



Department: PROC	Document No: PROC-22	Revision No: 1	Page 1 of 4
Title: Environmental Policy for Suppliers			
Originator: Scott Gardner	Release Date: 9/6/25	San Antonio, TX	

Environmental Policy for Suppliers

Purpose

This Policy establishes the mandatory rules for maintaining environmental stewardship and sustainable procurement standards within the Carbonfree value chain. It articulates our unwavering commitment to minimizing our collective environmental footprint, recognizing that the transition to a net-zero economy requires responsible resource management across our entire supply chain. It ensures compliance with relevant environmental laws and regulations while encouraging proactive measures beyond minimum legal standards.

Scope

This Policy applies to all suppliers and contractors engaging with Carbonfree.

Definitions

- “Greenhouse Gas (GHG)” refers to gases that trap heat in the atmosphere, which Carbonfree aims to capture and reduce through its technology and supply chain management.
- “Biodiversity” is the variety of life in the world or in a particular habitat, which must be protected through responsible sourcing and habitat preservation.
- “Sustainable Procurement” is the integration of environmental and social considerations throughout the procurement process to minimize adverse environmental impacts.

Responsibilities

- “Director of Procurement/Purchasing” is responsible for implementing and ensuring compliance with this policy across the supply chain, ensuring that all suppliers adhere to applicable local and federal laws.
- “Suppliers” are responsible for enforcing these policies within their own operations



Department: PROC	Document No: PROC-22	Revision No: 1	Page 1 of 4
Title: Environmental Policy for Suppliers			
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and supply chains, maintaining accurate records, and providing necessary training to their workers.

- “Employees” must adhere to all protocols regarding respectful conduct and report any perceived violations.

Objectives & Policy Statements

General Policy Statement

Carbonfree is committed to continually improving environmental performance through pollution prevention, efficient resource use, and responsible waste management. We expect our suppliers to share this commitment and implement environmental practices aligned with these principles in their own operations and supply chains. We are committed to continually improving our environmental performance, encompassing pollution prevention, efficient resource utilization, and responsible waste management. We expect that our suppliers adhere to these same high standards.

Environmental Standards

Carbonfree implements rigorous sub-policies to address specific environmental impacts:

- **“Greenhouse Gas Emissions & Energy”:** Suppliers should ensure that they integrate GHG and energy reduction into their operations and decision-making processes. Suppliers should ensure that they implement environmental best practices, offering guidance and setting reduction targets. Suppliers should demonstrate proactive environmental stewardship and maintain transparent reporting mechanisms.
- **“Waste Reduction”:** Suppliers should ensure that they adopt sustainable material sourcing across their supply chain and operations, prioritizing recycled, sustainably managed, and low-impact options. Suppliers should reduce packaging waste by using recyclable, biodegradable, or reusable materials and by optimizing designs. Suppliers should ensure continuous improvement in manufacturing processes to minimize scrap and surplus across the supply chain.
- **“Water Usage & Wastewater”:** Suppliers should actively manage their water use and wastewater discharge to minimize environmental impacts. Suppliers should implement measures for water conservation, reuse, and recycling, and ensure that wastewater meets



Department: PROC	Document No: PROC-22	Revision No: 1	Page 1 of 4
Title: Environmental Policy for Suppliers			
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all applicable regulations before discharge. Suppliers should ensure they continuously improve their water management practices and mitigate environmental risks associated with water use.

- **“Chemical Management”:** Suppliers should ensure that they follow comprehensive chemical management principles that prioritize safety, environmental protection, and regulatory compliance. Suppliers should ensure safe handling, storage, and use of chemicals throughout all manufacturing processes, with preventative measures against spills and accidents. Suppliers should ensure that an accurate chemical inventory is maintained and that proper labeling communicates hazards and handling instructions. Suppliers should ensure that risk assessments are conducted to identify and manage potential hazards and should make efforts to substitute hazardous substances with safer alternatives when feasible.
- **“Biodiversity Protection”:** Suppliers should ensure that they protect biodiversity through sustainable sourcing, habitat preservation, and responsible material use. Suppliers should ensure this includes prioritizing certified natural resources, minimizing environmental impact, avoiding deforestation, and reducing harmful substances.
- **“Noise and Air Pollution”:** Suppliers should actively manage and minimize noise pollution by conducting regular noise assessments and implementing effective mitigation measures. Suppliers should ensure that they comply with all applicable emissions regulations and stay current with any changes issued by regulatory authorities. Suppliers should ensure they monitor emissions through designated personnel and calibrated equipment, maintain accurate records, and report data in accordance with legal requirements.

Quantitative Goals

To demonstrate our commitment to continuous improvement, Carbonfree has established the following measurable targets:

- **“Scope 1 & 2 Emissions”:** Ensure 50% of key suppliers have calculated their Scope 1 and 2 emissions by 2030.
- **“Waste Management”:** Ensure that 50% of key suppliers measure their waste generation levels by 2030.
- **“Water Conservation”:** Ensure 50% of suppliers have a water demand reduction plan in



Department: PROC	Document No: PROC-22	Revision No: 1	Page 1 of 4
Title: Environmental Policy for Suppliers			
Originator: Scott Gardner	Release Date: 9/6/25	San Antonio, TX	

place by 2030.

Qualitative Goals

- Actively promote energy-efficient technologies, optimize resource use, and encourage suppliers to adopt sustainable practices.
- Encourage suppliers to explore sustainable material sourcing, reduce packaging waste, and optimize manufacturing processes to minimize scrap and surplus.
- Promote responsible water management practices across our supply chain.

Review Mechanisms

This policy will be reviewed annually by the Director of Purchasing/Procurement and the Executive Team to ensure it remains relevant to our evolving technology and scaling operations. Any significant changes to our technology or expansion into new jurisdictions will trigger an immediate ad-hoc review of this policy.

Policy Owner

The Purchasing/Procurement Department is responsible for the administration of this Supplier Environmental Policy. If you have any questions regarding this policy, please get in touch with the Procurement Department.