



SUSTAINABLE PROCUREMENT POLICY

Issuing Dept: Procurement Dept.
Issued Date: 17/03/2026
Revised Date: 00/00/0000
Revision No: 00

Sustainable Procurement Policy

1. Purpose and Commitment

The Organization is committed to delivering high-quality products while positively impacting people, governance framework governing the procurement of goods and services to ensure efficiency, transparency, value for money, and sustainability throughout the supply chain.

We recognize that the most significant social and environmental impacts occur within our supply chains, and together, as key supply chain actors, the Organization and our valued suppliers play a critical role in driving this transformation. We are committed to responsible sourcing, ethical business practices, respect for human rights, environmental stewardship, and continuous improvement across its supply chain.

This Policy aligns with internationally recognized frameworks, including the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labour Organization (ILO) core conventions, and other relevant global standards. It outlines mandatory requirements for suppliers, recommended management practices to meet these requirements, and advanced practices for continuous improvement.

2. Objective

The Organization's long-term goal in implementing this policy is to support sustainable supply chains, strengthen supplier partnerships, and contribute to sustainable agricultural and business practices, ensuring a positive long-lasting impact for people, the planet, and the business. Our suppliers are expected to cascade these requirements to their own suppliers and subcontractors.

The Organization's principal objective is to;

- Maintain 100% acknowledgement and formal commitment to the MJF Supply Chain Partner Code of Conduct each financial year from all main suppliers who maintain direct business contracts with the Organization and have signed the Supply Agreement.
- Train 100% of procurement team employees and main packaging material suppliers who have direct contract with the Organization on sustainability issues in the supply chain by 2026 (Baseline: 2025).

3. Scope of Application

This Policy applies to all procurement activities undertaken by the organization, including goods, services, works, and outsourcing arrangements, subject to practical application and prevailing operational realities. It applies to all employees, officers, consultants, suppliers, contractors, and subcontractors with a direct contractual relationship and involved in procurement activities.

