

SUSTAINABLE PROCUREMENT POLICY

At Shiva Performance Materials Private Limited (SPMPL), we believe that responsible procurement is fundamental to our sustainability journey and critical for building resilient and ethical supply chains. This Sustainable Procurement Policy outlines our commitment to integrating environmental, social, and ethical considerations alongside traditional factors such as price, quality, and reliability in all our purchasing decisions.

We are dedicated to fostering a supply chain that aligns with our values, contributes positively to society, and minimizes adverse environmental impacts, thereby driving shared value for all stakeholders. This policy communicates our internal commitments and guides our procurement practices across all operations and offices, extending our influence throughout our value chain.

Our Core Principles for Sustainable Procurement:

- **Holistic Decision-Making:** Integrating environmental, social, and governance (ESG) factors into every stage of the procurement process.
- **Risk Mitigation:** Proactively identifying, assessing, and mitigating sustainability risks within our supply chain.
- **Transparency & Due Diligence:** Committing to responsible sourcing through enhanced visibility and due diligence across our supplier base.
- **Collaboration & Partnership:** Fostering long-term relationships with suppliers who share our sustainability ambitions and supporting their journey towards improved performance.
- **Continuous Improvement:** Regularly reviewing our procurement practices and supplier performance against sustainable criteria.
- **Ethical Conduct:** Upholding the highest standards of integrity, fairness, and anti-corruption in all procurement activities.

1. Environmental Sustainability in Procurement:

SPMPL is committed to managing and mitigating the risks of environmental impacts within our supply chain. We will actively seek and collaborate with suppliers who demonstrate strong environmental stewardship and implement best practices in their operations.

Objectives:

- Commit to responsibly managing the risks of adverse environmental impacts within our supply chain, prioritizing partnerships with suppliers who demonstrate robust environmental management systems and innovative sustainable practices.
- Partner with suppliers who proactively reduce emissions, minimize waste, and promote circular economy initiatives, including recycling and sustainable packaging.
- Encourage suppliers to comply with all relevant environmental regulations and industry best practices, and to cascade these commitments throughout their own supply chains
- Actively promote the adoption of circular economy principles among our suppliers, encouraging resource efficiency, waste reduction, and the use of recycled or sustainably certified materials.
- Aim to train 100% of our procurement team employees on key environmental issues in the supply chain by 2026, ensuring integration of sustainability criteria into purchasing decisions.
- Reduce Scope 3 supply chain emissions from purchased goods and services by 25% by 2030 (baseline year: 2022) through supplier engagement, material substitution, and logistics optimization.
- Ensure that at least 20% of our high-impact suppliers (by spend/volume) have set environmental targets by 2030.

SHIVA PERFORMANCE MATERIALS PRIVATE LIMITED

CIN No. : U24100GJ2013PTC078001

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2. Social Responsibility in Procurement:

SP MPL is committed to managing and mitigating the risks of adverse social impacts (such as working hours, wages, human rights, and safe working conditions) within our supply chain. We will select and collaborate with suppliers who uphold high social standards and ensure fair and respectful treatment of their workforce.

Objectives:

- Commit to upholding human rights and fair labour practices across our supply chain, actively working with suppliers to manage and eliminate risks of adverse social impacts.
- Promote safe and healthy working environments, fair wages, reasonable working hours, and non-discriminatory practices among our suppliers.
- Ensure that **90% of our critical suppliers (by spend/volume) have undergone a social risk assessment or audit by 2027** (baseline year: 2023).
- Target that 100% of suppliers' employees receive at least a living wage (or minimum wages as defined by the local regulations) or above by 2030
- Achieve **zero incidents of forced labour or child labour** identified within our direct supply chain.

Implementation & Integration:

This Sustainable Procurement Policy will be integrated into our company's internal systems, supplier selection processes, and contract management procedures. We will:

- Develop clear guidelines and tools for procurement teams to assess and select suppliers based on environmental and social performance.
- Provide ongoing training and capacity building for our procurement professionals.
- Engage suppliers through various mechanisms, including assessments, audits, and collaborative improvement programs.
- Consistently evaluate, monitor, and address environmental and social risks in our supply chain through due diligence and active supplier engagement.
- Monitor and report on our progress in achieving sustainable procurement objectives.

Date: October 21, 2024



Shwetal Sakaria

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