

Global Procurement Sustainability Policy

Policy Category	Procurement
Policy Name	PUR-03 Global Procurement Sustainability Policy
Description	This policy establishes the company's commitment to responsible sourcing and sustainable supply chain management. It aims to minimize environmental impact, promote ethical business practices, and enhance corporate social responsibility in all procurement activities, specifically within the chemical industry.
Explanation of Update	Update goals
Owner	Global Sustainability Director & Global Procurement Director
Effective Date	Jan 6, 2026
Review Frequency	Five (5) Years

1. Scope

Our sustainable procurement policy seeks to ensure ethical practices in our supply chain, reduce environmental impact and support workers and grower communities. This is in-line with our Supplier code of conduct that is communicated to all our new suppliers. These values include how we source and work with our suppliers across our supply chain. We strive to drive sustainability performance with our suppliers and to promote transparency and solidarity.

Michelman highly recommends third-party verification of our suppliers' practices based on international standards to assess their effective implementation of these principles in their operations.

In our operation, we focus to work on reduction of energy/water usage and looking at renewable energy source. We expect our suppliers will have similar process in upholding high social, environmental and governance standards.

2. Responsibilities

2.1 Procurement Team:

- Ensure all raw material suppliers comply with the Supplier Code of Conduct and signed our checklist.
- Integrate sustainability criteria into procurement decisions, assess supplier compliance, and ensure ethical sourcing practices.
- Encourage the procurement of recyclable, reusable, or environmentally safer chemical substances and packaging materials.
- Ensure that raw materials and chemical products are sourced legally, ethically, and transparently, with full traceability.
- Incorporate sustainability clauses in all supplier contracts.
- Conduct Corporate Social Responsibility (CSR) audits annually in each region.
- Document audit findings and follow up with suppliers to address any identified lapses.

2.2 Procurement Director:

- Establish policy and provide training for the procurement team.
- Establish annual sustainability targets in the scorecard at the start of each year.
- Monitor supplier performance and enforce compliance with sustainability requirements.
- Provide guidance and training to the procurement team on CSR audits and offer support on related inquiries
- Communicate progress against our key Sustainable Procurement KPIs via quarterly scorecard reports.

3. Sustainable Procurement Process

- In our supplier selection process, we ensure that 100% of our Raw Material suppliers comply with our Supplier Code of Conduct and undergo verification based on international standards to assess the effective implementation of these principles in their operations. For example, we source all Carnauba materials exclusively from UEBT (Union for Ethical BioTrade) -certified suppliers.

- Suppliers will acknowledge our Supplier Code of Conduct or have their company standards recognized with all the critical elements in our Supplier Code of Conduct. Our goal is to have a response from 100% of our suppliers by end of 2030. As we make progress against this goal, annual targets will be progressively increased from previous years and communicated in our annual scorecard.
- In our new/renewal contract, we will incorporate a sustainability clause in our Raw Material supplier contracts to reinforce their commitment to environmental and social responsibility.
- To uphold these standards, we will also conduct a minimum of six (6) CSR global audits annually to evaluate suppliers' adherence to the Supplier Code of Conduct and relevant international benchmarks. All procurement team members will complete CSR training within their first six months of onboarding.

4. Document Control

Review Frequency: Every five years or as changes are needed, whichever occurs first.

Required Approvals: Global Sustainability Director & Global Procurement Director

5. Required Training/Communication

This procedure applicable for the procurement team and training will be trained on the content of this procedure with separate training material. Our goal is to have all new procurement associates trained on these corporate social responsibility (CSR) items within 6 months of hiring, to attain a 100% training level by end 2025 and maintain 100% training rate ongoing.

6. Approval and Revision History

Table 6.1: Revision History

Revision Number	Content/Reason	Date	Revision Owner
0	Initial Release	3/11/2022	Josephine Lye
1	Define clearly of the role and responsibility	18/3/2025	Josephine Lye
2	Update goals and place of documentation	01/06/2026	Josephine Lye

Table 6.2: Most Recent Approval

Approver, Role	Signature (Electronic Initial)	Date
Chuck Hardy, Director Global Sustainability and Research & Development System	CH	01/06/2026
Josephine Lye, Director Global Procurement	JL	01/06/2026