

SOLEX ENERGY LIMITED

Policy on Promotion of Sustainable Procurement

*(Approved by the Board of Directors in its Meeting
Dated June 18, 2026)*

1. PREAMBLE

Solex Energy Limited ("the Company") recognizes that procurement activities play a significant role in ensuring operational efficiency, product quality, business continuity, and responsible business conduct. The Company is committed to integrating sustainability considerations into its procurement practices while maintaining competitiveness, quality standards, and commercial prudence.

The Company believes that responsible procurement contributes to long-term value creation by encouraging ethical business conduct, environmental responsibility, regulatory compliance, and supply chain resilience.

This Policy establishes the guiding principles and framework for promoting sustainable procurement practices across the Company's operations.

2. OBJECTIVE

The objectives of this Policy are to:

- a) Promote responsible sourcing of goods and services.
- b) Encourage suppliers, vendors, contractors, and service providers to operate in an ethical and compliant manner.
- c) Integrate environmental, social, governance, quality, and business continuity considerations into procurement decisions, wherever feasible.
- d) Foster transparency, fairness, and accountability in procurement processes.
- e) Build a reliable and resilient supply chain capable of supporting the Company's long-term growth.
- f) Support compliance with applicable laws, regulations, and industry standards.

3. SCOPE AND APPLICABILITY

This Policy shall apply to:

- Procurement of raw materials, components, equipment, machinery, consumables, and services.
- Selection and engagement of suppliers, contractors, consultants, transporters, and service providers.
- Procurement activities undertaken by all departments and business units of the Company.

The Policy shall be implemented in conjunction with existing procurement procedures, delegation of authority frameworks, and internal control mechanisms.

4. GUIDING PRINCIPLES

4.1 Ethical Procurement

The Company shall conduct procurement activities with integrity, transparency, and fairness.

Procurement decisions shall be based on objective criteria including:

- Quality
- Technical capability
- Cost competitiveness
- Delivery performance
- Reliability
- Compliance standards
- Long-term value creation

The Company shall not tolerate bribery, corruption, fraudulent practices, kickbacks, collusion, or conflicts of interest in procurement processes.

4.2 Legal and Regulatory Compliance

The Company shall endeavour to engage suppliers that comply with applicable laws and regulations, including those relating to:

- Corporate and commercial laws
- Labour and employment laws
- Environmental regulations
- Taxation requirements
- Health and safety requirements
- Intellectual property rights

4.3 Responsible Supply Chain Management

The Company shall encourage suppliers to:

- Maintain high standards of business ethics.
- Respect human rights and fair labour practices.
- Ensure safe and healthy working conditions.
- Avoid child labour, forced labour, or any form of unlawful employment practices.
- Comply with applicable environmental requirements.

4.4 Environmental Considerations

Where commercially viable and operationally feasible, the Company may consider environmental factors such as:

- Energy efficiency of products or equipment.
- Resource conservation practices.
- Waste reduction initiatives.

- Recycling and reuse capabilities.
- Pollution prevention measures.
- Sustainable packaging practices.

4.5 Quality and Product Reliability

The Company shall prioritize suppliers capable of consistently meeting quality specifications and performance standards.

Supplier evaluations may include assessment of:

- Quality management systems.
- Product certifications.
- Technical expertise.
- Manufacturing capability.
- Process controls.

4.6 Business Continuity and Supply Chain Resilience

The Company shall seek to diversify procurement sources and encourage supplier reliability to minimize disruptions arising from:

- Supply shortages.
- Natural disasters.
- Geopolitical events.
- Transportation challenges.
- Operational failures.

4.7 Local Sourcing

Where feasible and commercially justified, the Company may encourage procurement from local suppliers and service providers to support local economic development and improve supply chain responsiveness.

5. SUPPLIER SELECTION AND EVALUATION

Supplier selection shall be based on an objective assessment considering factors such as:

- Product quality.
- Pricing competitiveness.
- Technical capability.
- Delivery performance.
- Financial stability.
- Business reputation.
- Regulatory compliance.
- Sustainability-related practices, wherever relevant.

The Company may periodically review supplier performance and take corrective measures where performance does not meet expected standards.

6. CONFLICT OF INTEREST

Employees involved in procurement activities shall:

- Act in the best interests of the Company.
- Disclose any actual or potential conflicts of interest.
- Refrain from participating in procurement decisions where a conflict exists.

Any conflict of interest shall be addressed in accordance with applicable Company policies.

7. SUPPLIER ENGAGEMENT

The Company shall endeavour to maintain constructive relationships with suppliers through:

- Fair dealing.
- Transparent communication.
- Timely feedback.
- Performance reviews.
- Collaborative problem-solving.

The Company may encourage suppliers to improve their sustainability and compliance practices through awareness and engagement initiatives.

8. MONITORING AND IMPLEMENTATION

The Procurement Department and other relevant departments shall be responsible for implementing this Policy.

Management may establish procedures, guidelines, and evaluation criteria to facilitate effective implementation of this Policy.

9. REVIEW OF POLICY

This Policy shall be reviewed periodically by the Board of Directors or any Committee authorized by the Board to ensure its continued relevance and effectiveness.

10. AMENDMENT

The Board of Directors shall have the authority to amend, modify, or revise this Policy from time to time in accordance with applicable laws and business requirements.

11. EFFECTIVE DATE

This Policy shall come into effect from the date of its approval by the Board of Directors of the Company.