

# Inspiring sustainability throughout our value chain

## Sustainable procurement

Developing a robust global approach to procurement is key. That is why we elected to increasingly engage with key suppliers (based on spend, criticality as per our IATF 16949 certification, reputation risk and other considerations) and encourage them to improve on their own environmental and societal impacts.

We have partnered with EcoVadis to facilitate sharing of sustainability best practices and to assess the sustainability profile of our key suppliers as part of our Sustainable Procurement program.



## Global Purchasing Symposium

Since launching our Global Purchasing Symposium to adopt sustainable procurement practices throughout Birla Carbon, we have made progress in a number of areas. The event established three main elements: T&Cs; RiskRate and EcoVadis.

We are continuing to drive sustainable procurement throughout our business in FY2022 through our well-established due diligence process that includes screening for new vendors. Existing red-flagged vendors must be investigated and cleared by our legal team for us to continue working with them.

New critical suppliers are invited to participate in our EcoVadis assessment program. Birla Carbon Sustainability collaborates with EcoVadis and buyers to ensure a smooth launch of each EcoVadis campaign.

As pioneers in sustainable procurement practices at ABG, Birla Carbon has shared our learnings with other businesses throughout ABG's Global Expert Conversation Series platform, as well as through working groups and one-on-one information sessions with Group companies.

## FY2021 highlights



**RiskRate®**  
**100%**

of our suppliers screened using NAVEX Global's RiskRate® due diligence system

## ecovadis EcoVadis

Our average supplier sustainability score is 52.4, significantly higher than the average of 44.3 throughout the EcoVadis database, which comprises over 55,000 companies worldwide

Find out more at [sustainability.birlacarbon.com](https://sustainability.birlacarbon.com)



# Inspiring sustainability throughout our value chain continued

## Creating an ethical business

Advancing a reliable and ethical supply chain is fundamental to Birla Carbon. It protects against reputational risk and provides our customers with the knowledge they seek about how our products and solutions are created.

To guide our employees, business partners and suppliers, we have established robust internal standards and principles. We consistently work to maintain strong ethical compliance within each of our facilities, consolidating this with our Code of Global Business Ethics and Compliance (Code of Ethics). Each employee is trained on this code annually and we also share it with all our suppliers, through our Terms and Conditions (T&Cs), of purchase and ensure they adhere to it.

In FY2017 we worked with legal advisors to customize our T&Cs of Purchase for each region where we operate, translating them into several languages to ensure they are fully comprehensive. In FY2018 we began a similar process for our T&Cs of Sale.

Our Supply Chain and Procurement Policy guides each of our sites to ensure our supply chain complies with the relevant legislation and the Birla Carbon Code of Ethics. The standards we expect to be met include those concerned with promotion of resource conservation, use of alternative materials and renewable energy, water stewardship, safety, health, respect for human rights and elimination of child and forced labor across the supply chain. This policy is part of our larger Sustainable Procurement management system, which we deploy across all our buyers and suppliers.



## Addressing our FY2022 achievements

Due to the COVID-19 pandemic, only 51% of employees could receive the Code of Ethics training. All our vendors, however, have been adhering to these principles through our T&Cs.



To create a more responsible business, we are working to create a more responsible supply chain. With a procurement network as complex as ours, strategic partnerships and well defined processes are how we are realizing this. By harnessing the capabilities of NAVEX Global's RiskRate® system, we can monitor our suppliers, proactively identifying issues so that – together – we can achieve an increasingly ethical, transparent supply chain."

**DÉNES LENKE**  
Director, Supply Chain & Procurement,  
Birla Carbon Americas & EMEA

