SUSTAINABLE PROCUREMENT POLICY

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PURPOSE

The purpose of this policy is to establish a structured and consistent framework for sustainable procurement by integrating environmental, social, human-rights, and ethical considerations into all procurement and sourcing decisions of [Company Name]. This policy defines the organization's approach to responsible sourcing, supplier selection, evaluation, and performance management, with the objective of preventing, mitigating, and managing adverse sustainability impacts across the supply chain. It ensures compliance with applicable national and international legal and regulatory requirements, promotes transparency, accountability, and ethical business conduct, and supports continuous improvement in supplier sustainability performance. This policy also supports the organization's broader Environmental, Social, and Governance (ESG) objectives and aligns with recognized sustainability assessment frameworks, including EcoVadis.

1. POLICY STATEMENT

UniAbex is committed to embedding sustainability principles across all procurement practices. The organization recognizes that procurement activities can have significant environmental, social, human-rights, and ethical impacts across the supply chain and therefore integrates sustainability considerations alongside commercial factors such as cost, quality, delivery, and technical requirements.

The organization maintains zero tolerance for child labour, forced labour, human trafficking, discrimination, corruption, and severe human-rights violations across its supply chain. Suppliers and business partners are expected to comply with applicable laws and align with internationally recognized standards related to environmental protection, labour practices, human rights, and ethical business conduct.

Through this policy, Uni Abex aims to build a resilient, transparent, and inclusive supply chain that supports responsible sourcing, regulatory compliance, ethical governance, and long-term value creation.

2. SCOPE AND APPLICATION

This policy applies to all procurement activities involving goods and services, including raw materials, components, consumables, capital goods, packaging, logistics, and outsourced services. It applies to all business units, operations, and locations of Uni Abex, and covers all employees involved in procurement, sourcing, supplier selection, and contract management, as well as suppliers, contractors, service providers, and other business partners.

3. LEGAL AND REGULATORY COMPLIANCE

The organization shall comply with all applicable national and international laws, regulations, and recognized standards relevant to sustainable procurement.

3.1 National Regulations

- Applicable company and corporate-governance laws
- Anti-bribery and anti-corruption legislation
- Environmental protection and pollution-control laws
- Waste-management regulations
- Occupational health and safety legislation
- Labour laws governing wages, working hours, and social security

3.2 International Standards and Frameworks

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights (UNGPs)
- OECD Guidelines for Multinational Enterprises
- ILO Core Labour Conventions
- ISO 14001 – Environmental Management Systems
- ISO 45001 – Occupational Health and Safety Management Systems
- UN Sustainable Procurement Guidelines
- Responsible Minerals Initiative (CMRT / EMRT), where applicable

3.3 Industry and Voluntary Standards

- ISO 26000 – Social Responsibility
- SA8000 – Social Accountability
- Global Reporting Initiative (GRI) Standards
- Industry-specific responsible sourcing guidelines
- Uni Abex Supplier Code of Conduct

3.4.ABBREVIATIONS / DEFINITIONS

For the purpose of this policy, the following abbreviations and definitions apply:

- CoC – Supplier Code of Conduct

- CMRT – Conflict Minerals Reporting Template
- EMRT – Extended Minerals Reporting Template
- ESG – Environmental, Social, and Governance
- GRI – Global Reporting Initiative
- IMDS – International Material Data System
- ILO – International Labour Organization
- ISO – International Organization for Standardization
- KPIs – Key Performance Indicators
- MSDS – Material Safety Data Sheet
- REACH – Registration, Evaluation, Authorisation and Restriction of Chemicals
- RoHS – Restriction of Hazardous Substances
- RMI – Responsible Minerals Initiative
- SDGs – United Nations Sustainable Development Goals
- SMART – Specific, Measurable, Achievable, Relevant, and Time-bound

4. ALIGNMENT WITH UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

This policy supports the following United Nations Sustainable Development Goals:

- SDG 5 – Gender Equality
- SDG 7 – Affordable and Clean Energy
- SDG 8 – Decent Work and Economic Growth
- SDG 12 – Responsible Consumption and Production
- SDG 13 – Climate Action
- SDG 16 – Peace, Justice and Strong Institutions

5. OBJECTIVES AND TARGETS

5.1 Qualitative Objectives

The organization aims to:

- Ensure responsible sourcing by integrating environmental, social, human-rights, and ethical considerations into procurement decisions.
- Prevent and mitigate adverse environmental and social impacts associated with supply-chain activities.

