


Supplier Code of Conduct

Policy title	Supplier Code of Conduct
Policy number	-
Policy status	New
Version number	2
Policy effective date	July 1, 2021
Last reviewed on	-
Next review date	June 30, 2023
Initiated by	Commercial Unit
Reviewed by	Executive Vice President - Commercial
Approved by	President - Commercial
Annexure(s)	-

	Policy	Page no.	Page 2 of 6
		Version number	1
	Supplier Code of Conduct	Policy effective date	July 01, 2021
		Last reviewed on	-
		Next review date	June 30, 2023

01. Philosophy

Atul Ltd (Atul) believes that it is in the mutual interest of both, the Company and suppliers, to meet the present and future requirements of business and society proactively. This includes demonstrating responsibility towards people involved in the manufacturing and delivery of products and services. The Supplier Code of Conduct sets out the principles for ethical and responsible business conduct. Compliance with this Code of Conduct is an integral part of the business strategy of the Company.

Atul has established the Supplier Code of Conduct (the Code) that establishes the requirements to be fulfilled by the suppliers as per the Atul Sustainable Management System (ASMS). Atul encourages its suppliers to comply with these requirements as a pre-requisite of doing business with it. The Company intends to follow this Code in a spirit of constructive dialogue and in partnership with the suppliers, for mutual benefit of both the parties.

02. Purpose

The Code is prepared to convey the commitment of Atul to engage suppliers whose production processes are responsible and environmentally friendly. The principles expressed in the Code will form the basis of supplier selection and evaluation. The Company expects its suppliers to replicate these standards further down the value chain.

The Code is therefore made available to the suppliers to strengthen the mutual understanding of how these principles must be practiced in day-to-day business, including the advancement of efforts to contribute to the better health of people, animals and plants.

03. Scope

The Code is applicable to all suppliers, contractors, vendors, distributors and other relevant business partner.


04. Responsibility

Not applicable

05. Policy statements | guiding framework:

The Code is prepared in accordance with the below frameworks:

- ISO 20400:2017 Sustainable Procurement (Guidance)
- EcoVadis CSR Assessment Framework
- Global Reporting Initiative Standard Framework
- Responsible Care Framework
- Dow Jones Sustainability Indices Assessment Framework

	Policy	Page no.	Page 3 of 6
		Version number	1
	Supplier Code of Conduct	Policy effective date	July 01, 2021
		Last reviewed on	-
		Next review date	June 30, 2023

- Sustainable Development Goals
- Business Responsibility and Sustainability Reporting Framework

06. Code of Conduct


All existing and future suppliers of Atul are expected to receive, understand and conform to all the components of the Code, as state below:

6.1 Environment sustainability

- Comply with all applicable local, national and international environmental, health and safety regulations.
- Promote the safe and environmentally sound development, manufacturing, transport, use and disposal of products.
- Ensure that chemicals and hazardous materials are handled, stored and disposed of in an environmentally safe way.
- Ensure air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals and combustion by-products generated from operations are characterised, monitored, controlled and treated as required by law, prior to discharge.
- Ensure the safe and compliant handling, storage, transportation, disposal, recycling, reuse and management of waste, air emissions and wastewater discharges.
- Use resources efficiently, apply energy-efficient and environmentally friendly technologies and reduce waste, as well as emissions to air, water and soil.
- Minimise your negative impact on biodiversity, climate change and water scarcity.


6.2 Social sustainability

- Protect the life and health of employees and community against hazards inherent to the processes and products.
- Support the protection of internationally proclaimed human rights, fight forced labour (including modern slavery and human trafficking) and child labour.
- Uphold the freedom of association and the right to collective bargaining in accordance with applicable laws.
- Treat employees with respect and provide a workplace free of harassment or abuse of any kind, harsh and inhumane treatment, unlawful practices or discrimination.
- Enable employees and other stakeholders to report concerns or potentially unlawful practices at the workplace.
- Comply with minimum wages and working hours in accordance with local laws, and ensure compensation of a living wage according to local living conditions.
- Listen to the concerns of local residents and provide for healthy and safe living conditions.
- Support local job creation, local sourcing, and encourage education provisioning and infrastructure development.

