



Gharda Chemicals Limited

Supplier Code of Conduct

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1 Preface

The goal of Gharda Chemicals Limited over the years has remained the same, “Knowledge converted through products to wealth for the benefit of society.”

Gharda Chemicals Limited (GCL) and its subsidiaries, hereinafter known as “the company” or “GCL”, acknowledge the concern of the supply chains and is committed to establishing industry benchmarks in Sustainable Development. To achieve our goals and ensure ethical conduct, it is empirical that our suppliers share our values and vision; and raise the sustainability standards in our supply chain.

GCL follows the “Responsible Sourcing Policy,” and this code outlines the expectations from suppliers. This code of conduct sets forth our shared responsibilities and promises. The purpose is to promote ethics, honesty, and professionalism among our stakeholders.

2 Introduction

The supplier code of conduct is designed to ensure that a company's suppliers adhere to high standards of safe working conditions, fair and respectful employee treatment, and ethical practices.

3 Purpose

The Supplier Code of Conduct is prepared to convey the commitment of the company to engage suppliers whose production processes are responsible and environmentally friendly. The principles expressed in the Code will form the basis of supplier selection and evaluation. The Company expects its suppliers to replicate these standards further down the value chain.

The Code is therefore made available to the suppliers to strengthen the mutual understanding of how these principles shall be practiced in day-to-day business, including the advancement of efforts to contribute to the better health of people, animals, and plants.

4 Scope

The Code applies to all suppliers, contractors, vendors, distributors, and other relevant business partners of the company.

All GCL suppliers are expected to receive, understand, and comply with all the principles of the code, as stated in the document.

5 Principles of Code of Conduct

5.1 Compliance with Quality Assurance

1. Compliance with Laws/ Legal and Regulatory Compliance

- a) Suppliers shall follow all applicable local, state, and national laws and regulations in the areas where their operations take place, and they shall provide proof of compliance when asked.

- b) Suppliers shall ensure that their organization operates within a fair framework of rules.

2. Quality Requirements

- a) We expect our suppliers to establish quality objectives, policies, manuals, and procedures, as well as to have a Quality Management System certified by a competent authority such as ISO 9001.
- b) Suppliers shall adhere to generally recognized quality standards or contractually agreed-upon quality requirements and standards to consistently provide goods and services that meet GCL's needs, perform as warranted, and are safe for their intended use.

3. Product Integrity & Accountability

- a) Suppliers shall implement good security practices throughout their supply chains to ensure product integrity of each shipment to GCL from point of origin to point of destination.
- b) Suppliers shall take the necessary and appropriate steps in their respective areas of responsibility to ensure that GCL products, components, or raw materials do not end up in the hands of thieves, counterfeiters, or any unauthorized third parties and do not inadvertently exit the legitimate supply chain.
- c) Suppliers shall conduct an immediate analysis of their relationship with a third party if they are provided with evidence that they are involved in the manufacturing or acquisition of any forgery of any products because of the third party's actions, including products destined for export that are considered counterfeit in their country of destination.
- d) GCL expects suppliers to support the investigation and prosecution of any activities connected with forged products and shall take full accountability for the same.

4. Systems, Documentation and Communication

- a) We expect our suppliers to have established manufacturing and packaging operations in place, as well as proper record-keeping, process controls, and a finished product release program.
- b) Suppliers shall address all critical issues that have the potential to degrade the quality of goods and services as soon as possible.
- c) Suppliers shall communicate to GCL any changes in the manufacturing or supply process that may affect the specification of goods and services provided.

5.2 Environment, Health, Safety, and Sustainability

1. Natural Resource Management

- a) Suppliers shall recognize the value of natural resources like fossil fuel, water etc.; and work to control their use and management, particularly non-renewable resources.
- b) Suppliers shall develop and use environmentally and climate-friendly products, processes, and technologies.
- c) Suppliers shall promote the use of widely recognized sustainability standards and certifications developed by multiple stakeholders to ensure the conservation of renewable natural resources.
- d) Negative environmental and climate impacts caused by suppliers, or their supply chain shall be minimized or eliminated at the source. Suppliers shall directly remedy damages to their immediate environment by assessing the impact and taking steps to restore the resources to their natural levels, to the greatest extent possible.
- e) Suppliers shall commit to minimizing resource waste such as water, paper, packing materials, solvents, and raw materials in all their operations and are encouraged to use resources in an efficient and innovative manner.
- f) Supplier shall assess their water footprint and create awareness around water conservation and make efforts to reduce the same.
- g) Circular economy principles such as material reduction, substitution, collection, sharing, maintenance, reuse, redistribution, refurbishment, remanufacturing, and recycling are encouraged for suppliers.
- h) Suppliers shall ensure and demonstrate continuous environmental improvements, such as lower raw material, energy, emissions, discharges, noise, waste, hazardous substances, and reliance on natural resources, through clear targets and improvement policies.

