



1. Policy Statement

Plant Lipids is committed to sourcing raw materials, ingredients, packaging, and services in a manner that minimizes negative environmental impacts across the supply chain. We recognize that our suppliers play a critical role in achieving our sustainability ambitions, especially in relation to climate action, natural resource protection, responsible agriculture, emissions reduction, and circularity. Plant Lipids and its suppliers shall comply with all applicable environmental laws and regulations in the countries where they operate.

Through this Sustainable Procurement Policy, Plant Lipids commits to integrating **environmental due diligence, supply chain risk management, and best-practice supplier selection criteria** into all procurement activities. This policy supports Plant Lipids' broader sustainability strategy and aligns with international conventions.

2. Scope

This policy applies to:

- All procurement categories: raw materials, agricultural commodities, ingredients, packaging materials, indirect suppliers, and service providers.
- All procurement employees, sourcing managers, supply chain teams, and any employees engaging with suppliers.
- All suppliers and subcontractors working directly or indirectly with Plant Lipids.
- All global business units, contract manufacturing operations, and sourcing markets.
- This policy is part of the Plant Lipids Group Procurement Policy and must be read together with the Plant Lipids Supplier Code of Conduct.

3. Objectives

The key environmental objectives of this Sustainable Procurement Policy are:

3.1 Integrate Environmental Criteria into Supplier Selection

Ensure that suppliers demonstrate strong environmental practices, including:

Issue Number & Date	Revision Number & Date	Page No.
01, 01-08-2025	00	Page 1 of 7

**Environmental Issues in Supply Chain**

- Resource efficiency
- Waste and effluent management
- Air emissions control
- Chemical and pesticide management
- Water stewardship
- Biodiversity protection
- Responsible agricultural practices

3.2 Supply Chain Environmental Risk Management

Plant Lipids commits to:

- Conducting environmental risk assessments for all high-risk suppliers
- Prioritizing suppliers in categories such as spices, herbs, botanicals, essential oil crops, and packing material
- Ensuring mitigation plans and corrective action programs (CAPs) for identified environmental risks

3.3 Build Supplier Capability on Best Environmental Practices

Support suppliers to improve environmental performance through:

- Awareness programs
- Training modules
- Environmental audits
- Continuous improvement plans

3.4 Drive Climate Action Across the Supply Chain

Plant Lipids commits to:

- **Achieving a 20% reduction in supply chain (Scope 3) greenhouse gas emissions by 2040**, using 2024 as the baseline.
- Promoting regenerative agriculture and reduced reliance on burning residues.
- Encouraging renewable energy adoption among suppliers.

Issue Number & Date	Revision Number & Date	Page No.
01, 01-08-2025	00	Page 2 of 7



3.5 Strengthen Internal Procurement Capability

- Ensure 90% of procurement employees are trained in Sustainable Procurement by 2025, aligned with national and international best practice requirements.

4. Responsibility

4.1 Chief Procurement Officer (CPO)

- Approves this policy and ensures cross-functional integration.
- Oversees implementation across all sourcing regions.

4.2 Sustainability & ESG Team

- Maintains environmental standards and guidelines.
- Conducts environmental risk mapping and develops assessment tools.
- Supports supplier environmental improvement programs.

4.3 Procurement Team

- Applies environmental criteria during supplier onboarding and evaluations.
- Ensures high-risk suppliers' complete environmental assessments.
- Enforces supplier corrective action plans (CAPs) where required.
- Completes mandatory sustainable procurement training.

4.4 Suppliers

- Comply with Plant Lipids Supplier Code of Conduct.
- Provide environmental data as required.
- Participate in audits, assessments, and improvement programs.
- Implement corrective and preventive actions.

