

# Good Practices Compendium 2026

Case Studies from Indian  
FMCG Suppliers

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# **Good Practices Compendium 2026**

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# Authorship

The publication titled ‘**Good Practices Compendium 2026: Case Studies from Indian FMCG Suppliers**’ has been jointly developed by [AIM-Progress](#) and the [Centre for Responsible Business](#) (CRB) as part of the [AIM-Progress Supplier Capability Building Programme in India \(2025–26\)](#). This publication is our first collective effort to document and showcase supplier-led responsible business practices from the FMCG sector in India. By bringing together diverse implementation experiences, the compendium seeks to capture emerging practices, lessons, and innovations that are advancing responsible business conduct in India.

The cases presented in this compendium are based on applications submitted by suppliers who are supplying AIM-Progress members and/or are participating in the AIM-Progress Supplier Capability Building Programme in India (2025–26). The applications were submitted by the suppliers, reviewed by AIM-Progress and CRB and evaluated by an independent jury. While due diligence was conducted, AIM-Progress, CRB and the jury members do not take responsibility for the facts submitted by the suppliers. The cases shortlisted in the Compendium are self-disclosed by the suppliers.

AIM-Progress and CRB have coordinated the compilation, review, and publication of this document with the objective of promoting knowledge-sharing, peer learning, and the advancement of due diligence and responsible business conduct across supplier ecosystems.

# Acknowledgements

The *Good Practices Compendium 2026* ('The Compendium') has been jointly developed by AIM-Progress and the Centre for Responsible Business (CRB) under the AIM-Progress Supplier Capability Building Programme in India. AIM-Progress and CRB extend their sincere appreciation to all enterprises and individuals whose contributions have made this publication possible.

We express our gratitude to **Louise Herring, Executive Director, AIM-Progress** and the AIM-Progress Secretariat. We also thank **Nora Wolters, Supplier Capability Building Manager, AIM-Progress**, for her leadership, guidance, and continued support throughout the implementation of the programme and the development of this Compendium. We acknowledge the valuable support of the **AIM-Progress member sponsors; Associated British Foods (ABF), Danone, Essity, Kerry, Mondelez, The Hershey Company and Unilever**; whose commitment to supplier capability building has been instrumental in advancing the programme in India.

We deeply appreciate the **participating suppliers** who contributed their time, experiences, and good practices for consideration under this publication. Their willingness to share implementation journeys, lessons learned, challenges encountered, and outcomes achieved has enriched this compendium and provided valuable insights for peer learning across supply chains. A special mention to the enterprises featured in the compendium for closely engaging with the team and making this report possible. The enterprises being, **Auro Sundram Foods & Feeds Pvt Ltd, Makson Pharmaceuticals, Olam Food Ingredients (ofi) India Private Limited, Swani Spice Mills Pvt Ltd, Synthite Industries Pvt Ltd**. The practices featured herein reflect the growing commitment of suppliers towards advancing responsible business conduct and sustainable value chains.

We extend our sincere gratitude to the **jury panel** for their time and rigorous evaluation of the applications. We thank **Namit Agarwal, Head of Programme (People & Social Impact), World Benchmarking Alliance; Mukesh Gulati, Executive Director, Foundation for MSME Clusters; and Vasanthi Srinivasan, Professor, Organisational Behaviour and Human Resource Management, Indian Institute of Management Bangalore**, for their independent assessments and thoughtful guidance in identifying the practices featured in the Compendium.

Within CRB, we acknowledge the contributions of **Neha Tomar, Assistant Director, Nandini Sharma, Director and Rishika Sengupta, Programme Officer** in designing and implementing the Supplier Capability Programme in India. They have played an instrumental role in conceptualizing and drafting of the Compendium. We recognise the efforts of **Siya Chopra, Deputy Director**, for the design and production of this publication. We are also thankful to **Rijit Sengupta, Chief Executive Officer, CRB** for his expert advisory on the programme and this publication.



# Foreword

It is worth pausing, in a publication like this, to remember where this work began. Not with a global programme, but with a single supplier event to discuss responsible sourcing in India, held at the request of our members, more than a decade ago. What started as a one-off encounter has grown, gradually and deliberately, into a global capability building programme. The focus is on building supplier maturity in human rights and environmental due diligence, rather than a single conversation, delivered with local partners and sustained by our members, the global brands that fund and champion this work. The Good Practices Compendium is the first of its kind and a celebration of how far that partnership has come.



**Louise Herring**  
Executive Director  
AIM-Progress

In these pages, suppliers in India share their own stories, in their own words, about the practices they have built, in occupational health and safety, in worker engagement, and in strengthening the livelihoods of the farmers they depend on. Creating space for that experience to be recognised is, we believe, as much a part of capability building as any training session.

India is a country of strategic importance to many AIM-Progress member companies, and a shared, locally delivered programme can reach further than any single company acting alone. Indian suppliers sit at the centre of that opportunity, not at its edges: it is their capability, their commitment, and their willingness to engage that ultimately enables responsible sourcing and delivers real outcomes for workers and for business alike. Done right, human rights due diligence is not a one-way obligation but a shared opportunity: suppliers build capability and visibility, and our member companies build the supplier relationships that contribute to resilient value chains. That opportunity is only possible because everyone invests in it. Suppliers bring their time, our members their resources and commitment, and partners like the Centre for Responsible Business the local understanding that turns that investment into impact.

I hope these stories inspire continued partnership, between members, suppliers and implementing partners alike, in building resilient, responsible value chains. My thanks to the suppliers who shared their experience here, and to our members, whose commitment and support make programmes like this, and this Compendium, possible.

## Foreword

The Good Practices Compendium 2026 arrives at a pivotal moment for India's FMCG supplier ecosystem. As an India-based 'southern' think-tank working to advance responsible business conduct across value chains, Centre for Responsible Business (CRB) is proud to have partnered with AIM Progress to document supplier led (bottom-up) initiatives that demonstrate local sustainability expectations vis-à-vis global initiatives, through on the ground actions.

This Compendium presents cases of SMEs embedding responsible business practices into their operations, and underlines the challenges and opportunities therein. The five cases represent a common thread – 'when leadership commitment, worker engagement, and evidence based approaches come together, improvements in decent work, employability, supply chain engagements become achievable and scalable'.

Our endeavour is that these practical examples will do three things: first, inspire other suppliers to adopt similar measures (business case). Second, equip brands and buyers with clearer expectations for meaningful supplier support (risk mitigation). Third, encourage practitioners to invest in implementation focused capacity building (shared responsibility). The lessons here underline that responsible business is not a compliance exercise but a pathway to resilient, competitive supply chains that deliver social and environmental value – and makes perfect business sense even for SMEs.

I thank the participating suppliers, AIM Progress, the programme sponsors, and the independent jury for their contributions. May this Compendium serve as a living resource for peer learning and a catalyst for deeper, sustained collaboration across India's FMCG sector, value chains and beyond.



**Rijit Sengupta**

Chief Executive Officer  
Centre for Responsible  
Business

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# Executive Summary

## 1.1 AIM-Progress Supplier Capability Building Programme in India

AIM-Progress is a forum of 55+ leading Fast-Moving Consumer Goods (FMCG) companies and suppliers, assembled to enable and promote responsible sourcing practices and sustainable supply chains.

