

# Sustainable Supply Chain Management Policy



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## 1. Objective

This policy is designed to promote sustainability among our suppliers and partners by aligning their social, ethical, and environmental performance with our Code of Conduct. We require all suppliers to adhere to minimum standards of social, ethical, and environmental practices, while encouraging them to adopt preferred and exemplary standards outlined in our Supplier Code of Conduct.

## 2. Scope

This policy governs the sourcing of products and services for Vakrangee's key suppliers, encompassing:

- Local and international suppliers,
- Procurement through tenders (Requests for Proposal),
- Purchase Orders (PO), or
- Negotiations with targeted, strategic suppliers or joint venture partners.

## 3. Acronyms & Definitions

Term/ acronym	Explanation
SSCM	Sustainable Supply Chain Management
RAP	Remedial Action Plan
GRI	Global Reporting Initiative
SME	Small and Medium Enterprise
UNGC	United Nations Global Compact
SAP	Sustainability Action Plans
PO	Purchase Order
ESG	Environmental, Social and Governance

## 4. The Policy

We are committed to:

- Engage suppliers committed to sustainability through robust governance, policy implementation, and alignment with our philosophy of best practices, continuous improvement, and collaboration, as outlined in the SSCM Supplier Code of Conduct.
- Build ethical, responsible, and long-term relationships with suppliers based on trust, cooperation, and good faith.
- Ensure full compliance with all local and international laws and regulations concerning social, ethical, and environmental standards.

- Drive higher performance from key suppliers through our SSCM Questionnaire, covering social, ethical, and environmental aspects, and implement Remedial Action Plans (RAP) when necessary.
- Optimize resource efficiency for both Vakrangee and suppliers, adhering to the Vakrangee SSCM Code of Conduct for Suppliers.
- Promote social and environmental benefits by fostering practical and effective social, ethical, and environmental responsibility among suppliers, benefiting Vakrangee, suppliers, and the broader community.
- Encourage suppliers to offer cost-effective, environmentally friendly, and socially responsible products and services.
- Generate additional benefits for Vakrangee, such as cost reduction, improved risk management, enhanced quality, and innovation in products or services.
- Ensure SSCM does not discriminate against SMEs or local vendors, provided they meet Vakrangee's requirements.
- Verify the accuracy of supplier-provided information and enhance underlying performance through audits, third-party verification, and similar processes.

## 5. Vendor Evaluation and Performance Reporting Process

1. Vakrangee incorporates social, ethical, and environmental performance as key criteria in evaluating potential suppliers, assigning weightings during the sourcing process and setting minimum standards through our SSCM Code of Conduct.
2. A detailed assessment is conducted for high-spend suppliers to gain a deeper understanding of their social, ethical, and environmental business practices.
3. The assessment process is thorough, utilizes clear and consistent criteria, and is applied uniformly across all business units at Vakrangee.
4. Beyond assessments, Vakrangee collaborates with suppliers to enhance their SSCM performance and reporting. If a supplier fails to meet SSCM standards and refuses to address the issue, Vakrangee will take appropriate action to resolve the situation.

## 6. SSCM Performance Assessment Process

Vakrangee Ltd bases its SSCM policy on the principles of the United Nations Global Compact and recognizes the Global Reporting Initiative (GRI), including its reporting indicators, as the framework for assessing environmental, social, and economic impacts. Compliance and practices across our supply chain are evaluated through supplier assessments and onsite audits. Our primary focus is on assessing ESG parameters to ensure organizations have policies, business continuity management systems, and strategies in place to mitigate sustainability risks. Vakrangee requires suppliers to adhere to the Supply Chain Code of Conduct through Purchase Orders (POs).

## 7. Supplier Partnership & Development

Collaborating with key suppliers on sustainability issues offers numerous benefits, including:

- Building greater trust and fostering the exchange of best practices through open information sharing and transparency.
- Identifying areas of mutual interest and value, such as addressing priorities in our Sustainability Strategy, including adapting to societal changes, tackling environmental challenges, and enhancing customer relationships.
- Strengthening the integration and adoption of SSCM principles into our routine sourcing processes.

To achieve this goal, we will explore the following approaches:

- Establishing a governance process to coordinate supplier-related requests, ensuring alignment with mutual interests and overall sustainability objectives.
- Offering supplier development training to enhance knowledge and awareness.
- Implementing recognition and reward programs to encourage and highlight best practices among suppliers.

## 8. Roles & Responsibilities

We understand the importance of establishing clear internal roles and responsibilities to ensure commitment, oversight, and support for the Framework. Additionally, fostering a supportive organizational culture is essential for its successful implementation.

Roles	Responsibility
<ul style="list-style-type: none"> <li>• Procurement Team</li> </ul>	<ul style="list-style-type: none"> <li>• Data management of suppliers</li> <li>• Providing details of suppliers/vendors for audit purpose</li> </ul>
<ul style="list-style-type: none"> <li>• Corporate Sustainability Team</li> </ul>	<ul style="list-style-type: none"> <li>• Sending out the Supply Chain questionnaire</li> <li>• Assessments and Audits of suppliers</li> <li>• Facilitating responses from the suppliers</li> </ul>
<ul style="list-style-type: none"> <li>• Procurement Team</li> <li>• Corporate Sustainability Team</li> </ul>	<ul style="list-style-type: none"> <li>• Process Improvements</li> </ul>

We aim to ensure the following:

- Embedding SSCM into our core business and sustainability strategies.
- Defining clear roles and responsibilities for incorporating sustainability into our sourcing processes.
- Offering targeted training and fostering employee engagement for teams involved in SSCM initiatives.

## 9. Review

We see the SSCM policy as a long-term commitment to continuously enhancing the sustainability practices of Vakrangee's suppliers. The policy is reviewed annually, incorporating feedback and recommendations from department heads and suppliers.

# Thank You

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