

1. Purpose

To ensure that all procurement activities are conducted in a sustainable manner that minimizes the impact on the environment, promotes social responsibility, and supports the local economy.

The purpose of this Sustainable Procurement Policy is to establish the Company's commitment to integrating environmental, social, and governance considerations into its procurement activities and to minimizing adverse impacts while maximizing long term value for stakeholders. We are committed to adopting a proactive and responsible approach to procurement that supports ethical conduct, sustainability objectives, and continuous improvement across the supply chain. Accordingly, this Policy provides a framework for sustainable sourcing practices and reaffirms the Company's responsibility to promote responsible supplier behaviour and compliance with applicable laws, standards, and sustainability principles across relevant tiers of the supply chain.

2. Scope

This policy applies to all procurement activities carried out by Shapoorji Pallonji Real Estate (SPRE), including but not limited to purchasing goods and services, leasing or renting equipment, and awarding contracts.

3. Policy Statement

SPRE is committed to sustainable procurement practices that consider the economic, social, and environmental impacts of our procurement decisions. In order to achieve this, we will:

1. Incorporate sustainability criteria into our procurement processes:

We will integrate sustainability considerations into procurement decisions, including energy efficiency, waste reduction, use of sustainable materials, ethical labour practices, fair labour standards, and compliance with applicable legal and regulatory requirements by suppliers.

2. Give preference to suppliers who demonstrate sustainable practices:

We will give preference to suppliers who demonstrate sustainable practices, including those who have environmental certifications, implement green policies etc.

3. Support the local economy:

We will support the local economy by giving preference to local suppliers based on its economic impact on our procurement.

4. Monitor and report on our sustainable procurement practices:

We will monitor and report on our sustainable procurement practices to ensure continuous improvement and transparency.

4. Sustainable Procurement Objectives

Our organization will strive to achieve the following objectives in all procurement activities:

- a. Minimize environmental impact: We will ensure that our environmental impacts are minimized and promote sustainable practices in our operations
- b. Promote social responsibility: We would promote social responsibility through our supply chain. Supplier shall adhere to ethical business practices, providing safe working conditions for their employees, and respecting their human rights.
- c. Ensure economic viability: We will consider the total cost of ownership, including life cycle costs, when evaluating potential suppliers.

5. Sustainable Procurement Principles

To achieve our sustainable procurement objectives, we will adhere to the following principles:

- a. Sustainable supplier selection: We will evaluate suppliers based on their environmental, social, and economic performance. We will prioritize suppliers who demonstrate a commitment to reducing waste, promoting resource efficiency and managing environmental and social risks associated with their operations, particularly for high-value or high-impact goods and services.
- b. Local sourcing: We will give preference to local suppliers to reduce the environmental impact of transportation of procured goods in order to support the local economy. We will also encourage the use of sustainable materials, including materials with recycled or renewable content, low embodied carbon, low-emitting characteristics, and those that can be reused or recycled, as well as materials that provide transparency on environmental or health impacts, where appropriate.
- c. Ethical and compliant business practices: We will encourage suppliers to conduct their business ethically and in compliance with applicable laws and regulations, including those relating to anti-bribery and corruption, conflicts of interest, data protection and confidentiality, and labour standards. We do not tolerate the use of child labour, forced or

involuntary labour, or any form of modern slavery within our supply chain, and expect suppliers to respect applicable wage, working hour, and collective bargaining requirements.

- d. Supplier engagement: We will engage with suppliers to encourage adoption of sustainable practices and may provide guidance through awareness or training initiatives, including on social aspects such as health and safety, workforce well-being, and responsible procurement practices across the supply chain.
- e. Continuous improvement: We will regularly review and improve our procurement practices to ensure they align with our sustainable procurement objectives and common market practices.

6. Monitoring and Reporting

We will establish a monitoring and reporting system including the use of relevant key performance indicators (KPIs) and supplier assessments, to track our progress in achieving our sustainable procurement objectives. Implementation of this Policy shall be supported through alignment with the Company's Supplier Code of Conduct, which sets out expectations for responsible and sustainable sourcing. The Company shall communicate this Policy and the Supplier Code of Conduct to relevant internal stakeholders and suppliers and will obtain formal acknowledgment of acceptance from suppliers on the Code. We may also undertake periodic reviews and reporting to support transparency, continuous improvement, and to seek stakeholder feedback.

7. Force Majeure

The implementation and achievement of our sustainable procurement objectives under this Policy are dependent on non-existence of adverse market and force majeure conditions, which may be beyond our control.

8. Review & Update

This policy shall be reviewed and updated once in three years or before, based on the requirements, with oversight by top management and implementation by the procurement team, to address evolving procurement challenges and support environmental sustainability.

9. Compliance

All procurement activities must comply with applicable laws, regulations, and policies. All staff involved in procurement activities must adhere to this policy.