SUSTAINABLE PROCUREMENT POLICY

3xper Innoventure Limited

Effective Date: 01/01/2024 **Next Review Date: 31/12/2025**

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1. Introduction

3xper Innoventure Limited is committed to responsible and sustainable procurement practices that align with our environmental, social, and ethical standards. This policy establishes our approach to integrating sustainability into supply chain management, ensuring that procurement decisions consider not only economic factors but also environmental stewardship and human rights.

2. Scope

This policy applies to all procurement activities at 3xper Innoventure Ltd., including engagements with suppliers, supplier employees and workers, contractors, and business partners involved in the supply chain. This policy applies to the following locations:

3xper Innoventure Limited (Corporate)	4th Floor, C54-55 & Super B-4, Chola Crest Thiru-Vi-Ka Industrial Estate, Guindy 600032 Chennai, India
R&D	Ticel Bio Park (Phase-2), 7th floor Taramani, Chennai-600113, Tamil Nadu, India
Manufacturing	Plot No. 53 part, 54 & 55 Palchur Village, Naidupeta SEZ, Tirupati, Andhra Pradesh- 524 421, India
USA Office	#255, Main Street, STE 200 Cambridge, MA 02142-1029, USA

3. Policy Statement

3xper Innoventure Ltd. is dedicated to fostering sustainability in procurement by embedding environmental responsibility and ethical labor practices into supplier selection, evaluation, and management. Our commitment extends to ensuring that our suppliers align with our standards in sustainability, human rights, and fair labor practices.

4. Key Focus Areas and Commitments

1. Environmental Considerations in Procurement

Environmental stewardship is integrated into procurement by prioritizing suppliers that actively reduce emissions, optimize energy use, and implement sustainable resource management. A green supplier index will be established to monitor sustainability performance. By 2030, at least 75% of suppliers will demonstrate measurable reductions in carbon footprint and water consumption, compared to 2023 levels. Procurement of materials certified for low environmental impact will increase by 30%, based on 2023 figures.

2. Labor and Human Rights in Procurement

Ethical labor standards are upheld by ensuring suppliers maintain fair wages, safe workplaces, and non-discriminatory employment policies. A supplier risk assessment program will be launched to identify high-risk labor practices. By 2030, 85% of suppliers will comply with internationally recognized human rights and fair labor standards, improving from 2023 compliance levels. Instances of labor violations in supplier operations will be reduced by 40%, relative to the 2023 baseline.

3. Supplier Code of Conduct

Strict adherence to the supplier code of conduct is required, encompassing environmental stewardship, labor rights, anti-corruption policies, and ethical trade principles. An annual third-party audit system will be introduced to assess supplier compliance. 100% participation in supplier code of conduct training among high-risk suppliers will be achieved, progressing from 2023 participation levels. By 2030, 70% of suppliers will publicly disclose their sustainability and ethics policies, building on 2023 disclosure rates.

4. Ethical Sourcing and Fair Trade

Responsibly sourced materials are prioritized by collaborating with suppliers committed to transparency, fair pricing, and ethical raw material extraction. A fair trade supplier certification initiative will be established. By 2030, 65% of sourced raw materials will meet ethical sourcing standards, increasing from 2023 levels. Procurement of certified fair trade products will expand by 40%, compared to 2023 sourcing data.

5. Waste Reduction and Circular Economy

Circular economy principles are advanced by integrating waste reduction strategies, increasing recyclability, and promoting closed-loop systems in the supply chain. A supplier packaging reduction program will be implemented, targeting a 50% reduction in non-recyclable packaging waste by 2030, based on 2023 figures. By 2030, at least 50% of suppliers will implement circular economy practices, such as material reuse and remanufacturing, up from 2023 levels.

6. Climate Resilience and Supply Chain Adaptation

Supply chain resilience against climate risks is enhanced by working with suppliers to mitigate the impacts of extreme weather events and resource shortages. A climate risk assessment framework will

be introduced to evaluate supplier vulnerabilities. By 2030, 60% of suppliers will adopt climate adaptation strategies, improving from 2023 baseline adoption rates. 40% of suppliers in high-risk regions will implement water conservation measures by 2030, compared to 2023 implementation levels.