2. Biodiversity Protection

- a) Supplier shall evaluate their impact on biodiversity i.e., species, habitats, and ecosystems in and around their area of operation.
- b) Supplier shall minimize their negative impact and improve their efforts to maximize their positive impacts, with the vision of achieving a no net loss on biodiversity.
- c) Supplier shall educate all their employees and stakeholders about the importance of biodiversity conservation and openly communicate its impact on the same.
- d) Supplier shall meet the minimum expectations set by GCL in terms of biodiversity protection and enhancement, within all their area of operations.

3. Chemicals and Hazardous Material Management

- a) Suppliers shall label packaging in accordance with State and Central regulations in their country or region of operation in order to communicate hazard information to stakeholders.
- b) Suppliers shall identify and assess the risks associated with the chemicals that are transported. Suppliers shall ensure that the containers are in good condition to avoid spills and leaks.
- c) Any active substance with the potential to harm human or environmental health shall be properly managed, measured, and controlled. The release of hazardous substances shall be kept to a minimum.

4. Energy Management

- a) Suppliers shall monitor and track energy consumption and take the necessary steps to increase energy efficiency.
- b) It is recommended that appropriate steps be taken to diversify their energy mix through the use of renewable energy sources in order to reduce reliance on fossil fuels.

5. Pollution Control

- a) Air Pollution- Prior to discharge, the supplier shall ensure that air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals, and combustion by-products generated from operations are characterized, monitored, controlled, and treated in accordance with applicable laws.
- b) Water Pollution- Suppliers shall ensure that waste-water emissions are handled, stored, transported, disposed of, recycled, reused, and managed in a safe and compliant manner.
- c) Land Pollution- Suppliers shall ensure that all solid waste from their operations is segregated and disposed of safely and without harm to the environment in accordance with legal requirements.

6. Health and Safety

- 1. GCL is dedicated to managing health & safety as an integral part of its operations. It is our policy to ensure the health & safety of our processes and facilities always and in all places. Suppliers are required to strictly adhere to all local and national legal and regulatory requirements pertaining to employee safety.
- 2. Suppliers shall ensure that all employees have access to health care, including affordable medicines and medical treatment.
- 3. Working environment shall include, at a minimum, adequate lighting, temperature, ventilation, and sanitation, and, if applicable, company living quarters.

4. We expect our suppliers to implement strong and relevant management practices. We advise suppliers to take reasonable precautions to avoid accidents and injuries by analysing and reducing risk exposure.
5. Suppliers shall provide employees with a safe working environment as well as adequate and appropriate personal safety equipment.
6. Suppliers shall provide periodic safety awareness training, safety drills, or other types of safety training as required by the industry type and in accordance with fire and safety regulations.
7. Suppliers shall provide safety information about hazardous materials in the workplace, as well as educate, train, and protect workers from hazards.
8. Suppliers shall take proactive and reactive measures to ensure personnel safety, accident prevention, and loss control in their locations.

7. Commitment to climate goals & Sustainability Reporting

1. Suppliers should understand their contribution to the climate crisis and assess their carbon footprint annually.
2. Supplier is encouraged to create a long-term plan to manage their carbon emissions, by promoting use of green technology for reducing emission at source and develop climate mitigation & adaptation practices.
3. Supplier is encouraged to participate in sustainability reporting and make available the same for public reading.
4. Supplier should promote active participation and open communication on Sustainability.

5.3 Labour Practices & Human Resources

1. Child Labour

- a) Suppliers shall avoid using child labour in their business operations in accordance with the International Labour Organization's (ILO) core labour practices and the principles of the United Nations Global Compact.
- b) Suppliers shall have proper administrative systems in place to verify employees' ages, without exception, using nationally or internationally recognised identity documentation (Birth certificates, Passports, Aadhar card etc.).
- c) If the local minimum age law specifies a higher age for work or compulsory schooling, the higher age applies.

2. Forced Labour

- a) Suppliers shall follow all applicable laws, regulations, and conventions prohibiting the use of forced, bonded, or indentured labour, slavery, and other forms of work performed against one's will or choice.

- b) All forms of illegal labour practices that limit individuals' human rights are not permitted under the Code.

