

## SUSTAINABLE PROCUREMENT POLICY

Effective Date	Responsible Dept.	Approved by	Version	Approval Date
05.08.2023	Purchase / Procurement	Board of Directors	1	05.08.2023
			2	02.08.2025

### Introduction

Epigral Limited (“Epigral / Company”) is the global supplier of chemicals and has an active role in chemical industry’s value chain. Epigral is fully aware of responsibilities towards the environment and society that come with business activities and market position, and we aim to achieve sustainable value creation in Sustainable Development Goals (SDG’s) by integrating sustainability in supply chain.

At Epigral, our core human values, along with our commitments to safety and the environment, reflect our dedication to corporate sustainability. These values are aligned with the United Nations Sustainable Development Goals (UNSDGs) and form the foundation of our sustainable procurement strategy. This strategy outlines our commitments and roadmap for integrating environmental, social, and ethical considerations into both our supplier relationships and the internal practices of our procurement teams.

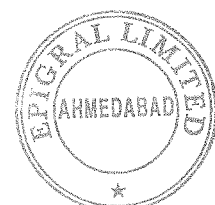
Our Sustainable Procurement Policy expresses our intent and outlines the actions we will take to strengthen our procurement systems. It incorporates key principles from international standards such as ISO 26000 and ISO 20400. This policy provides a unified framework and sets clear goals for all business units and suppliers to pursue. It also serves as a formal declaration of our internal commitments and measurable targets, holding the company accountable as we work toward a more sustainable future.

Epigral is committed to adopt an inclusive approach towards sustainability that comprehends the activities of its supply chain partners “Supplier” i.e. Vendors, Contractors, and Services that we procure. We believe that to attain sustainability across our value chain, it is imperative to collaborate with responsible value chain partners.

Epigral strives to minimize external environmental, economic, and social risks by encouraging Suppliers to adopt sustainable practices; gain competitive advantage and create value by adopting eco-efficiency and promoting sustainable business practices.

Our approach is motivated to integrate and imbibe sustainability across the entire value chain. This Policy demonstrate our commitment to responsible procurement across all our goods and services, as well as outlining our expectations from our value chain partners.

The purpose of this policy goes beyond compliance and maintain an ethical and sustainable supply chain practices. This Policy shall encourage our value chain partners on working towards a long-term, sustainable, and mutually beneficial future. This Policy may not respond to every specific question and problem, if specific situations are not expressly covered, the purpose of this Policy must be upheld by exercising common sense and good judgement in light of the objective criteria.



## Objective

Being a responsible producer, Epigral believes in the importance of engaging with suppliers that are actively working to mitigate any negative environmental or social impacts of their operations. The main objective is to engage with suppliers to mitigate any negative social and environmental harm and help drive positive impact to integrate sustainable development strategy points in day-to-day sourcing operations and dealings with Suppliers, Vendors and Service Providers.

To serve as a guiding framework for sustainable supply chain management, this document aims to integrate environmental, labor, human rights, and governance considerations into supply chain practices—alongside traditional procurement factors such as price, quality, and reliability.

Our Sustainable Procurement Policy stands as a cornerstone guiding our procurement activities, with a steadfast commitment to minimizing adverse environmental and social impacts while maximizing positive contributions. Through this policy, we strive to achieve the following objectives:

- **Environmental Stewardship:**  
Embed environmentally responsible practices across our supply chain, encompassing material sourcing, usage, transportation, and waste management.
- **Social Responsibility:**  
Ensure fair and ethical treatment of workers, champion diversity and inclusion, and uphold human rights standards throughout our supply chain.
- **Economic Viability:**  
Promote economic development in our operational communities by prioritizing suppliers adhering to fair labour practices and fostering positive contributions to local economies.
- **Innovation and Continuous Improvement:**  
Cultivate innovation in sustainable procurement practices, consistently reviewing & enhancing processes to align with evolving sustainability standards & industry best practices
- **Transparency and Collaboration:**  
Heighten transparency in our procurement processes and foster collaboration with suppliers, stakeholders, and industry partners, working collectively to advance sustainability objectives.

By steadfastly adhering to these objectives, Epigral aims to contribute to a more sustainable and responsible global supply chain, reinforcing our dedication to environmental protection, social welfare, and ethical business practices.

## Scope

This policy applies to all operations of Epigral Limited, including its offices and manufacturing facilities. It is applicable to all individuals and organizations involved in Epigral's supply chain activities.

The scope of this policy extends to all employees, suppliers, contractors, service providers, and business partners—both current and potential. This includes, but is not limited to, vendors, dealers, wholesalers, consultants, agents, advisers, and joint venture partners.

