



Gem Aromatics Limited™

(Formerly known as Gem Aromatics Private Limited)

Manufacturers & Exporters of Essential Oils & Aromatics Chemicals

Registered Office: A/410, Kailas Complex, Vikhroli Powai Link Road, Parksite,
Vikhroli West, Mumbai-400079, Maharashtra, India.

Tel No: +91-25185231/25185931 CIN: L24246MH1997PLC111057

SUSTAINABLE PROCUREMENT POLICY

GEM AROMATICS LIMITED

1. PREAMBLE

1.1 GEM Aromatics Limited (“the Company”) is committed to integrating sustainability principles into its procurement and sourcing decisions, recognising that responsible sourcing of raw materials is critical to environmental protection, social responsibility, and long-term business resilience.

1.2 The Company acknowledges that a significant portion of its environmental and social impact arises from its upstream supply chain, particularly in the sourcing of natural raw materials, essential oils, agricultural inputs, and aroma chemical intermediates.

1.3 This Sustainable Procurement Policy (“the Policy”) establishes the Company’s principles, commitments, and governance framework to promote **sustainable, responsibly sourced, and ethically produced raw materials**, with a focus on **sustainably farmed inputs, reduced chemical usage, and environmentally responsible suppliers**. This Policy shall be read in conjunction with applicable laws, statutory requirements, and related internal policies, including the Environmental Sustainability Policy and Supplier Code of Conduct.

2. OBJECTIVE

2.1 The objective of this Policy is to embed sustainability considerations into procurement processes and supplier engagement across the Company’s value chain.

2.2 This Policy aims to:

- a) prioritise sourcing of sustainable and responsibly farmed raw materials.
- b) minimise environmental and social risks within the supply chain.
- c) encourage suppliers to adopt environmentally sound and socially responsible practices.
- d) integrate sustainability criteria into supplier selection, evaluation, and monitoring.
- e) support continuous improvement in supply chain sustainability performance.



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Facility 2: Khasara No 8,9,10,126, Village Gathona, Ujhani Budaun Road, District: Budaun-243639, UP, India.

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3. DEFINITIONS

3.1 “Sustainable Procurement” refers to procurement practices that consider environmental, social, and ethical impacts alongside quality, cost, and delivery.

3.2 “Sustainable Raw Materials” refer to materials sourced in a manner that minimises environmental impact, promotes resource efficiency, and supports long-term ecological balance.

3.3 “Sustainably Farmed Raw Materials” refer to agricultural or natural inputs produced using responsible farming practices, reduced chemical inputs, and measures to protect soil, water, and biodiversity.

3.4 “Supplier” includes any vendor, farmer, aggregator, processor, trader, or service provider supplying goods or services to the Company.

4. SCOPE AND APPLICABILITY

4.1 This Policy applies to all procurement activities undertaken by GEM Aromatics Limited, including sourcing of:

- agricultural and natural raw materials.
- essential oils and plant-based inputs.
- aroma chemicals and intermediates.
- packaging materials.
- logistics and services.

4.2 This Policy is applicable to:

- a) all employees involved in procurement, sourcing, and supply chain management.
- b) suppliers, contractors, and service providers engaged by the Company.
- c) procurement decisions across all Company locations and business units.

5. POLICY STATEMENT

5.1 The Company is committed to responsible procurement practices that balance business requirements with environmental stewardship and social responsibility.

5.2 The Company shall progressively prioritise:

- sustainable raw materials.



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- sustainably farmed and traceable agricultural inputs.
- suppliers demonstrating strong environmental and social practices.

5.3 This Policy aligns with:

- **UN Global Compact (UNGC)** Principles 1-10.
- **International Labour Organization (ILO)** Core Conventions. and
- applicable **Indian and local environmental, labour, and safety laws.**

6. GUIDING PRINCIPLES

6.1 Environmental Responsibility

Procurement decisions shall consider environmental impacts such as resource use, emissions, waste, and biodiversity.

