

Oriental Aromatics

Sustainable Procurement Policy

Sustainable Procurement Policy

1. Objectives

Sustainable procurement is a procurement strategy that takes into account the economic, social, and environmental impact of the goods and services being procured. It is an approach that seeks to balance the need for cost-effective procurement with the need to promote sustainable development. The objective of a sustainable procurement policy is to ensure that the procurement of goods and services aligns with the organization's sustainability goals.

This Sustainable Procurement Policy is to communicate OAL's expectations and position with respect to the sustainable way of sourcing of our input materials. The Policy is framed and aligns with UN's Sustainability Development Goals (SDGs). The Policy elevates partnership and improves the communication with our Vendors.

The overall objective is to ensure sustainable sourcing practices are practised along the entire value chain. This necessitates all value chain partners to maintain and share accurate, actionable data on the origin and production methods of all materials sourced. With a mutual commitment and unified approach, OAL and our suppliers will increase opportunities for complete traceability and assurance of ethical practices and long-term value for all stakeholders.

2. Scope and Applicability

Procurement excellence is deeply embedded in OAL's corporate strategy. We set out 'Procurement' as one of the sustainability domain that drives our business.

This Policy applies to all OAL personnel, direct and indirect suppliers, as well as contractors and business partners. This Policy and other relevant policies and procedures adopted at OAL is set as a minimum standard that should be followed, the Policy outlines the organization's approach to procurement and the criteria used to assess the sustainability of suppliers and the goods and services they provide. Where local laws, rules and regulations are imposing a higher standard, that higher standard must be followed.

The sourcing of all materials procured by OAL Procurement and associated services fall under the purview of the Policy. All direct and indirect suppliers in our businesses must adhere to the standards outlined in this Policy.

3. Definitions

- a) **Business Partner:** Any agent, distributor, joint venture and equity investment partner, customs broker, consultant or any other third party that is authorized to act for, or on behalf of, OAL.
- b) **Code:** OAL's Code of Conduct for Suppliers and Service Providers.
- c) **Direct Suppliers:** Any person(s) or organization providing raw materials and goods used directly in OAL manufacturing processes.
- d) **Distributors:** Any intermediate entity from the manufacturer who provide materials directly or indirectly to OAL.
- e) **Indirect Suppliers:** Any person(s) or organization providing services and goods not used directly in OAL manufacturing processes.
- f) **OAL:** Oriental Aromatics Limited and its subsidiaries and affiliates and any company that is directly or indirectly wholly or majority-owned or otherwise controlled by it.
- g) **OAL Personnel:** Any employee, workers and directors of OAL.
- h) **Suppliers:** OAL's Direct and Indirect Suppliers.

4. Policy

OAL's supply chain is extensive and intricate. We source our supplies from a wide range of domestic and international suppliers and distributors, from which we procure thousands of different materials. We are aware that our footprint extends beyond the scope of our operational control and that, in order to have a positive effect, we need to influence our entire value chain.

Our Sustainable Procurement Policy aims to support workers and employees, reduce environmental impact, and ensure ethical practices in our supply chain. We focus on industry partnerships, customized solutions and customer engagement to complex sourcing issues in the supply chain. We can't do this on our own, so we rely on strong relationships with our suppliers to share responsibility for building supply chains that are transparent and ethical.

OAL expects our suppliers to adhere to the policies, guidelines, and standards established in this policy. Suppliers must comply with the Policy's fundamental requirements by:

- Adhere to all applicable national, state and local laws in which they operate.
- Adhere to all business-related agreements and regulations.
- Give special attention to safeguarding human rights, particularly those of vulnerable groups that are more likely to be exploited, harassed, or discriminated against.
- Concentrate on preserving and enhancing the natural environment, which includes biodiversity, water, the atmosphere, and soil.

4.1. Sustainable Sourcing:

We expect our Suppliers to:

- Adhere to OAL's Code of Conduct for Suppliers and Service Providers, which outlines the fundamental requirements that a Supplier must fulfil in order to continue working with OAL on a business basis.
- In order for OAL to source responsibly, it is necessary for us to accurately trace where our materials came from. Traceability facilitates responsible practices, environmental stewardship, and community stewardship in our supply chains.

Suppliers are expected to take ownership and responsibility for OAL requests for ingredient sourcing details in support of our commitment to traceability.

- Commit protecting natural ecosystems from deforestation, degradation, and conversion in order to preserve the environment and increase biodiversity.

