



Preferential Procurement Policy
Effective Date: 30th January, 2023
Version: 02
Last Review Date: 14th February, 2025

Preferential Procurement Policy

Objective

Countries must make sure that their economies are expanding steadily to compete in a market that is ever-changing and becoming more globally competitive. This is feasible in an economy where individual businesses are growing and developing, thereby we cannot disregard the moral and societal justifications for the empowerment of small businesses to succeed, in addition to the growth imperative.

The goal of this policy is to put mandates and principles into practice in compliance with the vision of the company in empowering the local community consisting of suppliers of raw materials/ingredients for its products.

Policy Statement

This policy applies to all aspects of the relationship between the Company and the local suppliers. ADF Foods Ltd. believes in actively engaging with local and small mandi suppliers for the purchase of the majority of its ingredients such as fruits, vegetables, spices, dairy products and certain packaging materials. Although local suppliers are given preference, strict attention from the purchase teams ensures that the quality of the product is not compromised.

ADF believes that the financial empowerment of the local suppliers will help them realize the potential to improve the quality of their products as well increase the volume of supply in the future.

Our process incorporates terms of payment as spot payments on orders placed with these suppliers thereby strengthening their financial position. Our policy aims to achieve the following:

- Identify and promote local vendor suppliers;
- Prioritize spot payments are made to all suppliers;
- Create an empowered community, with a development in the quality of products and services due to the improvement in their



quality of life.

Create a tight-knit group of local vendor suppliers with the potential to satisfy the increasing demand for ingredients for the production of finished products.