The Supplier Capability Building Programme aims at enhancing human rights due diligence maturity in global FMCG supply chains through a multi-year approach. After several one-off in-person events, AIM-Progress partnered with CRB for in 2024 to launch and roll-out the first cycle of a blended learning programme in India. Participating suppliers are nominated by member sponsors (i.e., ABF, Danone, Kerry, Essity, The Hershey Company, Mondelez and Unilever for the latest programme cycle) to enrol in the programme free of charge. Content is aimed at supporting Indian suppliers in understanding, adopting, and implementing Human Rights and Environmental Due Diligence (HREDD) principles within their operations and value chains while taking the local regulatory and systemic context into consideration. The first phase in 2024/25 focused on building the foundations of suppliers and the second phase of the programme (2025-26) aimed to deepen engagement with priority topics. Baseline and endline surveys measure the suppliers' knowledge pre- and post-training and collect their feedback and ideas on the curriculum. The Supplier Capability Building programme is currently active in five countries (India, Malaysia, Mexico, South Africa and Thailand) with further additions planned.

The objectives of the programme are:

- Building supplier capability to develop and implement Human Rights & Environmental Due Diligence (HREDD) systems
- Strengthen supplier capabilities in root-cause analysis, risk assessment, and corrective action planning
- Foster collaborative supplier networks on HREDD and human resource-related challenges, including peer-learning and exchange

### Snapshot: AIM-Progress Supplier Capability Building Programme in India

| Features                               | 2024-2025                                                                                                                                                                                                                                                                                                                                 | 2025-2026                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total Number of Member Sponsors        | 7                                                                                                                                                                                                                                                                                                                                         | 7                                                                                                                                                                                                                                                                                                                                |
| Total Number of Suppliers Enrolled     | 120+                                                                                                                                                                                                                                                                                                                                      | 200+                                                                                                                                                                                                                                                                                                                             |
| Total Number of Webinars               | 6                                                                                                                                                                                                                                                                                                                                         | 4                                                                                                                                                                                                                                                                                                                                |
| In-Person Capability Building Workshop | 1 (Bangalore)                                                                                                                                                                                                                                                                                                                             | 1 (Mumbai)                                                                                                                                                                                                                                                                                                                       |
| Topics Covered                         | <ul style="list-style-type: none"><li>- BHR Fundamentals</li><li>- Legislative Context - Mandatory Human Rights Due Diligence Legislation</li><li>- Risk Assessment &amp; Prioritisation</li><li>- Preventing &amp; Mitigating</li><li>- Tracking Effectiveness</li><li>- Grievance Redressal</li><li>- Responsible Recruitment</li></ul> | <ul style="list-style-type: none"><li>- BHR Fundamentals</li><li>- Wage &amp; Overtime</li><li>- Health, Safety, Environment</li><li>- Grievance Redressal</li><li>- Indian Labour Codes</li><li>- Responsible Recruitment</li><li>- Human Rights &amp; Climate</li><li>- Supply Chain Traceability &amp; Transparency</li></ul> |



## 1.2 CRB's Strategic Engagement & Overview of AIM-Progress Supplier Engagement Programme in India (2024–2026)

The Centre for Responsible Business (CRB) is a New Delhi based think tank, working with diverse stakeholders (global and domestic) to support business integrate responsible business practices in their core operations.

Since 2011, we have worked with multiple Multinational Companies (MNCs), large companies and SMEs to build awareness and capabilities across Business & Human Rights (BHR), environment and climate response and circularity related topics, advise on integrating and demonstrating sustainability in business operations and curating multi-stakeholder dialogues and platforms.

CRB has served as the implementing partner for AIM-Progress' Supplier Capability Building Programme in India since 2024. The programme adopted a blended learning approach through webinars, peer discussions, and in-person convenings, enabling collaborative learning and practical knowledge-sharing across the supplier ecosystem. In Year 1 (2024-25) of the Programme, the engagement focused on foundational awareness-building through workshops and webinars on BHR, with CRB supporting as implementation partner. Building on these foundations, Year 2 (2025-26) shifted towards deeper engagement on identified BHR priorities through implementation-oriented discussions, practical guidance on “how” to operationalise responsible business practices, and showcasing supplier-led initiatives and experiences.

## 1.3 Purpose & Objectives

The *Good Practices Compendium 2026* showcases supplier-led responsible business practices identified through a competitive selection process. The purpose is to highlight innovative and practical approaches across the Indian FMCG sector to advance responsible business practices.

The objectives of the Compendium are:



To spotlight responsible and sustainable practices being implemented by Indian suppliers



To provide insights to global brands on suppliers' approaches towards responsible business conduct and Human Rights and Environmental Due Diligence (HREDD)



To promote knowledge-sharing through practical examples and implementation experiences on responsible business practices

## 1.4 Methodology & Selection Process

The Compendium followed a competitive application and selection process to identify supplier good practices. Suppliers submitted their applications through a pre-shared template, outlining the initiatives, implementation process, including the approach followed and impact identified.

First, the applications were screened by AIM-Progress and CRB team based on defined selection criteria. Second, the shortlisted applications were reviewed and evaluated by an independent jury, comprising three eminent sustainability experts. The jury evaluated the cases per a scoring rubric and selected the applications to be featured in the Compendium.

## 1.5 Key Highlights: Lessons from the Case Studies

The supplier practices featured in this Compendium demonstrate diverse approaches to strengthening due diligence and responsible business conduct across supply chains. As the focus areas vary from workplace safety and worker wellbeing, responsible sourcing to complex topics such as child protection, environmental stewardship, and farmer livelihoods, below are some of the key highlights from the cases:



**Strong Governance and Accountability Mechanisms:** Due diligence mechanisms and responsible business practices/ initiatives have to be supported by robust management systems which should include clearly defined governance structures, multi-level oversight, periodic reviews plus tracking and measuring impact for long-term implementation and success. Defining clear action plans, targets and timelines is a foundational element in this approach.



**Structured and Systematic Implementation:** To institutionalise sustainability practices in business operations, the policies and Standard Operating Procedures (SOP) should extend to include comprehensive processes such as risk assessments, baseline studies, stakeholder consultations, phased implementation and capacity building.



**Evidence-Based Social Impact Interventions:** Data-driven assessments and community engagement mechanisms are vital to identify and address root causes of social challenges, including complex human rights issues.



**Responsible and Traceable Sourcing Models:** Supply chain management should integrate and adopt a multifaceted approach, including ethical sourcing policies, robust management and traceability systems. Long-term engagement with downstream business partners is key towards building transparent and resilient supply chains.



**Regular Stakeholder Engagement:** Enterprises should identify relevant stakeholders and develop a strategy for engagement. Key stakeholders should be engaged in the decision-making processes, for example through consultation and through a regular feedback loop.



**Robust Documentation:** All practices and initiatives should be clearly documented. This includes systematic documentation of implementation experiences, achievements, impacts and outcomes. The documentation while necessary for effective monitoring and evaluation, also forms the basis for external reporting.



**Capability Building and Awareness:** Continuous training and awareness programmes are required for employees, contract workers, supply chain partners and relevant stakeholders. Capability building and awareness initiatives play a critical role in strengthening and streamlining adoption.