3. Workforce Diversity & Discrimination

- a) Employee equality shall be a fundamental principle of the supplier's corporate policy. Typical discriminatory treatment considers irrelevant characteristics of an employee, whether consciously or unconsciously.
- b) GCL values cultural differences and will not do business with a Supplier who discriminates at work based on nationality, race, religion, caste, creed, colour, disability, age, gender identity, sexual orientation or expression, marital status, pregnancy, social origin, and political affiliation.
- c) Suppliers shall ensure that the social and biological determinants affecting women, such as marriage, pregnancy and maternity, and family reasons, are addressed with appropriate policies and that women are given equal opportunities to rise and excel as men.
- d) GCL encourages supplier engagement with diverse businesses and advocates our suppliers to have an active-Diversity Program.

4. Abuse, Harassment, or Sexual Harassment

- a) GCL expects its suppliers to create and maintain an environment in which all employees are treated with dignity and respect, and to refrain from using violence, exploitation or abuse, verbal or psychological harassment or abuse.
- b) No harsh or inhumane treatment of any kind is tolerated, nor is the threat of such treatment tolerated.
- c) Suppliers shall provide a safe and secure work environment for women, and they shall always be protected from any sexual, coercive, threatening, abusive, or exploitative behaviour, including gestures, language, and physical contact.
- d) Suppliers shall have a "Sexual Harassment Policy" in place, with strict procedures in place for resolving such grievances that apply to all employees, regardless of grade.

5. Whistle Blower Protection

- a) Suppliers shall encourage employees who have concerns about suspected misconduct within the organization to come forward and express their concerns without fear of repercussions.
- b) Such a whistle-blower should be protected from unfair treatment, including discrimination, harassment, victimization, and any other unfair employment practice.

6. Remuneration, Benefits, and Working Hours

- a) Suppliers shall ensure that employees can meet their basic needs and those of their families by paying fair wages in accordance with applicable laws.

- b) As a minimum, suppliers shall provide all legally mandated benefits. Supplier shall ensure that equal remuneration is provided for work of equal value.
- c) Suppliers shall have systems in place to accurately track the hours worked by salaried and non-salaried employees, as well as to identify potentially irregular and unusual work patterns, such as excessive overtime.
- d) Suppliers shall ensure that each employee receives an accurate payroll receipt with each payment and that each payment is accurately recorded in payroll.

7. Freedom of Association and Collective Bargaining

- a) The Supplier shall not interfere with the right of workers to form and join unions or bargain collectively.
- b) This means that the Supplier shall respect his employees' right to associate with or establish any organisation, including labour organisations.

5.4 Social Responsibility

1. Human Rights

- a) Suppliers shall ensure that each employee is treated with dignity and respect.
- b) Suppliers shall treat all employees fairly and honestly, no matter where they work.
- c) All suppliers shall agree to terms and conditions that are in accordance with the UN Universal Declaration of Humans Rights (UDHR).

2. Local Community & MSME

- a) We recognize that our operations have an impact not only on our own communities but also on those who interact with our supply chains and suppliers. As a result, we encourage our suppliers to take steps to collaborate and associate with the local community for economic and social development by providing employment, assisting in poverty eradication, assisting in the development of local people's skills, and so on, wherever applicable.
- b) Local job creation, sourcing, education provisioning, and infrastructure development are all encouraged.

3. Emergency Preparedness and Risk Response

- a) Suppliers are responsible for identifying and evaluating relevant risks and emergency situations in the workplace, public neighbourhood, and any company-provided living quarters.
- b) Suppliers shall identify and assess emergency situations and show preparedness by establishing incident evaluation, impact management measures, and a precautionary plan.

- c) Regular drills and continuous employee training should be facilitated by the Supplier, to ensure that all employees are always trained and fit for emergency communication and management.

4. Training and Competency

- a) Suppliers shall have a learning and development framework in place for their employees. Suppliers are encouraged to have skill-upgrading training programmes.
- b) Suppliers will develop, implement, and maintain appropriate training measures to ensure that their employees have a thorough understanding of the core principles of the Gharda Chemical's Supplier Code of Conduct, applicable laws and regulations, and generally accepted sector-based standards.

5.5 Corporate Governance & Business Ethics

Suppliers shall strive to have all their governance systems adhere to the highest standards of ethical & moral business operations. The following are the corporate governance principles:

1. Anti-bribery and Anti-corruption:

- a) A bribe is an inducement or reward offered, promised, or provided in order to induce another person to perform an important function or activity incorrectly.
- b) Suppliers and any associated Persons shall not I offer, (ii) promise, (iii) agree to pay, (iv) authorize payment, or (v) pay, (vi) give, (vii) accept, or (viii) solicit Anything of Value to or from any third party to secure or reward an improper benefit or improper performance of a function or activity.
- c) Rewards, Incentives, kickbacks, a financial benefit, or any other benefit, whether in cash or in kind, tangible or intangible, are examples of "Anything of Value." Bribery and corruption by employees or anyone acting on behalf of the Company are not tolerated by the Company.
- d) Bribery and corruption are recognized as impediments to sustainable development and free trade. Such behaviour is not tolerated by GCL.