Protect endangered species, limit forest clearing, and adopt safe and sustainable agricultural practices to support biodiversity conservation and regeneration to reduce biodiversity loss.

Maintain aquatic ecosystems and use the water resources sustainably.

- Be considerate of individuals' health, safety, and human rights, including those of indigenous people, local communities, workers, and smallholders.
- Implement an effective grievance mechanism to enable affected stakeholders to raise issues without fear of retaliation and provide access to remedies.
- Disclose and share details of own operations through third-party programs upon request. Adopt their own commitment or policy to respect human rights. Develop an ongoing human rights due

diligence process to identify, prevent, and mitigate potential impacts in their supply chains and own operations. Implement an effective grievance mechanism.

- OAL reserves the right to request audits and assessments be carried out and suppliers are expected to:

Satisfy OAL requests, such as completing internal questionnaires, allowing onsite visits, supplying records and documentation, and sharing audit reports, among other things.

Respond to OAL's (or OAL's customer's) requests for third-party audits and assessments.

Evaluations by third parties: OAL shall ask it's value chain partner to adhere to EcoVadis, Sedex, SA 8000, or another similar platform or tool to conduct third-party assessments.

Audits by third parties: Audits at supplier locations may also be requested by OAL.

OAL considers mutual recognition of audits that our Suppliers may have already completed so that they can concentrate on implementing improvements. This will reduce audit replication and fatigue.

Create and carry out plans to fill in the holes found in assessments and audits.

- We encourage our suppliers to be open about problems in the supply chain so that we can work together to find and implement practical solutions.

4.2. Other Standards

OAL is committed to industry and partnership programs that aim to produce raw materials that are ethical, sustainable, and traceable. We encourage Suppliers to look into opportunities to participate in such programs and work together to improve their responsible sourcing practices.

We encourage Suppliers to investigate certification programs that are long-term solutions to their requirements.

These certification programs include, but are not limited to :

- ISO Certification
- Forest Stewardship Council (FSC).
- Programme for the Endorsement of Forest Certification (PEFC)
- REACH
- Good manufacturing practice (GMP) certification
- Halal certification
- Kosher Certification
- EcoVadis

4.3. Shared-Value Community Programs

We at OAL believe that connecting business performance directly with societal impact goes beyond responsible sourcing. Through long-term business commitments, these programs are intended to support the communities in which we operate and source. We encourage Suppliers to get involved in the communities where they do business and get their supplies.

4.4. Supply Chain Disclosures

OAL is involved in a number of supply chain disclosures. To support the long-term viability of their businesses, we also encourage our Suppliers to disclose information about their own sourcing practices and operations. Through OAL's supplier evaluation program, OAL may ask Suppliers to comply.

5. Policies on Specific Materials

OAL has specific sourcing policies or purchase criteria for strategic raw materials, e.g.

5.1. Raw Materials

OAL defines a quality standard and quality profile for each raw material that it purchases or produces. OAL conducts Vendor Evaluation before placing the orders. OAL has defined risk related to different aspects of raw material sourcing. These risk are the basis for the OAL's sourcing risk management strategies and sustainable sourcing management system. Each risk is managed by the responsible departments involved.

5.2. Packing Material

OAL commits to use sustainable packing materials from responsible sources. Reuse and/or recycle the packaging material to reduce the impact on environment.

6. Raise your concern

Please get in touch with a member of OAL's procurement team if you have any inquiries regarding this policy.

Please get in touch with OAL's Compliance team at cs@orientalaromatics.com if you think someone may have violated this policy.

Retaliation, reposal, or subsequent discrimination against anyone who raises a concern or reports possible misconduct is strictly prohibited at OAL.

In accordance with its internal procedures for investigations, OAL will conduct an investigation into alleged misconduct relating to this Policy. Any OAL employees who violated this policy may face disciplinary action, including termination from their employment.

By Order of the Board of Directors

Sd/-
Dharmil A. Bodani
Chairman and Managing Director
DIN: 00618333

Preferential Procurement Policy

OAL recognizes the value diversity brings to both the communities we serve and our company's growth, working together towards a better, more equitable world. The aim of our preferential procurement policy is to promote the inclusion of small and diverse businesses in our procurement activities. OAL commit to give preferences to local companies or individuals, and to locally made products.

