

Avanti Feeds Limited

Business Ethics & Code of Conduct – Labour code of conduct, Social environmental risk management for Business partners of M/s. Avanti Feeds Limited,

Avanti Feeds Limited is a prominent player in the aquaculture industry, particularly known for its high-quality shrimp feed and seafood products. The company, headed by Chairman & Managing Director Dr. Indra Kumar Alluri, who established it in 1993, has grown significantly over the years, becoming a trusted name in the Aquaculture industry. Dr. Indra Kumar Alluri, with his strong leadership and extensive experience in the Aquaculture sector, has played a pivotal role in steering the company to its current position as a leading player in the industry.

Avanti Feeds operates with a vertically integrated infrastructure that includes feed mills, hatcheries, and processing plants. This comprehensive approach ensures a coherent supply chain and a farm-to-fork model, delivering quality seafood products to consumers worldwide.

Avanti Feeds offers a range of products and services, including:

- **Premium Shrimp Feed:** Scientifically formulated and nutritionally balanced shrimp feed, ensuring high productivity and quality. Avanti Feeds has 7 advanced feed manufacturing units located across Andhra Pradesh and Gujarat states with collective capacity of 7,75,000 MT. These units are well-equipped to meet the growing demand for superior shrimp feed catering to the domestic market across India and exporting to Sri Lanka, Bangladesh and Middle Eastern countries. Beyond supplying feed, Avanti Feeds offers extensive support to farmers and provides expert guidance on optimal aquaculture practices, right from the selection of quality seed stage to the harvesting stage to achieve superior results.
- **State-of-the-Art Shrimp Hatcheries:** Avanti Feeds Hatchery division in Gudivada village, Andhra Pradesh, with a capacity of 600 million post-larvae that provide high-quality shrimp seedlings to farmers and support the continuous supply necessary for the thriving aquaculture industry.
- **Sophisticated Shrimp Processing:** Avanti Frozen Foods Pvt. Ltd, a subsidiary of Avanti Feeds Ltd, operates three cutting-edge shrimp processing & export facilities, equipped with state-of-the-art in-house laboratories in Andhra Pradesh. These facilities adhere rigorously to international food safety standards and have a combined capacity of

Contd...2

29,000 metric tons, effectively catering to a diverse range of global markets worldwide. Avanti ensures a fully traceable farm-to-fork supply chain solution, and our product portfolio includes a wide range of offerings such as Raw, Cooked and Value-added shrimp products.

The company is committed to sustainability and community engagement. It adheres to global quality standards and certifications, ensuring the safety and quality of its products. Avanti Feeds remains committed to deliver unparalleled quality and support to the Aquaculture ecosystem for driving excellence and success in the industry.

We, Avanti Feeds Limited, are committed to source ingredients that are legally compliant, without the use of forced, bonded or compulsory labor, with utmost worker welfare, including community engagement and by way of working with industry, producers, governments and society at large to protect globally important natural resources within a framework of good governance and sustainable sourcing policy.

Avanti Feeds Limited's "Supplier Code of Conduct" is an important starting place for managing the potential socio-environmental risks of the ingredients that go into our aquaculture feed. This Supplier Code of Conduct is required from all its suppliers to promote greater communication around sustainability expectations between Avanti Feeds Limited and its suppliers (i.e. ingredient manufacturers and their supplying manufacturers). The aim of the Supplier Code of Conduct is to raise awareness and ensure mitigation measures have been initiated for socio-environmental risks as identified by the risk management framework and to ensure that these risks have been adequately dealt with within the supply chain (i.e. ingredient manufacturers and raw material producers).

Avanti Feeds Limited recognizes that the above can only be achieved with the assistance and cooperation of our suppliers and therefore this Supplier Code of Conduct guides our expectations on Social, Ethical and Sustainability standards. In the case that there are any material changes with the supplier that may affect compliance with this Supplier Code of Conduct, Avanti Feeds Limited must be informed immediately.

If any supplier of Avanti Feeds Limited fails to comply with this Supplier Code of Conduct, we may take corrective actions, including termination of the business with such suppliers.

Further, Avanti Feeds Limited expects its suppliers to extend their commitment by communicating this Supplier Code of Conduct to their suppliers of materials that in turn end up at Avanti Feeds Limited to be used in its feeds.

The Supplier Code of Conduct encompasses these below elements and always requires adherence to each one of these elements.

