

# Soy Oil Sustainability (Imported Soy Oil)

Soybean oil is the second largest consumed edible oil in India. Out of total consumption of about 5 MMT, about 3.5 MMT is imported mainly from South America and the rest is produced from domestic soybeans. By virtue of being the market leader in edible oils in India, soybean oil is one of the largest oils in the product portfolio of Adani Wilmar.

AWL aspires to solve the food supply mismatch without harming the very nature and environment that provides it to us. Our primary role in the soy oil supply chain is that of refiner of crude oil that has been imported in the country, thus we have tasked ourselves with the role of eliminating demand supply mismatch by importing from surplus countries (origins) into deficit country (India).

Our role in the global food chain has attached us to a vast supply chain, whose different parts are under different degrees of our control. From a control standpoint, AWL's soy oil supply chain sustainability can be classified into three categories:

AWL will have an annual reporting of its progress towards its sustainability targets

## Direct Control Area

AWL sources imported soy oil on CNF incoterm basis, which means that the ownership of oil is transferred to AWL once the oil physically reaches Indian shores. All refining, processing, packing (into consumer packs), dispatches happen under direct control of AWL.

AWL's sustainability initiatives in the direct control areas have been covered in other parts of this policy.

## Indirect Control Area

AWL has indirect control over the location where the soy oil is obtained by crushing of beans. Since all our procurements are on CNF destination basis, our control over the location and sustainability of oil is governed by the sustainability policies of the supplier. AWL strives to source its soybean oil only from those suppliers which have robust & globally accepted sustainability policies in place. All our suppliers are class "A" companies who operate globally and have a strict commitment to their sustainability policies, which are accepted in all major countries.

To exercise its indirect control over the sustainability of its soy oil supply chain, AWL has laid down following policies:

AWL will strive to achieve 80%<sup>1</sup> of procurement from those soy oil suppliers who have a publicly committed sustainability policy, which includes commitment to human rights & no-deforestation, and publish periodic progress reports.

AWL is committed to increase up to 90%<sup>2</sup> procurement from afore-mentioned suppliers by 2025

---

<sup>1</sup> KPI pertains to % procurement from suppliers with sustainability policy

<sup>2</sup> KPI pertains to % procurement from suppliers with sustainability policy

Our long-term aspiration is to source 100% of our soy oil requirement from those suppliers that have publicly announced sustainability policy, which covers no-deforestation and respect to human rights.

AWL will do annual review of progress made by its suppliers towards their sustainability commitments.

AWL will have a panel of preferred suppliers based on the progress made by them on their sustainability commitments.

(Above policy pertains to CNF purchases)

## No Control Area

By virtue of the existing model of AWL's supply chain, it does not have any control over the procurement of soybeans by its suppliers. Our suppliers can either crush beans in their own plants to produce oil or buy oil on FOB basis and sell us on CNF basis.

To overcome the lack of control on beans, we have two policies in place viz. traceability to crush units (TTCU) for maintaining transparency in our supply chain and Environmental Risk Assessment Framework to minimize risk to environment from AWL's presence in the global food network.

### *Traceability*

Different origins are in different stages of evolution of traceability standards. We have adopted a phase wise approach to suit the evolutionary stage of each origin.

#### **Phase 1 (Argentina)**

AWL will strive to achieve 75% TTCU for phase 1 origins by Dec 2023 and 80% by 2025

#### **Phase 2 (Brazil, Paraguay & Bolivia)**

Phase 2 origins are in a very nascent stage of traceability evolution. AWL will strive to put in place mechanisms to monitor traceability (TTCU) for phase 2 origins by Dec 2022.

We will have targets on TTCU once the mechanism is in place.

#### **Phase 3 (Minor origins- US, Ukraine, Russia, other origins)**

Owing to the very low volume contribution by phase 3 origins (Less than 5%), we will have appropriate mechanisms in place once phase 2 is complete.

### *Environmental Risk Assessment*

To minimize the risk of threat to environment, we will have a periodic assessment of our major supplying plants as per recognized standards.

We will work with all suppliers to put in place a framework of joint inspection of their crush units to assess and mitigate the level of environmental risk posed by them to the ecology.

We will endeavor to carry out risk assessment of all our major supplying crush units in Argentina by Dec 2023 and then onwards have an annual mechanism in place.

