

PATANJALI FOODS LIMITED

SUSTAINABLE PROCUREMENT POLICY

(Approved by the Board of Director at their meeting held on August 14, 2026)



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Effective Date: August 14, 2026

TABLE OF CONTENTS

1. Purpose	3
2. Scope	3
3. Definitions	3
4. Policy	4
5. Guiding Principles	4
5.1 Legal and Regulatory Compliance	4
5.2 Ethical Business Conduct	5
5.3 Human Rights and Labour Standards	5
5.4 Occupational Health and Safety	5
5.5 Environmental Stewardship	5
5.6 Sustainable Agriculture and Responsible Raw Material Sourcing	5-6
5.7 Supplier Diversity and Local Sourcing	6
6. Supplier Expectations	6
7. Implementation	6
8. Monitoring & Audit	7
9. Compliance	7



SUSTAINABLE PROCUREMENT POLICY

1. Purpose

Patanjali Foods Limited ("PFL") / ("the Company") recognizes that responsible procurement and sustainable supply chains are fundamental to creating long-term value for stakeholders and supporting India's sustainable development goals.

Given the Company's extensive sourcing network involving agricultural commodities, edible oils, herbs, packaging materials, manufacturing inputs, logistics providers, and service partners, PFL is committed to promoting environmental stewardship, ethical business conduct, respect for human rights, and responsible sourcing practices throughout its supply chain.

PFL seeks to work collaboratively with suppliers and business partners to build resilient, transparent, and sustainable supply chains that contribute positively to people, communities, and the environment.

2. Scope

- All procurement activities undertaken by Patanjali Foods Limited;
- All employees involved in sourcing, purchasing, contracting, and supplier management activities;
- Suppliers, contractors, vendors, consultants, service providers, logistics partners, and other business associates engaged by the Company; and
- Procurement of raw materials, agricultural commodities, packaging materials, goods, services, utilities, and capital equipment.

3. Definitions

Company: Patanjali Foods Limited (PFL).

Supplier refers to any individual, contractor, vendor, manufacturer, service provider, consultant, intermediary, or business entity supplying goods or services to the Company.

Sustainable Procurement refers to the acquisition of goods and services in a manner that integrates environmental, social, ethical, and economic considerations throughout the supply chain.

Responsible Sourcing refers to sourcing practices that respect human rights, labour rights, environmental protection, ethical conduct, and legal compliance.



4. Policy

PFL is committed:

1. To procure goods and services in a manner that supports environmental sustainability, social responsibility, and ethical business practices.
2. To work with suppliers and business partners who comply with applicable laws and regulations and demonstrate responsible business conduct.
3. To promote respect for human rights, fair labour practices, diversity, non-discrimination, and safe working conditions throughout the supply chain.
4. To prohibit child labour, forced labour, bonded labour, human trafficking, and all forms of workplace harassment within its supply chain.
5. To encourage suppliers to adopt environmentally responsible practices, including:
 - Resource efficiency
 - Energy conservation
 - Water stewardship
 - Waste reduction
 - Pollution prevention
 - Climate change mitigation
6. To promote sustainable agricultural sourcing practices that support soil health, biodiversity conservation, responsible use of natural resources, and farmer livelihoods.
7. To integrate ESG considerations into supplier selection, evaluation, and performance monitoring processes.
8. To encourage transparency, traceability, and responsible sourcing across key raw material and agricultural value chains.
9. To maintain zero tolerance for bribery, corruption, fraud, and unethical business conduct.
10. To support local sourcing, supplier development, and inclusive procurement opportunities wherever feasible.

5. Guiding Principles

The Company's stakeholder engagement approach shall be guided by the following principles:

5.1 Legal and Regulatory Compliance

Suppliers shall comply with all applicable laws, regulations, permits, and statutory requirements in the jurisdictions where they operate.



5.2 Ethical Business Conduct

PFL maintains zero tolerance towards bribery, corruption, fraud, money laundering, conflicts of interest, and other unethical business practices.

Suppliers are expected to conduct business with integrity and transparency.

5.3 Human Rights and Labour Standards

Suppliers shall respect internationally recognized human rights principles and applicable labour laws.

The Company expects suppliers to:

- Prohibit child labour;
- Eliminate forced, bonded, or involuntary labour;
- Prevent discrimination and harassment;
- Respect freedom of association and collective bargaining rights;
- Provide fair wages and working hours; and
- Maintain safe and healthy working conditions.

5.4 Occupational Health and Safety

Suppliers shall provide safe workplaces and implement appropriate systems to prevent workplace injuries, illnesses, and accidents.

5.5 Environmental Stewardship

Suppliers are encouraged to:

- Improve energy efficiency;
- Reduce greenhouse gas emissions;
- Conserve water resources;
- Minimize waste generation;
- Prevent pollution;
- Promote circular economy practices; and
- Protect biodiversity and natural ecosystems.

5.6 Sustainable Agriculture and Responsible Raw Material Sourcing

Recognizing the Company's dependence on agricultural commodities and natural resources, PFL encourages suppliers and producers to adopt sustainable agricultural practices that support:



- Soil health and fertility;
- Responsible use of fertilizers and agrochemicals;
- Water conservation;
- Biodiversity protection;
- Climate resilience; and
- Farmer livelihood enhancement.

5.7 Supplier Diversity and Local Sourcing

The Company shall promote local sourcing and encourage participation of small and medium enterprises wherever feasible and commercially viable.

6. Supplier Expectations

PFL expects suppliers, contractors, service providers, logistics partners, and business associates to:

- Comply with all applicable legal and regulatory requirements.
- Uphold human rights and labour standards.
- Provide safe and healthy workplaces.
- Prevent discrimination and harassment.
- Protect the environment through responsible operational practices.
- Maintain ethical business conduct and anti-corruption controls.
- Cooperate with sustainability assessments, audits, and improvement programmes where applicable.
- Promptly address identified non-conformities and corrective actions.

7. Implementation

- Sustainability considerations shall be progressively integrated into procurement and supplier management processes.
- Suppliers may be evaluated based on ESG, environmental, labour, health and safety, ethical conduct, and compliance parameters.
- High-risk suppliers may be subject to enhanced due diligence, assessments, or audits.
- Procurement teams shall promote awareness of sustainable sourcing requirements among suppliers and business partners.
- Supplier capacity-building programmes may be conducted to encourage continuous improvement in sustainability performance.



8. Monitoring & Audit

- Supplier sustainability performance shall be periodically reviewed through assessments, audits, self-declarations, certifications, or other monitoring mechanisms.
- Significant ESG risks identified within the supply chain shall be evaluated and managed through appropriate mitigation measures.
- Persistent or serious non-compliance may result in corrective action plans, suspension, or termination of business relationships.
- The ESG and CSR Committee shall periodically review progress on sustainable procurement and responsible sourcing initiatives.

9. Compliance

- This Policy applies to all procurement activities undertaken by PFL and its business units.
- Employees involved in procurement decisions shall comply with this Policy and associated procurement procedures.
- Suppliers are expected to support and comply with the principles outlined in this Policy.
- Violations may result in disciplinary action, contract review, supplier disqualification, or termination of business relationships, as applicable.

