

SUSTAINABLE PROCUREMENT POLICY

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BACKGROUND

Corporate sustainability is an approach that creates long-term stakeholder value by implementing a business strategy that considers every dimension of how a business operates in the ethical, social, environmental, cultural, and economic spheres. It also formulates strategies to build a company that fosters longevity through transparency and proper employee development.

Sustainability Procurement Policy at, KRBL Limited is an integral part of our business and goes beyond economic, legal or regulatory motives. Being an organization primarily into Rice Processing and Wind Energy Generation, we ensure that raw materials across both these operations are sourced sustainably. We understand that the agricultural phase of rice has a major impact in the life cycle of rice. As a responsible corporate citizen, we believe that it is necessary to engage with farmers, and other vendors/suppliers on matters concerning sustainable practices. Such engagement is guided by our Sustainable Procurement Policy, to ensure that all our raw materials are procured from sustainable sources that strongly abide by economic, social and environmental principles.

OBJECTIVES

KRBL Limited encourages involvement of all stakeholders & ensures that the policy is well communicated, implemented, monitored and reviewed periodically. The objectives of this policy are as follows:

- (i) Promote awareness on sustainability amongst suppliers/contractors/farmers;
- (ii) Ensure a safe and motivated work environment for associates;
- (iii) Resource optimization of electricity, energy & water so as to reduce carbon emissions & waste;



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- (iv) Ensure Sustainable procurement practices are followed while sourcing raw materials across all our divisions in order to reduce upstream impact of product;
- (v) Ensure Sustainable practices are followed by all vendors;
- (vi) Comply with applicable statutory and regulatory requirements;
- (vii) Ensure appropriate access to safe water, sanitation and hygiene for all employees in our premises.

SCOPE

This Policy applies to all associates and individuals working for all affiliates, subsidiaries and associate Companies of the Company.

VISION

Vision of the Company is to implement sustainable business practices which help maximize benefit to the society, environment and community at large.

POLICY REQUIREMENTS

We have two major operations- Rice processing and Wind, Solar and Biomass energy generation. We have incorporated our sustainable procurement policy into both these divisions.

Hence it is our responsibility to –

- a) Prioritize suppliers who have embedded sustainable and ethical practices within their organization.
- b) Ensure that all raw materials sourced for our operations are obtained from sustainable sources.



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- c) Ensure that all we work with vendors who operate in a sustainable and responsible manner by conducting vendor sustainability assessments before signing any contracts.
- d) Ensure that products are sourced locally, whenever possible in order to move towards sustainable purchasing.

In case of our rice processing operations, we ensure that it is our responsibility to:

- a) Work with basmati rice farmers from local communities through contract farming.
- b) Ensure that the farmers we work with follow sustainable practices, to yield maximum harvest while causing minimum impact to the environment- the required training and resources will be provided with them in order to do so.
- c) Ensure that quality testing is done on the rice before procurement from farmers.

We prioritize suppliers who:

Environment- Work towards reducing environmental footprint by managing energy, water, waste, emissions, packaging etc.

Social- Respect human rights of employees and ensure that no activities like child labor, forced labor, compulsory labor etc. take place.

Economic- Provide opportunities for economic improvement for SME's, social businesses and investing in CSR activities to improve livelihood of communities.

Product Quality- Provide raw materials of high quality in a sustainable manner.

IMPLEMENTATION

The purchasing team/procurement team is responsible for upholding of this policy.

Role of procurement team are as follows:



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- a) Our procurement teams select vendors/suppliers/farmers that practice their business in a responsible manner- covering concepts of environment, economic and social responsibility before signing contracts with them.
- b) Our procurement team enables local procurement of raw materials, primarily for our rice processing division.
- c) The procurement team works hand in hand with farmers to ensure that sustainable agricultural practices are followed throughout the production cycle to ensure maximum yield, with minimal impact.
- d) The procurement team ensures that the necessary training is provided to the farmers on the latest agricultural practices, technology, and seeds that need to be used to gain quality rice.
- e) The procurement team also does extensive quality checks on the rice to be procured.

OUR COMMITMENT

We apply a Product Life Cycle from farm to consumer beyond specific to our food business we, focus on water preservation, natural resources efficiency, climate change adaption and zero waste. We prefer to use agricultural materials which are of high quality and are locally available.

