

# Dabur Sustainable Sourcing Code of Conduct



## PURPOSE

People build businesses that use the planet's natural resources. In addition, when individuals and resources work in tandem, then businesses and the planet can both reap a rich dividend. At Dabur, being responsible is a journey beyond milestones and culture beyond words.

Brand Dabur stands for Quality, Ethics, Integrity, Sustainability and Perfection. We believe in delivering quality products that are based on nature and natural ingredients, which are sourced sustainably. At Dabur, we take inspiration from the ancient knowledge of Ayurveda to develop products and deliver on our promise of being 'dedicated to the health and wellbeing of every household'. Dabur believes in building a long-term relationship and value creation for all our stakeholders and is committed to the sustainable use of natural resources.

## SCOPE

At Dabur, we believe that our suppliers, service providers, channel partners, dealers, distributors, and vendors make significant contributions to our success, and we treat them with respect. This Code shall apply to all suppliers, including their employees, contractors and sub-contractors and their service providers, who engage in a business relationship with Dabur or on behalf of Dabur. The term Dabur includes all subsidiaries and affiliates of Dabur India Limited. We expect our suppliers to comply with all applicable national and international standards, frameworks, and legislation governing ethical and sustainable business practices in true spirit and intent, including but not limited to labour and human rights, environmental conservation, food safety, and statutory compliances. The Sustainable Sourcing Code of Conduct (SSCOC) can be accessed at: <https://www.dabur.com/investor/corporate-governance/policies-related-documents>.

## GUIDING PRINCIPLES

Dabur's Sustainable Sourcing Code of Conduct considers three Pillars (Good for Society, Good for Environment & Good for Consumers) and a set of associated Guiding Principles.

### GOOD FOR SOCIETY:

1. **Labour and Human Rights-** Supplier should maintain and transparently convey to all employees, terms of employment that are compliant with law, provide details of the working conditions, including nature of work, hours, overtime, pay, benefits, leave, and duration of the contract to employees.

Supplier shall make sure that respect for the rights is fully understood & freely agreed by workers and adhered to it by the employer. The supplier also makes effort to create an environment in workplace that aids in workers skill development. Human trafficking and Child & Forced labour are strictly prohibited. Suppliers must have a policy to prevent / address sexual harassment and ensure women safety.

2. **Occupational Health & Safety-** Supplier must provide a safe working environment. Supplier should conform to regulatory provisions with respect to occupational and safety requirements that may be applicable to the facility and especially if the process is categorised as a hazardous process as per regulations related to occupation health exposure to workers. Supplier are expected to comply with the Social Standard/Labels/Certificates/Codes (e.g., OHSAS 18001, SEDEX) as per the applicability.
3. **Freedom of Association** - Supplier should ensure freedom of association to their workers/ employees, adhere to all statutory norms including but not limited to wages, leaves, work schedules and working conditions (working hours and overtime regulations, including breaks and layoff practices, etc.), mandatory days of rest, medical facilities and creche and other benefits.



4. **Discrimination-** Supplier should commit not to discriminate, support, or tolerate discrimination based on race, colour, gender, sexual orientations, disability, etc. Supplier should commit to fair treatment practices, gender diversity and equal remuneration.
5. **Community Engagement-** Supplier is required to engage with their local community for their development and welfare.
6. **Animal Welfare:** In case animal testing is required, Suppliers must ensure that any animal used during the process shall be treated humanely and with pain and stress minimized.
7. **Supplier Social Programmes –** Supplier should comply with the Social Standard/Labels/Certificates/Codes (e.g., SA 8000, BSCI, SEDEX) as per the applicability. Monitoring program for social performance should be initiated by the suppliers on a regular interval. We encourage our suppliers to engage with NGOs or industry peers to address the social issues. Reporting on social aspects need to be adept by the suppliers.
8. **Working Conditions:**
  - Dabur expects that the suppliers will ensure the provision of decent working conditions to employees and workers, including but not limited to working hours, rest periods, work schedules, fair wages/remuneration, and consideration of the physical and mental demands in the workplace.
  - The suppliers are required to make sure that working hours, including overtime, does not go beyond any relevant legal obligations.

Furthermore, working hours can also be aligned with Dabur's revised human rights policy.

**GOOD FOR ENVIRONMENT:** All Suppliers must ensure measures to protect Mother Earth and Its finite resources.

1. **Environmental Impacts -** Suppliers shall focus on the reducing the environmental impact by adopting the following approaches:
  - (a) Adopt the 3 R principle – reduce, reuse, recycle.
  - (b) Minimise/ eliminate waste and pollution.
  - (c) Minimize the release of emission, discharges, and hazardous substances at all stages of their lifecycle.
  - (d) Circulate products and materials at their highest value.
  - (e) Minimise deforestation and regenerate nature.
2. **Resource Conservation –** Supplier would take up appropriate measures to:
  - (a) Conserve water
  - (b) Optimise energy.
  - (c) Adopt renewable resources.
  - (d) Manage and recycle plastic waste.
  - (e) Protect Bio-resources.
3. **GHG Emissions & Climate Change–** Supplier are look forward to developing specific targets and commit to implementing a time bound plan to reduce its direct and indirect CO<sub>2</sub>e emissions (Scope 1, 2 & 3). This would include, for example, evaluating feasible options for use of renewable energy sources, more efficient use of fossil fuels and the use of biomaterials. The suppliers are anticipated to agree to share data on their GHG emissions and any reduction or mitigation related data at periodic intervals to Dabur India Ltd.



