# Sustainable Procurement Policy

**1. Policy Statement**

Deepak Nitrite Limited (DNL) is committed to embedding sustainability into every aspect of our procurement practices, guided by our core purpose of "Responsible Chemistry" and our vision to be the global partner of choice. We recognize that our supply chain plays a critical role in achieving our environmental, social, and governance (ESG) objectives and in creating long-term stakeholder value. This Sustainable Procurement Policy integrates sustainability into strategy, decision-making, supplier relationships, and performance evaluation.

**2. Purpose and Scope**

This policy applies to all procurement activities across DNL and its subsidiaries. It guides the procurement of goods, services, and capital equipment, covering direct and indirect suppliers, contractors, and service providers.

**3. Guiding Principles**

Our procurement practices are grounded in the following principles:

- **Accountability and Ethical Conduct**
- **Transparency and Fair Competition**
- **Respect for Human Rights and Labor Standards**
- **Prevention of Corruption and Bribery**
- **Resource Efficiency and Environmental Stewardship**
- **Diversity, Equity, and Inclusion (DEI)**
- **Continual Improvement and Innovation**

**4. Objectives**

DNL commits to:

- **Compliance & Governance**
  - Ensure procurement aligns with applicable laws, international standards (ILO, UNGC), and DNL's Code of Conduct.
  - Implement clear roles, responsibilities, and leadership accountability for sustainable procurement.
- **Sustainable Supply Chain Management**
  - Evaluate and select suppliers based on quality, cost, ESG performance, and alignment with DNL's Supplier Code of Conduct.
  - Embed lifecycle thinking and total cost of ownership (TCO) in procurement decisions.
  - Prioritize environmentally friendly, ethically sourced, and circular economy–aligned products and services.
- **Supplier Engagement and Risk Management**
  - Conduct ESG risk assessments during supplier onboarding and periodically thereafter.

- Monitor supplier compliance with human rights, health & safety, environmental laws, anti-bribery, and fair labor practices.
- Support suppliers through capacity-building initiatives and joint improvement plans.

- **Diversity and Inclusion**
  - Actively promote participation of small, minority-owned, women-owned, disabled, LGBTQIA+, and veteran-owned businesses.
  - Implement a supplier diversity program to foster an inclusive value chain.
- **Transparency and Grievance Mechanism**
  - Maintain a clear and accessible grievance mechanism for suppliers and stakeholders to report unethical behavior.
  - Ensure confidentiality and non-retaliation in the complaint resolution process.

## 5. Implementation and Responsibilities

- **Leadership & Accountability**
  A cross-functional **Sustainable Procurement Steering Committee**, chaired by the Chief Procurement Officer and including representatives from Sustainability, Legal, and Operations, will oversee policy implementation and progress.
- **Training and Awareness**
  Procurement and relevant staff will receive regular training on sustainability topics, including ESG risks, ethical sourcing, and circular procurement.
- **Supplier Code of Conduct**
  All suppliers must commit to DNL's Supplier Code of Conduct, which covers:
  - **Labor and Human Rights**
  - **Health and Safety**
  - **Environmental Responsibility**
  - **Ethics and Anti-Corruption**
  - **Trade Compliance and Fair Business Practices**

## 6. Monitoring and Performance

- DNL will develop and track KPIs such as:
  - % of procurement spend assessed for ESG risks
  - % of spend with diverse and local suppliers
  - % of compliant suppliers based on audits or self-assessments
  - Number of supplier development programs executed
- Periodic internal audits and reviews will evaluate policy effectiveness and inform corrective actions.
- Findings, best practices, and supplier performance will be communicated transparently in DNL's Sustainability Reports and shared with key stakeholders.

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**7. Continual Improvement**

This policy and its implementation will be reviewed **annually** to ensure alignment with evolving sustainability standards, stakeholder expectations, and DNL's strategic goals. Lessons learned will inform refinements to systems, processes, and capacity-building.

**8. Feedback and Stakeholder Engagement**

We actively encourage feedback from suppliers, partners, employees, and other stakeholders to enhance the effectiveness and inclusivity of our sustainable procurement efforts.

CEO & Executive Director
April 01, 2025

Head - Supply Chain Management
April 01, 2025