

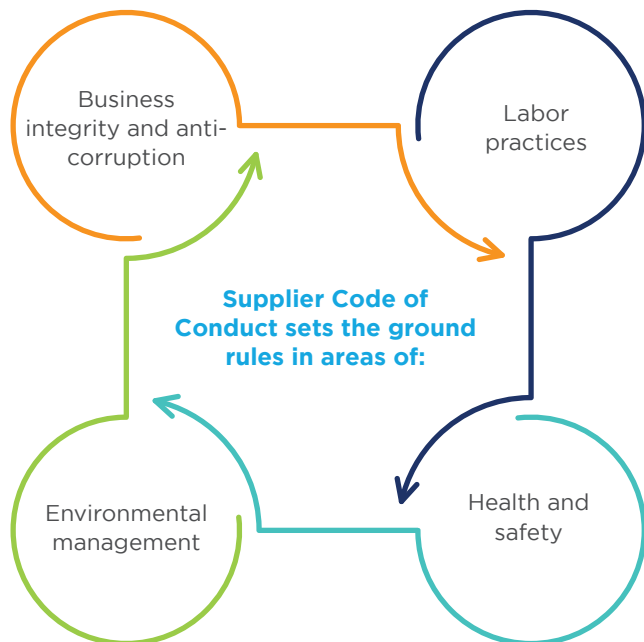
# Sourcing with Care

**Prioritizing responsible sourcing of resources are fundamental to fulfil our long-term sustainability goals. Raw material across VBL's supply chain are sourced from suppliers who follow stringent sustainability practices, ensuring that we minimize our ecological footprints while encouraging support to local communities.**

Over the years, we have adopted fair and ethical business practices to secure a sustainable supply chain. Our commitment to eco-friendly value system has been instilled in our major ingredient suppliers, who continually endeavor to adopt diverse initiatives to meet their sustainability targets across water and energy efficiency, waste management and transition to net-zero. This is crucial to our long-term growth and sustained impact.

## Supplier Code of Conduct

Procuring raw materials ethically and responsibly is an integral part of supply chain management within the Company. To enable this, we have adopted PepsiCo's Global Supplier Code of Conduct. This, along with all other policies is stringently applicable to all suppliers, agents, consultants, vendors and contractors as a condition of doing business with PepsiCo and its affiliates.



## Environmental Impact Assessment

Guided by the Suppliers Code of Conduct, the suppliers are constantly engaged in finding innovative and green ways to procure high-quality raw material while utilizing latest technologies to minimize their impact on the environment.

**We are actively monitoring the progress of our responsible sourcing goals with respect to our key raw material and packaging suppliers, who represent almost 90% of our overall purchase in these categories. This will help us to align them with our sustainability goals in the future.**

Stringent sustainability criteria in line with the statutory guidelines are being followed to remain compliant and sustain responsible sourcing. This includes appropriate waste disposal and conformity to air and water pollution acts. There is a particular focus on enhancing energy efficiency, with dedicated efforts to reduce dependency of conventional methods and accelerate use of renewable energy, supported by solar panels and windmills. Conventional fuel for steam production in boiler is also replaced by eco-friendly briquettes. Plantation drives for a balanced and resilient future are being consistently encouraged. Further, water requirement are being fulfilled with the help of third-party water suppliers while ground water is being used in some cases, depending upon availability.

## Value Chain Partners Assessed for Environmental and Social Impact

**90%+**  
Raw material suppliers

**90%+**  
Distributors covered

**90%+**  
Capex suppliers

Key Initiatives on Responsible Sourcing by Suppliers:



Electricity generation from renewable energy sources like solar power and wind power



Installation of energy efficient machineries in production lines



Installation of water treatment plants



Implementing Pressurized Jet Sprays for cleaning purpose instead of direct water usage



Use of treated water for gardening and sanitation purposes



Adoption of ponds in nearby villages and recharging groundwater



Tree plantation drives to maintain green belt around manufacturing units



Rainwater harvesting to improve groundwater level



Using bagasse cane residue as biofuel for generating steam through boilers



Proper recycling of all kinds of waste like plastic waste, e-waste, hazardous waste