4. **Energy-** Encouraging the use of renewable energy sources like hydroelectricity, wind power, solar power, geothermal energy, and bioenergy etc. wherever feasible by the suppliers. Also, value chain partners must focus on the reduction of energy loss, waste or enhance the energy usage efficiency thorough upgradation of equipment, machinery with reduced energy consumption.
5. **Regulatory Compliance** - Supplier will be compliant with all applicable environmental regulations that are applicable to supplier facilities, obtain relevant permits / approvals with respect to air emissions, water discharges or wastes generated from their facilities and demonstrate a commitment to conform to the operational conditions of such approvals.
6. **Supplier Environmental Programmes & Safety Management Systems** – Supplier are expected to align with management system standards and comply with the Environmental Standard/Labels/Certificates/Codes (e.g., ISO 14001:2015, ISO 45001:2018, FSC, RSPO, Rainforest Alliance, Deforestation Certificates, SEDEX) as per the applicability. Monitoring program for environmental performance should be initiated by the suppliers on a regular interval. We encourage our suppliers to engage with NGOs or industry peers to address the environmental issues. Reporting on environmental aspects need to be adept by the suppliers.
7. **Deforestation-** Dabur encourages the suppliers to take afforestation initiatives and eliminate deforestation activities. The suppliers must adhere to the Dabur’s “No Deforestation” commitment.

#### GOOD FOR CONSUMERS:

- 1) **Integrity** – Supplier must adhere to the highest level of integrity in terms of anti-bribery and corruption, free competition and anti-money laundering, anti-competitive conduct and receiving/giving gifts and expenses as a measure of favouritism. The supplier must maintain transparency in their business practices and avoid conflict of interest. In case a conflict of interest may arise, proactive discussion with Dabur is encouraged. Supplier shall ensure confidentiality, data privacy and protection of intellectual property rights of Dabur. Supplier is also required to follow international trade compliances and sanctions, as may be applicable.
- 2) **Good Manufacturing Practice (GMP) & Quality Management System (QMS)** - GMP and QMS must be followed to ensure food safety and product quality. Suppliers who belong to the food sector, are encouraged to implement Global Food Safety Management Systems (GFMS) like ISO 9001:2015. Suppliers must ensure hygiene environment in storage and processing areas to protect food safety and deliver quality products to consumers.
- 3) **Business Continuity Plan** – Dabur expects its suppliers to have in place adequate risk prevention measures in case of fire, natural calamities like flood, drought, and earthquakes. To meet the business exigency amidst any such emergency, supplier should have traceability mapped and alternate arrangements in place, especially for critical supplies.
- 4) **Sustainability of Operations** – Dabur encourages all suppliers to continuously strive towards improving the efficiency and sustainability of their operations. Suppliers are expected to have supplier code of conduct in place and mechanism for their own suppliers complementing Dabur’s Sourcing Code of Conduct. Responsible Sourcing must be adhered in the value chain.



#### ADMINISTRATION & OVERSIGHT:

- Policy Compliance:** Dabur expects its suppliers to be compliant with the standards applicable as per the sourcing code of conduct. To that effect, each supplier is supposed to give an annual confirmation on compliance to the sourcing code of conduct. Dabur reserves the right to verify the supplier's compliance with the code, sustainability risks and mitigation. In case Dabur becomes aware of any conditions being not in accordance with the code, Dabur reserves the right to demand corrective measures. Suppliers will be expected to implement any suggestions or corrective actions proposed through supplier audits or supervision conducted by Dabur teams. Dabur retains the right to terminate an agreement with any supplier who does not adhere to the code.
- Reporting:** Dabur encourages all stakeholders (employees, business associates including suppliers) to report illegal or unethical business practices at workplace without fear of reprisal. The stakeholders can report any observations/concrete facts at email: [corpcomm@dabur.com](mailto:corpcomm@dabur.com) or to be Direct Touch Committee (<https://www.dabur.com/investor/corporate-governance/policies-related-documents>). Suppliers may also dial (24x7) hotline number 18001031644 to lodge their grievances.

Narayanan Renganathan  
Head-Procurement

Rahul Awasthi  
Head Operations

Mohit Malhotra  
Chief Executive Officer

Recommended and approved by:			
Approving Authority	Version	Date of Approval	Effective Date
ESG Committee	2.0	30.07.2024	30.07.2024

Dabur SSCOC Administration

**Policy Title:** Dabur Sustainable Sourcing Code of Conduct

**Policy Description:** This Sustainable Sourcing Code of Conduct defines ESG values and principles which should be adhered in the value chain's sustainability related performance.

**Policy Reference Number:** 02/08.04.2024

**Revision Number:** 2.0

**Effective date of this version:** 12.07.2024

**Version 1 Policy creation date:** 09/05/2023

**Policy review cycle:** 3 years from effective date of this version (or in case required changes as per the review and regulation)