

Chemical Policy

Objective :

The purpose of this Chemical Policy is to safeguard human health, the environment, and our business reputation by ensuring strict compliance with applicable chemical regulations and international sustainability standards. Chemical non-compliance not only poses significant risks to people and ecosystems but also exposes the Company to financial penalties, legal consequences, and reputational damage.

Any product that reaches the consumer and is later found to contain restricted chemicals or exceed permissible limits under local, national, or international laws is subject to immediate withdrawal from the market. Such events may result in fines, loss of trust, and long-term damage to our standing in the industry.

To prevent such risks, we commit to working collaboratively with our supply chain partners to:

- Ensure safe and compliant chemical use.
- Improve chemical management systems.
- Increase transparency and traceability.
- Build trust with customers, regulators, and stakeholders.

Scope & Applicability:

This Policy applies to:

- All suppliers, vendors, contractors, and subcontractors in the Company's global supply chain.
- All facilities involved in fibre, fabric, component, and garment production.
- All chemical use, including dyes, auxiliaries, finishing agents, and packaging materials.

Suppliers must comply with all applicable legislation, including but not limited to:

- EU REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), including Substances of Very High Concern (SVHCs).
- ZDHC MRSL (Manufacturing Restricted Substances List) and Wastewater Guidelines.
- National laws and regional regulations in the countries of operation.

Definitions/Key Terms:

- a. Company - Company means "PDS Limited".
- b. Board of Directors – The term "Board of Directors" or "Board", shall have the same meaning as prescribed under the Companies Act, 2013 and rules made thereunder as

amended from time to time and shall in relation to a company, means the collective body of the Directors of the Company.

- c. Policy – Policy means the current Chemical Policy, including amendments, if any from time to time.
- d. Chemical - Any substance, preparation, or mixture used in fibre, textile, apparel, or accessory production, including auxiliaries, dyes, finishing agents, coatings, adhesives, and packaging inks.

Background:

The textile and apparel industry is highly chemical intensive, involving thousands of substances across the value chain. Many of these chemicals, if unmanaged, can cause harm to workers, consumers, and the environment. As a global leader in sustainable apparel solutions, PDS Limited recognises its responsibility to minimise these risks and support safe chemical management across the entire value chain.

We are committed to:

- Ensuring that all products are safe, compliant, and free from hazardous substances.
- Supporting suppliers in adopting best practices in chemical management.
- Driving alignment with ZDHC's "Roadmap to Zero" programme.
- Promoting transparency through platforms such as Higg FEM, CleanChain, Bhive, and BVe3.
- Replacing hazardous chemicals with safer alternatives wherever possible.

Roles & Responsibilities:

- Board of Directors: Approve and oversee the Chemical Policy.
- Business & Compliance Team: Implement the policy, monitor compliance, conduct audits, and provide supplier training.
- Suppliers: Ensure full compliance, maintain updated chemical inventories, and provide transparency on request.
- Sustainability/ESG Team: Track progress against the ESG roadmap, report annually, and engage with customers on compliance performance.

Procedures/Implementation:

- All wet processing units must participate in ZDHC MRSL and Supplier to Zero programmes.
- Wastewater testing to ZDHC standards is mandatory.
- Chemical Inventory Transparency via Bhive, CleanChain, or BVe3 is required.
- PDS RSL (Restricted Substances List) applies to all fabrics, trims, accessories, and packaging.

- High-risk materials require mandatory test submissions or approved certifications (e.g., Oeko-Tex®, Bluesign®).

Compliance & Consequences:

- Any non-compliance or test failure will result in immediate quarantine of the consignment at origin.
- Non-compliant suppliers may face suspension, termination of contracts, and removal from the approved supplier list.
- Repeated violations may result in legal action and financial recovery for damages.

Related Documents:

- PDS Restricted Substances List (RSL)
- ZDHC MRSL and Wastewater Guidelines
- Subcontracting Policy
- ESG & Sustainability Roadmap
- Supplier Code of Conduct

Ownership and Review:

- Ownership - Business & Compliance Team
- Review – This policy will be reviewed as and when required basis the business requirements or due to any changes in laws, regulations, or best practices.

Version History:

Version No.	Approved on	Created by	Approved by
1	October 29, 2025	Business & Compliance Team	Board of Directors