

# Sustainable procurement policy

## Tagros Chemicals India Private Limited

Effective date 01.04.2025, Version-01



### 1. PURPOSE & COMMITMENT: -

The purpose of this policy is to ensure that all sourcing and purchasing decisions at Tagros are conducted responsibly, ethically, and transparently. We aim to minimize environmental impact and promote social equity across our supply chain.

#### OUR COMMITMENT:

- Integrate **Environmental, Social, and Governance (ESG)** principles into all procurement lifecycles.
- Partner with suppliers who prioritize **risk management, continuous improvement, and long-term value creation.**
- Adhere to global standards, including **ISO 9001, 14001, 45001, 14064, 20400, 37001, Responsible Care,** and the **UN Sustainable Development Goals (SDGs)**

### 2. SCOPE: -

This policy applies to all Tagros entities globally. It governs all direct suppliers, contractors, and service providers, specifically focusing on those with an annual spend exceeding **INR 10 lakhs.**

### 3. CODE OF CONDUCT FOR SUPPLIERS ON ESG: -

All suppliers must adhere to the **Tagros Supplier Code of Conduct (Ref Doc No TC IPL/PUR/CC/01)** and should read, sign and acknowledge the Supplier Code of Conduct.

### 4. RISK BASED APPROACH: -

Tagros Chemicals India Pvt. Ltd follows a robust, risk-based supplier on-boarding and assessment framework to ensure ESG excellence across its value chain. The **Category Managed Procurement** model adopted by Tagros Chemicals India Pvt Ltd facilitate to adopt appropriate strategy for each category of vendors as given below -

Category	Category of Vendor	ESG Requirement
Category 1	<b>DIRECT SPEND</b> (Raw Material Vendor, Packing Material Vendor, Toller Subcontractor )	Tagros Supplier Code of Conduct Acknowledgement, Tagros ESG Screening through In House ESG Questionnaire, ESG Certification/ Rating + Annual review, Onsite Audit

Category 2	<b>INDIRECT SPEND</b> (MRO Suppliers, MRO Services, CAPEX, Logistics, Traders, Research & Development etc.)	Tagros Supplier Code of Conduct Acknowledgement
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Periodic assessments of existing vendors combine internal controls like spend analysis, single-source monitoring, ESG scoring etc. with external validation i.e. EcoVadis ratings, regulatory checks, stakeholder feedback. Category 1 vendor with ISO Certifications like 9001, 14001, 45001 & Ecovadis ratings are audited biennially while vendors without these certifications would be assessed / audited annual basis driving continuous ESG improvement, mitigating supply-chain risks, and reinforcing responsible sourcing. Trading Vendors are exempted from these as they do not hold any stocks.

## 5. ESG INTEGRATION IN PROCUREMENT: -

ESG principles are integrated at every stage of procurement:

- **Pre-qualification:** Tagros Supplier Code of Conduct Acknowledgement, Tagros ESG Screening through supplier assessment questionnaire on ESG, ESG Certification/ Rating.
- **Selection of Supplier:** Vendor with good ESG rating/ certification given preference.
- **Evaluation of supplier:** Category 1 vendor with ISO Certifications like 9001, 14001, 45001, SA 8001 & Ecovadis ratings are exempted from onsite audit while vendors without these certifications would be assessed / audited annually.
- **Performance Review:** Performance rating also includes ESG rating along with other standard criteria like Price, Delivery term, lead time etc.

Tagros reserves the right to conduct ESG audits and request corrective action plans from suppliers.

## 6. SUSTAINABLE PROCUREMENT OBJECTIVES: -

### ➤ GOVERNANCE TARGETS: -

- a. 100% procurement employees receive annual training on ESG principles, anti-bribery practices, and the Code of Conduct.
- b. 100% suppliers formally acknowledge and sign the Supplier Code of Conduct through purchase or work orders.
- c. Onsite audits are conducted for Category-1 suppliers in accordance with the policy.
- d. Zero confirmed case of corruption

### ➤ ENVIRONMENT TARGETS: -

- e. At least 80% of suppliers are certified to ISO 14001 or an equivalent environmental management standard.

- f. At least 60% of raw material and packaging suppliers have shared their greenhouse gas (GHG) emissions data.
- g. 100% of packaging suppliers comply with recyclability standards or Extended Producer Responsibility (EPR) requirements.

➤ **SOCIAL TARGETS: -**

- h. Zero tolerance is maintained for child labour and forced labour across the entire supply chain.
- i. At least 10% of total supplier spend is sourced from MSMEs or local suppliers.

**7. SUPPLIER ENGAGEMENT INITIATIVES: -**

- Drive supplier support program on ESG (training, technical assistance).
- Sharing own ESG report with suppliers.
- Reward and recognition program for suppliers on their ESG performance.
- Suspension/termination of supplier for repeated ESG non-compliance.

**8. ACCOUNTABILITY & GOVERNANCE: -**

- a. **BOARD OF DIRECTORS:** Providing executive oversight.
- b. **GM Commercial:** Owns policy implementation and achievement of policy.
- c. **SUSTAINABILITY & EHS COMMITTEE:** Defines KPIs, tracks progress and ensures compliance with global standards.

**9. POLICY REVIEW: -**

- The policy will be reviewed every two years by GM Commercial and Sustainability & EHS committee and updates triggered by regulatory changes, business strategy shifts, or lessons from audits.

**10. APPROVAL: -**



**GM Commercial**  
**Prepared by**



**Executive vice president & COO**  
**Approved by**

**Date : 01.04.2025**

**Place : Chennai**