

Sustainable Supply Chain & Procurement Policy

1. SCOPE AND APPLICABILITY

This Policy applies to the entire supply chain process of Deepak Fertilisers and Petrochemicals Corporation Limited and, its subsidiaries and affiliates, (herein together referred to as “DFPCL”), its subsidiaries and affiliates and its relevant Supply Chain Partners. Supply Chain Partners hereunder shall mean and include without limitation all Material Suppliers (Raw Material, Consumables, Capital Goods, Spares etc), Service Suppliers (Transportation, Consultants, Downstream Processing Units, Advisors, Auditors, Contractors, Legal, Advisory etc), Manpower Suppliers (Contractors, Sub-Contractors etc) etc related to the Supply chain.

2. PURPOSE

This policy sets forth the guiding principles and procedures for sustainable procurement and supply chain management within DFPCL. Its purpose is to ensure that the procurement of all goods, materials, services, and other items is in line with our Commitment to sustainability, conservation of the environment, ethical conduct, and social responsibility as an organization and to establish a robust, dependable, and resilient supply chain, which includes the integration of local and marginalized suppliers wherever possible. A Responsible & Sustainable Supply Chain will help in preventing and mitigating the ESG Risks of DFPCL.

3. RESPONSIBLE SUPPLY CHAIN & SUSTAINABLE PROCUREMENT PRINCIPLES

Resilient Governance

- We expect our suppliers not to be involved in corruption, extortion, bribery, anti-competition, kickbacks, embezzlement, or any form of unethical behavior to gain unfair advantages. This includes total restraint from engaging in illegal inducements or dealings with public servants.
- We encourage our suppliers to possess all necessary statutory licenses and approvals for conducting their business and comply with all applicable laws and regulations, including tax laws and international laws relevant to the policy.
- We encourage our suppliers to carry out their business operations with a strong commitment to ethical and moral principles.
- We expect our suppliers to follow the prevalent anti-trust policy of the respective countries.
- We expect our suppliers to maintain accurate financial records in accordance with applicable accounting and financial reporting standards, ensuring transparency in business dealings and to establish governance structures to ensure compliance with the Supplier Code of Conduct and report any conflicts of interest in dealings with the Company.
- We encourage our Suppliers to obtain relevant Certifications (ISO, EMS etc.), Commitments (UNGC, Responsible Care etc.) and any other ESG related requirements.

Environment Friendly

- We encourage our suppliers to conduct environmentally friendly operations by setting objectives, targets and processes for efficient use of natural resources, energy, water, prevention on use of hazardous or toxic substances, waste minimization, emission reduction and pollution prevention.
- We motivate our suppliers to aim for the utilization of renewable and eco-friendly energy, as well as to improve the efficiency of equipment and processes that consume less energy. Also, we encourage the suppliers to embrace sustainable manufacturing practices and to use packaging that is minimal, environmentally friendly and recyclable.
- We expect our suppliers to manage their operations in accordance with all relevant environmental laws, regulations, commitments, protections and measures to mitigate health and safety hazards, and to strive to exceed these compliance requirements.
- We suggest our suppliers set environment related KPIs and measure, monitor and review the environmental performance of the organization at regular intervals and get it audited (internal/ external) before communicating to relevant stakeholders.

- We encourage our suppliers to manufacture environmentally safe products, track the environmental impacts of their operations in their value chain.

Socially Responsible

- We expect our suppliers to protect their employees, workers and nearby communities from exposure to chemical, biological and physical hazards and provide adequate training on health & safety issues and ensure that necessary precautionary measures are taken against accidents and occupational hazards. We expect our supply chain partners to uphold the human rights of all stakeholders, including their employees and workers.
- We expect our suppliers to engage responsibly with their stakeholders and to work together towards their development, especially with the local community.
- We expect our suppliers to comply with all safety, employment and human rights related regulations and commitments.
- We expect our suppliers to measure, review and remediate the safety performance and human rights grievances including the issues of Child Labor, Forced Labor, Harassment, Sexual Harassment etc. and records to be kept and share with DFPCL on need basis.

4. AMENDMENTS AND UPDATES

This policy shall be read and considered alongside DFPCL's Supplier Code of Conduct and may be amended or updated as necessary to reflect changes in regulatory requirements, industry standards, or our sustainability commitments. We reserve the right to modify this policy at any time, ensuring alignment with our goal of fostering a sustainable, responsible, and ethical supply chain and procurement process. Any violation shall call for a termination of the contract with due notice to the Supplier.

5. GRIEVANCES & FEEDBACK

In case of any concern, feedback or provide feedback directly to the following mail id or in the physical form addressed to:

scoc@dfpcl.com

Lead-Supply Chain Excellence