



# MODERN TOOLING SOLUTION

## FAIR TRADE POLICY

### 1. Purpose and Scope

#### 1.1 Purpose

This Fair Trade Policy outlines Modern Tooling Solution's commitment to ethical business practices, responsible sourcing, and respect for human rights and the environment. We aim to ensure fairness, transparency, and sustainability throughout our supply chain.

#### 1.2 Scope

This policy applies to:

- All employees and departments within Modern Tooling Solution
- Suppliers, vendors, contractors, and subcontractors
- Any third party involved in production, procurement, or logistics

### 2. Roles and Responsibilities

#### Principles of Fair Trade

#### 2.1 Ethical Sourcing

- Procure raw materials and goods from suppliers who uphold human rights, fair labor conditions, and environmental standards.
- Give preference to suppliers certified or aligned with recognized fair trade standards (e.g., WFTO, Fair trade International, SA8000, etc.)

#### 2.2 Fair Wages and Decent Work

- Ensure all workers involved in production are paid at least the legal minimum wage or a living wage where applicable.
- Promote decent working conditions including safety, rest periods, and no forced or child labor.

#### 2.3 No Exploitation or Discrimination

- Reject all forms of labor exploitation, discrimination, and harassment.
- Ensure equal opportunity and fair treatment regardless of gender, caste, religion, or background.



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## 2.4 Transparency and Fair Dealings

- Conduct all transactions honestly and transparently.
- Avoid unfair pricing, delayed payments, or coercive business practices.

## 2.5 Environmental Responsibility

- Promote sustainable practices across sourcing, production, and waste management.
- Encourage eco-friendly materials, low-impact processes, and reduction of pollution.

## 2.6 Community Empowerment

- Wherever possible, source from or support local communities, cooperatives, and small-scale producers.
- Engage in capacity-building initiatives to uplift partners in the supply chain.

## 3. Supplier Responsibilities

Suppliers and vendors working with Modern Tooling Solution must:

- Sign and comply with our Supplier Code of Conduct
- Submit to fair trade compliance checks or audits if required
- Report any violations of labor or environmental laws immediately

## 4. . Monitoring and Compliance

- The [Compliance / Procurement / Sustainability Team] will:
  - Conduct periodic assessments of suppliers
  - Address non-compliance through improvement plans or corrective actions
  - Disengage from suppliers who consistently violate fair trade standards

## 5. Training and Communication

- Employees and procurement staff will be trained on fair trade principles
- Suppliers will be informed of our expectations and encouraged to align their practices

## 6. Compliance Standards

6.1 National Legislation:

- The Minimum Wages Act, 1948
- The Factories Act, 1948
- Child Labor (Prohibition and Regulation) Act, 1986
- Indian Contract Act, 1872



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## 7. Time Frame and Deadline

- Supplier Review and Approval: Within 30 days of application.
- Fair Trade Audit: Annually.
- Internal Policy Review: Every 12 months.
- Grievance Investigation: Initial response within 5 working days, resolution within 15 working days.
- Vendor Contracts: Renewed or reviewed every 24 months.

## 8. Documentation and Record

The following documentation must be stored in the central archive system:

- Audit Reports and Compliance Certifications
- Training Attendance Records and Materials
- Signed Supplier Contracts and MoUs

## 9. Authorization and Approval

Policy is authorized by:

- ESG Head: Drafting and coordination of implementation.
- Legal Advisor: Compliance assurance and documentation review.
- Managing Director: Final approval and enforcement.