A. Legal and Environmental Compliance

1. The Suppliers shall abide by all applicable laws and regulations that govern their business activities with possession of necessary licenses and permits, and shall comply with all applicable environmental-related laws and regulations and maintain a system for compliance with them.
2. The Suppliers shall comply with all applicable labor-related laws and regulations and maintain a system for its compliance.
3. The Suppliers shall ensure all their employees are familiar with their labor-related rights, including the below requirements on labor-related rights, even if not covered by applicable laws and regulations.

B. Forced, bonded, compulsory labor or human trafficking – Non engagement.

1. The Suppliers shall not engage in, or support, forced, bonded, compulsory labor or human trafficking. This includes:
 - a. work that is exacted from any person under the menace of any penalty.
 - b. work for which the person has not offered himself or herself voluntarily.
 - c. the use of deception or other forms of coercion, for the purpose of exploitation of people.
2. If forced, bonded, compulsory labor or human trafficking is found at the Suppliers, they shall implement effective remediation and corrective action procedures to comply with 1a, 1b and 1c above, and put the best interest of the person first, such as resolving debts or other forms of bondage, as well as enabling revised employee conditions or repatriation. Remediation/corrective actions are documented and are verified to ensure effectiveness.

Contd...4

3. The Suppliers shall ensure that any employment/recruitment agency(ies) used by them are screened and monitored to ensure that they are:
 - a. licensed or certified by the competent national authority.
 - b. conforms with all applicable laws and regulations that govern their business activities with possession of necessary licenses and permits.
4. The Suppliers, or the employment/recruitment agency(ies) contracted by them for recruitment, shall not take possession of any original identity documentation, such as IDs, visas, passports, without which the employee would not be able to freely terminate the employment, travel or leave the country.
5. The Suppliers, or the employment/recruitment agency(ies) contracted by them for recruitment, shall not withhold any part of the employee's salary, property, or benefits, even if local regulation allows for this. The only situations where withholding is permitted is when required by law.
6. The Suppliers, or the employment/recruitment agency(ies) contracted by them for recruitment, shall not charge employees any fees for recruitment or during employment. This includes any costs, or deposits, associated with the processing of official documents including work visas. For migrant workers, this includes any costs, or deposits, associated with travel and repatriation.
7. The Suppliers shall allow employees to freely move around the workplace in order to use sanitary facilities and have access to drinking water during their work shift and not keep employees involuntarily on site outside of a work shift.
8. The Suppliers shall offer employees reasonable and safe transportation to leave the premises when the workplace is not readily accessible and public transportation is not available; allowing employees to leave the site once their shift is over.
9. The Suppliers shall not require employees to reside in employer-operated accommodation as a condition of employment for non-remote, readily accessible, operations.

10. The Suppliers, or the employment/recruitment agency(ies) contracted by them for recruitment, shall not engage in prison labor.

C. Protects children and Young Workers

1. The Suppliers shall not engage in child labor (below the age of 18 years) including any work that is mentally, physically, socially or morally dangerous and harmful to children or any work that interferes with their schooling.
2. If child labor is found by any inadvertent means, the Suppliers shall implement effective remediation/corrective action procedures to comply with clause C1 above that put the best interest of the child first, such as enabling the child to attend school and remain in school until no longer mandatory. Remediation/corrective actions are documented and are verified to ensure effectiveness.
3. The Suppliers shall encourage, and shall not prevent, children of employees living on-site to attend mandatory schooling.

D. Non-discrimination against employees

1. The Suppliers shall not discriminate against their employees and shall ensure equal treatment of all applicants for employment, and employees in all cases, including: disciplinary practices, job assignment, pay & benefits, promotion and other career opportunities, recruitment process and conditions, retirement, termination, training, working conditions; irrespective of, age, caste, color, disabilities, ethnicity, gender, legal status, marital status, nationality, parental status, participation in trade unions, political opinion, pregnancy, race, religion, sexual orientation.
2. The Suppliers, or the employment/recruitment agency(ies) contracted by them for recruitment, shall not test for pregnancy or virginity, nor practice or encourage forced contraception.
3. The Suppliers, or the employment/recruitment agency(ies) contracted by them for recruitment, shall only perform medical tests if required for health and safety reasons, according to a risk assessment as directed by Avanti Feeds Limited and employees have the right to use an independent doctor, if preferred. If medical tests are performed, the employees' data must be protected, and employees have the right to have their test results.

4. The Suppliers shall have effective communication, procedures, and monitoring in place to ensure harassment, abusive or exploitative behavior does not occur in the workplace.

