

POLICY STATEMENT

Kevali Chemicals design, develop and manufacture chemical products, provide technologies and supporting services in the areas of hygiene, water treatment and labelling adhesives. It is a responsible enterprise that is committed to sustainability. We recognize that our survival is dependent on looking after our natural environment, the well-being of our employees and surrounding communities, and the trust of interested parties and our stakeholders. This ESG Policy formalizes our commitment to integrating leading environmental, social, and governance practices into all aspects of our business operations and decision-making processes.

SCOPE

This policy is applicable to all our employees, officials, and directors of Kevali Chemicals. We also expect our suppliers, contractors, and business partners to adhere to principles that are consistent with this policy to ensure the sustainability of our enterprise to the future.

1. Environmental Commitment

Kevali Chemicals is dedicated to protecting the environment by minimizing the negative impact of our operations to the planet earth, promoting circularity, and proactively addressing the issues of climate change.

Kevali Chemicals will:

- **Climate Action:** Measure, manage, and systematically reduce our greenhouse gas (GHG) emissions, targeting net-zero by 2050 with ambitious interim goals for emissions are the direct greenhouse gas emissions from a company's owned or controlled sources (Scope 1 emissions), emissions that are indirect greenhouse gas emissions from the purchase of electricity, steam, heat, or cooling (Scope 2 emissions) and indirect greenhouse gas emissions that occur throughout Kevali Chemicals' value chain, including both upstream and downstream activities (Scope 3 emissions)..
- **Resource Efficiency:** Consider energy-water nexus to conserve natural resources by reducing energy and water consumption, increasing the recycling and re-use of water, and improving efficiency across our operations. The focus on Overall Equipment Efficiency (OEE) which has the elements of process efficiency, machine efficiency and yield. This takes care energy, water and materials efficiency.
- **Pollution Prevention:** Prevent water, land and air pollution at its source by implementing robust process safety measures, minimizing waste generation, and promoting the principles of a circular economy through recycling, reuse, and recovery.

- **Water Stewardship:** Implement responsible water management practices, particularly focus on minimising the use of fresh water, promote recycling, re-use and rain water harvesting.
- **Biodiversity:** Kevali Chemicals will run its operations in manner that does not compromise biodiversity of flora and fauna in the area where we present.
- **Product/ Service Stewardship:** Design, develop, and manage our products and services responsibly throughout their entire life cycle to ensure safe use, transport, and disposal, and to promote sustainable in our customers' value chains.

2. Social Commitment

Kevali Chemicals commits in fostering a safe, inclusive, and respectful workplace and in being a positive force in the communities where we operate.

Kevali Chemicals will:

- **Health & Safety:** Uphold the highest standards for employee health and safety, striving for zero workplace injuries and illnesses. We are committed to process safety management to prevent significant incidents.
- **Human Rights:** Respect and support national and international laws and regulations aimed at promoting human rights within our sphere of influence, and ensure we are not complicit in human rights abuses. This includes a strict prohibition of all forms of discrimination, child labour, forced labour, and human trafficking.
- **Diversity, Equity & Inclusion (DEI):** Commit to employment equity regulations which promote redress of social and economic damage of the past discrimination and promote equity. Cultivate a diverse, equitable, and inclusive culture where all employees are valued, treated with respect, and have the opportunity to succeed. We will promote diversity in our hiring, development, and promotion practices.
- **Employee Well-being & Development:** Invest in our employees' professional growth, well-being, and engagement through fair compensation aligned to country's industrial relations regulations, competitive benefits, and continuous learning opportunities.
- **Community Engagement:** Act as a good corporate citizen by engaging openly and transparently with our local communities, contributing to their social and economic development, and responding to their concerns responsibly.

3. Governance Commitment

Strong and ethical governance is the foundation for delivering on our environmental and social commitments.

Kevali Chemicals will:

- **Board Oversight:** Maintain clear Board-level accountability for ESG strategy, policy, performance, and risk management.
- **Ethics & Compliance:** Conduct all business with the highest standards of integrity and ethics, in full compliance with applicable laws and regulations. We maintain a zero-tolerance policy towards bribery and corruption.
- **Risk Management:** Systematically identify, assess, and manage ESG-related risks, integrating them into our enterprise-wide risk management policy.
- **Transparency & Reporting:** Communicate our ESG performance openly and transparently through public reporting aligned with recognized frameworks (e.g., Globa Reporting Initiative, Sustainability Accounting Standards Board /International Sustainability Standard Board). We will engage with stakeholders regularly to understand their concerns and expectations.
- **Supply Chain Responsibility:** Work with our suppliers to promote responsible business practices, including environmental performance, labour standards, and ethical conduct.
- **Stakeholder Engagement:** Proactively engage with our stakeholders—including investors, customers, employees, regulators, and communities—to understand their concerns and integrate their feedback into our business practices.

Roles and Responsibilities

- The Board of Directors is responsible for approving this policy and overseeing its implementation.
- Senior Management is responsible for developing the supporting ESG strategy, allocating resources, and embedding this policy into corporate culture and operations.
- All Employees are responsible for understanding, adhering to, and promoting the principles outlined in this policy.

Review

This policy will be reviewed annually by the Board of Directors to ensure its continued relevance and effectiveness in light of evolving standards, risks, and stakeholder expectations.

Approval

Chief Executive Officer

Date:



KEVALI CHEMICALS ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) POLICY

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