7. Transparency and Supplier Accountability

Supplier accountability is strengthened through enhanced reporting, traceability, and real-time sustainability data sharing. A supplier sustainability scorecard will be developed to track compliance. By 2030, 80% of strategic suppliers will disclose environmental and social impact metrics annually, increasing from 2023 disclosure rates. 100% response rate for supplier sustainability surveys will be achieved, progressing from 2023 participation levels.

5. SDGs Covered

This policy aligns with the following SDGs:

6. Responsibility

Chief Procurement Officer (CPO): Oversees the implementation of sustainable procurement policies and ensures alignment with corporate sustainability goals.

Sustainability Manager: Monitors environmental and ethical compliance, working closely with suppliers to improve sustainability performance.

Supply Chain Director: Ensures procurement strategies integrate environmental and social criteria while maintaining efficiency and cost-effectiveness.

Compliance and Audit Manager: Conducts supplier audits, ensures adherence to labor and environmental standards, and enforces corrective actions when needed.

Governance Mechanism

- A Sustainable Procurement Committee (SPC) will be established, led by the CPO, to review and evaluate procurement practices quarterly.
- A Supplier Sustainability Scorecard will be used to assess supplier performance on environmental, social, and ethical benchmarks.
- Annual Supplier Audits will be conducted, with high-risk suppliers undergoing additional spot-check audits.
- A Whistleblower Mechanism will be implemented to allow anonymous reporting of non-compliance or unethical practices.
- Supplier Engagement Programs will be held biannually to align suppliers with sustainability objectives and expectations.

- Corrective Action Plans (CAPs) will be mandatory for non-compliant suppliers, with clear deadlines for improvement.

Measures for Policy Violations

Do's:

- ✓ Report any observed violations of labor rights, environmental laws, or ethical procurement practices.
- ✓ Cooperate with audit teams and provide necessary documentation when required.
- ✓ Engage in corrective action plans if identified as non-compliant, with clear improvement timelines.
- ✓ Maintain transparency in supply chain activities and disclose sustainability-related information.

Don'ts:

- × Engage with suppliers that fail to meet minimum sustainability and ethical standards.
- × Conceal or falsify compliance records or sustainability reports.
- × Ignore violations or fail to act on reported unethical practices.
- × Use procurement decisions based solely on cost, disregarding environmental and social responsibilities.

7. Review mechanism

This policy will be reviewed annually by Sustainability Officer to ensure alignment with evolving sustainability practices, regulatory requirements, and business needs. Updates and improvements will be overseen by the Sustainability Officer in collaboration with the Procurement Department.

Rev No.	Effective Date	Last Review Date	Next Review Date	Section Updated	Description of Changes	Reviewed By	Approved By
0	01/01/2024	01/01/2025	31/12/2025	Initial Release	First version of the Sustainable Procurement Policy	Sustainability Officer	Senior Management
1.0	01/01/2025	01/01/2025	31/12/2025	Governance Mechanism	Added governance structure and policy enforcement measures	Sustainability Officer	Senior Management

Last Review Date: 01/01/2025

Next Review Date: 31/12/2025

Approved By: Anuradha Subramanyam

Designation: Head - Supply Chain

Signature:

Acknowledgement

I, A Rajamanickam, confirm that I have read, understood, and agree to comply with 3xper Innoventure Ltd. Sustainable Procurement Policy. I recognize the importance of my role in ensuring responsible sourcing and commit to integrating sustainability principles into procurement activities. I will support ethical supplier engagement, prioritize environmentally friendly materials, and ensure compliance with sustainability standards and company policies.

I understand that my commitment is essential to achieving the company's sustainable procurement objectives and fostering a responsible supply chain. I am dedicated to promoting transparency, reducing environmental impact, and upholding ethical procurement practices in alignment with 3xper Innoventure Ltd. sustainability goals.

Employee Name: A. Rajamanickam

Employee Signature:

Date: 06-01-2025