2. Conflict of Interest

- a) Suppliers shall disclose to GCL any situation that could constitute a conflict of interest, such as GCL employees having professional, private, and/or significant financial advantages or interests in any of the supplier's businesses before entering such a negotiation.
- b) Suppliers are not authorised to represent GCL brands without written approval from GCL management.

3. Fair Competition

Suppliers shall strive to promote free and fair market competition in accordance with all applicable antitrust laws, by employing transparent and ethical business practices that are communicated to the public through their actions and communication.

4. Accountability, Transparency & Right to Conduct Audits

- a) Suppliers shall follow the principle of fair disclosure and provide information and significant changes in business activities to all stakeholders on a regular basis.
- b) Suppliers shall commit to transparency in all accounting and financial reporting statements, as well as communications with shareholders, by adhering to independent auditing and financial reporting standards.
- c) Suppliers shall grant GCL the right to assess their sustainability performance with reasonable advance notice. GCL may conduct the evaluation directly or through a qualified third party.

5. Gifts and Hospitality

- a) Suppliers shall ensure that no employee of the company or a member of his or her immediate family solicits, accepts, or retains any gift (in cash or in-kind), from any organization or person doing business with or competing with the company (directly or indirectly).
- b) The supplier shall have criteria in place to determine what constitutes a significant gift.

6. Trade Controls

Suppliers shall follow export control regulations that apply to their business and provide accurate and truthful information to customers and other authorities when requested. Because the supplier has access to privileged information about GCL, the supplier shall prohibit insider trading.

7. Security Management & Confidentiality

- a) Suppliers shall always protect and respect GCL's intellectual property, trade secrets, and other confidential, proprietary, and sensitive information or data, and shall not disclose and/or misuse it.
- b) Such information can be used only for the intended and designated purpose as determined and agreed upon by GCL and the supplier.
- c) The supplier shall respect GCL's patented invention and not violate it in any way; any violation in this regard will be considered serious non-compliance.
- d) Suppliers shall ensure that information and data are used and distributed securely in their workplace. Suppliers shall implement physical and electronic security management systems to protect their people, equipment, and assets.

- e) Prohibit posts that contain derogatory, defamatory, inflammatory, disrespectful, obscene, threatening, abusive or malicious content about Gharda Chemicals and or its shareholders, promoters, directors, officers, or employees.

8. Political Activity

Desist from making use of association with GCL as a supplier for any political gain or using the name of GCL to participate in political campaigns.

6 Management & Monitoring

Suppliers shall create internal standards and information management systems to ensure compliance with the Code and monitor progress. The Supplier should strive to exceed the principles in the code through consistent effort and actions. It is desirable that our Suppliers communicate the code further to their suppliers and business partners and engage with them to ensure adherence to the principles mentioned in this Code. Such standards and systems shall be updated on a regular basis to ensure compliance with global standards and prevailing regulations.

7 Implementation & Evaluation

GCL, at its discretion, may conduct assessments and/or inspections to ensure compliance to the code. Supplier shall provide GCL with the necessary documents, reports, or other information to verify compliance with this Code. Failure to provide such documents, reports, or other information within the communicated timeline shall be deemed a non-compliance and shall hold the Suppliers, its stakeholders, and business associates liable for breach of this code.

In cases of non-compliance with the principles of this Code, GCL shall take necessary corrective actions, which may include, but are not limited to, training & capacity building of the Suppliers to resolve existing non-conformities and prevent their recurrence or terminating business relations with the concerned Suppliers.

Suppliers shall make every effort to obtain licences, certifications, and approvals from regulatory authorities, recognised global organisations, and so on, in order to demonstrate compliance with this Code, global standards, and best industry practises.

8 Declaration

It is hereby acknowledged that the Supplier has read and understood the Supplier Code of Conduct. By signing/accepting the terms of this document, the Supplier declares that it complies with all the principles of the Code and that it will conduct its business in strict accordance with the Code, applicable laws, global standards, and best industry practises.

The Suppliers shall be solely responsible for any non-compliance, and GCL shall have the right to seek indemnification from the Suppliers, Business Associates of the Suppliers, or any other stakeholder to whom the Code applies. Nothing in this Code shall be construed to preclude any other right or remedy.

The undersigned acknowledges that it has read and understands the GCL Supplier Code of Conduct and agrees to adhere to the provisions of the GCL Supplier Code of Conduct

Suppliers Name : _____

Signer's Name & Designation: _____

Signature : _____

Date : _____


9 Revision History

Sr. No.	Revision Number	Revision Date	Description of Change
1	NA	NA	New Document

Approved By:



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