



matrix pharma
corp

SUSTAINABLE PROCUREMENT POLICY

Effective Date: 14 May 2025

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1. Policy Statement

Matrix Pharmacorp Private Limited (“Matrix”) is a globally recognized API manufacturer known for its deep scientific expertise, strong regulatory foundation, and commitment to accessible healthcare. With a legacy rooted in quality, innovation, and partnerships with leading global pharmaceutical companies, the company plays a vital role in supplying critical drug ingredients worldwide. In the process, Matrix integrates environmental sustainability and responsible manufacturing into its operations, reflecting its broader vision of advancing healthcare while preserving ecological balance.

Matrix is committed to integrate sustainability into procurement as part of broader responsibility to ethical and sustainable business practices. Matrix strives to embed environmental, social, and governance (ESG) considerations in sourcing and procurement decisions, fostering responsible partnerships that reduce environmental and social impact promote ethical business practices and standards.

2. Scope

This policy applies to procurement of materials from all our suppliers, vendors, and contractors (“Suppliers”) engaged with the organization.

3. Key Objectives

- **Aligning with the Supplier Code of Conduct:** Ensure our Sourcing & Procurement and supply chain practices reflect the principles of the Supplier Code of Conduct by promoting responsible sourcing, encouraging supplier accountability, fostering continuous improvement and collaboration toward sustainability. For more information about our Supplier Code of Conduct, refer [here](#).
- **Minimizing Environmental and Social Impact:** Strive to reduce the indirect upstream environmental and social impact by sourcing responsibly, encouraging sustainable practices across the supply chain, and actively collaborating with Suppliers on climate change action initiatives.
- **Regulatory Compliance:** Ensure strict adherence to all local and international laws and regulations related to ethical, social, and environmental standards in our supply chain.
- **Sustainable Supplier Engagement:** Prioritize and incentivize (financial and/or non-financial) supply partners who demonstrate a strong commitment to sustainability, ethical governance, and responsible business practices.
- **Supplier Diversity:** Encourage collaboration with women-owned, minority-owned, MSMEs, and local businesses to promote equitable access and long-term value creation in the supply chain.

- **Sustainable Operations & Circular Economy:** Drive sustainability initiatives, including waste reduction, energy efficiency, and circular economy principles, while encouraging supply chain partners to minimize carbon footprints.
- **Performance Monitoring and Risk Management:** Regularly assess supplier sustainability performance and supply chain risks through structured evaluations, formal risk management programs, and action plans.
- **Stakeholder Awareness & Communication:** Actively communicate sustainable procurement commitments to stakeholders, ensuring awareness and engagement among internal teams and external supply partners.

4. Implementation & Engagement

To operationalize our sustainable procurement commitments, we have established a structured and transparent framework to identify and engage suppliers who align with our long-term goals and responsible sourcing standards. The following sections outline our approach across each stage of the supplier relationship:

Selection and Onboarding

- Review prospective suppliers across key Environmental Social Governance (ESG) dimensions – along with the quality, operational, and financial parameters. The ESG dimension may cover elements relating to ethical practices, EHS management, adherence to legal and sustainability requirements etc.
- Suppliers will be required to acknowledge and commit to the organization's Supplier Code of Conduct as part of the onboarding process
- Agreements with Suppliers will include provisions that reinforce our sustainability commitments and set expectations for responsible practices, performance oversight, and continuous improvement.
- Preference may be given to suppliers who demonstrate strong environmental, social, and governance (ESG) performance, supported by credible certifications, well-defined policies, and a proactive commitment to compliance and continuous improvement practices

Monitoring & Evaluation

- An annual assessment will be carried out for targeted Suppliers to evaluate their performance on key sustainability criteria (aligned with the PSCI principles).
- Target Suppliers will undergo periodic audits aimed at evaluating their sustainability practices and governance systems.
- In cases where non-compliance or performance gaps are identified, time-bound corrective action plans shall be developed and assigned to ensure timely resolution.

- Corrective action plans shall be regularly monitored, with capacity-building support offered where feasible. Continued critical non-compliance may lead to a review of the supplier relationship with the Company and further actions in line with established internal procedures.

Engagement & Capacity building

- Provide sustainability capacity-building programs to target Suppliers, tailored to their maturity and risk profile.
- Collaborate with suppliers to co-develop emission reduction strategies and strengthen sustainability performance over time.

5. Governance

Oversight

Executive Director - Supply Chain, Sourcing & Procurement Teams shall be responsible for:

- Ensuring the effective implementation of the Sustainable Procurement Policy
- Set measurable performance targets and monitor progress toward sustainable procurement objectives.

Implementation

Head(s) - Supply Chain, Sourcing & Procurement Teams shall be responsible for:

- Ensuring compliance with this policy across all applicable sourcing and procurement activities, including:
 - Integrating sustainability-related dimensions as a factor when evaluating and choosing Suppliers as per the defined procedures.
 - Engaging with suppliers to monitor adherence to sustainability requirements.
 - Promoting responsible and sustainable practices throughout the supply chain and procurement activities.
 - Regular performance monitoring of Suppliers against defined ESG metrics to ensure ongoing compliance and continuous improvement.



Policy Review and Updates

The policy will be reviewed periodically to ensure alignment with evolving sustainability regulations, industry best practices, and organizational goals.

By implementing this Sustainable Procurement Policy, we at Matrix commits to embed sustainability in all our Sourcing & Procurement and supply chain processes, ensuring a responsible, ethical, and environmentally conscious Company.

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