to be taken from CXO once finalized.

6. Exception Process

In case where procurement process was bypassed, such cases to be reported to Governance, Risk and Compliance (GRC) team for necessary action.

7. Change Management

Any change in the policy mentioned in the document shall take place in consultation with Function Heads. Periodic analysis of process implementation can also trigger for process document change.

8. Data Retention

Procurement Data available on ERP system (PeopleSoft, SAP, Contract Management Tool on SharePoint etc.) should be available for a period of 7 years from the date of expiry/termination of the contract/services.

9. Communication and Training of the Policy

Internal communication:

The policy will be disseminated to all relevant departments and employees through birlasoft intranet portal. Regular updates and reminders are provided to keep everyone informed about any changes or important aspects of the policy.

External Communication:

Suppliers and external partners are informed about the policy through our website. Clear guidelines and expectations are outlined to ensure compliance.

10. Glossary of Terms

Terms	Description
CXO	Chief XXXXX Officer
SMT	Supplier Management Team
InfoSec	Information Security
PoC	Proof of Concept
PR	Purchase Requisition
PO	Purchase Order
USA	United States of America
UK	United Kingdom
SOW	Scope of Work
SLA	Service Level Agreement
KPI	Key Performance Indicator
NDA	Non- Disclosure Agreement
RFI	Request for Information
MSME	Micro, Small and Medium Enterprises
BCP	Business Continuity Process
DR	Disaster Recovery
BGC	Background Check
RFP	Request for Proposal
BOM	Bill of Material
MRN	Material Receipt Note
SRN	Service Receiving Note
ESA	PeopleSoft Enterprise Services Automation
PPDF	Purchase Process Deviation Form
Business Function	Requestor for Purchase of Products/Services
DPA	Data Processing Agreement/Addendum