E. Provides a Safe and Healthy Work Environment

1. The Suppliers shall provide a safe and healthy work environment and maintain a health & safety risk assessment as directed by Avanti Feeds Limited which includes risk of physical and mental injuries, acute or chronic, in the working environment.
2. The Suppliers shall implement appropriate measures (including includes appropriate health & safety notices/instructions in the workplace, appropriate equipment maintenance, appropriate training for employees including on emergency responses, as well as PPE used appropriately by employees) to mitigate the risks identified based on the health & safety risk assessment, monitor indicators of risks identified, monitor the effectiveness of measures implemented, and repeat the risk assessment depending on monitoring outcome.
3. The Suppliers shall provide well-maintained and appropriate Personal Protective Equipment (PPE) free of charge and according to the need defined in the health & safety risk assessment.
4. The Suppliers shall provide adequate First Aid (including supplies) administered by qualified personnel in the event of a work-related injury; this includes access to professional support such as an ambulance.
5. Where not provided by a State/National social security/health system, the Suppliers shall provide and pay for insurance for all employees for work-related accidents or injuries; this includes as a minimum the cost for transport and medical treatment/medication needed to treat the accident or injury, the cost for transport and medical treatment/medication needed for recovery, compensation for lost working hours, as well as the cost for any required repatriation in case of migrant workers.
6. The Suppliers shall allow employees the freedom to remove themselves from an unsafe situation without fear of retribution.
7. The Suppliers shall provide access to adequate and clean sanitary facilities, with adequate privacy, which includes separation by gender if required.

8. The Suppliers shall provide access to free, clearly labelled, potable water for all employees.
9. The Suppliers shall provide access to a designated area to prepare food and eat during breaks.
10. The Suppliers shall not require employees to purchase from employer-operated stores or services, such as the use of canteens, as a condition of employment; where alternative stores or services are not available due to the remote location, cost is reasonable and does not include the Suppliers making a profit from stores and services provided to employees.
11. The Suppliers shall provide suitable areas for breastfeeding women and shall allow for additional workday breaks for pregnant and breast-feeding women; nursing breaks shall be counted as working time and remunerated accordingly.
12. The Suppliers shall not engage in, or tolerate, mental, physical or verbal abuse, or any other form of harassment.
13. The Suppliers shall ensure the structural integrity of all buildings and structures within their facilities.
14. The Suppliers shall adhere to maritime legislation, specifically regarding the health and safety dimension, for situations where the Suppliers interact with maritime traffic.

F. Respects the right to associate and the right for collective bargaining

1. The Suppliers respect the right to associate and the right for collective bargaining and shall inform all employees that they are free to join or form workers organizations (i.e. trade unions or other organizations that represent their labor concerns and interests), of their own choosing and shall not interfere in any way with the establishment, functioning or administration of workers' organization(s) or collective bargaining.
2. The Suppliers shall inform all employees that they are free to bargain collectively.
3. The Suppliers shall, in areas where the right to freedom of association is restricted by law, accept comparable means for freedom of association and collective bargaining.

G. Contracts employees in a transparent manner

1. The Suppliers shall recruits/contracts employees in a transparent manner and ensure that all employees have received, understood and agreed upon, written and understandable information about their employment terms and conditions prior to migration, and starting employment. This information shall include, at a minimum:
 - a. a description of the role and any responsibilities,
 - b. the type of contract (e.g. permanent, fixed-term, contractor),
 - c. working hours, including allowance for breaks,
 - d. paid annual leave and allowance for days off on public holidays,
 - e. sick leave,
 - f. wages,
 - g. any agreed wage deductions (e.g. accommodation, meals),
 - h. compensation for overtime,
 - i. benefits (e.g. insurances),
 - j. provision for free personal protective equipment,
 - k. termination terms and conditions; notice period,
 - l. access to relevant policies (e.g. anti-discrimination, and access to trade unions and collective bargaining).
2. The Suppliers shall provide all employees transparency on any process involved in, and documentation on advances, loans, hours worked, pay and the calculation of any deductions, and store copies hereof within the facility.
3. The Suppliers shall not use systematic employment arrangements – such as but not limited to – labor-only contracting, sub-contracting, family contracting, home-working, false-apprenticeships, exclusive use of fixed-term contracts – to avoid any social or labor rights towards their employees.

H. Pays employees at or above the legal minimum wage

1. The Suppliers shall pay their employees at or above the legal minimum wage and shall set wages (before overtime and bonuses) at or above the legal minimum wage; if a minimum wage has not been established by law, the Suppliers shall calculate basic needs wages, in consultation with workers or their representative worker organizations.

2. The Suppliers shall pay wages in legal tender at regular intervals but at a minimum monthly, and directly to employees, in accordance with national law, and shall not be delayed, deferred or in any way withheld.
3. The Suppliers shall document information of wage payment and receipt of all employees, including receipt of information on advances, loans, hours worked, pay and the calculation of any deductions.
4. The Suppliers shall ensure that employees are entitled to maternity or paternity protection in accordance with the requirements of national laws and regulations or ILO Convention 183, whichever is greater.