## 2. The Good Practices

### Overview

|   | Enterprise Name                                   | Product (s)/Service (s)                                                                  | Good Practices:<br>Thematic Area |
|---|---------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------|
| 1 | Auro Sundram Foods and Feeds Pvt. Ltd             | Manufacturing and supply of corn meal, rice meal, corn flour, and rice flour.            | Health, Safety & Environment     |
| 2 | Makson Pharmaceuticals (I) Pvt. Ltd               | Third party Contract manufacturer Chocolate, Lozenges, Confectionery                     | Health, Safety & Environment     |
| 3 | Olam Food Ingredients (ofi) India Private Limited | Works through five integrated product platforms - Cocoa, Coffee, Dairy, Nuts, and Spices | Responsible Sourcing*            |
| 4 | Swani Spice Mills Pvt. Ltd                        | Supply of coriander, cumin, turmeric chilli etc                                          | Responsible Sourcing             |
| 5 | Synthite Industries Pvt Ltd                       | Oleoresins, Spice                                                                        | Responsible Sourcing             |





# Auro Sundram Foods & Feeds Pvt. Ltd

## PRODUCTS/ SERVICES

Manufacturing and supply of corn meal, rice meal, corn flour, and rice flour

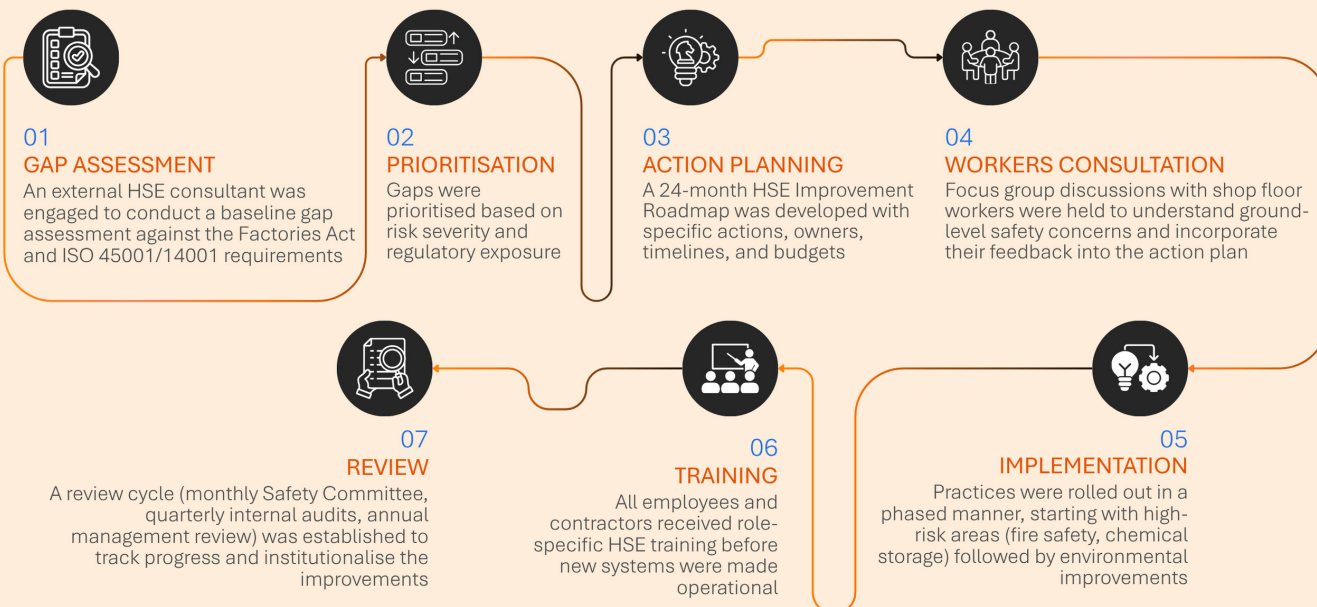
## GOOD PRACTICES: THEMATIC AREA

Health, Safety & Environment (HSE)

## IN THE SPOTLIGHT

### The Process!

Auro Sundram Foods & Feeds Pvt Ltd., follows structured, systematic and comprehensive processes in introducing/ implementing HSE practices. The process includes the following chronological steps:



### 2.1.1 Overview

Auro Sundram Foods & Feeds Pvt. Ltd. strengthened its Health, Safety & Environment (HSE) practices following worker safety incidents, including two Lost Time Injuries (LTIs)<sup>1</sup> reported during FY 2023-24. The company responded by undertaking a comprehensive safety risk assessment, strengthening its safety management systems, and implementing measures to enhance workplace safety, ensure regulatory compliance and support periodic review resulting in continuous improvement.

The resulting HSE practices have enhanced employee awareness, environmental performance, and overall performance while fostering worker participation and a culture of continuous improvement. These measures demonstrate a practical approach that can be readily adopted by other SMEs seeking to create safer, healthier, and more sustainable operations. Some of the key practices implemented include:



#### Dust Suppression & Air Quality Management

Bag filters, cyclone separators, and wet scrubbers have been installed to control particulate emissions and improve workplace air quality



#### Safe Chemical Management

Chemicals used for cleaning and pest control are stored securely, supported by Material Safety Data Sheets (MSDS), worker training, and mandatory use of personal protective equipment (PPE)



#### Zero Liquid Discharge (ZLD) System

A closed-loop water recycling system enables treatment and reuse of process water, significantly reducing wastewater discharge



#### Fire Safety & Emergency Preparedness

The facility maintains fire suppression systems, conducts regular mock drills, and operates a dedicated Emergency Response Team (ERT)



#### Occupational Health Monitoring

Annual health assessments covering respiratory, hearing, and musculoskeletal health are conducted for all workers



#### Energy Efficiency Measures

LED lighting, variable frequency drives (VFDs), annual energy audits, and solar power installations contribute to improved energy performance

### 2.1.2 Policy & Governance Structure

- i. **Policy:** The HSE Policy is endorsed by the Managing Director, guides the company's approach to workplace safety, environmental management, and regulatory compliances. The policy is communicated across the facility through notice boards displayed in **English and local languages (Hindi/Odia)** and is reviewed periodically by the leadership through Management Review Meetings (MRMs).

#### Key Provisions:

- Provide a safe and healthy workplace for employees, contractors, and visitors.
- Zero tolerance for unsafe practices and unreported near-miss incidents.
- Continuous improvement through annual HSE targets and performance reviews.

<sup>1</sup> LTI is an injury causing disablement extending beyond the day of shift on which the accident occurred



- Minimizing waste, conserving natural resources, and reducing the environmental footprint of operations.
- ii. **Governance:** A governance structure is in place to implement, monitor, and continuously improve Health, Safety & Environment (HSE) practices across the facility. The framework comprises:
1. **Board/Leadership Level:** The Managing Director provides overall policy commitment and reviews HSE performance during the Annual Management Review. Significant incidents escalated to leadership immediately.
  2. **Plant Head / Operations Manager:** Responsible for overall HSE compliance at the facility. Chairs the monthly Safety Committee Meeting. Has the authority to stop operations in case of imminent safety risk.
  3. **EHS Officer:** A dedicated full-time EHS Officer manages day-to-day implementation of HSE practices, maintains documentation, coordinates audits, organises training, and tracks CAPA closure. Reports directly to the Plant Head.
  4. **Safety Committee:** Constituted as per the Factories Act, comprising equal representation from management and workers. Reviews incidents, near-misses, audit findings, and approves safety improvement proposals.
  5. **Departmental Safety Champions:** Each department (Milling, Packing, Maintenance, Stores) has a designated Safety Champion responsible for shopfloor compliance and reporting unsafe conditions.

The company has established a structured **escalation mechanism** to ensure the timely reporting, investigation, and resolution of incidents and non-compliances:

- **Minor incidents** → Reported to EHS Officer within 24 hours.
- **Major incidents / near-misses with high potential** → Immediately reported to Plant Head and Managing Director; investigation initiated within 48 hours.
- **Regulatory incidents (e.g., environmental non-compliance)** → Reported to the relevant Pollution Control Board as per statutory timelines and communicated to MD immediately.