OAL prefers to procure from the following category of Suppliers wherever possible:

- Micro, Small & Medium Enterprises (MSME)
- Support 'Make in India' Vendors
- Local Suppliers
- Self-help group
- Small and Community Vendors

Code of Conduct for Suppliers and Service Providers

The commitment of OAL to upholding human rights throughout the supply chain is reflected in the company's Code of Conduct for Suppliers and Service Providers. The spirit outlined in the Guidelines of the International Labour Organization and the United Nations Guiding Principles on Business and Human Rights are upheld in this Code. It is expected that all of OAL's suppliers and service providers will comply with this Code.

Suppliers and Service Providers and their facilities must abide by this Code's requirements, respect human rights, and adhere to environmental regulations. In addition, OAL expects that Suppliers and Service Providers will adhere to the same standards as their business associates.

1. Social Practices

OAL recognizes and respects the independence of its Suppliers and Service Providers, who are the sole employers of their employees. OAL expects that the Suppliers and Service Providers will always adhere to all applicable labour laws, including the following:

- i. Child Labour: OAL will no longer tolerate the use of child labour, nor exploitation of children in any of our Suppliers and Service Providers operations and facilities. Suppliers and service providers avoid engaging child labour.
- ii. Forces or Bonded Labour: Suppliers and service providers should not employ any kind of forced or bonded labour.
- iii. Fairness and Anti-Discrimination: It is the responsibility of suppliers and service providers to ensure that their workplaces are free of discrimination and to treat their employees fairly, with dignity, and with respect. Caste, religion, disability, gender, sexual orientation, race, colour, ancestry, marital status, political or religious affiliation, trade union membership, and other factors shall not be grounds for discrimination against their employees.
- iv. Health and Safety: To guarantee the personal safety of anyone working in a workplace or having access to such machinery, equipment, or processes, suppliers and service providers are obligated to abide by all applicable laws and make every effort to eliminate any risk, including fire safety. At a minimum, suppliers and service providers must ensure adequate lighting and ventilation, as well as access to potable water and sanitary facilities. In order to avoid occupational illnesses and injuries, suppliers and service providers are required to manage all health and safety risks.

2. Human Rights

OAL sources its technologies, equipment, inputs, and finished goods from Indian and international manufacturers and suppliers to provide superior quality and value in its products and services. OAL requires its business partners to create a workplace that adheres to human rights standards. OAL expects its Service Providers and Suppliers to develop procedures for mapping and tracking human rights performance progress.

3. Environment

In order to protect the environment, suppliers and service providers must abide by all applicable laws and use environmentally friendly technologies and practices whenever possible.

4. Integrity

In all its endeavours, OAL expects the highest ethical standards. Suppliers and service providers should always follow the law and be ethical in all aspects of their business, including relationships, practices, sourcing, and operations.

The following requirements must be met by Suppliers and Service Providers:

- i. Suppliers and Service Providers must disclose any situations of conflict of interest to OAL, including the involvement or interest of any OAL employee or his or her immediate family members in their business, to avoid any actual or potential conflicts of interest that could lead to uncompetitive favors or a perception of unfairness.
- ii. OAL expects its Suppliers and Service Providers to refrain from engaging in any form of bribery or corruption intended to encourage or reward improper behavior or to influence any decision in their interactions with OAL. OAL expects and seeks confirmation in its commercial and contractual terms that Suppliers and Service Providers will not offer, promise, or provide any benefit, either in kind or in cash, to any employee of OAL or any of its associate companies or to any relative or associate of any employee of OAL in order to facilitate their current or future business with OAL.
- iii. Offering hospitality or gifts to influence business decisions is against the rules at OAL.

As social and customary gestures, any hospitality or gifts that are exchanged during business, should be nominal in nature.

5. Reporting Violations

Suppliers and Service Providers are obligated to inform the relevant manager at OAL of any actual or suspected violation of this Code.

OAL employees' known or suspected inappropriate behaviour is encouraged to be reported by suppliers and service providers. Without fear of retaliation, these reports will be treated with confidentiality.

6. Assessments

Before engaging with its Suppliers and Service Providers, OAL has a robust procedure for evaluating them, proactively informing them of its expectations and requirements, and seeking their commitment to compliance through contractual agreements. OAL reserves the right to conduct any necessary audits and assessments, including self-certification, to ascertain compliance with this Code at any time.

OAL will support the Suppliers and Service Providers in their efforts to increase awareness of this Code.