I. Prevents excessive working hours

1. The Suppliers prevent excessive working hours and shall comply with collective bargaining agreements (if applicable) and industry standards on regular working hours but shall not exceed 8 hours per day and 48 hours in a normal week (excluding breaks) and shall keep records of the hours worked by employees.
2. The Suppliers shall ensure that overtime hours are voluntary, occur only under exceptional circumstances and are not requested regularly. They shall ensure that overtime is not more than 12 hours per week and shall ensure that overtime hours are paid at a premium rate as defined by collective bargaining agreements (if applicable) or industry standards. In cases where this is not defined, a premium rate of a minimum of 125% of the agreed salary is applied to overtime hours.
3. The Suppliers shall comply with collective bargaining agreements (if applicable) and industry standards regarding,
 - a. workday breaks but shall not be less than 1 hour per 8 hours of work.
 - b. daily rest but shall not be less than 11 consecutive hours per 24 hours.
 - c. weekly rest but shall not be less than 24 consecutive hours (1 day) of rest within a 7-day period.
 - d. annual leave.
 - e. premium rates, working hours, breaks, daily rest, weekly rest and health assessments for night work.

J. Disciplinary practices that respect the dignity and health of the employee

1. The Suppliers shall have transparent disciplinary procedures and applies them in a progressive and objective manner, ensuring dignity and respect towards the employee and shall not deduct from wages or benefits for the purpose of disciplinary action.

K. Provides effective worker grievance mechanisms

1. The Suppliers shall provide effective worker grievance mechanisms and have a system in place, which all employees are familiar with, which facilitates dialogue between parties (e.g. between employees and different management levels) before, rather than in reaction to, disputes.
2. The Suppliers shall have a grievance procedure that includes requirements for non-retaliation and is accessible and applicable to all employees.
3. The Suppliers shall track grievances, resulting responses and address all grievances within a 90-day timeframe of submission.
4. The Suppliers shall have a decision-making grievance committee that is made up of members representing the diversity of employees, in order to ensure special consideration for vulnerable groups such as new and expectant mothers, and migrant workers.
5. The Suppliers grievance committee shall ensure that grievances are processed fairly, resulting in an effective outcome, and facilitates dialogue where needed.
6. The Suppliers shall ensure a confidential process is provided for, if preferred by the employee/entity submitting a grievance, and shall only share information as necessary to investigate the grievance.

L. Provides safe, decent and hygienic worker accommodation

1. The Suppliers shall ensure that any dormitory facilities provided for personnel, or their family are safe, whether it owns, leases or contracts the dormitories from a service provider; this includes provision of safety systems, emergency/escape routes, ventilation, reasonable protection from heat, cold, noise, smell and dust, as well as adequate privacy, including separation by gender if required.

2. The Suppliers shall ensure that any dormitory facilities provided for personnel, or their family are clean, hygienic and meets their basic needs, whether it owns, leases or contracts the dormitories from a service provider.
3. The Suppliers shall arrange for annual meetings between employee representatives and management, to discuss improvements to housing and shall ensure that dormitory facilities are located separately from production facilities.
4. The Suppliers shall ensure that any rent is reasonable and does not include the Suppliers making a profit from accommodation provided to employees.
5. The Suppliers shall provide access to appropriate sanitary facilities (within the dormitory facilities) that are clean and that provide adequate privacy, including separation by gender if required.

M. Contributes to maintaining or enhancing the social and economic well-being of local communities, Indigenous and tribal peoples

1. The Suppliers shall proactively engage with the local community, Indigenous and tribal peoples to periodically identify, avoid or mitigate significant negative social impacts resulting from activities of the Suppliers.
2. The Suppliers shall have a grievance procedure accessible and applicable to the local community, Indigenous and tribal peoples and shall make known to them how grievances can be submitted and how the mechanism for dealing with grievances works.
3. The Suppliers shall have a grievance procedure that includes requirements for non-retaliation and address all grievances resulting from activities created by the Suppliers within a 90-day timeframe from the date of submission by local communities, Indigenous and tribal peoples.
4. The Suppliers shall track grievances, resulting responses and remedy.