5. Procedure

5.1 Supplier Environmental Screening

Issue Number & Date	Revision Number & Date	Page No.
01, 01-08-2025	00	Page 3 of 7

	Plant Lipids Private Limited	PLK-QP-44
	Environmental Issues in Supply Chain	

Every new supplier must undergo an environmental assessment, including:

- Environmental questionnaire (self-assessment).
- Review of certifications (ISO 14001, organic, fair trade, etc. if applicable)
- Environmental risk scoring based on:
 - Geography
 - Crop type
 - Environmental sensitivity
 - Past incidents
 - GHG and waste hotspots

5.2 Supplier Selection Based on Best Environmental Practices

Environmental requirements and improvement commitments shall be reflected in supplier contracts or purchase agreements, where applicable.

Selection criteria include:

- Demonstrated compliance with regulations
- Waste, water, and energy management practices
- Farm-level environmental controls (for agricultural suppliers)
- Biodiversity conservation practices
- Minimum environmental performance threshold (based on Plant Lipids scoring matrix)

Suppliers who fail to meet minimum thresholds may be:

- Rejected
- Put on conditional approval with a mandatory CAP
- Monitored quarterly until compliance is established

5.3 Supplier Environmental Audits

High-risk suppliers must undergo:

Issue Number & Date	Revision Number & Date	Page No.
01, 01-08-2025	00	Page 4 of 7

**Environmental Issues in Supply Chain**

- On-site audits (environment + social)
- Verification of:
 - Effluent discharge compliance
 - Air emissions controls
 - Chemical handling
 - Waste disposal practices
 - Soil and water management
 - GHG and energy reporting
- Follow-up audits for CAP closure

5.4 Environmental Risk Management

Procurement and Sustainability jointly:

- Identify high-risk suppliers annually
- Prioritize them for audits, assessments, and capability building
- Develop annual risk mitigation plans
- Repeated or severe non-compliance, or failure to close CAPs, may result in reduction of business or termination of the supplier relationship.

5.5 Supplier Capability Building

Plant Lipids will provide resources such as:

- Best practice guidelines for environmentally responsible farming
- Waste management & chemical handling SOPs
- Environmental compliance checklists
- Training sessions (virtual & onsite)

5.6 Sustainable Procurement Training (Internal)

- All procurement employees must undergo Plant Lipids' **Sustainable Procurement Training Programs**
- Curriculum includes:

Issue Number & Date	Revision Number & Date	Page No.
01, 01-08-2025	00	Page 5 of 7



- Environmental risk assessment
- Supplier environmental auditing
- Climate and GHG fundamentals
- Sustainable agriculture practices

6. Monitoring, Reporting & Targets

6.1 Monitoring

The following tools will be used:

- Supplier environmental scoring system
- Audit reports and CAP records
- Supplier self-assessments
- GHG reporting and emission factor models
- Procurement training completion log

6.2 Internal Reporting

Sustainability and Procurement teams will jointly report:

- Quarterly status of supplier audits
- % of high-risk suppliers assessed
- Environmental noncompliance cases
- Scope 3 category-level emission trends
- Training completion progress

Reports will be submitted to:

- CPO
- Sustainability Steering Committee
- Senior Leadership Team (SLT)

6.3 Annual Targets

Issue Number & Date	Revision Number & Date	Page No.
01, 01-08-2025	00	Page 6 of 7

	Plant Lipids Private Limited	PLK-QP-44
	Environmental Issues in Supply Chain	

Plant Lipids commits to the following measurable targets:

Target Area	2025 Target	2040 Target
Procurement Training Completion	90%	Maintain 100% annually
Supply Chain Environmental Audits	70% of high-risk suppliers	100% of high-risk suppliers
Supply Chain Emissions Reduction	Baseline (2024)	20% reduction in Scope 3 emissions
Supplier Improvement	80% closure of CAPs	≥95% closure rate

6.4 Performance Review

Annual review of:

- Policy effectiveness
- Supplier rating performance
- Emission reduction progress
- Environmental risk exposure

Policy updates will be made based on internal review outcomes and evolving global standards

Place: Cochin
Date: 01-07-2026


 THOMAS DANIEL
 Chief Procurement Officer

Issue Number & Date	Revision Number & Date	Page No.
01, 01-08-2025	00	Page 7 of 7