



CRAFTSMAN AUTOMATION LIMITED

SUSTAINABLE PROCUREMENT POLICY

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1. Purpose

Craftsman Automation Limited is committed to embedding sustainability into every aspect of its operations. This Sustainable Sourcing Policy sets forth the principles and guidelines that govern our sourcing practices, ensuring they align with our long-term environmental, social and governance (ESG) objectives. Our vision is to collaborate with responsible suppliers who share our commitment to sustainability and ethical business practices, fostering a resilient and sustainable supply chain.

We prioritize suppliers who align with our values, actively working to raise sustainability standards within our supply chain. This policy serves as a key pillar in our supplier selection process, extending beyond legal compliance by incorporating global best practices in areas such as ethics, business integrity, human rights, health & safety and environmental stewardship. We also ensure that statutory dues have been deducted and deposited by our value chain partners.

“For the purpose of this policy, ‘Sustainable Procurement’ refers to sourcing practices that integrate environmental, social, and governance considerations in line with recognized frameworks such as UN SDGs, OECD Due Diligence Guidance, and SEBI BRSR principles.”

2. Scope

This policy applies to all sourcing activities across all business units of Craftsman. It also outlines our expectations from all our suppliers, contractors and third-party partners involved in the procurement, production and delivery of goods and services. We expect our suppliers to adhere to the principles outlined in this policy and operate in accordance with it.

100% of critical suppliers to sign the Supplier Code of Conduct.

3. Principles of Sustainable Procurement Policy

Our Sustainable Procurement Policy is built on a foundation of sustainability, quality and economic viability. The following principles highlight our preference for sustainable suppliers, contractors and third-party partners.

a. Environmental Responsibility

We prefer to collaborate with suppliers who demonstrate a strong commitment to environmental sustainability. This includes suppliers who possess recognized environmental certifications such as ISO 14001 or equivalent as evidence of their responsible environmental management practices and continuous improvement efforts. By prioritizing environmentally responsible partners, we aim to ensure that our procurement activities support broader environmental protection goals.

Craftsman encourages key suppliers to progressively monitor and reduce their carbon footprint, where feasible.

b. Social Responsibility

We prefer suppliers who uphold high standards of social responsibility and are committed to creating a positive social impact throughout their operations and supply chains.

- **Fair Labor Practices:** Suppliers who ensure ethical labor conditions, including fair wages, safe working environments and respect for workers' rights, while prohibiting child, forced and bonded labor.
- **Diversity and Inclusion:** We promote partnerships with suppliers that uphold diversity in their workforce and foster an inclusive work environment.
- **Human Rights:** Suppliers who adhere to human rights standards and operate freely from any form of exploitation or abuse.

c. Health & Safety

We prefer suppliers who actively work to prevent accidents and promote the well-being of their employees and stakeholders.

- **Safety Programs:** Implement regular safety training, risk assessments and emergency plans.
- **Regulatory Compliance:** Comply with applicable health and safety rules and regulations, aim for good industrial practices.
- **Safe Working Environments:** Provide Personal Protective Equipment (PPE) and ensure ergonomic workspaces.

- **Employee Well-being:** Promote both physical and mental health through wellness programs and open communication.
- **Health and Safety Certifications:** Suppliers who have health & safety certifications such as ISO 45001 to show a commitment to safety.

d. Economic Viability

We seek partners who can maintain consistent quality and reliability while fostering sustainable growth for both their businesses and the broader economy.

- **Quality and Cost-Effectiveness:** Suppliers who achieve a balance between competitive pricing and product quality while integrating environmental and social considerations.

e. Governance and Ethical Compliance

Craftsman expects its suppliers to exhibit the highest standards of governance and ethical conduct across their operations:

- **Corporate Governance Practices:** Suppliers should have a robust governance structure in place, including clear policies on decision-making, risk management, anti-corruption, fraud prevention and compliance with applicable laws and regulations, ensuring transparency and accountability in all business operations.
- **Business Ethics:** Craftsman has zero tolerance for any unethical behavior across its supply chain. Suppliers must adhere to the highest standards of business ethics, complying with all applicable local, national and international laws concerning environmental protection, health & safety, human rights and governance.

4. Commitment to Collaboration

Craftsman believes in building strong, collaborative relationships with suppliers. We are committed to working together to foster mutual growth, innovation and a positive impact on the environment and society. By aligning with suppliers who share our sustainability vision, we aim to create long-term value for all stakeholders involved.

5. Report on Breaches

Craftsman will monitor suppliers' adherence to this policy through regular assessments and performance reviews. In the event of any breach or non-compliance with the policy's standards, suppliers are required to report such incidents promptly. Suppliers must establish internal mechanisms to address any breaches of environmental, social & governance standards and report these breaches to Craftsman. Corrective action plans must be initiated to mitigate risks and prevent recurrence. Repeated violations or failure to rectify breaches may result in termination of the business relationship.

6. Monitoring and Reporting

Craftsman will conduct regular assessment and performance reviews of suppliers to ensure compliance with applicable regulatory requirements and adherence to industry best practices in sustainable development. This proactive approach helps us maintain high standards in our supply chain, fostering continuous improvement and ensuring alignment with our sustainability goals.