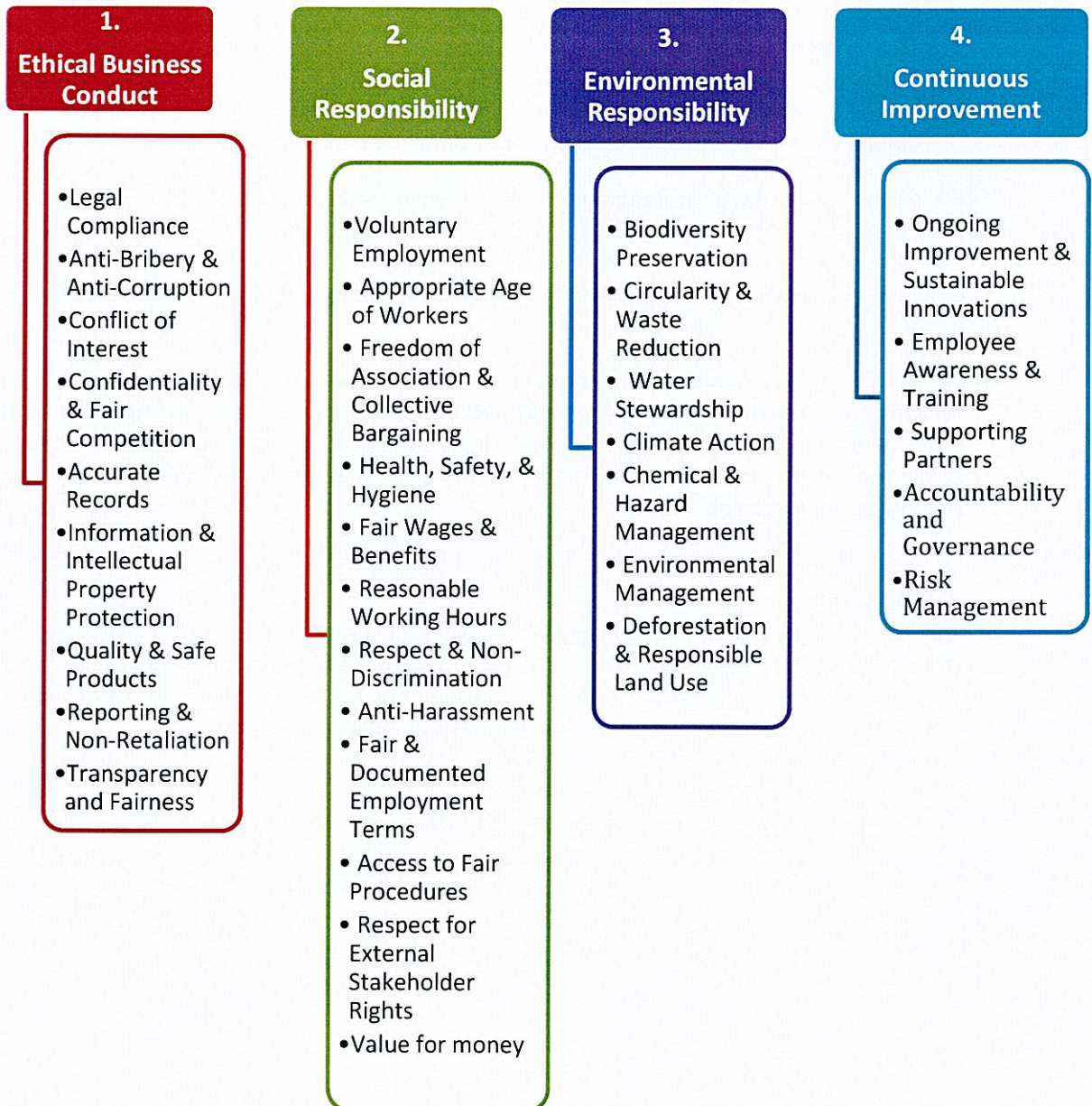


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4. Procurement Principles

Procurement decisions within the Organization shall be guided by the following core principles:



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Ethical Business Conduct

- **Legal Compliance:**
Follow all applicable local and international laws, including trade, data protection, and competition rules.
- **Anti-Bribery and Anti-Corruption:**
Prohibit bribery, corruption, extortion, and embezzlement, with controls to prevent them. Ensure gifts and hospitality are reasonable, appropriate, and do not influence business decisions.
- **Prevent Conflict of Interest:**
Commit to preventing and declaring any potential or actual conflicts of interest.
- **Confidentiality and Fair Competition:**
Protect confidential information and obtain competitor information only through legal and ethical means. Manage confidential information responsibly.
- **Accurate Records:**
Ensure transparent and accurate reporting with zero tolerance for fraud; avoid money laundering and insider trading.
- **Information and Intellectual Property Protection:**
Safeguard intellectual property rights, proprietary information, and personal data.
- **Quality and Safe Products:**
Deliver products and services that meet agreed quality and safety standards and ensure responsible innovation.
- **Reporting and Non-Retaliation:**
Provide safe channels, including confidential reporting mechanisms, for employees to raise concerns and ensure they are protected from retaliation.
- **Transparency and Fairness –**
Maintain open, fair, and competitive procurement practices.

Social Responsibility

- **Voluntary Employment:**
Prohibit forced labor of any kind, including bonded, trafficked, or other forms of modern slavery. Do not control employees through threats, penalties, coercion, physical force, violence, or harsh or inhumane treatment and child labour
- **Appropriate Age of Workers:**
Prohibit child labor and ensure no employees below the legal minimum working age are employed. Young workers must not perform hazardous or harmful work or work that interferes with schooling.
- **Freedom of Association and Collective Bargaining:**
Ensure all employees understand and can exercise their rights to join or refrain from joining trade unions, participate in collective bargaining, and engage with worker committees without intimidation.
- **Health, Safety, and Hygiene:**
Provide a safe and healthy workplace to prevent accidents and injuries. Ensure clean toilets, wash areas, changing facilities, potable water, safe food storage, safe accommodation and transportation as applicably, and compliance with all relevant health and safety laws.
- **Fair Wages and Benefits:**
Ensure employees are paid legal wages, overtime premiums, benefits, and paid leave that meet or exceed legal or industry standards, including valid collective agreements.



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- **Reasonable Working Hours:**
Ensure working hours comply with legal limits. Overtime must be voluntary, and employees must receive required rest and meal breaks, including continuous rest between shifts.
- **Respect and Non-Discrimination:**
Treat all employees with dignity and protect them from harassment, abuse, or intimidation. Prohibit discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, or political affiliation.
- **Anti-Harassment:**
Do not engage in or facilitate harsh or inhumane treatment, including gender-based violence or harassment.
- **Fair and Documented Employment Terms:**
Provide written, freely agreed employment contracts specifying terms and conditions in a language employees can understand. Comply with legal and contractual obligations for dismissal, termination, or redundancy.
- **Access to Fair Procedures:**
Provide fair, confidential, and unbiased grievance mechanisms with timely remedies and protection from retaliation.
- **Respect for External Stakeholder Rights:**
Address direct and indirect human rights impacts of company's operations on external stakeholders.
- **Value for Money:**
Ensure that procurement decisions consider total lifecycle costs, including acquisition, operation, maintenance, and disposal costs.