	Policy	Page no.	Page 4 of 6
		Version number	1
	Supplier Code of Conduct	Policy effective date	July 01, 2021
		Last reviewed on	-
		Next review date	June 30, 2023

6.3 Governance

- Abide by all applicable national and international trade laws and regulations including but not limited to antitrust, trade controls, and sanction regimes.
- Prohibit insider trading by virtue of being a supplier and in knowledge of privileged information about Atul.
- Conduct business in line with fair competition and in accordance with all applicable antitrust laws.
- Consider business integrity as the basis of business relationships.
- Prohibit all types of bribery, corruption and money laundering.
- Forbid gifts to private or public officials that aim to influence business decisions or otherwise encourage them to act contrary to their obligations.
- Respect the privacy and confidential information of all employees and business partners as well as protect data and intellectual property from misuse.
- Ensure that posts on social media (including by employees) are legally compliant.
- Prohibit posts that contain derogatory, defamatory, inflammatory, disrespectful, obscene, threatening, abusive or malicious content about Atul and | or its shareholders, promoters, directors, officers or employees.
- Implement an appropriate Compliance Management System that facilitates compliance with the applicable laws, regulations, and standards.
- Ensure by using appropriate management systems that the quality of products and safety standards meet the stated requirements.
- Desist from making use of association with Atul as a supplier for any political gain or use the name of Atul to participate in political campaigns.
- Ensure that if the Supplier's employee or his or her family member has a relationship with an Atul Ltd. employee who can make decisions that will affect the supplier's business, then the supplier must disclose these types of relationships to concerned Atul Ltd. companies before entering into negotiations.
- Disclose prior to entering into negotiations if an employee of the supplier or an employee's family member has a relationship with an employee of Atul who can make decisions that have the potential to influence the business of the supplier; disclose the nature of the relationship.
- Do not to source tin, tantalum, tungsten or gold (the conflict minerals) from the Democratic Republic of the Congo or the adjoining countries (the covered countries) in a manner which directly or indirectly finances or benefits armed groups in these covered countries.

	Policy	Page no.	Page 5 of 6
		Version number	1
	Supplier Code of Conduct	Policy effective date	July 01, 2021
		Last reviewed on	-
		Next review date	June 30, 2023

07. Level of standards

Atul expects that suppliers adhere to all the applicable laws, rules, and regulations and strive to achieve both, the international and industry best practices. The provisions as set forth in the Code provide the minimum standards that have to be met in order to be an approved supplier to Atul and the qualifying standards that the Company expects a supplier to meet in the near future, but not necessarily before being approved as a supplier. The suppliers are also expected to provide free access to Atul and its affiliates to visit and inspect the state of affairs.

The minimum standards must be fulfilled before being approved as a supplier. The existing suppliers will be placed in the probation (period of maximum three years) list if they fail to meet the minimum standards. Atul will work with such suppliers to place them in the active list by achieving minimum standards in the shortest possible time.

Atul recognises that reaching all the standards established in the Code is a dynamic rather process and encourages suppliers to continually improve their performance metrics. In case of any non-compliance, the suppliers are expected to report the same to Atul.

08. Eligibility of the Supplier Code of Conduct

The provisions of the Code set forth the minimum standards of all suppliers and their sub-suppliers in the supply chain. The suppliers must ensure that their sub-suppliers meet the principles enshrined in this Code or a similar relevant set of principles.


09. Governance

Suppliers must develop, implement, use, and maintain management systems and controls related to the content of the Code. Suppliers must maintain documentation necessary to demonstrate conformance with the principles outlined in the Code.

Suppliers must demonstrate their commitment to continuous improvement by setting performance objectives, executing implementation plans, and taking necessary corrective actions for deficiencies identified by internal or external assessments, inspections, and management reviews. Suppliers are expected to handle all grievances without prejudice.

10. Evaluation and follow-up

Suppliers may be asked to provide information as and when required regarding the status of their performance against the standards in the Code. Based on this information, the suppliers will be evaluated and the result will be measured and compared. Atul may conduct

	Policy	Page no.	Page 6 of 6
		Version number	1
	Supplier Code of Conduct	Policy effective date	July 01, 2021
		Last reviewed on	-
		Next review date	June 30, 2023

on-site evaluations and inspections of the facilities of the supplier in order to review the progress towards these standards. Atul encourages the suppliers to evaluate and pursue with their sub-suppliers as the information about their compliances with the Code might be required by Atul to assess the risk and opportunities in the supply chain. The information obtained from such evaluations will be kept strictly confidential.

11. Grievance address

Suppliers may write to Mr Dhiraj Asthana, Executive Vice President – Commercial, Atul Ltd at dhiraj_asthana@atul.co.in for addressing their grievances, if they have any.

12. Zero tolerance

It is mandatory that all suppliers comply with the above aspects of the Code. It will be communicated to all suppliers during engagement | negotiations.

13. Policy changes | amendments authorisation

Atul is committed to review and update its policy on Supplier Code of Conduct. Any amendment or waiver of any provision of the policy must be pre-approved in writing by the President – Commercial, Atul Ltd.

14. Policy change(s) history

Version no.	Review date	Description of changes made