6.2 Sustainable Farming Practices

The Company encourages sourcing from suppliers that:

- adopt sustainable and regenerative farming practices.
- minimise use of hazardous agrochemicals.
- promote soil health, water stewardship, and biodiversity conservation.
- avoid deforestation and environmentally sensitive areas.

6.3 Reduced Chemical Usage

Preference shall be given to raw materials produced using:

- lower chemical inputs.
- safer alternatives to hazardous substances.
- compliance with applicable chemical safety standards.

6.4 Social Responsibility

Suppliers shall respect human rights, labour standards, health & safety, and fair working conditions.

6.5 Ethical Conduct

Procurement activities shall be conducted transparently, fairly, and without corruption or conflicts of interest.



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7. SUSTAINABLE PROCUREMENT REQUIREMENTS

7.1 Supplier Selection & Evaluation

Suppliers shall be evaluated not only on cost and quality, but also on:

- environmental performance.
- social and labour practices.
- regulatory compliance.
- sustainability certifications or declarations, where applicable.

7.2 Environmental Expectations

Suppliers are encouraged to:

- manage water, energy, and waste responsibly.
- reduce emissions and environmental pollution.
- manage chemicals safely and provide SDS where applicable.
- comply with environmental permits and regulations.

7.3 Social & Labour Expectations

Suppliers shall:

- prohibit child and forced labour.
- provide safe and healthy working conditions.
- prevent harassment and discrimination.
- comply with wage, working hour, and benefit laws.
- promote diversity, equity, and inclusion where feasible.

7.4 Traceability & Transparency

The Company shall seek to improve traceability of critical raw materials, particularly natural and agricultural inputs, to understand origin and sustainability risks.

8. SUPPLIER ENGAGEMENT & CAPACITY BUILDING

8.1 The Company shall engage with suppliers to communicate sustainability expectations and encourage adoption of responsible practices.

8.2 Where feasible, the Company may support suppliers through:

- awareness and training initiatives.
- phased improvement plans.



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- sharing of best practices related to sustainable sourcing.

9. RISK MANAGEMENT AND MONITORING

9.1 Supply chain sustainability risks shall be identified and assessed periodically.

9.2 The Company may monitor supplier compliance through:

- self-declarations or questionnaires.
- document reviews.
- audits or site visits, where appropriate.

9.3 Non-compliances may require corrective action plans or impact business continuity decisions.

10. GOVERNANCE FRAMEWORK

10.1 The Managing Director shall have overall responsibility for oversight of this Policy.

10.2 The Procurement and Supply Chain function shall act as the custodian of this Policy and shall:

- a) integrate sustainability criteria into procurement processes.
- b) engage with suppliers on sustainability expectations.
- c) maintain supplier sustainability records.

10.3 The EHS function shall support assessment of environmental and social risks linked to procurement.

10.4 All employees involved in procurement shall comply with this Policy.

11. TRAINING AND COMMUNICATION

11.1 Employees involved in procurement shall receive training on sustainable procurement principles.

11.2 This Policy shall be communicated to suppliers and relevant stakeholders and made available as required.



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12. MONITORING, REPORTING, AND CONTINUOUS IMPROVEMENT

12.1 Implementation of this Policy shall be reviewed periodically.

12.2 The Company shall progressively enhance its sustainable procurement practices based on risk assessments, supplier performance, and evolving best practices.

13. DOCUMENTATION AND RECORD RETENTION

13.1 Procurement and supplier records related to sustainability assessments shall be maintained and retained in accordance with applicable laws and Company procedures.

14. REVIEW AND AMENDMENT

14.1 This Policy shall be reviewed periodically and not less than once every three (3) years, or earlier if required due to changes in law, market practices, or business strategy.

14.2 Any amendment to this Policy shall require approval of the Managing Director.

15. APPROVAL

Signed on 20 Aug 2024

Name: Mr. Yash Parekh

Designation: Managing Director

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(Signature)

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