

CHEMVEDA

SUSTAINABLE PROCUREMENT POLICY

Document Governance		
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Entities covered	Chemveda Life Sciences India Pvt. Ltd.	
Owner	Supply Chain Management Department	
Revision History	Earlier Version: 00 Date of Revision: NA Revision Effective Date: NA	Policy Approved By: CEO Dr. Bheema Rao Paraselli <i>P. Bheema Rao</i> 11-Sept-2025

1.0 PURPOSE:

Through this Sustainable Procurement Policy, we aim to incorporate sustainability considerations into every phase of the procurement process, from supplier selection and contract management to delivery management, in order to promote social, economic and environmental sustainability across the supply chain. We expect our supply chain partners to share this commitment and adhere to the fundamental principles outlined in this policy across all their operations and locations.

2.0 SCOPE:

This Policy applies across all procurement activities, outlining our approach to conducting business with suppliers and establishing the expectations regarding their business practices. It pertains to all suppliers, contractors, and service providers engaged with Chemveda and encompasses all personnel operating at any Chemveda offices or facilities globally. Suppliers, contractors and service providers include, but not limited to, individuals and organizations (hereby referred to as “Suppliers”) that directly or indirectly provide services, raw materials, active pharmaceutical ingredients, components, finished goods, or other products.

3.0 RESPONSIBILITY:

S. No	Department	Responsibility
➤	SCM	- Supplier evaluation: To evaluate and assess suppliers preferentially on environmental, social, and governance (ESG) criteria in addition to cost and quality wherever feasible. - Supplier engagement: To communicate the policy's mission and targets to vendors during the sourcing and onboarding process. - Report non-compliance: Report any known or suspected breaches from any vendors on non-compliances or risks if any.

➤	Employees	• Foster a culture of honesty and integrity in their workforce on everyday activities, those who ever, whenever directly or indirectly deal with suppliers, customers, subcontractors, government agencies, and other relevant parties. • Adherence to policy: Follow the established procurement procedures and guidelines for all procurements whoever is involved or engaged in the related process. • Support sustainable goals: Actively support the organization's broader sustainability goals by making responsible procurement choices. • Utilize approved suppliers: Use the preferred list of sustainable suppliers whenever possible. • Report non-compliance: Report any known or suspected breaches of this policy through designated channel
➤	Vendors	• Chemveda expects its suppliers to maintain high standards of ethical conduct and to operate with integrity across all aspects of business and interactions. • Expect to Comply with company's sustainability requirements. • Support to Participate in sustainability audits and continuous improvement initiatives.

4.0 DEFINITIONS:

Not Applicable

5.0 PROCEDURES/RULES/PROCESS:

- At Chemveda, we are committed to sustainable procurement by including principles of sustainability into its procurement practices.
- We will maintain transparent, ethical and fair procurement practices ensuring that our suppliers are selected based on merit and ability to provide high quality services.
- We will execute thorough due diligence during procurement across our supply chain while procuring all raw material. Chemveda will ensure that the sustainability credentials of materials, equipment, and service providers are considered during the supplier selection and performance evaluation processes.

- Where applicable, sustainability criteria will be incorporated into the contract awarding process.
- We will implement risk management systems to detect, assess and mitigate any risks arising from our suppliers.
- We will work to increase awareness and enhance competence development among employees and Supply Chain Partners regarding sustainable supply chain practices. This may include training, workshops, and resources aimed at promoting sustainability in procurement.
- Wherever possible, we will endorse the use of sustainable materials, reduce waste from packaging, minimize use of hazardous chemicals and procure products that do not affect human health while handling.
- We aim to advocate procurement practices that foster local community development and encourage beneficial social outcomes and give preference to local sourcing. This may involve engaging with communities, creating job opportunities, and providing educational support as part of our corporate social responsibility initiatives.
- We assess our vendors based on their ESG performance, prioritizing those with better ESG metrics to promote sustainable procurement within our operations.
- Sustainable Procurement Principles for Suppliers

We expect our suppliers to align with these standards, ensuring environmentally responsible practices, social equity, and strong governance frameworks. Suppliers shall be required to present their progress on ESG measures as a part of vendor evaluation in addition to existing legal, financial, and quality aspects as per statutory guidelines and Chemveda's quality standards.
- Ethical and Fair Business Practices
 - Suppliers must avoid unfair competition and deceptive practices, such as false or misleading claims about their or Chemveda's services, unjustly disparaging competitors, making unsubstantiated product claims, or misusing Chemveda's or others' trademarks.
 - Suppliers are expected to comply by all relevant provisions and conditions specified in any contractual agreements with Chemveda.
 - Suppliers will adopt corporate governance principles and ethical business practices in all decisions and actions.
 - Suppliers must be mindful while capturing and using Chemveda's data and follow generally accepted principles of data privacy.

- Suppliers must ensure that all information technology (IT) systems follow the highest standards of cybersecurity and ensure implementation of IT and breach management systems.
- Environment, Health and Safety
 - Suppliers should foster EHS awareness among employees, contractors, and relevant stakeholders.
 - Suppliers should monitor the workplace for safety hazards to safeguard employees and visitors from chemical, biological, and physical risks.
 - Suppliers may develop processes to identify, prevent, and address risks like chemical spills affecting worker safety or the environment, with emergency plans and response protocols.
 - Suppliers should comply with applicable EHS legislation and obtain necessary permits, licenses, or registrations.
 - Suppliers should operate facilities to reduce environmental impacts from raw materials and waste, promoting natural resource conservation.
 - Suppliers should create systems for reuse, recycling, and to decrease reliance on hazardous materials.
 - Suppliers should implement waste management systems ensuring safe and legal handling, movement, storage, recycling, or disposal of waste, air emissions, and wastewater.
 - Suppliers may maintain a policy for sustainable and responsible vendor procurement.
- Labor and Human Rights
 - Suppliers will prevent forced or child labor, encourage diversity and inclusion within their workforce. They will take proactive measures to identify, prevent, and address any negative impacts, if any, on human rights, ensuring remediation where needed.
 - Suppliers must ensure a non-discriminatory workplace by avoiding biases in hiring and employment based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, or marital status.

- Suppliers should implement policies to prevent all forms of harassment and establish grievance mechanisms for addressing incidents, complying with relevant laws such as the Sexual Harassment of Women at Workplace Act, 2013.
- Suppliers must uphold fair employment practices, ensuring harassment-free workplaces and refraining from harsh treatment, such as abuse or coercion, while terminating employment only for valid reasons.