



CRAFTSMAN AUTOMATION LIMITED

PREFERENTIAL PROCUREMENT POLICY

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Craftsman
— AUTOMATION —

Prepared By	Prepared Date	Reviewed By	Reviewed Date	Approved By	Approved Date
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1. Introduction:

Craftsman Automation Limited is dedicated to promoting equitable economic growth and inclusive development by supporting vulnerable & marginalized communities which includes MSMEs, enterprises owned by women, locally based micro-enterprises, and suppliers operating in economically backward or semi-urban regions. As an organization committed to responsible business practices, we recognize the significant role our procurement decisions have in generating positive social and economic impacts within our communities.

This policy outlines the Company's approach towards promoting socio-economic development of our supply chain, through sourcing and procurement from vulnerable and marginalized groups. Our aim is to ensure that our procurement process provides fair and equitable treatment of suppliers and facilitate implementation of a preferential procurement to foster skill development, job creation and economic growth.

2. Statement of Policy:

Our preferential procurement policy is designed to encourage inclusive growth by giving priority to suppliers who contribute to local economic development. In line with this, Craftsman will prioritize sourcing of goods and services from:

- Micro, Small, and Medium Enterprises (MSMEs).
- Manufacturers and suppliers from smaller towns and semi-urban areas.
- Vendors that manufacture goods within the local area or nearby operational regions of the respective plant's district.

Craftsman will make every effort, within the bounds of practicality and feasibility, to adhere to this policy in procuring goods and services.

3. Implementation:

To realize the goals of this policy, Craftsman is committed to the following implementation strategies:

- **Targeted Procurement Approach:**

We will progressively increase sourcing from MSMEs, smaller-town manufacturers, and locally produced goods. Procurement teams will periodically review this approach to ensure alignment with cost-effectiveness, quality, and local economic development goals.

- **Supplier Development & Engagement:**

Craftsman will engage proactively with MSMEs and local suppliers by offering guidance and support. This may include capacity-building initiatives, mentorship, and assistance in improving quality systems, sustainability practices, and competitiveness to meet our procurement standards.

4. Employee Commitment:

Every employee at Craftsman is committed to the successful implementation of this policy. We will ensure that our preferential procurement policy is communicated clearly to all relevant stakeholders, including suppliers, employees, and business partners. This collective effort will promote a broad understanding and support for our inclusive procurement practices.

5. Monitoring and Reporting:

To ensure transparency and accountability, we will regularly monitor and evaluate our procurement practices to ensure compliance with this policy. Progress on our preferential procurement initiatives, including achievements against set targets and their impact on socioeconomic development, will be included in Business Responsibility and Sustainability Reporting (BRSR) and Sustainability Report. Craftsman shall monitor the proportion of procurement spend from MSMEs and local suppliers and aim for progressive improvement.