

Responsible Procurement Policy

Effective date of Policy:

- This policy is effective from 1/11/2023.

Purpose:

- 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'*.
- In light of this, we at Sudarshan, have adopted a comprehensive Environment, Social, and Governance Policy¹, which highlights our policy commitments across various focus areas, and provides a framework for achieving our sustainability objectives.
- We have developed Responsible Procurement Policy (*hereinafter referred as Policy*) to drive integration of ESG in our procurement practices. This policy is in conformity with the requirements of OECD Due Diligence Guidance for Responsible Supply Chains of Minerals, Global Reporting Initiative (GRI) Standards, and Business Responsibility and Sustainability Reporting (BRSR).

Scope:

- The scope of the said Policy is applicable to all procurements of all goods and services irrespective of procurement value.

Policy Commitments

We are committed to adopting value-chain based approach to sustainability. We strive to achieve our set objectives through following measures:

- Integrate sustainable sourcing practices in procurement and supply chain management
- Encourage contractor, supplier, transporter, service provider and business partners to ensure total compliance to applicable legal and other requirements which have a significant impact on Occupational Health, Safety, Environment, Quality, and other applicable ESG (Environmental, Social and Governance) aspects
- Continuously map our procurement supply chain, chain of custody, and critical suppliers based on business risks and dependencies
- Screen all new vendors and suppliers on ESG criteria to identify high risk suppliers and take corrective actions to mitigate risks
- Undertake comprehensive ESG evaluation of all critical suppliers to identify high risk suppliers from ESG point of view
- Undertake measures to de-risk supply chain by reducing dependency on single source

¹ Weblink of Sudarshan's ESG Policy - <https://www.sudarshan.com/environment-social-and-governance-esg-policy.pdf>
www.sudarshan.com

- Extend our ESG Policy to our business partners through a comprehensive Business Partner Code of Conduct
- We have developed a supplier engagement protocol that prescribes a framework for engaging with suppliers on ESG aspects, and inclusion of suppliers in ESG capacity building by FY 2027.
- Encourage suppliers to adopt appropriate measures to improve operation eco-efficiency of their operations. Such measures include but are not limited to energy management, energy source diversification, water and wastewater management, resource efficiency, responsible waste management, ecosystem management, etc.
- Encourage suppliers to use recyclable packaging materials
- Mandate suppliers to adopt practices on protection and promotion of Human Rights ²
- Encourage suppliers to ensure safe, hygienic, and enriching workplace and build accident-free workplace
- Prioritize procuring from local suppliers provided cost, quality, and sustainability value propositions are met
- Prefer procuring from organizations that are MSMEs or owned by women, provided cost, quality, and sustainability value propositions are met
- Prefer procuring from suppliers who have globally accepted certifications on environmental and social aspects such as ISO 14001, ISO 45001, ISO 9001, etc., or equivalent
- Participate in supply chain based sustainability initiatives such as Responsible Mica Initiative, Ecovadis CSR Assessment, Together for Sustainability (TfS), etc.
- Monitor and report ESG performance across our value chain to the extent possible

Governance Framework:

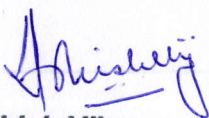
- We will devise and adopt an appropriate framework towards the enforcement of the commitments as mentioned in this Policy and its implementation framework will periodically be reviewed by the Company, to incorporate the evolving national and global frameworks. We will adopt appropriate measures to ensure data integrity through internal and external assurances.

Approving Authority:

- This Policy has been reviewed by the Chief Procurement Officer (CPO) and approved by the ESG Steering Committee. All subsequent amendments to this Policy shall be approved by the ESG Steering Committee.

Reviewed by	Chief Procurement Officer(CPO)
Approved By	ESG Steering Committee
Approval Date	1st November 2023
Effective Date	1 st November 2023
Next Review Date	1 st April 2025
Issue Number	1.0
Approving Authority	ESG Steering Committee

Signed By



Ashish Vij
Executive Director and Operations Head

² Weblink to Human Rights Policy - <https://www.sudarshan.com/human-right-policy.pdf>