

## SUSTAINABLE PROCUREMENT POLICY

Synthite is committed to ensure that our procurement activities support environmental conservation, social equity, and ethical governance, there by contributing to long-term value creation for all stakeholders.

This policy applies to all sourcing activities conducted by the company, including direct procurement from farmers, aggregators, traders, and contract farming partners across our supply chain.

We are committed to:

- Reducing the environmental impact of our sourcing practices.
- Promoting fair and safe working conditions throughout our supply chain.
- Upholding transparency, traceability, and ethical conduct in all procurement operations.

We shall:

- Source from suppliers using sustainable agricultural practices.
- Encourage organic or residue-free farming.
- Promote biodiversity and avoid ecologically sensitive areas.
- Reduce carbon footprint across the supply chain.
- Support climate-resilient and regenerative farming.
- Encourage recyclable packaging at raw material level.

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- Ensure no child or forced labor.
  - Promote fair wages and safe working conditions.
  - Encourage gender inclusivity.
  - Support smallholder farmers.
  - Respect community rights and land tenure.
  - Promote grievance redressal mechanisms.

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- Maintain traceability from source to processing.
  - Ensure legal and ethical compliance.
  - Follow anti-bribery and anti-corruption practices.
  - Avoid sourcing from conflict or illegal areas.
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Suppliers must:

- Sign the Supplier Code of Conduct.
- Maintain compliance records.
- Cooperate in audits and corrective actions.

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The procurement function is organized by material categories across strategic sourcing regions, ensuring specialized expertise, localized engagement, and alignment with sustainability priorities. Each category is managed by designated procurement professionals responsible for end-to-end supplier coordination, from selection to performance evaluation, with support from regional field teams and sustainability experts. This structure promotes accountability, enhances operational efficiency, and ensures the consistent integration of environmental, social, and governance (ESG) principles throughout the supply chain. Regular cross-functional collaboration between procurement, quality, and sustainability teams ensures that sourcing decisions align with both business goals and responsible sourcing commitments.

Hierarchy in supply chain management with roles and responsibilities.

#### 1. Executive Management

- Role: Oversight and strategic direction.
- Responsibilities:
- Approve sustainable procurement goals and policies.
- Allocate resources and ensure alignment with corporate ESG objectives.
- Review performance metrics and drive continuous improvement.

#### 2. Procurement/Sourcing Head

- Role: Policy execution and supplier relationship governance.
- Responsibilities:
- Integrate sustainability criteria into supplier selection and evaluation.
- Lead supplier engagement programs on ethical, social, and environmental practices.
- Monitor supplier compliance with sustainability standards.

#### 3. Category Managers / Buyers

- Role: Operational/Raw material procurement and sourcing decisions.
- Responsibilities:
- Apply ESG guidelines in sourcing activities and contract negotiations.
- Assess supplier risk and ensure traceability in key raw materials.
- Document and report supplier sustainability performance.

#### 4. Quality, Sustainability & Compliance Teams

- Role: Technical validation and sustainability assurance.
- Responsibilities:
- Conduct audits and assessments related to environmental and social compliance.
- Provide training to suppliers and internal teams on sustainable practices.
- Maintain data for life cycle assessment (LCA) and ESG reporting at RM level

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### 5. Local Procurement Coordinators / Field Officers

- Role: On-ground implementation and farmer/vendor engagement.
- Responsibilities:
- Collect sustainability data at farm/vendor level.
- Support smallholders in meeting compliance and certification requirements.
- Report field-level risks and support traceability initiatives.

### 6. Suppliers & Farmers

- Role: Primary actors in sustainable raw material production.
- Responsibilities:
- Adhere to ethical labor, environmental, and product safety standards.
- Participate in capacity-building programs.
- Maintain transparency and accurate record-keeping.

### Goals and Targets of Sustainable Supply chain:

Goal: 100% Tier 1 and Tier 2 suppliers to be assessed on Synthite by 2030 , Targets: 100% Tier 1 suppliers to assessed on Synthite SSC Framework by 2027  
 - Defined supplier assessment framework and engagement action plan by 2026.

This policy shall be communicated to all relevant stakeholders, including internal teams, suppliers, farmers, aggregators, and service providers through training sessions, on boarding materials, and direct engagement. Suppliers and partners are expected to acknowledge and align their practices with the policy requirements. Clear communication channels shall be maintained to facilitate feedback, clarify expectations, and support continuous improvement in sustainability practices across the supply chain.

The policy will be reviewed as required based on regulatory updates, stakeholder input, or changes in organizational strategy. The review process will be led by the Sustainability and Procurement teams, in consultation with key business units and external experts where applicable, to ensure continued relevance, effectiveness, and alignment with evolving ESG standards and business goals.

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