

Code of Conduct Policy for Business Partners

Introduction

Sudarshan Chemical Industries Limited (hereafter referred to as ‘Sudarshan’, ‘We’, ‘Our’) is a leading color solutions provider with a wide range of products, including high performance pigments, azo, and phthalocyanine pigments, inorganic pigments, effect pigments as well as pigment dispersions, and solvent dyes. With a strong global outreach and experience, we recognize that operating responsibly is a must to ensuring business sustainability and growing together for a sustainable future. We are committed to ethical and sustainable business operations.

At Sudarshan, we are driven by our core organizational values of Seva (service), Courage, Commitment & Passion, Respect, and Trust, which guide our business operations and strategy. In line with our vision of a sustainable future, we are committed to creating long-term value for all our stakeholders and a positive impact on the environment. We have adopted an ESG Strategic Framework which stems from our key material topics and focus areas which are crucial to our business operations. Our strategic framework is guided by our ESG Vision - ‘To be the global leader in the pigment industry by operating responsibly and growing sustainably’. Furthermore, to create an enabling environment, we have adopted the Mission ‘To provide a safe, inclusive, and enriching environment to drive an eco-efficient business’. We have codified our commitments into a comprehensive ESG Policy¹ which can be accessed from our website.

This Code of Conduct for customers, suppliers and service providers (we now refer them as Business partners) define our requirements for compliance with global principles, fair competition, human rights, labour and social standards, environmental protection and product safety. Adherence to these principles has a major impact on our business relationship.

We request business partners to keep record of all relevant supporting documents and provide us upon our request. Our business partners will accept that Sudarshan may carry out regular audits for verification either by Sudarshan or any independent third party appointed by us. Business partners will permit Sudarshan to carry out site visits at their premises and will provide any information reasonably requested in order to facilitate this process. If the performance of our business partner is not satisfactory, we expect immediate improvements on these points.

Our goal is to work with our business partners to make the value chain more sustainable and to continuously improve our performance when it comes to health, environmental and occupational safety, as well as product safety and human rights.

Ethics

We are committed to ensuring highest level of ethical and transparent business practices across our business operations. Sudarshan does not support bribery and corruption; all the documents and records should be genuine and reliable. All the partners with whom business is done should be aware of Sudarshan’s position on business ethics. We respect intellectual property rights, protect trade secrets and confidential information, and ensure that transfer of technology. We never engage in or support unfair or

¹ Weblink to ESG Policy - [https://www.sudarshan.com/environment,-social-and-governance-\(esg\)-policy.pdf](https://www.sudarshan.com/environment,-social-and-governance-(esg)-policy.pdf)

predatory business practices or any activities that would improperly restrain trade. It is also critical to avoid any activity that will violate competition laws. None of our input raw materials, labour or any part of manufacturing process is sourced from a declared civil war zone. All business partners are expected to adhere with following norms on ethical business conduct:

- **Ethical Business:** All business partners shall ensure adherence with the highest standards of moral and ethical conduct, applicable regulations, and good business practices. Suppliers shall take appropriate measures to eliminate all forms of unethical practices such as corruption, bribery, fraud, cheating, or any other practice considered illegitimate.
- **Conflict of Interest:** Business partners should identify and promptly convey to us any transaction or event that may have the potential for a conflict of interest. Suppliers shall communicate if any of our people are found to have a significant interest of any kind in their business.
- **Fair Competition:** All business partners are expected to comply with anti-trust and competition laws as applicable.
- **Gifts:** Business Partners shall not offer any kind of gifts, free goods, services, or any other hospitality to any of our people. All business partners are expected to disclose without delay any such requests made by any of our people.
- **Information Security:** Business partners may have access to our business secrets and other intellectual properties. Business partners should adopt appropriate data security practices to avoid any unauthorized and unintended access to such information. Furthermore, you shall comply with all privacy and information security laws and regulations as applicable.
- **Zero tolerance for land grabs:** Zero tolerance for land grabs, secure rights to land and natural resources are essential elements to achieve development by reducing uncertainties and facilitating long term investments by farmers and by public and private investors.
- **Control the risk of Money Laundering and Counter-Terrorism Financing:** All business partners we transact with are on boarded after due diligence process. We collect documents like VAT / GST registrations, infrastructure, ownership structure, etc. Also, on regular basis tax team checks compliances of vendor in terms of return filings etc. Business partners should adopt appropriate measure to ensure that no investments are allowed without Board's approvals and significant shareholder's consent. All employees before hiring should undergo a rigorous background check process which ensures employees are not involved in unethical practices and unlawful activities

Labour and Human Rights

At Sudarshan, we are committed to protect and promote human rights protection and ensure adherence with Universal Declaration of Human Rights (UDHR), and other applicable local and global norms and statutes. We have a zero-tolerance policy against any form of child or forced or compulsory labor in our business operations and adopt stringent measures to ensure compliance with the same across our value chain.

We proactively comply with all applicable statutory, regulatory, and other requirements of labor laws to ensure that our employees are fairly and reasonably paid, and remuneration structure is compliant with statutory obligations of the jurisdiction.

- **Child Labour:** Sudarshan rejects child labour and expects Business partners to comply as a minimum with ILO Convention 138 concerning minimum age for admission to employment and work, and Convention 182 to eliminate the worst forms of child labour.
- **Forced Labour/Modern Slavery:** We reject any form of forced labour or modern slavery, we expect

our business partners to refrain from using any work performed involuntarily under the threat of disciplinary action.