- Encourage suppliers to reduce greenhouse gas emissions, improve resource efficiency, minimize waste generation, and adopt environmentally responsible operational practices.
- Promote fair labour practices, safe working conditions, and ethical business conduct among suppliers.
- Encourage suppliers to provide fair wages, comply with working-hour requirements, respect freedom of association, prevent discrimination, and promote worker well-being throughout their operations.
- Strengthen transparency, traceability, and accountability across procurement and supplier-management processes.
- Encourage supplier engagement, capacity building, and continuous improvement in sustainability performance.
- Ensure internal awareness and competence on sustainable procurement requirements among relevant employees.

5.2 QUANTITATIVE TARGETS

5.2.1 Supplier Sustainability and Compliance Targets

[Company Name] commits to robust supplier management aligned with ESG principles, emphasizing responsible sourcing, regulatory compliance, transparency, and continuous improvement across the supply chain.

- Achieve 100% screening of all suppliers against defined social and environmental criteria during onboarding.
- Ensure 100% of approved suppliers sign and comply with the Supplier Code of Conduct.
- Progressively increase engagement with suppliers that demonstrate environmental management practices such as ISO 14001 certification, emissions reduction initiatives, resource efficiency programs, or waste management systems.
- Achieve 100% compliance with applicable RoHS, REACH, and material-compliance requirements, where relevant.
- Ensure 100% compliance with IMDS and MSDS requirements, where applicable.

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5.2.2 Training and Certification Goals

Target Area	Annual / Mid-Term Goals	Long-Term Goals
ESG training for strategic suppliers	Minimum 50% coverage, increasing annually	Progressive year-on-year improvement
ESG training for procurement staff	100% annual training coverage	Maintain 100% coverage
ISO 14001-certified suppliers	Progressive increase from baseline	Defined long-term improvement target
ISO 45001-certified suppliers	Progressive increase from baseline	Defined long-term improvement target

The organization is committed to managing risks of adverse social impacts by prioritizing suppliers that demonstrate compliance with applicable labour and human-rights norms.

5.3 DIVERSITY, AUDIT, AND ADDITIONAL COMPLIANCE

Target Area	Annual / Mid-Term Goals	Long-Term Goals
Supply-chain diversity	Progressive increase in women-led and diverse suppliers	Continuous improvement
Supplier process and system audits	100% coverage	100% coverage
CMRT / EMRT submissions	100% supplier submission, where applicable	100% submission

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Ensure 100% supplier compliance with minimum-wage requirements under applicable local labour laws.

6. KEY PERFORMANCE INDICATORS (KPIs)

The organization shall define, monitor, and review key performance indicators (KPIs) aligned with the SMART framework (Specific, Measurable, Achievable, Relevant, and Time-bound) to track the effectiveness of sustainable procurement implementation.

KPIs shall cover, at a minimum, supplier sustainability screening, compliance with the Supplier Code of Conduct, environmental and social risk management, training coverage, and corrective-action performance.

Progress against sustainable procurement objectives, targets, and KPIs shall be reviewed at least annually by Top Management. Where performance gaps are identified, corrective actions shall be defined, implemented, and monitored to ensure continuous improvement.

7. ROLES AND RESPONSIBILITIES

Role	Responsibilities
Top Management	Approve the policy, allocate resources, and review performance annually.
Procurement Function	Implement sustainable procurement requirements and monitor supplier compliance.
Sustainability / ESG Function	Support risk assessment, audits, monitoring, and reporting.
Finance Function	Ensure ethical and transparent vendor management.

Suppliers & Business Partners	Comply with this policy and implement corrective actions where required.

