

Policy Number: SLSL/SCM/2024/02	SUSTAINABLE PROCUREMENT POLICY	Effective Date: 05/Aug/2025
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I. PURPOSE:

Sai Life Sciences Limited (Sai) is commitment to sustainable procurement, aligning with the principles of ISO 20400. We integrate social, ethical, and environmental considerations into every stage of our procurement process, ensuring our purchasing decisions contribute to a more responsible and sustainable supply chain.

II. SCOPE:

This policy applies to all procurement activities undertaken by Sai encompassing all goods and services procured across all departments and global locations. It extends to our suppliers, contractors, and any parties involved in our procurement process, who are expected to adhere to the principles outlined herein.

III. GUIDING PRINCIPLES

Out sustainable procurement practices are guided by these core principles:

- **Accountability:** Taking responsibility for the social and environmental impacts of our procurement decisions.
- **Transparency:** Maintaining open and honest communication with our stakeholders about our sustainable procurement practices.
- **Integrity:** Conducting all procurement activities with the highest ethical standards.
- **Collaboration:** Working collaboratively with our suppliers to achieve shared sustainability goals.
- **Continuous Improvement:** Continuously improving our sustainable procurement performance.
- **Compliance:** Adhering to all applicable laws and regulations related to procurement and sustainability in every region where we operate.

IV. OBJECTIVES

Through our sustainable procurement practices, we aim to:

- **Minimize Environmental Impact:** Reduce our environmental footprint by prioritizing products and services with lower environmental impacts, promoting resource efficiency, and minimizing waste generation.
- **Promote Social Responsibility:** Ensure our procurement practices uphold human rights, promote fair labour practices, and support local communities.
- **Enhance Ethical Conduct:** Maintain high ethical standards in all procurement activities, preventing corruption and promoting fair competition.

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- **Drive Innovation:** Encourage innovation in sustainable products and services by engaging with suppliers committed to sustainability.
- **Improve Economic Performance:** Achieve cost savings and improve efficiency through sustainable procurement practices.

V. IMPLEMENTATION

This policy will be implemented through the following actions:

- **Integrating Sustainability Criteria:** Incorporate social, ethical, and environmental considerations into all stages of the procurement process, from supplier selection and evaluation to contract management and performance monitoring.
- **Supplier Engagement:** Actively engage with suppliers to communicate our sustainability expectations, promote sustainable practices, and foster collaborative partnerships.
- **Employee Training and Awareness:** Provide comprehensive training and awareness programs to all employees involved in procurement activities on sustainable procurement practices.
- **Monitoring and Reporting:** Monitor and report on our sustainable procurement performance to track progress, identify areas for improvement, and ensure accountability.
- **Continuous Improvement:** Regularly review and update this policy and our sustainable procurement practices to ensure they remain aligned with best practices and evolving sustainability standards.

VI. RESPONSIBILITIES

All employees involved in procurement activities are responsible for adhering to this policy. The Supply chain Management in coordination with various other functions have overall responsibility for the implementation, monitoring, and continuous improvement of this policy.

VII. COMMUNICATION

This policy will be communicated to all employees and relevant stakeholders through various channels, including the company intranet, training programs, supplier communication platforms, and other appropriate means.

VIII. REVIEW

This policy will be reviewed as and when required, to ensure its continued effectiveness and relevance in the face of evolving sustainability challenges and best practices.

By adhering to this Sustainable Procurement Policy, we demonstrate our commitment to responsible business practices and contribute to a more inclusive and sustainable future for all.

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IX. POLICY STATEMENTS

- **Supplier Sustainability Criteria (ESG):** We expect suppliers to align with our ESG standards on environment, social, and governance practices.
- **Environmental Performance of Suppliers:** Suppliers must minimize environmental impact and comply with relevant environmental laws.
- **Human Rights & Labor Conditions:** We require respect for human rights and fair labor conditions across all supplier operations.
- **Anti-Corruption & Business Ethics:** Suppliers must uphold integrity, avoiding bribery, fraud, or unethical practices.
- **Procurement Risk Management:** Suppliers should manage risks proactively within their supply chains.
- **Supplier Engagement & Audits:** We engage and audit suppliers to ensure continuous sustainability improvement.
- **Scope 3 Emissions / Climate Risks:** Suppliers must disclose and work to reduce their climate impact and emissions.
- **Conflict Minerals / Critical Materials:** Only responsibly sourced materials are acceptable in our supply chain.
- **Transparency / Traceability:** We require clear supply chain visibility and accurate disclosures from suppliers.
- **Supplier Diversity & Inclusion:** We promote inclusive sourcing from diverse and underrepresented suppliers.
- **Sustainable Logistics / Packaging:** Suppliers should use eco-friendly logistics and minimize packaging waste.
- **Local Supplier Development:** We support the development of capable and compliant local suppliers.
- **Governance & Accountability in Procurement:** Suppliers must ensure ethical governance and accountability in procurement practices.

X. QUANTITATIVE TARGETS

The following long-term quantitative targets are aligned with our Sustainable Procurement Policy and support our broader Scope 3 decarbonization, supply chain engagement, and ESG integration strategy.

- Reduce Scope 3 emissions intensity by 68.8% (economic intensity basis) from FY24 baseline by FY35 under 1.5-degree pathway SBTi targets
- Ensure 100% of Tier 1 suppliers adhere to the Supplier Code of Conduct (SCoC) by FY30
- Achieving 90% reduction in emissions from inbound and outbound logistics through partnership with DHL's Go Green Plus by FY35

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- Conduct ESG assessments for 100% of critical suppliers based on emissions by FY28
- Engage 75% of high-emitting suppliers in capacity-building programs on decarbonization by FY30
- By FY 27, 100% of key supply partners must implement Health and Safety Management System certified to ISO 45001 (or equivalent).
- By FY 27, 100% of key supply partners must implement Business ethics and human rights policy as well as undertake due diligence on human rights.
- Integrate sustainability criteria into 100% of new supplier onboarding by FY26
- Ensure 50% of packaging material is reusable, recyclable, or compostable by FY30
- Develop a local supplier base to meet 30% of total procurement by FY30
- Conduct annual sustainability performance audits for the top 100 suppliers starting FY25
- Achieve 5% procurement spent with diverse and inclusive suppliers by FY30
- If any conflict minerals are purchased, we shall ensure conflict-free sourcing and obtain supplier declarations as ongoing process

XI. IMPLEMENTATION PROCEDURE

- **Supplier Selection:** Develop a supplier evaluation process that includes environmental, social, and ethical criteria alongside traditional performance metrics. Prioritize suppliers with established sustainability certifications and recognized industry awards.
- **Supplier Engagement:** Communicate Sai sustainable procurement expectations to all suppliers and contractors. Collaborate with suppliers to identify areas for improvement and support their sustainability initiatives.
- **Training and Awareness:** Provide training to employees involved in procurement to raise awareness about the importance of sustainable sourcing and procurement practices.
- **Continuous Improvement:** Regularly review and update the Sustainable Procurement Policy to align with emerging sustainability trends and best practices. Set measurable targets to track progress toward sustainable procurement goals and report results to stakeholders.