



## SUSTAINABLE PROCUREMENT STATEMENT

As one of the world's leading carbon black manufacturing companies, Birla Carbon and its affiliate companies create products that contribute to an enhanced standard of living for people throughout the world.

Maintaining close ties with local, regional and global suppliers is crucial for managing risks throughout our network; our suppliers' behavior reflects on our own, and our customers', reputation. Birla Carbon is committed to high standards of business ethics and to the improvement in the sustainability performance of our entire supply chain.

Birla Carbon's approach to Sustainable Procurement includes the following:

### Code of Ethics

We have standardized our Purchase Terms and Conditions across the globe, which include a clause requiring that all of our suppliers adhere to our Global Code of Business Ethics and Compliance Standards (Code of Ethics). This establishes our expectation that our external partners follow the same standards and principles of ethics and integrity as we do.

### Due Diligence

To verify compliance within our supply chain, we have implemented a third-party due diligence screening program through NAVEX Global's RiskRate® to vet all of Birla Carbon's suppliers for our production facilities, offices, and research centers.

Through our due diligence screening program we monitor all vendors for the following:

- history of working in areas subject to trade sanctions;
- government watch lists;
- instances of fraud, bribery, or corrupt dealings;
- cases of government investigations or convictions;
- or adverse media attention.

If potential compliance issues are identified through this screening process, we conduct enhanced due diligence of the suppliers in question through our legal department. Suppliers must be approved through this due diligence screening program before we will work with them.

### Sustainable Performance of Suppliers

We engage with key suppliers (based on spend, criticality as per our IATF 16949 certifications, reputation risk and other considerations) to 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.

  
Joseph M Gaynor, Jr.  
Chief Legal, Sustainability and Risk Officer

Date: 21<sup>st</sup> February 2020