8. SUPPLIER ENGAGEMENT, RISK MANAGEMENT & DUE DILIGENCE

Suppliers shall be assessed using a risk-based approach considering country risk, sector risk, nature of goods or services, ESG risk severity, and strategic importance. Social risk assessments may consider factors such as working hours, wages and benefits, occupational health and safety performance, child labour risks, forced labour risks, discrimination, freedom of association, grievance mechanisms, and overall labour-rights compliance. Enhanced due diligence measures shall apply to high-risk suppliers.

Environmental risk assessments may consider factors such as greenhouse gas emissions, energy consumption, water use, waste generation, pollution prevention measures, hazardous substance management, and environmental compliance history.

Persistent non-compliance may result in escalation actions, including corrective-action plans, suspension of business, or responsible disengagement.

9. GRIEVANCE MECHANISMS

The organization is committed to providing a fair, transparent, and confidential grievance mechanism that is accessible to suppliers, workers in the supply chain, and other external stakeholders. This mechanism enables the reporting and resolution of concerns related to labour and human rights, environmental impacts, ethical misconduct, or non-compliance with this policy.

9.1 Multi-Level Grievance Process

Level 1 – Procurement Team

- Suppliers may initially report concerns to the Procurement Team for discussion and resolution at the operational level.

Level 2 – Supply Chain / Functional Head

- Unresolved, recurring, or sensitive concerns are escalated to the respective Functional Head for further review and decision-making.

Level 3 – Compliance & Ethics Function

- Issues involving policy breaches, ethical concerns, legal risks, or ESG non-compliance are reviewed by the designated Compliance and Ethics representatives.

Level 4 – Senior Management

- High-risk, material, or unresolved matters are escalated to Senior Management for final decision-making, based on the severity and potential impact of the issue.

9.2 Reporting Channels for Suppliers

Suppliers and other stakeholders may raise concerns through multiple reporting channels, including:

- Direct communication with procurement representatives
- Email communication to designated procurement, compliance, or ethics contact points
- Supplier review and performance meetings
- Supplier assessments and on-site or remote audits
- Telephonic or virtual communication with authorized personnel

9.3 Regular Supplier Engagement

- The organization maintains ongoing engagement with suppliers through periodic review meetings.
- Supplier performance, compliance expectations, and corrective actions are discussed collaboratively.
- Feedback from suppliers is documented and reviewed during internal procurement, sustainability, and compliance reviews.
- High-risk suppliers receive enhanced engagement, follow-up discussions, and oversight by senior management, where required.

9.4 Investigation and Resolution

- All grievances are handled impartially and reviewed by the appropriate level of authority.

- Relevant information is gathered from internal and external stakeholders to assess the concern.
- Corrective actions are identified, implemented, and tracked where required.
- Outcomes are communicated to the concerned parties, and closure is monitored to ensure effectiveness.

9.5 Non-Retaliation Assurance

The organization strictly prohibits any form of retaliation against suppliers or stakeholders who raise concerns in good faith. Individuals and organizations are encouraged to report issues openly, and all grievances are addressed fairly, objectively, and without prejudice.

10. POLICY COMMUNICATION & AWARENESS

This policy shall be communicated internally to relevant employees and made available to suppliers and business partners through appropriate channels. Awareness shall be supported through periodic training and communication initiatives.

11. MONITORING, REPORTING & DISCLOSURE

Implementation of this policy shall be monitored using defined KPIs, audits, supplier assessments, sustainability performance reviews, corrective-action tracking, and environmental risk evaluations. Outcomes may be integrated into sustainability or ESG reporting and used to drive continuous improvement.

12. POLICY REVIEW & CONTINUOUS IMPROVEMENT

This policy shall be reviewed at least annually or earlier in response to regulatory, operational, or stakeholder-related changes. Revisions shall be approved by Top Management.

13. APPROVAL & ENDORSEMENT

This document is controlled and becomes effective only after formal preparation, review, and approval. Any revisions must follow the established document control process. Only the latest approved version shall be used for operational purposes.

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