

JKSML	JK Sugar Mills (Pvt.) Limited.	DOC# JKSML/Policies/HR/007 Effective Date: May 01, 2024 Revision: 01
	<i>Chain of custody Sustainability Policy</i>	

### Purpose

The purpose of this policy is to ensure that all materials and products entering and leaving our facilities are tracked and traced in a transparent and verified manner through the use of a mass balance Chain of Custody system. This policy aims to ensure that we maintain the integrity of our products and the supply chain and comply with applicable laws, regulations and industry standards (mass balance Chain of Custody Standard V 5.1)

### Scope

This policy applies to all facilities and operations that handle materials and products are subjected to mass balance chain of custody tracking, including suppliers, contractors, and subcontractors.

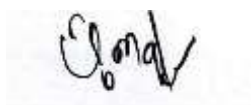
### Objective

The objective of this policy is to establish a mass balance chain of custody system that will:

- Ensure traceability of materials and products throughout the supply chain.
- Facilitate the tracking and identification of raw materials, intermediate and finished products and their respective quantities.
- Provide transparency and verification to all stakeholders regarding origin and sustainability of our products.
- Ensure compliance with applicable laws, regulations and industry standards.
- Promote responsible sourcing and sustainable practices throughout the supply chain.

### Terms and Definitions

- **Bonsucro certified members:** Bonsucro members who have been certified against the Bonsucro Producer Standard and/or the Bonsucro chain of custody standard.
- **Cane supply area:** area which a mill defines as the land under cane production for the purposes of certification.
- **Carryover:** The positive balance of Bonsucro certified product at the end of the inventory period that is carried over to the next inventory period. The positive balance at the end of the inventory period is calculated as the balance at the beginning of the inventory period plus the total volume of Bonsucro certified material & credits purchased during the inventory period minus the total volume of Bonsucro certified material & credits sold during the inventory period (taking into account relevant conversion factors if appropriate).
- **Certification Body:** i.e. Conformity assessment Body, Body that performs the audit.
- **Chain of Custody:** sequence of responsibilities for and control of products or materials as they move through each step in the relevant supply chain.
- **Chain of Custody system:** set of measures designed to implement a chain of custody, including documentation of these measures.



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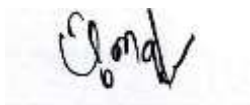
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- **Consignment:** quantity (e.g. batch, lot, load) of product mass with attached data specifying the product content in terms of kilograms (or tons of sugar or litres/M<sup>3</sup> of ethanol) and sustainability characteristics.
- **Conversion factors:** are the ratio between the output material and the input material. Conversion factors will be specific to facilities and should be accurately and fully documented in the mass balance system.
- **Document:** Information and its supporting medium, the medium can be paper or electronic record.
- **Internal Control System (ICS):** A set of rules, procedures, and organizational structures developed and maintained by the certified organization that ensure that Bonsucro chain of custody requirements are met.
- **Inventory Period:** A consistent period over which physical Bonsucro certified product and sustainability data is reconciled.
- **Finished product:** A finished product is a product where no further modification or change occurs (including repacking).
- **Mass balance:** A system for administratively monitoring the inputs and outputs of certified material/product throughout the supply chain. It allows for mixing of these materials/products with non certified material at any stage in the supply chain provided that the outputs of certified material/product do not exceed the inputs of certified material/products.
- **Multi-sites:** More than one location either within a single legal entity or across legal entities that are related via an ownership structure (e.g. common holding company). Such locations may be refineries, storage or other processing units. One site of an included legal entity shall be designated as responsible for maintaining the central administration of the requirements including the Mass balance accounting using an Internal Control System (ICS).
- **Site:** a single functional unit of an organization or a combination of units situated at one locality, which is geographically distinct from other units.
- **Supplier:** Previous legal owner of the product in the chain of custody.
- **Sustainability characteristics:** Confirm & describe compliance with the Bonsucro environmental, social and economic criteria for a consignment of sugarcane, sugar, bagasse and any other product derived from sugarcane, sugarcane residues or sugarcane waste. Traceability: the ability to trace the history, application or location or source(s) of a product throughout the supply chain

#### **Management Commitments:**

Our management is committed to implementing and maintaining a Mass balance Chain of Custody system that meets the requirements of this policy. We will:

1. Provide the necessary resources and support for the implementation and maintenance of the Chain of custody system.



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2. Ensure that all employees and stakeholders are aware of this policy and their respective roles and responsibilities in its implementation and enforcement.
3. Regularly review and update this policy to ensure its effectiveness and compliance with applicable laws, regulations, and industry standards
4. Engage with our suppliers, customers, and other stakeholders to promote responsible sourcing and sustainable practices throughout the supply chain.
5. Management will carry out audits and assessments to verify compliance with Mass balance Chain of Custody requirements.
6. Management will take action to address any non-conformances identified during audits and assessments.
7. JK-1 Chain of Custody Policy requires that Mass balance claims are backed by credible, documented evidence.
8. Chain of Custody Policy encourages continuous improvement by requiring members to review and update their Chain of Custody procedures and documentation regularly.
9. The commitment of the organization/Policy shall be made available to its personnel, suppliers, clients and other stakeholders

**Records:**

JK-1 should maintain Chain of custody data for the five year like sale data, purchase data and other related documentation.

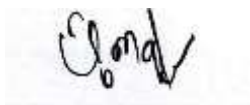
**Procedure:**

The Mass balance Chain of Custody system include the following procedures:

- Identification and tracking of all materials and products entering and leaving our facilities using a unique identification system.
- Recording and maintaining records of the origin, quantity, and movement of raw material and product through the supply chain.
- Verification of the sustainability and legality of all materials and product, including compliance with applicable laws, regulations, and industry standards.
- Periodic audits and inspections of our facilities and the facilities of our suppliers to ensure compliance with this policy and the Chain of custody system.
- Implementation of corrective actions in case of non-compliance with this policy or the Chain of custody system.

**REVIEW**

This policy will be reviewed once within three years, or as required, in order to ensure that the terms are current, fair and representative of relevant corporate and industry laws. The Company reserves the right to change this policy at any time, without prior notice.



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