### 2.1.3 Internal and External Stakeholder Engagement

The mechanism primarily targets **factory workers and operators (permanent and contractual), supervisors and middle management, as well as contractor and vendor workforces**. To strengthen awareness, participation, and accountability, Auro Sundram Foods and Feeds Pvt. Ltd. engages with these stakeholders through the following mechanisms:



#### MONTHLY SAFETY COMMITTEE MEETINGS

A cross-functional committee comprising management and worker representatives meets regularly to review safety performance, discuss incidents and near misses, and identify corrective actions. Meeting outcomes are documented and communicated to relevant stakeholders



#### ANNUAL MEDICAL HEALTH CAMPS

Health camps are organised in partnership with local healthcare providers to promote worker wellbeing and preventive healthcare. The programme also extends participation to workers' immediate family members



#### CONTRACTOR SAFETY INDUCTION

All contractors are required to undergo a mandatory safety induction before commencing work at the facility. The induction covers key safety protocols, emergency procedures, and workplace expectations



## 2.1.4 Challenges & Mitigation Measures

Like every enterprise, Auro Sundram faced multiple challenges when streamlining and strengthening its HSE practices. Below are some of the challenges and the mitigation measures adopted by the company:

| CHALLENGES                                                                                                                                       | MITIGATION MEASURES                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Limited Financial Resources</b>                             | The company leveraged government support schemes, including the <a href="#">MSME Technology Upgradation Fund Scheme</a> (TUFS) and <a href="#">National Solar Mission</a> incentives. Capital investments were phased over three financial years to effectively manage cash flow.   |
|  <b>Low Awareness and Resistance Among Workers</b>              | Behaviour-Based Safety (BBS) training programmes were conducted by external experts, complemented by initiatives such as the <i>Safety Star of the Month</i> programme to encourage safe practices. Supervisors were also trained to reinforce safety behaviours on the shop floor. |
|  <b>High Contractor Turnover</b>                                | A mandatory safety induction for every new contractor (regardless of tenure) was institutionalised. Induction is now a pre-condition for issuing the 'Gate Pass'. A simplified one-page safety rules card in Hindi/Odia was developed for quick reference.                          |
|  <b>Data Collection and Documentation</b>                      | Standardised documentation procedures and record-keeping systems were introduced to improve data management, monitoring, and reporting.                                                                                                                                             |
|  <b>Balancing Operational Continuity with Safety Upgrades</b> | Upgrades were scheduled during planned maintenance shutdowns and low-production periods. Cross-functional coordination among operations, maintenance, and EHS teams helped minimise operational disruptions and production losses.                                                  |



Over the next five years, Auro Sundram Foods & Feeds Pvt. Ltd. aims to further strengthen responsible and resilient value chains by enhancing workplace health, safety, and operational sustainability across all functions. Building on our existing HSE initiatives, we are committed to achieving zero lost-time injuries, increasing employee safety awareness through regular training, strengthening risk assessment and incident prevention systems, and fostering a culture of continuous improvement. Our ambition is to create a safer, more resilient, and sustainable workplace that supports long-term business growth and responsible value chain development

**Rishu Jha, Quality Incharge and FSTL**



2.2

# Makson Pharmaceuticals (I) Pvt. Ltd



## PRODUCTS/ SERVICES

Third Party Contract  
Manufacturer Chocolate,  
Lozenges, Confectionery



## GOOD PRACTICES: THEMATIC AREA

Health, Safety &  
Environment (HSE)



## IN THE SPOTLIGHT

### *Comprehensive Assessments & Workers Feedback*

Makson Pharmaceuticals HSE practices are supported through strong leadership oversight, clearly defined responsibilities, continuous worker engagement, and regular monitoring mechanisms



## 2.2.1 Overview

Makson Pharmaceuticals (I) Pvt. Ltd. HSE initiatives began with **comprehensive assessments of shop-floor risks, regulatory requirements, customer expectations, and worker feedback**, enabling the company to design targeted interventions across PPE management, LOTO procedures, medical surveillance, emergency preparedness, training, and waste management. The practices were designed to address key operational risks related to worker safety, machine operations, occupational health, food hygiene, fire safety, waste management, and resource efficiency, while meeting regulatory and customer requirements. Further, the initiatives focus on **workforce inclusivity**, encouraging women to participate in administration and supervisory roles, fostering a more supportive and communicative work environment. Today, **76% of the company's 1,500** employees are women, reflecting its commitment to creating a safe and inclusive workplace. Some of the key initiatives include:



Promote a **safe and healthy workplace** through safety inductions, refresher training, PPE usage, LOTO procedures, machine guarding, and emergency preparedness measures



Strengthen **occupational health management** through periodic medical examinations, including CBC, audiometry, and spirometry tests



Maintain high standards of **food hygiene and operational safety** through dust control measures, hygiene protocols, and preventive controls



Reduce environmental impact through **waste segregation, water reuse, renewable energy adoption, and resource-efficient operations**



Encourage continuous improvement and innovation through initiatives such as the **reuse of ETP-treated water**, renewable energy investments, and experimentation with **plastic waste-to-fuel conversion**



**Regular reviews** of HSE policies, procedures, and operational practices are conducted to identify improvement opportunities



Key indicators such as **incidents, near-misses, PPE usage, employee health, waste management, and utility consumption** monitored and reviewed



**Identified gaps** are addressed through corrective and preventive actions, with progress tracked over time



Employees and other stakeholders are engaged through **training, safety briefings, mock drills, and Safety Committee meetings** to strengthen awareness and participation

## 2.2.2 Policy & Governance Structure

- i. **Policy:** The HSE Policy reflects leadership's commitment to maintaining a safe, healthy, and sustainable workplace. The policy guides the company's approach to worker wellbeing, operational safety, and environmental responsibility.

**Key commitments include:**

- Promoting **worker health and safety**, food hygiene, and environmental protection.
- Supporting employee training and awareness on HSE-related matters.
- Strengthening **emergency preparedness** and **response mechanisms**.
- Driving **continuous improvement** in HSE performance across operations



ii. **Governance:** A defined governance structure is in place to implement, monitor, and review HSE practices. The governance framework is as:

1. **Plant leadership** provides overall oversight and direction on health, safety, and environmental performance.
2. A dedicated **Safety Officer** is responsible for day-to-day implementation, monitoring, and compliance.
3. **Department heads and supervisors** support operational execution and ensure adherence to HSE requirements.
4. A functional **Safety Committee** reviews safety performance, identifies risks, and supports corrective actions.
5. A **grievance mechanism** is available for workers to raise concerns and report issues.
6. **Clear accountability and reporting mechanisms** are established to ensure timely action and continuous improvement.