The policy is applicable across all procurement activities related to Epigral's businesses and must be adhered to by all employees engaged in these functions.



## **Sustainable Procurement**

Being a responsible producer, Epigral believes in the importance of engaging with suppliers that are actively working to mitigate any negative environmental or social impacts of their operations. Epigral is committed to integrate Environment, Social and Governance (ESG) principles in sustainable sourcing system and strengthen its interdependence with other business policies. Epigral's commitment to achieve excellence in interdependence shall be achieved by following:

- Taking measures to integrate social, human right and environmental factors within procurement system by performing risk assessment and audits of suppliers on ESG (CSR) practices;
- Capability enhancement of buyers, suppliers on environmental, social and human rights practices through training programs of suppliers and buyers;
- Developing and implementing measurable of our sustainable practices using sector standards prescribed in global GRI standards and publish periodical procurement report.
- Promoting actions to increase supplier diversity amongst Suppliers and Service Providers across all sourcing.
- Integrating sustainable procurement objectives related to Environment, Labour and Human Rights, Health and Safety in performance review of buyers.
- Reporting the initiatives that have undertaken for reducing environmental and social impact to ensure adherence with Sustainable Procurement and Responsible Sourcing Policy.
- Complying with all relevant legislation and regulatory requirements in letter and spirit and its adherence review in management review meetings.
- Deploying measures and actions to enhance the environmental, social and financial outcomes of all our procurement activities.
- Monitoring performance indicators of sustainable practices to pursue continual improvement.
- Improving performance by using results of the monitored practice and assessment results.
- Promoting awareness of sustainability material issues and considerations in the product user community.
- Fostering a culture of sustainability among our suppliers, encouraging them to embrace sustainable business practices that minimize emissions impact and generate community benefits throughout their operations and supply chains.
- Collaborating with our suppliers, provide them with support and guidance on their own journey towards establishing a sustainable supply chain.
- Reporting the initiatives that have undertaken for reducing environmental and social impact to ensure adherence with Sustainable Procurement & Responsible Sourcing Policy.

## **The Significance of Suppliers' Environmental Performance at Epigral**

Our suppliers' environmental practices play a pivotal role in shaping Epigral's carbon footprint, considering the CO2 emissions associated with the goods and services we acquire. It becomes imperative to target emissions reduction within our supply chain, making collaboration with suppliers who adhere to robust environmental management principles and have established targets for energy, waste, and emission reduction an essential priority.

Moreover, waste generation not only leads to pollution but also results in emissions and environmental consequences, contingent on the disposal methods employed. For example, a higher rate of recycling or waste-to-energy incineration leads to lower emissions, whereas waste sent to landfills has adverse effects on both human health and the environment over an extended period.



In alignment with the Company's broader Environmental, Social, and Governance (ESG) objectives, and to address environmental considerations across its value chain, the Company shall:

- Promote responsible sourcing by selecting suppliers with established environmental management systems and eco-friendly products.
- Engage and collaborate with suppliers to support continuous improvement in their environmental performance, focusing on reducing carbon emissions, conserving resources, and minimizing waste.
- Establish a system to ensure that all suppliers follow relevant environmental laws and standards and actively monitor compliances by 2035.

By giving precedence to our suppliers' environmental performance, we actively contribute to sustainable practices, curbing our overall environmental impact, and nurturing a supply chain that is both responsible and resilient.

To translate Company's environmental commitments into measurable outcomes, the Company establishes the following targets:

- Achieve at least 70% of total annual procurement spend with suppliers who are ISO 14001-certified or demonstrate equivalent environmental controls by 2035.
- Increase the share of purchased products containing at least 5% recycled content to 10% of all relevant product categories by 2035.
- Establish a system to conduct periodic supplier environmental performance audits covering at least 75% of top-tier suppliers by spend.

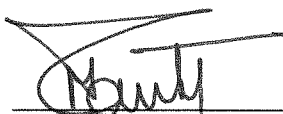
## **Supplier Social Practices Policy**

The Company is committed to promoting responsible social practices across its supply chain, ensuring that all suppliers adhere to:

- Supplier's Code of Conduct addressing human rights, fair labor practices, non-discrimination, and health & safety.
- Creating safe, inclusive, and equitable workplaces and eradicate child labor and forced labor across the supply chain.
- Engaging directly to drive social sustainability improvements through capacity-building and regular assessment.

To translate these commitments into measurable outcomes, the Company has established following targets:

- By 2028, ensure that at least 95% of direct suppliers have formally signed the company's Supplier Code of Conduct.
- Complete social compliance risk assessments for 100% of new suppliers before onboarding, beginning in 2027.



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