



GRAPHITE INDIA LIMITED

REGD. & H.O.: 31, CHOWRINGHEE ROAD, KOLKATA - 700 016,
W.B., INDIA PHONE: 91 33 4002 9600, 2226 5755 /4942 / 4943 /
5547 / 2334, 2217 1145/ 1146 FAX: 91 33 2249 6420, E-mail:
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L10101WB1974PLCO94602

Procedure for Supply Chain Sustainability

Graphite India Limited (GIL) has created a robust methodology for assessing the sustainability of its supply chain. GIL's policy is to enable our value chain partners to perform well on sustainability, while following a robust due-diligence process during supplier onboarding. Our procurement policy is based on following 3 parameters:

- Best value for money, price, quality, availability & functionality
- Impacts on the environment that the product and/or service has over its life-cycle
- Working conditions, human rights, health considerations, business ethics, gender diversity and preference for SMEs, and local vendors, etc

Our Supplier Code of Conduct incorporates sustainability. We address topics including:

- Ethics – business integrity; fair competition; privacy & intellectual property; identification of concerns; animal welfare and conflict minerals
- People issues – child labour avoidance; freely chosen employment; diversity & inclusion; fair treatment; working hours, wages & benefits; freedom of association
- Health & safety issues – quality requirements; health, safety, environment & quality regulations; product safety; occupational health & safety; process safety; emergency preparedness, risk information & training;
- Environmental issues – GHG management, water conservation, waste management

All suppliers are required to sign a Supplier Code of Conduct (as in Appendix A). Further, all suppliers are subject to an assessment once a year to score them against a checklist.

The following steps are taken to score suppliers:

1. Identify the suppliers who account for more than 90% of GIL's annual procurement and categorize them into domestic and international
2. Create an audit checklist covering ESG metrics and share with all the identified suppliers
3. Create a scoring methodology for suppliers and identify a baseline score
4. Assess the filled checklists for all identified suppliers (stage 1 audit)
5. Conduct stage 2 (site visit) for the domestic suppliers as per the audit plan (Appendix B)



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6. Conduct online check for sustainability reports and external reports such as ESG related news reports for international suppliers

The Audit Checklist is provided below.

Audit Checklist

Part A

Name of company:
Date of Request/Visit:

#	Query	Response
1	Does the company publish an ESG/Sustainability Report? (Y/N)	
2	Please provide the link, if above is Yes for the last financial year	
3	Please provide a list of certifications the company has currently valid (ISO 9001, ISO 14001, ISO 45001, ISO 50001, SA8000, etc.	
4	Did the company sign the GIL Supplier Code of Conduct? (Y/N)	
5	Does the company require its own suppliers to sign a Code of Conduct covering environmental, social and governance aspects? (Y/N)	
6	Does the company have an environmental policy? (Y/N)	
7	Does the company have a human rights policy? (Y/N)	
8	Does the company have a workplace health and safety policy or a procedure? (Y/N)	
9	Does the company have a Anti Bribery and Anti Corruption Policy? (Y/N)	
10	Does the company have a policy on Data Security and Data Privacy? (Y/N)	
11	Does the company have a CSR Policy, aligning with requirement of Companies Act 2013? (Y/N)	
12	Does the company have a Stakeholder engagement Policy? (Y/N)	
13	Does the company have the required CTE, CTO and fulfil any other mandates by the CPCB/SPCB?	



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Part B

#	Metrics and questions	
1	Energy Are there any energy efficiency measures in place or planned to be implemented? What percentage of total energy consumed in KWh is from renewable sources?	
2	Greenhouse Gas Emissions (GHG) Does the company calculate its Scope 1 emissions? (generators, fuel burnt, owned vehicles, etc.)? Does the company calculate its Scope 2 emissions? (electricity consumption) Does the company calculate its Scope 3 emissions? (emissions from value chain) Are there any plans to mitigate the current GHG emissions levels? Please detail major initiatives undertaken and results obtained, if any	
3	Water Does the company calculate its annual water consumption? Does the company identify all sources of water (including ground water, municipal supply, etc.)? Are there any water efficiency measures/targets in place? Please detail major initiatives undertaken and results obtained, if any	
4	Climate Risk Does the company have a risk management system in place? Does that include risk of climate change?	
5	Diversity, Equity and Inclusion Does the Company have a goal to increase diversity in workforce in terms of a) Gender and b) Differently abled persons ? Does the company follow the credo of Equal Employee Opportunity at recruitment , appraisal, transfers and promotion ?	
6	Training Does the Company conduct training programs on a) Environmental protection b) Health and Safety c) Business Ethics d) Human Rights and e) Data security and Data Privacy ? Does the company have goals in training in terms of a) Monthly hours and b) Coverage of Workforce? Does the Company conduct awareness program with value chain	
7	Ethics, Transparency and Non Discrimination Does Code of Conduct of the company emphasis Anti Bribery and Anti Corruption approach and also lays down strictures on Conflict of interest? Does the Company enforce the policy of non discrimination in terms of Gender, DAE, Religion, Sexual orientation, Caste, Political beliefs etc by periodic assessment ?	

