

FARMSON'S SUSTAINABLE PROCUREMENT POLICY

We, at "FARMSON BASIC DRUGS PRIVATE LIMITED." recognize its responsibility to minimize negative impacts on human health and the environment ethical trading while supporting a diverse, equitable, and vibrant community and economy. We recognize that the types of products and services we buy have inherent social, human health, environmental and economic impacts.

This Sustainable Procurement Policy is intended to:

- Identify those sustainability factors that shall be incorporated into procurement decisions.
- Provide implementation guidance by prequalification & evaluation of all vendors.
- Empower employees to be innovative and demonstrate leadership by incorporating Sustainability factors in procurement decisions
- Complement specific sustainability goals and related policies.
- Communicate our commitment to sustainable procurement.

The company will procure materials, products or services in a manner that integrates fiscal responsibility, social equity, and community and environmental stewardship.



Principles

1. Ethically Driven

We conduct our business activities in a fair and transparent manner with honesty, integrity, high ethical & moral standards, and respect for human rights. We strongly believe that high ethical standards are essential for sound business relationships. We expect our suppliers to share this commitment while conducting their business.

1.1. Business Integrity and Ethics

a. Conflict of interest

Suppliers expected to report any conflict of interest in any business dealings with FBDPL that supplier is aware of to allow us the opportunity to take appropriate action. It should disclose whether any FBDPL employee or professional under contract with FBDPL may have significant ownership or interest in a supplier's business.

b. Bribery, corruption, Gifts and Donations

Suppliers in all commercial dealings with FBDPL or otherwise must not receive or offer to make any illegal payments, gifts, bribes, donations, or other improper advantages to obtain unethical favors for the business. All suppliers must ensure that no action taken to violate any applicable anti-bribery or anti-corruption laws and regulations in the locations of their operations and make every effort to eliminate all forms of corruption and bribery.

c. Confidentiality

Suppliers shall safely guard and respect FBDPL' intellectual property; trade secrets and other confidential, proprietary, and sensitive information or data always and shall not disclose the same. The information provided by FBDPL should use only for its intended and designated purpose as decided and agreed upon between FBDPL and the supplier.

d. Anti-competitive and restrictive trade practices

Suppliers must comply with applicable local and international laws to promote free and fair competition and to get business by offering competitive prices and innovative products.





1.2. Human Rights

a. Forced and child labour

Suppliers shall prohibit use of child labour at any stage of their business process. We expect that our suppliers will not employ any person below the age of 18 (or as per local law, whichever is greater). The suppliers must not use forced labour including prison or debt bondage labor, human trafficking, or modern-day slavery.

b. Compensation and working hours.

We expect suppliers to comply with applicable wage and hour laws, regulations and mandatory industry standards pertaining to minimum wages, overtime pay, working hours and rest periods.

c. Non-discrimination

Suppliers must ensure there is no discrimination in their hiring and employment practices based on race, color, gender, age, nationality, religion, sexual orientation, marital status, citizenship, disability, veteran status, medical condition, etc.

1.3. Accountability and Transparency

a. Maintaining appropriate financial records

We expect suppliers to prepare and maintain accounts of business dealings fairly, accurately and in accordance with accounting and financial reporting standards which represent the accepted guidelines, principles, standards, laws, and regulations of the country of operation.

1.4. Legal and Regulatory Compliance

We expect our suppliers to comply with all applicable laws and regulations within the country of operation. All other applicable international laws and regulations should also be complied with. Suppliers should follow guidelines on all the required permits and registrations to always be legally compliant.

2. Social Focused

We are committed to supporting sustainable development and business practices. Sustainable practices now have grown to encompass social performance criteria as well. We believe that an

general. We are contributing towards social and economic development of the communities in which we operate and expect our suppliers to take steps towards same.

2.1. Responsible Conduct with Stakeholders

a. Fair dealing with vendors/suppliers

We encourage our suppliers to conduct all transactions with their business partners in fair and transparent manner including fair evaluation, reasonable selection, equal opportunities, fair and free competition for all.

b. Diversity in workforce

We suggest that suppliers should take initiatives to have a diverse and inclusive workforce in terms of age, gender, experience, ethnicity etc.

c. Engage and involve local communities.

We encourage our suppliers to address issues and concerns of the community impacted by operations of the supplier and minimize the impact.

2.2. Employee Health and Safety

We expect our suppliers to adopt robust and relevant management practices to comply with applicable health and safety laws, rules, regulations, and industry standards. The suppliers also encouraged them to conduct training and awareness activities for employees on health and safety. We also suggest suppliers take reasonable actions to prevent accidents and injuries by analyzing and minimizing risk exposure.

2.3. Local Community Development

We understand that our operations not only affect our own communities but also those who are in contact with our supply chains and our suppliers. Therefore, we encourage our suppliers to undertake steps to collaborate and associate with the local community for economic and social development by providing employment, helping in eradicating poverty, helping in developing skills of local people etc. wherever relevant.



3. Green Inspired

Environmental concerns are no more issues of tomorrow but are challenges that need to be addressed today. We aim at making our value chain environmentally friendly and responsible. We are committed to complying with the requirements of local laws and regulations related to environment in the countries and regions in which it operates and from where it sources any material, product, or services. We realize that the scope and nature of operations of our suppliers vary and hence emphasis on these principles may vary accordingly.