5. The Suppliers shall have a decision-making grievance committee, including members representing local communities, Indigenous and tribal peoples in order to ensure special consideration for vulnerable groups.
6. The Suppliers grievance committee shall ensure that grievances are processed fairly, resulting in an effective outcome, and facilitates dialogue where needed.
7. The Suppliers shall ensure a confidential process is provided for, if preferred by the person/entity submitting a grievance, and shall only share information as necessary to investigate the grievance.
8. The Suppliers shall not restrict or negatively affect community, Indigenous and tribal peoples and their members' rights and access to sites which are of special cultural, ecological, economic, religious or spiritual significance and rights to food security, and access to resources including land and water, resulting from activities by the Suppliers.
9. The Suppliers shall, to the extent possible, source goods and services, including employment, from the local communities, Indigenous and tribal peoples.

N. Use water responsibly

1. The Suppliers shall identify all sources of water used, e.g., municipal water supplies, surface water sources, ground water sources, seawater, produced water, separated into "freshwater" and "other water".
2. The Suppliers shall calculate, record and, using the template provided by Avanti Feeds Limited, annually report its water consumption per water source in megaliters/t (total) product produced/year.
3. Where bore wells are used by the Suppliers, groundwater levels shall be measured and recorded on a regular basis (taking into account seasonal fluctuation) and at least once a year.
4. The Suppliers shall develop and implement a Water Conservation and Efficiency Plan (WCEP) with the intent to reduce water consumption as a result of inefficient practices, where possible. The WCEP shall include the identification of responsible practices, and measures to move away from poor practices and increase responsible practices within a meaningful timeline.

5. The Suppliers shall annually perform a risk assessment to assess if the WCEP includes adequate measures to minimise the risk that the Suppliers are contributing to water supply problems for ecosystems and communities using the same water source.

O. Handle waste responsibly

1. The Suppliers shall identify all types of waste generated, separated into hazardous and non-hazardous waste, and method of disposal, as well as what level of recovery is carried out on-site.
2. The Suppliers shall calculate, record and, using the template provided by Avanti Feeds Limited, annually report its waste in tonne (t) per year per method of disposal.
3. The Suppliers shall develop and implement a documented Waste Management Plan (WMP) with the intent to improve waste avoidance and resource recovery where possible. The WMP shall include the identification of responsible practices, and measures to move away from poor practices and increase responsible practices within a meaningful timeline.
4. The Suppliers shall handle and store chemicals and hazardous materials and waste in a safe manner and shall account for all chemicals and other hazardous waste on site.
5. The Suppliers shall dispose of waste materials which are not re-used or recycled, in a responsible manner. Dumping waste outside the Suppliers site in unofficial sites and littering is prohibited.

P. Handle effluent responsibly

1. The Suppliers shall identify all effluents (including from production, site runoff, offices and any on-site accommodation) and destination of the discharge (e.g. to surface water, groundwater, seawater, municipal treatment facilities, separated into discharge by “freshwater” and “other water”), and what level of treatment is carried out on-site.
2. The Suppliers shall calculate and, using the template provided by Avanti Feeds Limited, annually report its effluent discharge in megaliters (ML) per year per destination and the recording shall include all incidences of spills or accidental discharges

3. The Suppliers shall develop and implement an Effluent Management Plan (EMP) with the intent to reduce negative impacts on receiving waters in terms of ecosystems and human health. The EMP shall include the identification of responsible practices, and measures to move away from poor practices and increase responsible practices within a meaningful timeline. The plan shall also include spill prevention and response measures.

Q. Use energy responsibly and monitor Greenhouse Gases (GHG) emissions

1. The Suppliers shall identify all energy sources (e.g. diesel, petrol, natural gas, electricity, and other sources, specifying electricity from the national/regional grid and electricity coming from other renewable and non-renewable sources).
2. The Suppliers shall calculate, record and, using the template provided by Avanti Feeds Limited, annually report its energy consumption in megajoules (MJ) per tonne of (total) product produced in the assessed year.
3. The Suppliers shall develop and implement an Energy Efficiency Management Plan (EEMP) with the intent to improve energy efficiency and to increase the proportion of energy coming from renewable energy sources. The EEMP shall include the identification of responsible practices, and measures to move away from poor practices and increase responsible practices within a meaningful timeline.
4. The Suppliers shall calculate, record and, using the template provided by Avanti Feeds Limited, report its Greenhouse Gas (GHG) emissions in kg CO₂ equivalents per tonne of (total) product produced/year.

R. Transparency on characteristics of products supplied

1. The Suppliers shall disclose the presence of Genetically Modified Organisms (GMO), or ingredients produced from GMO of each product to all buyers of the product.
2. The Suppliers shall disclose the active compound and inclusion levels (in mg or g/kilogram product) of added antibiotics or other added medicinal feed additives for each product to all buyers of the product.