- **Non-Discrimination:** Sudarshan has a policy of zero tolerance for sexual harassment or discrimination on grounds of race, colour, religion, age, gender, sexual orientation, nationality, disability, marital status, and political opinion.
- **Wage and Compensation:** We comply with ILO convention C100 of equal remuneration policy that meets local minimum wage levels and provide social benefits in accordance with national and international standards. Business partners are expected to benchmark wage practices against living wages and develop plan to bridge the gaps if any.
- **Working Hours:** Business partners shall ensure that their employees or workers are not forced to work more than forty-eight (48) hours per week excluding overtime. Furthermore, all employees and workers have at least one day off in a week.
- **Freedom of Association and Collective Bargaining:** We follow all the requirements of national laws and regulations related to freedom of association as mentioned in ILO C087 convention and those related to organize and collective bargaining as mentioned in ILO C098 convention. All business partners shall be cognizant of rights of people for freedom of speech, expression, and association. No person shall be discriminated against on grounds of participation into trade union activities.
- **Health and Safety:** We comply with requirements of ISO 45001:2018. We expect our business partners to provide a safe, healthy, and hygienic work environment and to take the necessary measures to prevent accidents and damage to health. All employees and workers should be covered under accidental insurance policy.
- **Hazardous Materials:** All business partners shall ensure that chemicals and other materials posing hazards to human health and environment are identified and managed responsibly through their safe handling, movement, storage, recycling, reuse, or/and disposal.
- **Protection of Marginalized Groups:** All business partners shall take necessary steps to protect the interests of marginalized sections of society such as children, women, older people, persons with special abilities, migrant workers, local community, and indigenous and tribal people. Business partners must ensure adherence with applicable regulations concerning rights of marginalized sections of society.

Environment Management

At Sudarshan, we ensure that all our products are manufactured in accordance with applicable regulations, and best-in class standards, to fulfil the needs of our customers. We strive to ensure the safe use of our products throughout its value chain beyond regulatory requirements. Sudarshan complies with environmental management system ISO 14001:2015 standards. We focus on enhancing our eco-efficiency. Business partners are expected to adhere with following norms:

- **Compliance with Environmental Regulations:** All business partners shall ensure compliance with existing legislations and regulations regarding the protection of the environment and promotion of good environmental practices. Business partners shall ensure compliance with the Consent to Operate (CTO)/Environmental Clearance (EC), w.r.t. the products supplied to Sudarshan
- **Energy Management:** Business partners are expected to monitor energy consumption and adopt measures to improve energy efficiency. Appropriate steps should be taken to diversify the energy-mix to minimize usage of fossil fuels.
- **Climate Change:** Business partners should measure and track Greenhouse Gas (GHG) Emissions

and take measures to manage GHG emissions. Suppliers are encouraged to adopt the guidance prescribed by Science Based Targets Initiative (SBTi).

- **Air Pollution:** All business partners are expected to monitor air emissions such as oxides of nitrogen and sulfur, particulate matter, volatile organic compounds (VOCs), aerosols, corrosives, ozone depleting substances, and other combustion by-products generated from their operations. Suppliers shall responsibly comply with the emission regulations. It is advised that you should develop and adopt interventions to reduce harmful air emissions.
- **Water Management:** You shall withdraw water from the legally authorized sources only. Adequate water recycling infrastructure should be instituted to promote recycling and reuse of water and improve water efficiency. Water conservation interventions such as rainwater harvesting should be adopted wherever feasible.
- **Waste and Wastewater Management:** All business partners shall ensure that the wastewater and solid waste generated from operations, industrial processes, and sanitation facilities are monitored, controlled, treated, and disposed of responsibly in accordance with the norms prescribed by the appropriate authorities or regulatory bodies.
- **Ecosystem and Biodiversity:** Necessary steps should be taken to identify and minimize the impacts on ecosystem and biodiversity. It is expected that you should adopt measures to avoid deforestation and contribute to the protection and restoration of forests and natural habitats.

Product Responsibility

Sudarshan ensures compliance to the highest standards for quality of products, and endeavors to design all products safely, in compliance with all applicable regulatory requirements. We also ensure adherence to specified hygiene criteria and complete documentation. We inform our customers of the risks associated with their usage and support them in the safe product handling.

- **Product Stewardship:** All business partners are encouraged to assess and measure the environmental and social impacts of their products (to the extent applicable) throughout its lifecycle and ensure optimal resource usage, including recycling of materials wherever possible.
- **Product Innovation:** We are committed to continuously focus on product and process innovation to enhance product safety and reduce environmental footprint. We expect our suppliers also to adopt similar approach.
- **Product Labelling:** Suppliers shall ensure provision of transparent, accurate, and timely communication with respect to the safe usage and responsible disposal of materials supplied. Suppliers shall provide material safety data sheet (MSDS), labelling instructions, and requisite certificates.
- **Recycling and Reuse:** We are committed to recycle and reuse packaging materials. Business partners are expected to use recyclable packaging materials.

Enforcement

We expect our business partners must meet the generally accepted and contractually agreed quality requirements. Sudarshan has a suitable quality and environmental management system to manage processes and comply with laws in accordance with applicable safety standards. We demand continuous improvement from our business partners by resolving identified deficiencies.

Confidentiality

The successful implementation of Code of Conduct depends on co-operation, mutual trust and respect between Sudarshan and our business partners. All observations, discussions and written information

received from the business partners are treated confidential by Sudarshan.

Communication

All business partners are expected to review this Code thoroughly and seek guidance/clarifications whenever needed. This Code shall be deemed to be accepted by you if we do not receive any communication from you within 10 days from the receipt.

Acceptance of Code of conduct by Business Partner: Sudarshan CoC policy is well understood and willing to follow with 100% compliance.

Name: _____

Job Title : _____

Place : _____

Signature of the authorized representative and Company Stamp