

## Sustainable Sourcing and Procurement Policy

### INTRODUCTION:

We at Everest, as one of the India's leading and comprehensive building solutions provider with offerings in building products such as roofing, boards and panels and supply of pre-engineered steel buildings, are committed to sustainability and to adopt policies which help to improve the lives of all people across the supply chain and help preserve the environment. We recognize that our sourcing and procurement practices play a crucial role in achieving our sustainability goals. Therefore, we have developed this 'Sustainable Sourcing and Procurement Policy' that reflects our commitment to responsible and ethical behaviour, innovation, and stakeholder engagement. We expect all our suppliers to comply with the necessary business integrity and environmental sustainability standards defined in this policy and adopt best practices to reduce our environmental footprint. This policy is applicable to Everest Industries Limited and all its subsidiaries. Everest will advise all its vendors to follow this policy.

By prioritizing sustainability and social responsibility, we aim to enhance our brand reputation, reduce costs and risks, and create shared value for our stakeholders.

### Policy Statement:

Our company's sustainable sourcing and procurement policy is based on the following principles:

#### ➤ Sustainable Sourcing:

We will prioritize the use of sustainable materials that are environmentally friendly, socially responsible, and economically viable. We are taking continuous steps to reduce the use of asbestos in our products as part of our commitment to sustainability and human health. We will seek to minimize our carbon footprint, water usage, waste generation, and pollution by selecting materials that are renewable, recycled, biodegradable, or low emission. We will also obtain certifications such as GreenPro, GRIHA, Indian Green Building Council etc. for our products to ensure responsible sourcing and production wherever possible. We will encourage our suppliers to improve their sustainability performance, innovation, and transparency.

#### ➤ Procurement Policy:

We will prioritize the procurement of products and services from local, diverse, and socially responsible suppliers who align with our values and mission. We will endeavour to support SMEs, women-owned businesses, and other underrepresented groups by providing fair and transparent opportunities to compete for our business. We will also encourage the development of local economies and communities by promoting local sourcing, employment, and capacity building.

#### ➤ Supplier Code of Conduct:

We will require all our suppliers to comply with our Supplier Code of Conduct, which outlines our expectations for responsible and ethical behavior. The code will cover areas such as labor rights, human rights, health and safety, environmental protection, anti-bribery and anti-corruption, and business ethics. We will endeavour to conduct regular assessments and audits of our suppliers' compliance with the code and provide training and support to help them meet our standards. We will also ensure that our employees are aware of the code's requirements and consequences and encourage them to report any violations or concerns.

This Sustainability and Procurement Policy covers 4 principles as under:

## 1. ETHICALLY DRIVEN

We conduct our business activities in a fair and transparent manner with honesty, integrity, high ethical & moral standards and respect for human rights.

- Conflict of interest – Suppliers must report any conflict of interest in any business dealings with Everest that the supplier is aware of. Such conflict should be disclosed if any of Everest's employees or professionals under contract have any ownership or interest in a supplier's business.
  - This clause shall not include investment made by employees in their personal capacity in listed entities.
- Bribery, corruption, gifts and donations - Suppliers in all commercial dealings with Everest must not receive or offer to make any illegal payments, gifts, bribes, donations or other improper advantage in order to obtain unethical favours for the business. Suppliers must ensure that no action is taken to violate any applicable antibribery or anti-corruption laws and regulations in the locations of their operations and make every effort to eliminate all forms of corruption and bribery.

The Suppliers must refrain from providing any gifts, kickbacks, enticements, gratifications, or other valuables to employees or consultants of Everest Industries Limited. Additionally, suppliers should not attempt to contact family members of the employees or consultants to advance their business interests. Everest maintains a zero-tolerance stance toward bribery and corruption, pledging to conduct business professionally and fairly. The company actively implements and enforces robust systems to combat bribery and corruption in all forms.

We mandate compliance with all applicable anti-bribery and anti-corruption laws in all markets and jurisdictions in which we operate. Everest is committed to doing business lawfully, ethically and with integrity in accordance with the guidelines of the Anti-Bribery and Anti-Corruption Policy.