Scoring Criteria and Assessment

In the checklist above, Part A and Part B includes 27 Yes/No questions, out of 29 responses sought.

We have attributed a score of 1 for every “yes” answer and 0 for every “no” answer.

Under this scheme, a supplier can score a maximum of 27 points.

GIL has set a cut-off score of 16 points for its suppliers. After each assessment, the suppliers are each communicated their respective score. Suppliers who score less than 16 are given a grace period of 1 year to improve their scores by acting on the items in the checklist.



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GIL provides the suppliers handholding in the form of guidance towards creating adequate policies and practices to meet GIL's sustainability requirements.

Sustainability Metrics Assessed by GIL

1	Energy Consumption and GHG Emissions
2	Water
3	Biodiversity
4	Pollution
5	Waste
6	Product life cycle
7	Human Rights
8	Health and Safety
9	Working conditions
10	Training and Development
11	Corruption and other anti-competitive practices
12	Data security and management
13	Supplier sustainability

Appendix A: Supplier Code of Conduct

At Graphite India Limited, hereinafter referred to as GIL, we are committed to improve the quality of life of the communities we serve through long-term stakeholder value creation and continuously drive sustainability in products, social responsibility and environmental protection in our business operations and thereby enabling our customers to meet current and future needs of society. Ensuring the principles of sustainable development in our supply chain is important to us. Towards this, we expect all our suppliers to adhere to this 'Supplier Code of Conduct'.

'Supplier' here refers to any business, company, corporation, person or any other entity, including their employees, agents and other representatives, who have a business relationship with GIL, and provide, sell, seek to sell or provide any kind of goods or services to GIL or any of its subsidiaries, affiliates, or divisions.

The Supplier Code of Conduct is also referred to as 'this Code' in this policy document.



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This Code sets forth the basic requirements that we ask our Suppliers to respect and adhere to when conducting business with GIL.

Products and Services

The Supplier shall be committed to supplying products and services of high quality that meet all applicable standards and agreed requirements. The products and services offered shall comply with applicable laws, including product packaging, labelling and after-sales service obligations. The Supplier shall market its products and services on their own merits and not make unfair or misleading statements about the products and services of the competitors. We particularly expect our supplier to support, embrace and enact the environmental, social and corporate governance principles (ESG principles)

Regulatory Compliance

The Supplier shall comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which it operates.

Labour and Human Rights

Adhering to all Labour Laws and Human Rights Laws, the Supplier shall:

- a) Comply with all applicable local, state and national laws regarding human rights.**
- b) Comply with the GIL's Human Rights Policy.**
- c) Ensure that all its employees are hired on their own free will and guarantee that all its operations are free from forced, bonded, compulsory, indentured, or any other form of compulsory labour and child labour.**
- d) Ensure that all its employees are provided equal employment opportunities, an environment conducive to their growth, free from any form of discrimination and harassment.**
- e) Ensure compliance with minimum working hours and minimum wages prescribed by applicable laws and regulations.**
- f) Comply with all slavery and human trafficking laws - Modern Slavery Act. Supplier must have taken steps to ensure that its business operations are free from slavery and human trafficking practices both internally and within its supply chains and other external business relationships.**
- g) Ensure that its employees are not charged any fees or costs for recruitment, directly or indirectly.**



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- h) Ensure that there is no confiscation or withholding of its employees' identity documents or other valuable items, including work permits and travel documentation**
- i) Enable your employees and other stakeholders to report concerns or potentially unlawful practices at the workplace.**
- j) Ensure that they do not supply products that contain conflict minerals which directly or indirectly finance or benefit armed groups and cause human rights abuses**

Health & Safety

The Supplier shall provide its employees with a safe and healthy working environment and comply with all applicable laws and regulations regarding working conditions.

The Supplier shall follow all Health and Safety and other operational policies of GIL while executing any work or contract at GIL's site.

Environmental Sustainability

The Supplier shall strive for environmental sustainability, particularly with regard to the emission of greenhouse gases, consumption of water and energy and the management of waste and hazardous materials.

The Supplier shall endeavour to reduce/offset the effect on climate change in its activities.

The Supplier shall follow all Environmental and other operational policies of GIL while executing any work or contract at GIL's site.

The Supplier shall follow all laws of the land including laws on Environment sustainability and protection while executing any work for GIL.

The Supplier should adopt sustainable practices in its supply chain and operations.

The Supplier should minimize their negative impact on biodiversity, climate change and water security, wherever applicable.



