

Code of Conduct Policy for Business Partners

INTRODUCTION

Sudarshan Chemical Industries Limited (hereafter referred to as 'Sudarshan', 'We', 'Our') is a leading global color solutions provider. 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 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. Furthermore, to create an enabling environment, we have adopted the mission 'Being the inspirational leader of the colorants industry delivering breakthrough results for all our stakeholders through reliable and sustainable solutions'. We have codified our commitments into a comprehensive ESG Policy 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.

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. All our suppliers are expected to acknowledge, comprehend, and adhere to every aspect of the code as outlined in this document.

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 of Business Partners 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.

We never engage in or support unfair or 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.
- **Anti-Competitiveness:** Business partners must engage in fair and transparent business practices, ensuring compliance with competition laws and antitrust regulations in areas of operations.
- **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:** We respect fair competition and observe the laws protecting and promoting competition. It is therefore forbidden to make agreements, adopt coordinated practices or enter into informal discussions with competitors, suppliers, distributors and sales companies regarding prices, market sharing, production capacities or investments, which intend or result in a prevention, restriction, or distortion of competition as per anti-trust and competition laws.
- **Gifts and Hospitality:** Business Partners shall not offer any kind of gifts, free goods, services, or any other hospitality to any of our employee.

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 Non compliance:** Zero tolerance for Non compliance with applicable laws, rule and regulations, resulting in disrepute to the organization.
- **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 compliance of vendor in terms of return filings etc. Business partners should adopt appropriate measure to ensure that no investments are allowed without following due legal process. All employees before hiring should undergo a rigorous background check process which ensures employees are not involved in unethical practices and unlawful activities. Any incident reported will be regarded as violation of compliance.

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), International Labour Organization (ILO) Conventions, United Nations Global Compact (UNGC) principles 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:** We do not tolerate any form of child labour in our supply chain and expect our business partners to comply as a minimum with ILO Convention No. 138 (*Minimum Age Convention, 1973*) concerning minimum age for admission to employment and work, and Convention No. 182 (*Worst Forms of Child Labour Convention, 1999*) to eliminate the worst forms of child labour.
- **Forced Labour/Modern Slavery:** We expect our business partners to refrain from using any work performed involuntarily under the threat of disciplinary action. This includes involuntary contract work, and any other form of labour performed against a person's will or consent.
- **Non-Discrimination:** Sudarshan has a zero-tolerance policy for sexual harassment (POSH) Policy or discrimination on grounds of race, colour, religion, age, gender, sexual orientation, nationality, disability, marital status, and political opinion. We use the guidelines of international labour organization (ILO) to ensure discrimination free workplace.
- **Anti-Harassment:** We expect our business partners to treat its workforce with dignity, respect and ensure a workplace environment free from any form of verbal, physical or psychological abuse.
- **Wage and Compensation:** We use the guidelines of international labour organization (ILO) of equal remuneration policy that meets local minimum and living 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:** We recognize the right of all employees to appropriate remuneration (including wages and benefits), work hours including rest hours and paid leave as per applicable laws and national wage laws.
- **Freedom of Associations and Collective Bargaining:** We follow all the requirements of national laws and regulations related to freedom of association as mentioned in ILO convention No. C087 (*Freedom of Association and Protection of the Right to Organise Convention, 1948*) and those related to organize and collective bargaining as mentioned in ILO convention No. C098 (*Right to Organise and Collective Bargaining Convention, 1949*). 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.
- **Occupational Health and Safety:** We comply with requirements of ISO 45001:2018 and 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. Our Business partners should also ensure accessibility of information on workplace safety risks and hazardous materials to employees for safeguarding during potential dangers.
- **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 focus on enhancing our eco-efficiency and 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. We also comply with environmental management system ISO 14001:2015 standards*. Business partners are expected to adhere with following norms:

*Note: *except for Fairless Hills USA*

- **Compliance with Environmental Regulations:** Ensure compliance with existing legislations and regulations regarding the protection of the environment and promotion of good environmental practices. Business partners shall also ensure compliance with the Consent to Operate (CTO)/Environmental Clearance (EC), w.r.t. the products supplied to Sudarshan.
- **Energy Management:** Monitor energy consumption, adopt measures to improve energy efficiency and undertake appropriate steps to diversify the energy-mix to minimize usage of fossil fuels.
- **Climate Change:** Measure and track Greenhouse Gas (GHG) Emissions and take measures to manage GHG emissions. Suppliers are also encouraged to adopt the guidance prescribed by Science Based Targets Initiative (SBTi).
- **Air Pollution:** Expected to monitor air emissions such as oxides of nitrogen (NO_x) and sulphur (SO_x), particulate matter (PM), volatile organic compounds (VOCs), aerosols, corrosives, ozone depleting substances (ODS), and other combustion by-products generated from their operations. Suppliers shall also responsibly comply with the emission regulations, wherein, it is advised to develop and adopt interventions to reduce harmful air emissions.
- **Water Management:** All Business Partners shall withdraw water from the legally authorized sources only. Also, adequate water recycling infrastructure should be instituted to promote recycling and reuse of water and improve water efficiency. Business partners should also adopt water conservation interventions such as rainwater harvesting, 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. Business partners are expected to 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 endeavours to design all products safely, in compliance with all applicable regulatory requirements. We ensure compliance with product safety regulations, by adhering to relevant national and international health and safety standing including EU REACH regulations, and US FDA guidelines. We also ensure a clear communication of product specifications, potential hazards, and risk mitigation measures to maintain safety and regulatory compliance. We also ensure adherence to specified hygiene criteria, complete documentation and 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 and expect our suppliers also to adopt the 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 also provide material safety data sheet (MSDS), labelling instructions, and requisite certificates.
- **Recycling and Reuse:** We are committed to recycle and reuse packaging materials and our business partners are expected to use recyclable packaging materials.

Training and Competency

Suppliers shall establish a learning and development framework for their workforce and are encouraged to implement training programs for skill enhancement. They shall also develop, implement, and maintain suitable training initiatives to ensure employees acquire the necessary knowledge and understanding Codes in this document.

Enforcement

We expect our business partners must meet the generally accepted and contractually agreed quality requirements. We have 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.

Grievance Redressal

For any grievances, Business partners can submit their concerns on breachofcoc@sudarshan.com

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.

