

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.



Sustainable procurement progress

Since launching our Global Purchasing Symposium to adopt sustainable procurement practices throughout Birla Carbon, we have made progress in several areas. The event established three main elements: Terms and Conditions, NAVEX Global's RiskRate® and EcoVadis.

We continue to drive sustainable procurement throughout our business through our well-established due diligence process, which includes screening for new vendors. Red-flagged vendors cannot be brought in as new vendors, and 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 complete virtual training sessions where Birla Carbon Sustainability collaborates with EcoVadis and buyers to ensure a smooth launch of the EcoVadis campaign.

FY2023 highlights



RiskRate®
100%

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



Our average supplier sustainability score is 52.4, significantly higher than the average of 44.3 throughout the EcoVadis database, which comprises over 100,000 companies worldwide

Find out more at 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.

We have established robust internal standards and principles to guide our employees, business partners and suppliers to meet our expectations.

Our diverse business partners include vendors, service providers, consultants, contractors, distributors and agents. We share our Code of Ethics with all our suppliers and ensure they adhere to it through our Terms and Conditions. This includes a clause establishing the ethical principles with which we expect our business partners to comply. Our Supply Chain and Procurement Policy guides our sites to ensure compliance with the relevant legislation and the Birla Carbon Code of Ethics. Standards we expect include promotion of resource conservation, use of renewable energy, water stewardship, employee safety, respect for human rights and elimination of child and forced labor across the supply chain.

This is part of our wider sustainable procurement approach, which is deployed across all our buyers and supplier base, worldwide. Our internal Procurement Policies were updated in FY2020 to require due diligence screening of all suppliers and use of our Terms and Conditions of Purchase.

Addressing our FY2023 achievements

Over 65% of our critical suppliers report on energy consumption or greenhouse gases and have a policy on corruption; over 55% report on health and safety issues and are ISO 14001 certified.



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