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Business Integrity – Anti Bribery

The Supplier shall not, directly or through intermediaries, take any recourse to any unethical behaviour (implicit or explicit), or offer or promise any personal or improper advantage in order to obtain or retain a business. The Supplier shall:

- Not take any advantage of any political, social or family connections to obtain favourable treatment or for the advancement of business or obtaining any favours.
- Not enter into a financial or any other relationship with any GIL employee that creates any actual or potential conflict of interest for GIL. The Supplier is expected to report to GIL at any situation where an employee or professional under contract with GIL may have an interest of any kind in the Supplier's business or any kind of economic ties with the Supplier.
- Desist from any unfair or anti-competitive trade practices.
- Business gifts and hospitality are sometimes used in the normal course of business activity. However, if offers of gifts or hospitality (including entertainment or travel) are frequent or of substantial value, they may create the perception of, or an actual conflict of interest or an 'illicit payment'. Therefore, gifts and hospitality given or received should be modest in value and appropriate. The Supplier shall not offer or accept bribe, any illegal payments, remunerations, gifts, donations or comparable benefits that are intended, or perceived, to obtain uncompetitive favours for the conduct of business with GIL. The Supplier shall not take any actions to violate or cause its business partners to violate any applicable anti-bribery laws and regulations including the Prevention of Corruption Act of India, 1988

Prohibition of Insider Trading

If the Supplier becomes aware of material, non-public information relating to GIL or its business, it may not buy or sell GIL securities or engage in any other action to take advantage of that information, including passing that information on to others.

In addition, if the Supplier becomes aware of material, non-public information about any other company, including GIL's customers, suppliers, vendors or other business partners, that is obtained by virtue of the supplier's interaction with *GIL*, then the Supplier shall not buy or sell that company's securities or engage in any other action to take advantage of that information, including passing that information on to others.



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Intellectual Property

Intellectual property of GIL includes, but is not limited to, technology, trade secrets, business plans, design, drawings, process information, patents, trademarks and copyrights, as well as business, research and new product. plans, strategies, and any unpublished financial or pricing information etc.

The Supplier shall take appropriate steps to safeguard and not infringe any GIL confidential and proprietary information and intellectual property which come to its knowledge during the course of its business relationships with GIL. In case of sub-contracting, sharing of confidential information should be made with the consent of GIL.

Third Party Representation

The Supplier shall not be authorized to represent GIL or to use GIL's brands without the written permission of GIL. Third parties and their employees who are authorized to represent GIL are expected to abide by the GIL's Code of Conduct in their interaction with, and on behalf of GIL including the confidentiality of information shared with them and to sign a non-disclosure agreement to support confidentiality of information.

Reporting Violations

The Supplier shall notify GIL regarding any known or suspected improper behavior by the Supplier relating to its dealings with GIL, or any known or suspected improper behavior by GIL employees by email to: ethics.esg@graphiteindia.com.

Reported violations will be treated confidentially without retaliation.

In case of any questions regarding this Code, please email to: ethics.esg@graphiteindia.com.

Supplier's Compliance Commitment

The Supplier should ensure that this Code is adopted and cascaded into its supply chain. The Supplier should ensure that its agents, contractors, and suppliers are also made aware of this Code, its implications and adopt the same.

The Supplier should ensure to have sustainable procurement practices in place for their own suppliers.



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The Supplier must read, understand and adhere to this Code, and GIL's Code of Conduct. As a condition of doing business with GIL, the Supplier should comply with this Code and agree to uphold such values during its business association with GIL.

By accepting this code of conduct, it is implied that the Supplier shall ensure compliance of 'this Code' with its own suppliers. The Supplier shall maintain adequate documentation to demonstrate compliance with the principles of this Code and allow access to GIL to check compliance upon request with reasonable notice.

Confirmation

We hereby confirm that we have received, read and understood the GIL Supplier Code of Conduct and commit to comply with it in letter and in spirit. We are also aware that these clauses/ provisions form an integrated part of Suppliers agreement, signed with GIL.

We understand that GIL reserves the right, upon reasonable notice, to check compliance with the requirements of the Supplier Code of Conduct.

We understand that GIL encourages its Suppliers to implement their own binding Code of Conduct and agree that we will be responsible for complying obligations under this Code.

Supplier's Name:	
Name of Authorized Signatory:	Signature of Authorized Signatory (with Stamp):
Place:	Date:



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Appendix B – Audit Plan

Audit year: 1 April - 31
March

Each domestic supplier of GIL to be audited once a year. As per FY 2023-24 data, there are 12 suppliers who supply more than 90% of goods and services to GIL by value of procurement

		Q2 (Jul - Sep)	Q3 (Oct - Dec)	
Domestic	Supplier 1		Y	
	Supplier 2		Y	
	Supplier 3		Y	
	Supplier 4		Y	
	Supplier 5		Y	
	Supplier 6	Y		
	Supplier 7	Y		
	Supplier 8	Y		
	Supplier 9	Y		
	Supplier 10	Y		
Foreign	Supplier 11	Annual document check		
	Supplier 12	Annual document check		

DATE: 24.10.2024

A. DIXIT

EXECUTIVE DIRECTOR