Environmental Responsibility

- **Biodiversity Preservation:**
Conduct operations and sourcing to protect biodiversity. Identify and safeguard areas of high conservation value and ensure sourcing practices do not harm ecosystems.
- **Circularity and Waste Reduction:**
Minimize packaging and waste throughout the supply chain by implementing process optimization, cost saving initiatives, efficiency improvements while managing waste responsibly. Promote reuse, recycling, composting, and reduction of virgin materials as appropriately.
- **Water Stewardship:**
Use water efficiently and responsibly. Prevent contamination, and recycle water where possible.
- **Climate Action:**
Implement strategies to reduce greenhouse gas (GHG) emissions across operations and the supply chain. Encourage to Develop action plans for scope 1, 2, and 3 emissions, improve energy efficiency, adopt renewable energy, and implement regenerative practices.
- **Chemical and Hazard Management:**
Use only legally approved chemicals and minimize hazardous substances. Ensure safe storage, handling, transport, recycling, reuse, and disposal. Maintain emergency response procedures for spills or leaks.
- **Environmental Management:**
Comply with all applicable environmental laws, including permits for water use, waste disposal, and hazardous materials management. Encourage to implement environmental management systems to identify, minimize, and mitigate environmental impacts across all operations.

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- **Deforestation and Responsible Land Use:**
Encourage no deforestation or conversion of natural habitats occurs in sourcing or production.

Continuous Improvement

- **Ongoing Improvement & Sustainable Innovations:**
Expect to continually improve suppliers' sustainability, ethical, and operational performance. Continuous improvement strengthens supplier performance, fosters innovation, and ensures alignment with evolving sustainability expectations.
- **Employee Awareness and Training:**
Recommend training all employees continually on quality, food safety and sustainability related policies, strategies, measures, controls and practices.
- **Supporting Partners:**
Support supply chain partners in improving quality, food safety, ethical, environmental and social performance through training, capacity building, and collaboration.
- **Accountability and Governance**
Clear authority, segregation of duties, and auditability
- **Risk Management**
Identification and mitigation of supply, compliance, reputational, and climate-related risks.

5. Supplier Standards and Code of Conduct

All suppliers are expected to comply with the key principles of the MJF Supply Chain Partner Code of Conduct and this Policy. Mandatory standards cover ethical business conduct, human rights, labour practices, environmental management, product quality and safety, information security, grievance mechanisms, and non-retaliation. Suppliers must maintain management systems to ensure ongoing compliance and improvement. Any required exemption from these requirements shall be brought to the Organization's notice immediately and prior to execution or implementation for review and mutual agreement.

6. Implementation and Monitoring

All suppliers who are intended to sign Supply Agreements are expected to confirm their alignment with this policy by completing the Supplier Capability Assessment during the supplier selection and onboarding process. Approved suppliers are required to complete the assessment periodically thereafter, once every three years. In the event of any gaps in alignment, the Supplier is required to provide the Organization with an acceptable plan to achieve full compliance with this Policy.

Supplier performance shall be evaluated through annual or biannual reviews, self-assessments, scoring mechanisms, and risk-based verification activities, including documentation reviews, virtual assessments, and on-site audits where appropriate. Progress shall be reviewed periodically and reported to relevant stakeholders as appropriate.



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- **Training and Awareness:** Provide procurement teams with training on quality, food safety and sustainable procurement principles and best practices.
- **Performance Metrics:** Establish measurable KPIs to track procurement sustainability, including supplier compliance rates, carbon footprint reduction, and percentage of eco-friendly purchases.
- **Review and Reporting:** Conduct periodic audits and report on quality, food safety and sustainable procurement progress to stakeholders.
- **Climate Risk Mitigation:** Monitor suppliers' exposure to climate-related risks and ensure that procurement strategies are adapted to support climate resilience in the supply chain.

7. Non-Compliance and Corrective Actions

Suppliers are expected to promptly notify the company of any critical non-compliance related to quality, food safety, key sustainability aspects, or legal violations. Where such issues are identified, suppliers are expected to implement corrective action plans within agreed timelines and demonstrate improvement. Serious or repeated non-compliance may result in contractual actions.

8. Governance, Communication, and Review

The Procurement Department is responsible for implementation, monitoring, and follow-up of the policy. This Policy forms part of supplier contracts and is communicated during onboarding. The Policy shall be reviewed once in every three years and/or as and when a need arises due to newly enacted legislative or regulatory requirements and shall be updated to reflect changes in laws, standards, and sustainability expectations.

9. Interpretation

References to the "We", "our" and "organization" include all entities within MJF Holdings (Private) Limited including "Dilmah Ceylon Tea Company PLC" (DCTC) which is the main tea manufacturing and distribution arm.

Approved for adoption;

For MJF Holdings (Private) Limited

Dilhan C. Fernando
Co- Chairman/Director

17/03/2026
Date

Appendix: MJF Supply Chain Partner Code of Conduct