- Confidentiality - Suppliers must safeguard and respect intellectual property, trade secrets and other confidential, proprietary, and sensitive information or data of Everest at all times and shall not disclose the same. The information provided by Everest should be used only for its intended and designated purpose as decided and agreed upon between Everest and the supplier.
- Anti-competitive and restrictive trade practices - Suppliers must comply with applicable local and international laws to promote free and fair competition and to get business by offering competitive prices and innovative products.
- No Child/ Adolescent Labour - Suppliers must ensure that they do not employ any person below the age of 18 (Eighteen) or as per the minimum age for work as per applicable law, whichever is higher. If the supplier is based outside India, then the law applicable to his country shall be applicable.
- Gender Equality and Non- Discrimination - Suppliers must treat their employees with dignity and respect. There should be no discrimination in hiring employees and employment practices on the ground of criteria such as gender, race, religion, caste, age, marital status, disability, sexual orientation, disability, or citizenship.
- No Forced or Bonded Labour - Suppliers must not use any bonded or forced labour, slavery, or human trafficking. Everest expects its suppliers to comply with all applicable laws, in accordance with the principles of the International Labour Organization, the UN Global Compact and the UN Universal Declaration of Human Rights.
- Financial Records – We endeavour that our suppliers ensure that all business and commercial dealings are transparently performed and accurately recorded in the supplier's books and records. There should be no actual or attempted participation in money laundering.

- Compliance with Laws - We endeavour that our suppliers ensure that all laws and regulations are complied with in all the countries in which the supplier operates. All other applicable international laws and regulations should be complied with including those relating to international trade (such as those relating to reporting obligations), data protection and anti-trust/competition laws.

## **2. SOCIAL FOCUSED:**

We are contributing towards the social and economic development of the communities in which we operate and expect our suppliers to take steps towards the same.

- Safe and Healthy Working Conditions - We endeavour that our suppliers provide a safe and healthy workplace in compliance with all applicable laws and regulations. Adequate steps should be taken to prevent accidents and injury to the health of workers/employees during work. Basic facilities such as proper emergency exits, ventilation, right temperature, portable drinking water, proper sanitation, basic medical facility etc. should be provided at the place of work.
- Diversity in workforce - We suggest that suppliers should take initiatives to have a diverse and inclusive workforce in terms of age, gender, experience, ethnicity etc.
- Engage and Protect Local Communities - We endeavour that our suppliers take steps to encourage involvement of local communities and indigenous people by providing them employment as well as goods and services. Along with this, the legal rights of the local people, including but not limited to land rights, should be protected.
- Fair dealing - We endeavour that our suppliers be committed to a fair and competitive free market system. While other companies may compete vigorously in their business activities, the efforts of a supplier's employees in the marketplace must be conducted in accordance with the letter and in the spirit of all applicable antitrust, competition and trade practice laws.
- Local Community Development - We recognize the importance of contributing to the social and economic development of the communities in which we operate. Therefore, we have developed a local CSR policy that reflects our commitment to supporting local communities and economies. We partner with local organizations and initiatives to provide training, education, and employment opportunities to the local population. We also contribute to local development projects, such as infrastructure development and social welfare programs. We regularly and continually seek feedback from our stakeholders to improve our CSR practices.
- Child Labour Policy - We are committed to preventing and eliminating child labour in our supply chain. We do not use child labour in our operations, and we expect our suppliers to share our commitment. We endeavour that our suppliers adhere to the International Labour Organization's (ILO) core conventions on child labour and other relevant international standards.

## **3. ENVIRONMENTAL SUSTAINABILITY:**

Environmental concerns are no longer the issues of tomorrow but are real challenges that need to be addressed today. We aim at making our value chain environmentally friendly and responsible.

- Environmental management principles at manufacturing plants - We endeavour that our suppliers observe the following environmental management principles at their manufacturing plants:
  - Use management plans to meet environmental compliance obligations and mitigate impact to the environment.