### 2.2.3 Internal and External Stakeholder Engagement

The HSE practices are designed to benefit a wide range of stakeholders, **including permanent employees, women employees and workers, contract workers, labour contractors, housekeeping staff, maintenance teams, supervisors, visitors, and other personnel entering the facility.**



**Regular engagement** is conducted to promote awareness and strengthen HSE compliance across stakeholder groups



**Focused engagement with female employees** including menstrual hygiene awareness, wellbeing training, and availability of confidential support mechanisms to promote a safe and healthy workplace



**Safety induction programmes** and hygiene requirements are communicated to all new employees and contract workers



**Toolbox talks, mock drills, awareness sessions, and quarterly safety meetings** are conducted to reinforce safe work practices



Periodic **health surveillance reviews** are undertaken to monitor employee wellbeing



**Training programmes, meetings, drills, and inspections** are systematically documented and maintained for monitoring and continuous improvement purposes

## 2.2.4 Challenges & Mitigation Measures

When streamlining its HSE measures, Makson Pharmaceuticals (I) Pvt. Ltd. faced challenges such as irregular compliance and safety behaviour from its workers as well as contract workers. Below are some of the key challenges and how they mitigated the same.

| CHALLENGES                                                                                                                                      | MITIGATION MEASURES                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
|  <b>Inconsistent Safety Behaviour Among Workers</b>            | Addressed through regular training programmes, awareness sessions, and enhanced supervision      |
|  <b>Low Compliance Among Contract Labour</b>                   | Mitigated through mandatory safety inductions and strengthened monitoring mechanisms.            |
|  <b>Limited Continuity in Safety Awareness Efforts</b>         | Addressed through periodic mock drills, visual communication materials, and routine inspections. |
|  <b>Documentation and Follow-up Gaps</b>                       | Improved through stronger tracking, reporting, and escalation systems.                           |
|  <b>Production Pressures Affecting Safety Compliance</b>       | Managed through regular reviews by management and the Safety Committee.                          |
|  <b>PPE Misuse and Delays in Closing Safety Observations</b> | Reduced through clearer departmental accountability and regular follow-up actions.               |



*Building on our good practices in Health, Safety and Environment, Makson Pharmaceuticals (I) Pvt. Ltd. aims to strengthen a safer, responsible, and resilient value chain over the next five years. Our key ambition is to move from practice-based HSE implementation to a measurable and improvement-driven HSE system. We will focus on reducing electricity cost, lowering carbon footprint, recycling plastic waste in-house, minimizing overall waste generation, and achieving zero water wastage through reuse. Along with improved worker safety, training, medical check-ups, machine safety, and contractor awareness, stronger monitoring, audits, documentation, and corrective actions will support better compliance and long-term value chain resilience.*

- Komal Makasana, Partner





2.3



# Olam Food Ingredients (ofi) India Private Limited



## PRODUCTS/ SERVICES

Integrated product platforms - Cocoa, Coffee, Dairy, Nuts, and Spices



## GOOD PRACTICES: THEMATIC AREA

Responsible Sourcing

## IN THE SPOTLIGHT



*Evidence-based approach to address child labour related risks!*

As part of its **due diligence efforts**, Olam Food Ingredients (**ofi**) commissioned a study in Rajasthan and Bhadrachalam, with support from Save the Children and IDH, to assess risks faced by children in sourcing communities. The assessment identified vulnerable children, particularly among sharecropper and migrant worker families, and highlighted root causes such as low household incomes, limited access to education, inadequate nutrition and healthcare, poor sanitation, and the prevalence of child labour. This **targeted, data-driven approach** enables the initiative to address both the symptoms and underlying drivers of child labour while strengthening community resilience.



### 2.3.1 Overview

As part of its commitment to fostering Prosperous Farmers and Thriving Communities, the initiative seeks to build child-friendly communities within the chilli and cumin supply chains in Telangana and Rajasthan. Implemented in partnership with ChildFund India, the programme focuses on addressing child labour risks by tackling their underlying social and economic drivers. The initiative designed to:



### 2.3.2 Policy & Governance Structure

- i. **Policy:** ofi believes behind each spice is a distinct story production model and sustainability challenge. Spice Maps recognises these differences with tailored interventions, dedicated targets, and context specific action plans. By targeting the specific challenges faced by farmers in each crop and country, we set goals that **reflect the local realities and track progress** that matters to **communities, landscapes and our customers**.
- ii. **Governance:** The governance framework to implement, monitor, review, and assess the effectiveness of the initiative across project areas, includes:
  - **Implementation and Programme Management:** The initiative is implemented through ChildFund India, which is responsible for programme execution, stakeholder coordination, documentation, and monitoring of activities.
  - **Community-Level Governance:** Village Level Child Protection Committees (VLCPCs), School Management Committees, and youth, adolescent, and children's groups serve as key community-based structures. These bodies support the identification of risks, monitoring of vulnerable children, and implementation of remediation measures where required.
  - **Monitoring, Review and Documentation:** Periodic review meetings are conducted with key stakeholders, including community representatives, youth groups, farmers, and local government institutions.
  - **Escalation and Remediation Mechanism:** A structured escalation pathway is in place to address sensitive and high-risk issues, including child labour and child protection concerns. Cases identified at the community level are initially addressed through VLCPCs and project teams and, where necessary, referred to relevant government authorities or child protection agencies to ensure timely remediation and compliance with legal and ethical requirements.

### 2.3.3 Stakeholder Engagement

The practices engages a diverse set of stakeholders across the chilli and cumin value chains through targeted interventions and structured engagement mechanisms:

Regular monthly and fortnightly engagements are conducted with **youth and adolescent groups, children's groups, Village Level Child Protection Committees, School Management Committees, and farming community members**. These interactions are documented and contribute to continuous improvement. **Child Learning Centres** continue to serve as a key platform for supporting children at risk and promoting access to education.



#### FARMERS AND FARMING COMMUNITIES

Capacity-building on Good Agricultural Practices (GAP), farm mechanisation, and WASH interventions to improve productivity, reduce labour dependency, and enhance health and nutrition outcomes



#### CHILDREN

Support for children at risk of child labour and educational exclusion through school enrolment initiatives, Child Learning Centres (CLCs), distribution of school kits, and interventions focused on child rights and wellbeing



#### YOUTH AND ADOLESCENTS

Formation of youth and adolescent groups and delivery of life skills, career guidance, and vocational training programmes to improve employability and livelihood opportunities



#### LOCAL COMMUNITIES

Strengthening of Village Level Child Protection Committees (VLCPCs) and community infrastructure initiatives focused on health and safe drinking water



#### GOVERNMENT AND COMMUNITY INSTITUTIONS

Collaboration with VLCPCs and relevant government departments, including education, labour, agriculture, women and child welfare, and skill development, to strengthen local governance and child protection systems

### 2.3.4 Challenges and Mitigation Measures

ofi's initiatives were initially met limited support and participation from the local communities. Below are some of the challenges faced and how ofi mitigated the same:

| CHALLENGES                                                                                                                                                | MITIGATION MEASURES                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  Limited participation of men and women in joint community engagements | Addressed through separate and targeted meetings facilitated by local resource persons, alongside efforts to strengthen youth and children's groups as agents of change at the household level |

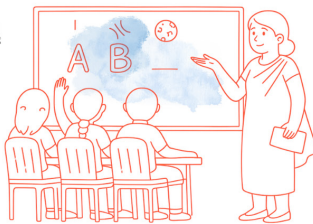
| CHALLENGES                                                                                                                                                                                 | MITIGATION MEASURES                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Scattered villages, long travel distances, and limited access to education and vocational centres</b> | Mitigated through the establishment of Child Learning Centres (CLCs) at strategic locations, including centres operating within government school premises  |
|  <b>Language barriers in remote tribal areas</b>                                                          | Addressed by engaging community-based volunteers and developing locally relevant learning materials using visual and activity-based approaches              |
|  <b>Limited government support in certain locations</b>                                                   | Mitigated through regular convergence meetings with government departments and efforts to strengthen local community institutions and governance mechanisms |

## OUTCOMES & IMPACTS

**173** out-of-school children mainstream into formal education



**209** school dropouts re-enrolled through targeted enrollment drives



**190**

youth

trained in vocational and life skills programmes, of whom **115** have initiated **livelihood activities**, contributing to improved economic opportunities and resilience



Strengthened community-based child protection mechanisms through active engagement of local institutions and stakeholder groups

## FUTURE COMMITMENT 2030 TARGETS

As part of its long-term commitment to building responsible and resilient value chains, the company has established the following 2030 targets:



Support **10,000+** farmer households through *livelihood enhancement initiatives*



Bring **20,000+** hectares under *regenerative agricultural practices*

Achieve science-based climate action targets, including

> **50%** reduction in Scope 1 & Scope 2 emissions

> **30%** reduction in Scope 3 emissions by 2030, against a 2020 baseline

“

Our responsible sourcing approach tackles the root social and environmental challenges in supply chains. We strengthen community systems, expand education access, and build child-friendly communities for lasting impact. At the same time, we empower farmers with safer, sustainable practices to improve their livelihoods. Over the next five years, we will scale these interventions across our programme regions by deepening partnerships and institutionalizing community-based models. Aligned with **ofi's** 2030 Sustainability Commitments - farmer livelihoods, education, health and nutrition, climate action, and regenerative agriculture—this ensures a holistic, sustainable future for all stakeholders



- Sreedhar Kaluva, Head – Sustainability and Procurement – India Spices, **ofi**

”



2.4



# Swani Spice Mills Pvt. Ltd



## PRODUCTS/ SERVICES

Supply of coriander, cumin, turmeric chilly, etc



## GOOD PRACTICES: THEMATIC AREA

Responsible Sourcing

## IN THE SPOTLIGHT



*Integrating ethical sourcing, environmental sustainability and farmer welfare into sourcing operations!*

Swani's flagship programme on responsible sourcing, "The Green Footprint," followed a phased approach including, baseline assessments, farmer-centric interventions, pilot implementation, and gradual scaling across sourcing regions. Today, **75% of total sourcing is undertaken through farmer-based backward integration projects, with over 50% certified under third-party sustainability standards**, demonstrating a scalable and replicable model for responsible sourcing in agri-supply chains.



## 2.4.1 Overview

The responsible sourcing initiatives were undertaken to address key challenges related to **traceability**, **over-reliance on chemical inputs**, and **limited farmer and supplier engagement**. The objective was to build a transparent, sustainable, and resilient agricultural supply chain that promotes environmental stewardship, strengthens farmer livelihoods, and enhances supply chain accountability. The initiatives encompass a range of responsible sourcing practices, including:



**Supplier selection and due diligence processes**, where sourcing undertaken through backward integration projects and over half of such sourcing certified under third-party sustainability standards



**Farmer and supplier engagement** programmes promoting fair and responsible practices



Promotion of **sustainable farming practices**, including the use of organic inputs such as farmyard manure (FYM), compost, and vermicompost, alongside reduced chemical usage and resource-efficient farming methods



**Environmental stewardship initiatives** across sourcing operations



**Ethical and social responsibility** measures for suppliers and farmers



Clear **supplier agreements** in place

## 2.4.2 Policy & Governance Structure

**i. Policy:** Responsible sourcing and sustainability are integral to the company's business strategy and are driven by strong leadership commitment. This commitment is operationalised through its flagship programme, "The Green Footprint," which promotes:

- **Ethical and transparent** sourcing practices.
- **Environmental sustainability** across the supply chain.
- **Farmer welfare and sustainable livelihood enhancement.**
- Compliance with **responsible sourcing and sustainability standards.**

### 2.4.3 Stakeholder Engagement

The practices primarily engage **farmers, suppliers, rural communities, supply chain partners, and customers** to promote responsible and sustainable sourcing practices. Stakeholder engagement is supported by a dedicated team and includes:



**Regular farmer and supplier training programmes** and field-level interactions



**On-the-ground technical support and capacity-building** for farmers and suppliers



**Pre-sampling communication** on quality requirements, pricing, and compliance expectations.



Collaboration with **agricultural institutions, including Krishi Vigyan Kendras (KVKs)** and universities, for technical guidance and knowledge sharing



Continuous engagement with **certification agencies, laboratories,** and other supply chain partners to strengthen compliance, traceability, and sustainability performance.

### 2.4.4 Challenges & Mitigation Measures

The challenges faced and mitigation measures followed by Swani Spice are enlisted below. One of the key learnings is continued supplier engagement.

| CHALLENGES                                                                                                                                         | MITIGATION MEASURES                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
|  <b>Farmer and supplier adaptation to sustainable practices</b> | Addressed through continuous training, awareness programmes, and on-ground support                                          |
|  <b>Evolving regulatory and certification requirements</b>      | Managed through continuous monitoring, regular testing, and alignment with certification bodies and accredited laboratories |
|  <b>Supply chain coordination and compliance challenges</b>     | Mitigated through digital traceability tools and long-term, trust-based engagement with farmers and suppliers               |



## OUTCOMES & IMPACTS

The impact of the responsible sourcing initiative is assessed through a set of **qualitative and quantitative indicators**, including acreage under sustainable cultivation, farmer outreach and capacity building, reduction in chemical inputs, improvements in soil and water management, enhancement of farmer incomes, and the proportion of sourcing undertaken through responsible and sustainable supply chains. Key outcomes achieved through the practices include:



**>20,000 Acres** brought under sustainably certified cultivation, with additional acreage currently under transition

**>8,000 Farmers** trained and supported the adoption of sustainable agricultural practices



Development of **10+** **certified and responsibly sourced spice products** supported by robust traceability and compliance mechanisms



**75%** of total sourcing undertaken through backward integration projects, of which **50% is sustainability certified**

Achievement of up to **40% water savings** through the Jal for Kal water stewardship initiative



Plantation of **2,345 trees** under the **Aaira** biodiversity initiative, contributing to ecosystem restoration and enhanced green cover



**Reduced dependence on chemical inputs** through the promotion of sustainable farming practices



**Improved farmer incomes** through increased productivity, optimized input costs, and access to premium markets

“

*At Swani Spice Mills Pvt. Ltd., we are committed to strengthening a responsible and resilient spice value chain. Over the next five years, through ‘The Green Footprint’ initiative and our responsible sourcing framework, we aim to scale sustainably certified sourcing, empower 13,000–15,000 farmers, and expand sustainable agricultural practices across 35,000 acres to make a positive impact on farmers’ lives and the environment, while creating a more transparent, ethical, and future-ready supply chain*

- Parneet Singh Swani, Director, Swani Spice Mills Pvt. Ltd



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2.5

Synthite

# Synthite Industries Pvt Ltd



## PRODUCTS/ SERVICES

Oleoresins, Spice



## GOOD PRACTICES: THEMATIC AREA

Responsible Sourcing



## IN THE SPOTLIGHT

### *Sustainable Turmeric Programme!*

Synthite's Sustainable Turmeric Programme<sup>2</sup>, integrates farmer livelihood enhancement, sustainable agriculture, traceability, and quality assurance into a single sourcing model. Through interventions such as direct farmer payments, digital traceability, Integrated Pest Management (IPM), biological inputs, soil and water testing, deployment of curcumin analysers at sourcing locations, and the promotion of Vesicular Arbuscular Mycorrhiza (VAM), the programme has strengthened sustainability outcomes, product quality, and supply chain resilience.



## 2.5.1 Overview

Synthite's initiatives are designed to address key challenges across agricultural value chains, including **limited traceability, dependence on intermediaries, post-harvest losses, excessive agrochemical use, inconsistent product quality**, and evolving **ESG and customer expectations**.

The objective is to build a sustainable, transparent, and efficient sourcing system that strengthens farmer livelihoods, enhances product quality, improves traceability, and supports responsible sourcing.