Supplier	Material Supplied	Initiatives Taken
PepsiCo India	Concentrate	<p>PepsiCo has taken various initiatives on environment, social and sustainable practices including:</p> <ul style="list-style-type: none"> <li>• Reduction in energy consumption</li> <li>• Reduction in water usage</li> <li>• Developing rainwater harvesting pits and ponds</li> <li>• Manure Machine for recycling of food waste</li> </ul>
Reliance Industries Limited	PET Resin	<p>As a part of the Net Zero and New Energy plans, Reliance has committed to establishing 20 GW of solar energy generation capacity by 2025, which will be entirely consumed for our captive needs of round-the-clock (RTC) power and intermittent energy for Green Hydrogen.</p>
DCM Shriram	Sugar	<ul style="list-style-type: none"> <li>• Sets rotary dryer for bagasse drying, utilizing waste flue gas from boilers. Fresh bagasse's moisture content of 48% to 50% is reduced to 12% with more efficient utilization of bagasse biofuel. This is a unique, one-of-its-kind initiative to reduce fuel consumption.</li> <li>• Owns Bio-Lab which produces bio-fungicides and bio-pesticides instead of chemical fungicides and pesticides used by farmers for cane crop.</li> <li>• Awarded Best Energy Efficient Plant in sugar sector by Bureau of Energy Efficiency (BEE), for being the lowest power consumption per ton cane.</li> </ul>
Triveni Engineering	Sugar	<p>Diverts B-category heavy molasses to distillery for ethanol blending in petroleum products.</p>
Tetra Pak	Packaging material	<p>Procures 100% paper board from Forest Stewardship Council certified supplier and 100% Aluminum foil from Aluminum Stewardship Initiative member supplier.</p>
Tasa Foods	Fruit pulp	<p>Uses dried mango seeds as biofuel and decomposing fruit waste into manure provided to farmers.</p>
SIDEL Blowing Services S.A.S.	Manufacturing lines	<ul style="list-style-type: none"> <li>• Committed to ISO 14001 environmental certification to reduce impact on the environment and promote sustainability development. It is committed to recycling PET (notably with the development of PET recycling line: rPET).</li> <li>• Uses 100% Green energy for all processes. It has taken measures to make energy efficient equipment to help in reduction of energy consumption. For example, Blowers with 45% energy saving, AQflex conveyors with 70% saving, Shrinkwrapper with 52% saving.</li> </ul>
HUSKY Injection Molding Systems SA	Packaging Lines	<ul style="list-style-type: none"> <li>• Supports use of bio-resins in hot runner applications. Optimized hot runner systems to reliably run bio-resins and accommodate challenges arising in production.</li> <li>• Launched UltraMelt platform to lower the risk of melt degradation, oxidation and discoloration; a highly effective solution to meet processing needs of bio-resins consistently.</li> </ul>



### Social Impact Assessment

Our suppliers adhere to stringent policies and take firm measures in line with human rights to facilitate a safe, non-discriminatory, and employee-friendly work environment. Few measures adopted to ensure these include:

- Rigorous compliance to policies related to Freedom of Association and Rights to Collective Bargaining, Child and Forced Labor, Gender Equality and Non-discrimination
- Provision of clean, hygienic and friendly work environment
- Maintenance of Occupational Health & Safety Standards
- Well-defined SOP's and policies with easy access to employees
- Limiting the maximum number of working hours as per the Government norms of 48

hours per week (with overtime reimbursement, if required, under special circumstances)

- Quarterly/half-yearly/regular trainings for employees on company policies such as POSH, OHAS and Industrial Hygiene
- Provision of Occupational Health and Safety (OHAS) Management System to ISO 45001:2018 certified suppliers (as specified)
- Support and guidance on prevention of work-related injury and ill health

A few other initiatives taken by suppliers include regular health check-up of employees, providing easy access to dispensary and mobile vans, safety drills to check emergency preparedness in case of mishappening and a special taskforce for employee grievance resolution.