- Monitor operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high conservation value to manage impacts on biodiversity.
- Emissions – Everest recommends the following steps to its suppliers to curb emissions from their units:
  - Reducing carbon emission and water intake – Everest suggests that its suppliers should identify sources of carbon emission and make progressive efforts towards reducing carbon emissions.
  - Opportunities for reduction in water usage should be identified and measures for water conservation should be implemented.
  - Renewable energy – Everest recommends its suppliers to use renewable sources of energy wherever possible to become more energy efficient and energy independent. The suppliers should take steps to identify the scope of replacing conventional sources of energy with sustainable and renewable sources in their operations.
  - Emissions to the air, effluent discharge and noise levels should meet applicable local laws.
  - Efficient systems and processes - Suppliers should strive towards enhancing the efficiency and performance of the equipment and processes by continuous improvement, monitoring and assessment of technology. Good practices should be followed to ensure environmental resources are valued and protected.
- Reduce, Reuse and Recycle – Everest recommends the following steps to its suppliers to reduce waste, reuse, and recycle:
  - Zero Waste to landfill — Waste to landfill should be analyzed and suppliers should try and set targets to reduce the quantity of disposal to landfills. Alternate waste disposal techniques should be adopted to reduce the impact on the environment.
  - Responsible consumption of resources — Everest recommends its suppliers to minimize use of all resources, including raw material, in their processes. The supplier should look for opportunities to reduce resource consumption by improving efficiency, investing in advanced technology, reusing material by innovating products and processes. The supplier should minimize dependence on scarce natural resources by identifying and using appropriate replacements.
  - Packaging material - Suppliers should try to take steps to reduce the environmental impact of packaging material by developing innovative, practical solutions to modify the design and disposal method to the best possible extent.
  - Adopting Green Initiatives and Practices - To monitor the environmental performance and to become environment friendly, adopt practices that will monitor and help to minimize environmental impact should be imbibed in supplier's processes. Everest recommends that its suppliers should inculcate such practices in their operations and start new initiatives to reduce their impact on the environment.

#### 4. QUALITY FOCUS:

- Quality Management System - Everest expects its suppliers to follow quality objectives and policies thoroughly and be certified by authorities like ISO. The suppliers should ensure meeting the rules and regulations of the local authority, proper product knowledge, training for their staff and the internal reviews, feedback on the Quality Management System for its timely improvement.



- Facility & Material Management - Everest expects its suppliers to focus on proper installation of equipment with zero error and the timely maintenance of all the equipment as well as facilities. Also, Everest expects its suppliers to have housekeeping staff to maintain hygiene all the time and to arrange pest control over the time for safety and security of its staff. The suppliers should have enough place or warehousing capacity for the storage of manufactured goods. They should have proper and updated techniques/mechanisms to carry the material and for its transportation.
- Manufacturing Goods – Everest expects its suppliers are well established in the process of manufacturing and packaging and to complete their order not only in time but also with extremely good quality. They should have proper records maintained of all the orders placed.

➤ **Monitoring Compliance**

We expect our suppliers to monitor and report the initiatives undertaken by them with regards to ensuring adherence to this Policy. The supplier is expected to communicate the provisions in this policy to their own suppliers and it is expected that they should initiate, maintain, and verify a process of continuous improvement towards sustainable practices in the entire upstream supply chain, in line with the requirements and principles set forth in this document.

➤ **Reporting on Breaches:**

Everest supports and encourages those who report actual or suspected breaches without any fear of retaliation. Any failure to comply with this Policy (including any failure by our team member or anyone acting on behalf of us), of which the supplier is aware, should be immediately reported to Everest. The suppliers shall report any kind of breach as per their knowledge on Helpline No:1800 209 9098.

Everest will investigate any reported non-conformity and discuss their findings with the supplier. If a supplier is not in compliance with this policy, Everest will take appropriate action to address such non-compliance.

➤ **Continuous Improvement:**

We believe that sustainability is a journey, not a destination, and requires continuous learning, innovation, and collaboration. Therefore, we will regularly review and update our sustainable sourcing and preferential procurement policy to reflect new opportunities, challenges, and stakeholder feedback. We will strive to identify areas for improvement and innovation and communicate transparently and honestly with our stakeholders.

➤ **Conclusion:**

Our sustainable sourcing and preferential procurement policy reflects our commitment to sustainability, social responsibility, stakeholder engagement and we would prefer suppliers who adhere to this policy. By adopting this policy, we aim to minimize our impact on the environment, support local economies and communities, and enhance our brand reputation and competitiveness. We encourage our suppliers, customers, employees, and communities to join us on this journey and contribute to a sustainable and responsible future for all.

Date – 29<sup>th</sup> February 2023