3.1. Green Products and Processes

a. Reducing emissions and water intake

We suggest that our suppliers identify sources of emissions (CO₂, Other Greenhouse Gases, SO_x, NO_x, and Particulate Matter) and make progressive efforts towards reducing these emissions. Opportunities for reduction in water usage should be identified and measures for water conservation should be implemented.

b. Efficient systems and process

Suppliers should strive towards enhancing the efficiency and performance of the equipment and processes by continual improvement, monitoring, and assessment of technology. Good practices should follow to ensure environmental resources valued and protected.

c. Reducing usage of hazardous and toxic materials and substances

We expect our suppliers to assess their use of hazardous and toxic material and take necessary steps to reduce it, as much as possible. Appropriate substitutes and replacements should be introduced to minimize exposure to such material.

d. Disposal of toxic waste

Toxic waste should be managed with professional guidance and mechanisms should be put in place to dispose of the waste to authorized waste processors by the suppliers. Toxic waste should not be allowed outside the premise without proper approval.



e. Renewable energy

We recommend our suppliers use renewable sources of energy wherever possible to become more energy efficient and energy independent. The suppliers should take steps to identify the scope of replacing conventional sources of energy with sustainable and renewable sources in their operations.

3.2. Reduce, Reuse and Recycle

a. Zero waste to landfill

Waste to landfills should be analyzed and suppliers should try and set targets to reduce the quantity of disposal to landfills. Alternate waste disposal techniques should be adopted to reduce the impact on the environment.

b. Responsible consumption of resources

We recommend our suppliers minimize use of all resources, including virgin raw material, in their processes. The supplier should look for opportunities to reduce resource consumption by improving efficiency, investing in advanced technology, and reusing material by innovating products and processes. The supplier should minimize dependence on scarce natural resources by identifying and using appropriate replacements.

c. Packaging material

Suppliers should try and take steps to reduce the environmental impact of their packaging material by developing innovative, practical solutions to modify the design and disposal method to the best possible extent.

3.3. Adopting Green Initiatives and Practices

To monitor environmental performance and to become environmentally friendly, practices to monitor and minimize environmental impact should be imbibed in organization's processes. We recommend that our suppliers inculcate such practices in their operations and start new initiatives to reduce their impact on the environment.

4. Quality Centered

Ensuring quality and adherence to manufacturing and product standards is of prime importance to us.

4.1. Quality Management System

We expect our suppliers to establish quality objectives, policies, manuals, and procedures and have in place a certified Quality Management System by competent authorities like ISO. The suppliers should comply with local regulations, registrations, have training, management reviews, and internal audits to ensure that the Quality Management System is effective.

4.2. Facility and Machinery

We expect our suppliers to give utmost importance to equipment design, installation, and maintenance and ensure validation/ verification of the same. The suppliers should have in place proper housekeeping and pest control to ensure hygiene, safety, and security of their workforce.

4.3. Good Manufacturing Practices and Quality Controls

We expect our suppliers to have in place established manufacturing and packaging operations with proper maintenance of records along with process controls and finish product release program.

4.4. Material Management

We expect our suppliers to have in place established practices for storage, handling, and transportation of raw materials and to maximize risk prevention measures through good warehousing practices and proper handling of rejected items.

Implementation of Policy

Applicability and Implementation

We understand that our suppliers fall under various categories in terms of their scale, the product/ service they supply, the raw materials used by them, their organization structure, and geographies of operation. Keeping these factors in mind, we have designed the Policy in a manner that it works for the whole supplier base, although the level and type of compliance will vary depending on the type of the supplier and the principles applicable to them.



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We expect our suppliers to set in place internal policies, governance structures, systems, processes and take any other relevant measures to ensure adherence with this Policy. The suppliers expected to disclose to us the goals set by them and the measures undertaken by them for each of the various principles underlined in this Policy. We will collaborate with our suppliers to identify issues that do not meet our expectations and help them in addressing the gaps identified, if any. Specifics related to applicability of principles and their implementation provided in the Sustainable Procurement Guide for Suppliers.

Monitoring and Reporting

We expect our suppliers to monitor and report the initiatives undertaken by them with regards to ensuring adherence to this Policy. We recommend our suppliers place monitoring and reporting mechanisms and management systems, wherever required to effectively implement and manage such initiatives. The suppliers should focus on continuously improving their performance with regards to compliance with this Policy.

Report on Breaches

We support and encourage those who report actual or suspected breaches without any fear of retaliation. Any failure to comply with this Policy (including any failure by a team member of Farmson Basic drugs Pvt. Ltd. or any one acting on behalf of Farmson Basic Drugs Pvt. Ltd. to so comply), of which the supplier is aware, should be immediately reported through our anonymous whistle-blower process, details of which can be found on the Farmson Basic Drugs Pvt. Ltd. website.

This policy is applicable / effective to all units of Farmson Group from 04.09.2025. Next revision will be in 3 years i.e., 03.09.2028 or as per requirements or revisions of applicable law of the land.

Approved by: Director

Revision: 00

Farmson Basic Drugs Pvt. Ltd.

Sudhesh Mishra

Director

COO & Director

Date: 04/09/2025