Key initiatives include:

- Sustainable Turmeric Programme
- Sustainable Chilli Programme
- Localise Japonica Initiative
- Sustainability in the Fragrance Sector

The key achievements include:



### Plans and Projections



Improve harvest efficiency by **15%**



Expand certified cultivation to **5,000 acres** by **2027** and **10,000 acres** by **2030**



Engage and support **5,000+ turmeric farmers** through the programme



**Replicate and scale** the model across other spice crops

## 2.5.2 Policy & Governance Structure

- i. **Policy:** Synthite has established a **Sustainable Procurement Policy** that guides its sourcing activities and reflects its commitment to environmental sustainability, social responsibility, and ethical governance across the supply chain.

**Key commitments under the policy include:**

- **Environmental Sustainability:** Promoting sustainable, organic, and regenerative agricultural practices; supporting biodiversity conservation; reducing the supply chain carbon footprint; and encouraging recyclable packaging.
- **Social Responsibility:** Ensuring the absence of child and forced labour, promoting fair wages and safe working conditions, supporting smallholder farmers, encouraging gender inclusivity, and respecting community rights.
- **Ethical Governance:** Strengthening traceability, ensuring legal and ethical compliance, upholding

anti-bribery and anti-corruption principles, and avoiding sourcing from illegal or conflict-affected areas.

- **Supplier Accountability:** Requiring suppliers to comply with the Supplier Code of Conduct, maintain compliance records, and participate in audits and corrective action processes.
- ii. **Governance:** A governance framework is in place to implement, monitor, and assess sustainable procurement practices across the organisation.
- **Corporate ESG Team:** Provides overall oversight and ensures alignment with the company's sustainability commitments and compliance requirements.
  - **Sustainable Sourcing and Certification Teams:** Dedicated strategic sustainable sourcing and farm certification teams, supported agronomists to look into the field level implementation.
  - **Performance Monitoring:** Defined KPIs are established at different levels to track progress and assess the effectiveness of sustainable procurement practices on a regular basis.

### 2.5.3 Stakeholder Engagement

Synthite's responsible sourcing programmes engage a range of stakeholders, including **farmers, workers, local communities, and raw material suppliers.**



A dedicated **Sustainable Sourcing Team**, supported by **field-level agronomists**, serves as a local monitoring mechanism and maintains regular engagement with farmers and community stakeholders across sourcing locations



**Agronomists** provide technical support and training on health and safety, regenerative agriculture, biodiversity conservation, and compliance with labour standards, while monitoring sustainability performance at the farm level



Supplier engagement is further strengthened through the Supplier Code of Conduct, which communicates Synthite's responsible sourcing expectations, and through periodic assessments conducted by the **Supplier Quality Assurance (SQA)** Team as part of its supplier compliance and improvement programme



The programmes are aligned with internationally recognised standards, including **Farm Sustainability Assessment (FSA)** and **Union for Ethical BioTrade (UEBT)** certification frameworks



**Sustainable sourcing activities** are tracked through a digital monitoring platform, enabling regular reporting and oversight by management



## 2.5.4 Challenges and Mitigation Measures

Responsible sourcing initiatives are usually met with reluctance from the upward supply chain partners. Below are the challenges and mitigation measures undertaken by Synthite.

| CHALLENGES                                                                                                                                        | MITIGATION MEASURES                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Resistance to Backward Integration Models</b>                | Initial reluctance from suppliers to adopt farmer-linked sourcing approaches was addressed through pilot partnerships with progressive suppliers, demonstrating the business value of the model |
|  <b>Limited Farmer Trust and Engagement</b>                      | Model farmers were identified and supported to showcase tangible improvements in yield and quality, helping build confidence and participation within farming communities                       |
|  <b>Knowledge Gaps in Sustainable Cultivation Practices</b>      | Field-level agronomists provided regular training, technical guidance, and on-farm demonstrations on sustainable agriculture, soil health, and integrated pest management                       |
|  <b>Low Adoption of Sustainable Practices</b>                    | Demonstration plots, continuous advisory support, and farmer handholding encouraged the gradual uptake of sustainable farming practices                                                         |
|  <b>Financial Constraints and Dependence on Intermediaries</b> | Direct bank payments, interest-free credit support, and financial inclusion measures helped improve farmer liquidity and reduce reliance on informal credit channels                            |
|  <b>Scaling Farmer Participation and Traceability Systems</b>  | Success stories, improved market access, and digital monitoring systems supported the expansion of farmer participation while strengthening traceability and structured sourcing mechanisms     |

## OUTCOMES & IMPACTS

### Sustainable Turmeric Programme



**100%** Participating Farmers trained on **Good Agricultural Practices (GAP)** and sustainable cultivation methods

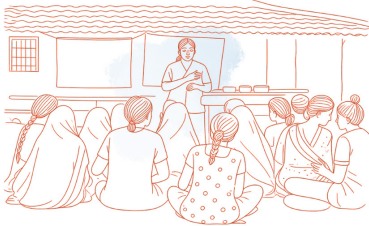


Over **1,900 PPE** and **first-aid kits** were distributed, supporting safer agricultural practices

**15** medical camps conducted across **102 villages** benefiting **2,000+ individuals**

### Sustainable Chilli Programme & Sustainability in the Fragrance Sector

Farmers benefited from **Good Agricultural Practices (GAP) training**, access to high-quality seeds, and continuous agronomic support, contributing to improved farm productivity and product quality



**Medical camps, health awareness programmes, and training on pesticide toxicology** strengthened farmer health, safety, and wellbeing



The promotion of **Integrated Pest Management (IPM)** and the distribution of

over **350 natural pest control systems**, including solar fly traps and sticky pads, helped reduce reliance on chemical pesticides and lower cultivation costs



The initiatives contributed to **reduced chemical dependence, improved access to quality inputs, enhanced climate resilience, and increased crop yields**, while strengthening sustainable and responsible sourcing practices across the value chain



### Localise Japonica Initiative



Local cultivation created **entrepreneurship and livelihood opportunities for young farmers**, while ensuring **fair compensation** through procurement prices above government support prices

Improved localisation resulted in a consistent supply of **high-quality, cost-effective, and clean raw material**, while enhancing supply chain efficiency through reduced complexity, fewer delays, and fresher produce



Following pilot trials in 2021, the programme successfully expanded cultivation from

**5 acres** to a sourcing network within a **15-20 km radius** of the Kadayiruppu facility



Over the next five years, Synthite aims to transform its responsible sourcing programmes into a regenerative sourcing ecosystem that delivers measurable environmental, social, and economic value. Empowering farming communities while ensuring sustainable, ethical, and high-quality raw material sourcing across all strategic spice value chains. By combining farmer empowerment, digital traceability, climate-smart agriculture, Corporate ESG governance and sustainable procurement practices, the company seeks to establish resilient and transparent value chains that benefit farmers, suppliers, customers, communities, and the environment while ensuring long-term supply security



- Sarath G, Manager - Corporate ESG & Sustainability & Faseeh P, Manager- Supply Chain Sustainability





## 3. Reflections & Looking Ahead

### 3.1 Key Learnings from the AIM-Progress Supplier Capability Building Programme in India (2024-2026)

Insights from the AIM-Progress Supplier Capability Building Programme in India reflect the intent and commitment of suppliers to not only integrate responsible practices in their business operations, but to also effectively demonstrate these to their stakeholders. Key learnings from the previous cohorts are:



#### Develop strategic long-term buyer-supplier engagements:

Developing a robust buyer-supplier relationship is essential for meaningful capability-building as procurement sits at the crucial nexus of commercial realities and human rights. Buyer-supplier interaction is what brings the ‘business case for sustainability’ to life by entering into exchange, giving suppliers the opportunity to showcase their work and providing support. Buyers on the other side can ideally also benefit from understanding their suppliers better, establishing a nuanced picture of their supplier base and feeding their insights back into the business, contributing to further embedding of responsible business conduct.

