



Himadri Speciality Chemical Ltd

Sustainable Procurement Policy

Policy Version :1.0/2023

(w.e.f :1st November, 2023)

	Prepared By	Reviewed By		Approved By
Name	Mr. Bijay Gupta	Mr. Satish Kumar Chabbra	Mr. Avijit Sasmal	Mr. Anurag Choudhary
Designation	Sr. Manager Commercials	President-Materials Management	Chief Sustainability Officer	CMD & CEO
Signature				
Date	30.10.2023	30.10.2023	30.10.2023	31.10.2023



Purpose

At Himadri Speciality Chemical Ltd. (Himadri), we recognize our responsibility to make sustainable business decisions that have a positive impact on the environment, society, and the overall well-being of our stakeholders. We believe every business decision should bring value creation & brand prosperity embracing all elements of governance, environment and society at large. As part of our commitment to United Nation Global Compact, we have designed this policy to guide our procurement practices and ensure that we engage with suppliers to get on boarded and drive collaborative agenda aligned with our value creation objectives in perspective of governance, environmental and social elements beyond the direct operating boundaries of Himadri.

Scope

This policy applies to all upstream value chain activities of Himadri's manufacturing plants, corporate offices & subsidiaries encompassing Raw material, CAPEX/OPEX consumables and service segments (third-party employees engaged in all business activities).

Organization and Responsibilities

All Suppliers related to upstream value chain are expected to comply with all applicable elements of this policy as well as Himadri's supplier code of conduct ensuring full-scale deployment of the same. Himadri's management team associated with upstream value chain will ensure adequate engagement in perspective of building awareness, assessing risk in value chain and hand holding to build capability to meet the expectation of this policy.

Our Beliefs

- Creating value in perspective of ESG ensures sustainable business
- Environment and social well-being is a shared responsibility
- Collaboration with relevant stakeholders is key to success

Our Aims

- Committing to procurement practices that are ethical and moral
- Addressing adverse sustainability impacts through due diligence
- Managing risks and opportunities related to procurement activities through stakeholder collaboration
- Setting priorities for sustainability issues in upstream value chain
- Continual Improvement and encourage innovative procurement practices



Our Commitments

- By 2024, conduct sustainability assessment as per Himadri's Upstream value chain partner standard of our value chain partners covering at least 70% of group spend (Vs 2021)
- By 2026 100% of suppliers will sign off the Himadri's Supplier code of conduct catering to all procurement segments. (RM, Consumables & Service)
- Implementation of Sustainable procurement management system aligning ISO 20400:2017 across all operations by 2026
- By 2025, de-carbonize value chain by 5% identifying and collaborative mitigation efforts with highest emitters.
- Train buyer and supplier on Sustainable procurement and related topics of ESG.
- Conduct annual assessments of all strategic supplier performance on environmental, human rights and labour practices through comprehensive evaluations by third party.
- Promote energy efficiency and reduction of carbon footprints within supply chain.
- Ensure our supply chain promote the use of materials with lower environmental impacts, such as recycled, renewable or sustainably sourced materials.
- Engage and Incentivize suppliers who are highly committed and delivering consistent performance against ESG elements
- Ensure no business transactions with suppliers dealing with conflict minerals as defined by European Union's Conflict Minerals Regulation.

Governance

This policy is governed by the Sustainability (ESG) Council of Himadri under the supervision of the Sustainability (ESG) Committee at the Board level.

Policy Review

This policy will be reviewed every three years and updated as necessary to reflect changes in laws, regulations and market conditions.