



PONDY OXIDES AND CHEMICALS LIMITED

**SUSTAINABLE SOURCING
POLICY**

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1. Policy Statement

Pondy Oxides and Chemicals Limited (POCL) is committed to sourcing various types of Non-Ferrous Metal Scraps, Additives, Fluxes and Plastic Scrap materials Responsibly, Ethically, Legally, and Sustainably. We recognize that our sourcing practices have Environmental, Social, and Governance (ESG) impacts and therefore seek to ensure that all materials entering our recycling plants are obtained through Transparent, Lawful, and Environmentally sound channels.

This Policy applies to all Suppliers, Contractors, Service Providers, Traders, Transporters, and other business partners involved in the supply of various types of materials as stated in the above paragraph.

2. Objectives

The objectives of this policy are to:

- Promote circular economy principles through responsible recycling process.
- Prevent procurement of Stolen, illegally sourced, or environmentally harmful materials.
- Ensure compliance with applicable Laws and Regulations.
- Protect human rights and labour standards throughout the supply chain.
- Reduce environmental impacts associated with material sourcing.
- Improve supply chain transparency and traceability.
- Support continuous improvement in supplier sustainability performance.

3. Scope

This policy covers:

- Procurement of non-ferrous metal scraps, fluxes, additives, plastic scraps etc.
- Imported and Domestic recyclable materials.
- All Suppliers, Traders, Aggregators, Dealers, Contractors and Service Providers involved in the Supply Chain.

4. Applicable Regulatory Framework

POCL's sourcing practices are governed by, and this Policy is to be read in conjunction with, the following principal legislations and rules, as amended from time to time:

- Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
- Battery Waste Management Rules, 2022

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- Environment (Protection) Act, 1986
- Plastic Waste Management Rules, 2016
- Air (Prevention and Control of Pollution) Act, 1981
- Water (Prevention and Control of Pollution) Act, 1974
- Guidelines issued by Central Pollution Control Board (CPCB) for Collection, Handling, Storage, and Transportation of Waste Batteries etc.

5. Sustainable Sourcing Principles

5.1 Legal Compliance

The suppliers shall:

- Comply with applicable Environmental, Labour, Health and Safety, Tax, Customs, and Trade Laws.
- Hold all required Licenses, Permits, and Registrations.
- Provide documentation proving Lawful ownership and transfer of materials.
- Cooperate with audits and inspections conducted by the company or authorized agencies.

5.2 Ethical Business Practices

The suppliers shall:

- Conduct business with integrity and transparency.
- Prohibit bribery, corruption, fraud, extortion, and money laundering.
- Maintain accurate transaction records.
- Disclose any conflict of interest that may affect business dealings.

5.3 Human Rights and Labor Standards

POCL will prefer to work with the suppliers who respect Human Rights and fair Labour practices including:

- Prohibit Child Labour and forced labour.
- Ensure Employment is freely chosen.
- Provide fair wages and working conditions.
- Prevent discrimination and harassment.
- Maintain safe and healthy workplaces.

5.4 Environmental Responsibility

POCL shall prioritise suppliers who demonstrate responsible environmental practices including:

- Comply with the applicable environmental regulations and permit requirements.
- Implement measures to prevent pollution and environmental degradation.
- Promote resource efficiency and waste reduction.
- Safe handling, storage and disposal of hazardous material handling.
- Minimize greenhouse gas emissions where feasible.
- Encourage recycling, recovery and re-use of materials.
- Measures to prevention of air, soil and water pollution.

5.5 Health and Safety

The suppliers must maintain safe operational practices including:

- Safe material handling and transportation methods
- Use of appropriate Personal Protective Equipment
- Use of appropriate material handling equipment.
- Comply with Occupational Health and Safety regulations.

5.6 Responsible Material Sourcing

POCL will not knowingly procure materials that:

- Are stolen or suspected to be stolen.
- Originate from illegal mining, smuggling, or unauthorized activities.
- Are obtained through environmental destruction or unlawful waste handling.
- Involve violations of human rights or labour standards.
- Are associated with organized criminal activities.

5.7 Circular Economy Commitment

POCL Promotes resource efficiency by:

- Maximizing recovery and reuse of materials
- Reducing landfill wastes
- Encourage suppliers to segregate and improve the material quality
- Supporting sustainable recovering practices.

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6. Supplier Qualification and Due Diligence:

Prior to approval, suppliers shall undergo due diligence, including:

6.1 Documentation Review

The suppliers shall ensure in providing the following valid documentation

- Business Registration Certificates.
- Tax Registration details.
- Environmental Permits.
- Waste Handling Authorizations (where applicable).
- Trade Licenses.
- Ownership and beneficial ownership information.

6.2 Risk Assessment

The suppliers shall be evaluated based on:

- Geographic sourcing risks.
- Regulatory compliance history.
- Environmental performance.
- Occupational Health and Safety performance.
- Reputational risks.
- Traceability capability.

Suppliers may be categorized as Low, Medium, or High Risk.

7. Material Traceability and Documentation

POCL shall maintain systems to:

- Record source and origin of materials where feasible.
- Retain supplier declarations and purchase records.
- Track inbound and outbound material flows.
- Maintain records for at least three years or as required by law.
- Investigate unusual or suspicious transactions.

The required records may include:

- Supplier details
- Purchase invoices.
- Delivery challans.
- Material declarations.

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- Transport documents.
- Weighbridge records.
- Supplier certifications (Certificate of Analysis, Certificate of Origin etc.).
- Material origin (where available)

8. Supplier Code of Conduct

POCL is expecting that all suppliers shall acknowledge and comply with its Supplier Code of Conduct covering:

- Legal compliance
- Human Rights
- Labor practices
- Environmental stewardship
- Business ethics
- Health and safety requirements
- Provide relevant compliance documentation when requested
- Allow Audits or Inspections where and when necessary
- Voluntary reporting on any violations or irregularities

Failure to comply may result in corrective action or termination of the business relationship.

9. Monitoring and Verification

POCL may:

- Conduct supplier assessments and audits.
- Review sustainability performance periodically.
- Request corrective action plans.
- Perform site visits where necessary.
- Monitor regulatory compliance status.

Key suppliers may be reviewed with fixed intervals like annual audits etc..

10. Corrective Actions

Where non-conformities are identified:

- Issue a written notice.
- Require a corrective action plan.
- Monitor implementation.
- Suspend procurement if significant risks remain.
- Terminate the supplier relationship for serious or repeated violations.

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11. Training and Awareness

POCL shall:

- Train procurement and sourcing personnel on responsible sourcing practices.
- Communicate policy requirements to suppliers.
- Promote awareness of sustainability expectations throughout the supply chain.

12. Grievance and Reporting Mechanism

Employees, suppliers, contractors, and other stakeholders may report concerns regarding:

- Illegal sourcing.
- Human rights violations.
- Environmental misconduct.
- Fraud or corruption.
- Health and safety concerns.

Reports may be submitted confidentially and without retaliation.

13. Continuous Improvement

POCL commits to:

- Periodic review of sourcing risks.
- Supplier awareness and training programs.
- Establishing measurable sustainability objectives.
- Increasing supplier/service provider engagement on ESG issues.
- Improving traceability and data quality.
- Aligning practices with evolving industry standards and stakeholder expectations.
- Adoption of best practices in sustainable recycling

14. Governance

The HoD-Purchase, HoD-Imports and the Sustainability/Compliance Officer are responsible for implementing the Policy.

This Policy shall be reviewed at least on annual basis or sooner if significant regulatory or operational changes occur/identified.

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