

Sustainable Sourcing Policy



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1. Introduction

Skipper Limited ("Skipper") is committed to conducting procurement and sourcing activities sustainably and responsibly. This policy includes Skipper's approach to integrating Environmental, Social, and Governance (ESG) principles across the supply chain. Skipper collaborates with suppliers who align with its sustainability commitments/targets and adhering to the highest standards of business integrity and regulatory compliance. The company vision is to build a resilient, transparent, and ethically governed supply chain that supports health & safety, human rights, environmental stewardship, social equity, and economic integrity.

2. Sustainability Commitment

- Promote responsible sourcing practices that minimize environmental impacts and advance social equity.
- Support suppliers in adopting sustainable practices aligned with Skipper's corporate sustainability objectives.
- Ensure compliance with applicable international, national, local and regional legal regulations for human rights, labour rights, health & safety, environmental protection, and Skipper's Supplier Code of Conduct.
- Prioritise local suppliers and micro, small and medium enterprises (MSMEs) wherever feasible.

3. Scope

This policy extends to Skipper's operational sites and business units, including future expansions, employees involved in procurement and vendor management, suppliers, and service providers and constitutes a critical component of supplier selection, assessment, and ongoing performance management.

4. Key Principles and Practices

4.1 Supplier Selection and Engagement

- Supplier selection incorporates clear criteria prioritizing environmental sustainability, human rights, occupational health and safety, and business ethics.
- Supplier evaluation forms integrate environmental metrics, including carbon footprint, resource efficiency, and waste management.
- Suppliers are engaged proactively through awareness initiatives and training programs to enhance sustainability management capabilities.
- Regular/need based workshops are conducted to discuss Skipper's sustainability guidelines and expectations.
- Suppliers are encouraged to develop and maintain their own sustainability management systems to foster continuous improvement.
- Capacity building is supported through e-learning modules and on-site training focused on green technologies and regulatory compliance.
- All suppliers must sign and adhere to the Skipper Supplier Code of Conduct, which outlines our expectations on ethical practices, environmental responsibility, human rights, and regulatory compliance.

4.2 Supplier Improvement and Collaboration

- Key suppliers with significant environmental and social impacts are identified and prioritized for targeted improvement programs.
- Collaborative efforts establish baselines and set measurable environmental performance targets (e.g., GHG emission reductions, enhanced resource efficiency, etc.), with progress tracked systematically.
- Annual collection of supplier data related to health & safety, working condition, energy consumption, emissions, waste generation, and water usage supports transparency and target-setting.
- SMART (Specific, Measurable, Achievable, Relevant, Time-bound) targets are defined to drive supplier performance improvements.
- Recognizes and supports supplier-led sustainability initiatives by providing incentives, and technical assistance.

4.3 Environmental Sustainability

- Preference is given to suppliers demonstrating robust environmental management, use of renewable or recycled inputs/products with Extended Product Responsibility (EPR), and effective waste and emissions minimization.
- Ensure compliance with standards such as ISO 14001:2015, ISO 20400 and applicable local regulations.
- Prioritise procurement from suppliers manufacturing products with lower emissions.
- Supply chain logistics are optimized to reduce carbon footprint, including promoting low-emission transportation, route efficiency and adoption of advanced technologies and energy-efficient measures.
- Prioritise to source products and services from local sources.
- Promotes the integration of circular economy principles—including recycling, reuse, and recovery—within supplier operations.

4.4 Health, Safety, and Labor Practices

- Suppliers must provide safe, healthy, and equitable workplaces compliant with applicable labour laws and human rights principles for their own operations and their suppliers.
- Skipper enforces a strict zero-tolerance policy against child labour, forced labour, discrimination, and all forms of exploitation.
- Transparency and accountability are reinforced through supplier self-assessments and independent audits.

5. Evaluation, Assessment, and Reporting

- Suppliers must achieve a minimum performance score of 50% on evaluations to maintain partnership eligibility.
- The outcomes of supplier assessments will guide Skipper's procurement decisions, and initiate corrective action measures as necessary
- Continuous supplier capacity building and improvement initiatives are undertaken based on evaluation assessment.

- Annually report on the progress on sustainable sourcing and supplier performance in the annual/sustainability report.

6. Governance and Accountability

- **Board ESG Committee:** Provides strategic oversight and reviews overall sourcing risks.
- **ESG Lead:** Supports integration of ESG parameters into sourcing processes and monitors KPIs.
- **Procurement Team:** Ensures policy compliance during vendor selection and contract renewals.

7. Continuous Improvement

- Skipper fosters innovation, technology adoption, and ongoing capacity development among suppliers to elevate sustainability outcomes.
- The policy is subject to periodic review and revision by the ESG Lead and Procurement team to reflect emerging best practices and stakeholder expectations.
- Top-performing green suppliers receive certifications, public recognition, or incentives as part of Skipper's commitment to continuous improvement and supplier engagement.

Sd/-

Sajan Kumar Bansal

Chairman and Managing Director, Skipper Limited

Date: 31st July, 2025