Responsible Artificial Intelligence (AI) Policy

1. Purpose:

Paradeep Phosphates Limited (PPL) recognizes the transformative potential of Artificial Intelligence (AI) technologies including generative AI, machine learning, AI-powered automation, predictive analytics, and AI-integrated business to enhance operational efficiency, strengthen sustainability performance and support Indian agriculture. PPL is committed to the responsible, ethical, safe, and transparent development and/or use of AI technologies, in a manner that protects employees, customers, end users, and all other stakeholders while acknowledging that AI technologies also carry risks relating to data privacy, fairness, transparency, and accountability.

This Responsible AI Policy sets out the principles and requirements governing the development, procurement, deployment and use of AI systems and technologies across all of PPL's operations, manufacturing facilities, functions, employees, contractors and third parties acting on the PPL's behalf. It supplements, and does not replace, the existing Information Security Policy, Code of Business Conduct and Ethics, Data Privacy commitments and other applicable policies.

2. Scope:

The policy covers every stage of the AI lifecycle from design, data sourcing, training, validation, deployment, monitoring to decommissioning. This policy applies to:

- All employees, contractors, consultants, supply chain partners, and third-party service providers (collectively referred as stakeholders).
- All information systems, applications, networks, and data owned or managed by PPL.
- All physical and digital assets that are used to store, process, or transmit information.

3. Policy Statement:

PPL is committed to the responsible, ethical, secure and lawful use of AI. We will develop and deploy AI systems in a manner that is fair, transparent, accountable, secure and aligned with our sustainability objectives and the best interests of our stakeholders, including farmers and the communities we serve.

4. Guiding Principles:

- Adopt and develop an AI system to enhance creativity, productivity, and competitiveness in ways that benefit farmers and all other stakeholders, while giving due consideration to social, economic and environmental sustainability and sound governance. Priority will be given to AI applications that improve resource efficiency, reduce environmental impact and create positive value for the agricultural community.
- Commit to developing and utilizing AI systems by relevant laws and regulations, including the Digital Personal Data Protection Act (DPDP), 2023 and evolving national AI governance guidelines while upholding ethical and moral standards of society, and adhering to participative principles involving the stakeholders in decision-making.
- Take reasonable measures to identify and mitigate bias in AI systems to prevent unfair or discriminatory outcomes based on sensitive attributes such as ethnicity, nationality, religion, gender or age. We promote inclusiveness across all user groups to ensure fair treatment of stakeholders within and outside the organization.
- Protect personal and confidential data used in AI systems in line with our Data Privacy and Information Security policies, applying data-minimization and purpose-limitation principles.

- Maintain an appropriate level of transparency regarding where and how AI is used, and, where AI materially affects individuals, we disclose its involvement. Establish guidelines for responsible AI usage to ensure that the AI is applied appropriately to specific tasks, assign roles and responsibilities for AI governance, and implement systems for promptly diagnosing and responding to errors or issues that may arise from AI systems.
- Implement technical and organizational measures to protect AI systems against unauthorized access, manipulation and misuse, including mandatory VAPT and third-party audits, consistent with our ISO/IEC 27001-certified ISMS and ISO/IEC 42001:2023 AI Management System.
- Test and validate the AI system for accuracy, reliability, and safety before deployment and monitor throughout their lifecycle. Accountability for AI systems rests with the risk management committee with human oversight over AI-enabled decisions, particularly those with material impact on people, safety or the environment.

Governance and Accountability:

PPL has established a working-level team under the leadership of Mr. Upkar Singh, Head – IT , which is responsible for implementation and monitoring of the policy as a part of enterprise risk management framework. The team is supported by risk management committee and ESG steering committee and the team's key roles and responsibilities include:

- oversee the implementation of this policy, approve AI use cases before deployment, and monitor compliance with this policy
- identification, evaluation, prediction, mediation, and mitigation of material AI related risks and incidents, and ensuring that AI systems are registered, risk-assessed, and documented as per technology risk and ERM processes
- provide periodic training on responsible AI use to relevant functions (IT, R&D, innovation, procurement) to build internal capability and a culture of responsible AI usage
- review compliance status periodically (monthly basis) and updating controls as needed
- enhance security measures and ensure continuous improvement to match requirements, technology, regulations periodically.

Other relevant functions such as IT Security, Quality/ Compliance, Legal, Data Privacy, and Business teams are responsible for reviewing, monitoring, and escalating AI use cases within their areas.

PPL reserves the right to continually access and monitor use and interaction with AI on any PPL OT assets and network systems. Employees/ contract workers who fail to comply with any provision of this Policy may be subject to disciplinary or legal punishment under applicable laws. Violations by supply chain partners may result in the termination of the contract and may be subject to legal punishment under applicable laws.

Internal Policy References:

- PPL's Privacy Policy
- PPL's Information Security Policy
- Adventz Agri-business' Information Security Management System Policy

This policy version has been formally adopted by the organization following ratification by the ESG Steering Committee, led by the MD and all functional heads, and is currently in the process of getting endorsed by the Committee/ Board.