Beyond awareness workshops and trainings, there is consensus on the need for deeper engagement to develop the “how to” operationalise the due diligence frameworks and demonstrate them to business partners.

Active involvement of local procurement teams has been crucial to unlock supplier engagement as part of the capability building programme. Participants have expressed their appreciation for presence of buyers throughout the programme, giving the opportunity for joint discussion and to showcase their commitment throughout the programme.



#### Streamline global and domestic regulatory expectations

Suppliers face multiple and complex requests regarding compliance and supply chain due diligence with the incoming EU CSDDD legislation being an example. Especially SMEs are often overburdened by multiple requests and changing expectations in an often rapidly changing regulatory landscape. A clear objective of the AIM-Progress Supplier Capability Building Programme is to support further convergence of approaches, for example through the [Converged HREDD Assessment Tool](#). Similarly, the programme seeks to create opportunities for discussion and exchange to establish joint solutions.



#### Shared responsibility - Collaboration is key

Collaboration sits at the heart of the AIM-Progress Supplier Capability Building and it is built on the foundation of shared responsibility. This starts with member sponsors sharing the financial contribution, creating the opportunity to realise synergies in their value chains, for example through shared suppliers and sourcing regions. A joint approach to supplier capability building has proven to be more resource and time efficient and unlocks additional advantages, such as the opportunity to network with like-minded peers in a larger group setting, engage in good practice sharing and being part of a community. A key learning from the programme is that working collaboratively is not only a better use of everyone’s time and money, it also accelerates learning success and has increases practical value for participants.



#### Contextualisation before implementation

A focus of AIM-Progress Supplier Capability Building is to provide an enabling platform for buyer-supplier engagement on key topics of human rights and environmental due diligence in the value chain. What has proven to be invaluable is realising the need for contextualisation in relation to the design and curriculum of the programme. This includes domestic regulatory frameworks, but also local socio-economic and cultural factors. While certain elements like impact measurement are harmonised across country programmes, localisation is sought wherever possible. This approach has become an important building block for long-term supplier engagement and participation.



### **Facilitate peer-to-peer learning and dialogue**

Following a blended-learning approach has yielded important insights throughout the programme, especially in trying to find the sweet spot between online learning and meaningful in-person interaction. Under the programme we found success in offering a mix of learning modules, such as webinars with subject matter experts, quizzes and ample time for peer-to-peer interactions and sharing. Throughout the two cohorts, we found that suppliers are keen to not only share their challenges but also to jointly work on solutions and share experiences.

## **3.2 Forward Looking Recommendations to Strengthen Supplier Engagement**

In a global context, we see a multitude of complex challenges at an unprecedented scale. From the impacts of the climate crisis, geopolitical tensions and competition for scarce resources, some might ask if responsible business conduct is not at odds with the shifting global landscape. Contrarily, we see that the case for HREDD has never been stronger as it is an investment in resilient supply chains and serves as a strategic tool for risk mitigation. As we move into the third year of the Supplier Capability Building Programme in India, we seek to embed this thinking into programme design. The below reflections are helpful considerations in building this argument through robust impact measurement, engagement and communication – a foundational expectation of the UNGPs in terms of embedding responsible business conduct and strategic assets at the same time.



### **Impact Measurement**

Generating impact data is essential for all participants of the programme – from member sponsors, programme managers and participants. Data collection before, during and after the programme has been key to understanding developing the curriculum, measuring knowledge change and ensuring insights for entire cohorts. Throughout the programme, we have used the data to develop workshop structures, agenda and flow that aligns with the participants' interests. After the programme, we have reported back to members on engagement of 'their' suppliers, attendance rates and qualitative feedback about the curriculum and delivery. For programme managers, this data has served as invaluable to evaluate the programme, compare regional insights and shape the next learning cycle. Impact measurement will play an even more crucial role in the future as it will allow us to track effectiveness of the programme and reflect the ROI of investment in capability building programmes.



### **Document good practices & spotlight opportunities**

This Compendium is proof for the need to document and shine a light on good practices. Dialogue and discussion serve as a crucial vessel to unlock these good practices and demonstrate to suppliers that responsible business conduct is likely already part of their daily business. On a foundational level, robust documentation and reporting ensures that participants see their input manifest and recognised. Strategically, this documentation serves as a crucial contribution to impact measurement and tracking effectiveness.

In addition, the collection of different case studies can help reduce complexity by assembling a multitude of examples across different sectors, enterprise sizes and topics provides for long-term cross learnings and awareness.



### **From awareness-raising to implementation**

Going forward, the supplier capability building curriculum will evolve from building foundational know-how to equipping suppliers with effective tools for implementation. While we are cognisant of different maturity levels of participants, we seek to move suppliers along on their learning journey. A growing resource library (i.e., topic-specific webinars and self-paced online trainings) are available to cover the foundations of HRDD. For those, who are moving through the programme over the years, we will consider problem-based learning formats, small group sizes and self-created action plans.





### Building a supplier community

Curating supplier engagement programmes is an opportunity to foster dialogue, contextualise global standards to local realities, build communities of practice and enable cross-learning. Consulting participants in the design and consistently engaging embodies our intent to empower participants to move from awareness to meaningful actions. The programme has demonstrated the value of going beyond one-off events and embarking on a long-term learning journey. While one time engagement may provide conceptual clarity, to enable sustained progress towards supply chain due diligence, a continued conversation will go a long way. The vision of building supplier HREDD maturity over time goes hand in hand with creating a supplier community to solidify exchange and ownership of the programme. India has served as a promising example for engaging in exchange and dialogue and what we hope will over time become its own ecosystem.

## 3.3 Concluding Remarks

On average, 65% of participants in the AIM-Progress Supplier Capability Building Programme state, that they never had human rights-specific training by an external organisation before when asked at the start of the programme. We understand that learning about HREDD and its implementation can be daunting. Many see it as an additional client expectation and would rather invest their time elsewhere as more pressing business matters require their attention.

What is so encouraging about the case studies in this Compendium is that they already show so much alignment with the core elements of human rights due diligence outlined in the UN Guiding Principles on Business and Human Rights (UNGPs) and OECD Guidelines for Multinational Enterprises. The UNGPs spell out clear operational expectations: that companies identify, prevent, mitigate, and account for adverse human rights impacts across their operations and supply chains. When looking at the case studies, we see many of these elements already in practice – from risk assessments, to ongoing engagement with workers and tracking effectiveness – just to name a few.

A clear ambition of the AIM-Progress Supplier Capability Building Programme is to demystify human rights and environmental due diligence by showing how much of this might already be in practice and making it as practical as possible. The Compendium is another step in this direction and evidences how suppliers are already aligning with UNGP expectations, highlighting the opportunity that lies behind that. We hope that readers will see this Compendium not only as an interesting read but perhaps also as an opportunity to look at their own business and recognise practices that they already have in place.

The message is clear - HREDD need not be approached as an unfamiliar compliance exercise. For many suppliers in India's FMCG sector, it is already happening - it simply needs to be recognised, strengthened, and made more systematic. This has meaningful implications for capability building, reiterating the notion that we have much to build on, helping suppliers name what they do, close the gaps, and align more deliberately with international frameworks. As regulatory expectations around mandatory due diligence continue to grow globally, we are more convinced than ever that investing in this kind of practice-led capability building may be one of the most effective ways to future-proof responsible sourcing - in India and beyond.



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