



Gharda Chemicals Limited

Sustainable Procurement Policy

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1 Purpose

Sustainable Procurement is a method of purchasing goods and services that considers the economic, environmental, and social impacts of an organization's purchasing decisions at all times. Committing to a sustainable procurement policy entail ensuring that the organization's core values are transferred through the supply chain into the life cycle of the organization's products and services.

This Policy outlines our expectations regarding ethics, business integrity, human rights, health and safety, the environment, the local community, and the quality of products and operations. We will periodically review the policy to ensure that it continues to help us move toward our vision. We encourage our suppliers to review this information and ensure that the principles and practices outlined in the Policy will be reflected in your ongoing business dealings with us.

The Policy goes beyond mere compliance with the law by drawing upon internationally recognised standards in order to identify and define best practices from across the globe.

2 Scope

This policy will be applicable for Gharda Chemicals Limited (GCL) & its subsidiaries, hereinafter referred to as "the company" or "GCL".

3 Responsibility

All end-users and departments in charge of purchasing products and services for GCL must follow this policy to the greatest extent possible and make conscious efforts to procure green products and services.

4 Objective and Targets

Objective

To integrate Environment, Social and Governance (ESG) issues in supply chain management.

Targets

1. All procurement staff (100%) should be trained for sustainable procurement.
2. All targeted suppliers (100%) sign supplier code of conduct.

5 Policy

GCL believes that developing its suppliers is critical to the company's growth. GCL is committed to working with suppliers to inculcate GCL's Sustainable Procurement policy that focuses on – reduced use of toxic substances, conservation of natural resources, minimization of waste generation & release of pollutants/emissions, maximizing reusability and recyclability across value chain, prohibiting the use of child labour, complying with applicable wage and hour laws, ensuring safe and healthy working environment for employees/ workers, ensuring safe/ clean/ secure accommodation to employees/workers, ensuring no discrimination on basis of race/

colour/ gender/ age/ nationality/ religion/ sexual orientation/ marital status/ citizenship/ disability/ medical condition and community welfare.

- a) Suppliers strive to continuously improve environmental performance by setting priorities, targets, and processes for the efficient use of natural resources, energy, and water, as well as the prevention of the use of hazardous or toxic substances, waste minimization, emission reduction, and pollution prevention.
- b) Suppliers operate their facilities in accordance with all applicable environmental laws, regulations, obligations, safeguards, and controls in order to prevent health and safety risks, with the intent of going beyond compliance.
- c) Suppliers should measure, monitor, and review the organization's environmental performance on a regular basis and get it audited (internal/external) before communicating with relevant stakeholders.
- d) Suppliers ensure environmentally friendly manufacturing and environmentally compatible/recyclable packaging.
- e) Suppliers conduct business with high ethical and moral standards, and they consider the Human Rights of other stakeholders, including their employees.
- f) Suppliers act responsibly with their stakeholders, collaborating and associating with them, particularly the local community, in order to help them develop.
- g) Purchase of recycled/partially recycled products with extended producer responsibility.
- h) Product procurement with certification and eco-labels, where applicable.

Every supplier/ vendor must sign our Supplier Code of Conduct to illustrate their commitment to this policy. GCL expects suppliers to implement internal policies, governance structures, systems, and processes, as well as take any other necessary steps to ensure policy adherence, while also demonstrating continuous improvement in their ESG performance.

6 Review

This policy shall be reviewed according to need and opportunity but not later than once in three years.

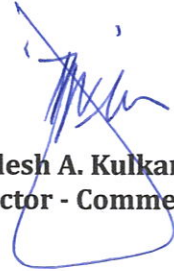
This policy should be read in conjunction with GCL's Supplier Code of Conduct.

7 Revision History

Sr. No.	Revision Number	Date	Description of Change
1	00	15.05.2023	New Policy
2	01	20.08.2024	1. Clause no. 2- Scope redefined 2. Clause no. 3- Responsibility added 3. Clause no. 4- Objective and Targets added



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