



## A. Introduction

At Varroc, we are committed to sustainable business practices that minimize our environmental impact, foster social responsibility, and promote ethical conduct throughout our supply chain. This Sustainable Supplier Policy outlines our expectations for our suppliers, subcontractors, and business partners in alignment with our sustainability goals and values.

This policy is based on our guiding principles for ESG & Sustainability endeavours remain the National Guidelines for Responsible Business Conduct (NGRBC [access here](#)), published in 2011 by the Government of India <sup>®</sup>

## B. Purpose

**The purpose of this policy is to:**

- Establish clear expectations regarding sustainability and ethical conduct for all suppliers engaged in our supply chain.
- Ensure that our suppliers share our commitment to sustainable business practices.
- Encourage continuous improvement in sustainability performance within our supply chain
- Promote transparency and accountability in our relationships with suppliers.

## C. Sustainability Principles

At Varroc, we believe in the following sustainability principles, and we expect our suppliers to share and adhere to these principles:

### C.1 Environmental Responsibility

#### **Environmental Compliance:**

Suppliers must comply with all applicable environmental laws and regulations in their respective jurisdictions.

#### **Resource Conservation:**

Suppliers are encouraged to minimize their use of natural resources, reduce waste generation, and promote resource efficiency.

#### **Emissions Reduction**

Suppliers should work toward reducing greenhouse gas emissions and other air and water pollutants associated with their operations.

#### **Pollution Prevention:**


Suppliers must implement measures to prevent pollution and minimize the environmental impact of their activities.

## C.2 Social Responsibility

### Labor Practices

Suppliers must uphold fair labour practices, respect employee rights, and provide safe and healthy working conditions.

### Human Rights:

Suppliers should ensure that their operations do not violate human rights, and they should be committed to addressing any potential human rights violations. 

### Diversity and Inclusion:

Suppliers are encouraged to promote diversity and inclusion within their workforce and operations.

### Community Engagement:

Suppliers should engage with and support the communities in which they operate, taking into account their social impact.

## C.3 Governance

### Governance:

Suppliers should make a committee with various department persons to monitor Environment, Social and Governance.

Environment, Social and Governance committee responsible for the implementation of the domain specific strategy, goals, and projects.

The committee shall monitor & review the performance against strategic environmental and social initiatives and KPIs and report the same to the ESG Steering Committee.

## C.4 Ethical Conduct

### Anti-Corruption and Anti-Bribery:

Suppliers must adhere to anti-corruption and anti-bribery laws and regulations and shall not engage in corrupt practices or unethical conduct.

### Transparency:

Suppliers are expected to be transparent in their business practices, including financial transactions and disclosure of relevant information.

### Fair Competition:

Suppliers shall compete fairly and ethically in the marketplace, avoiding anti-competitive behaviour and practices such as price-fixing or collusion.

### Conflicts of Interest:

Suppliers should disclose any conflicts of interest that may affect their ability to act in the best interests of our organization.

## C.5 Non-Usage of Conflict Minerals

### **Conflict Compliance with Regulations:**

Suppliers shall comply with all applicable laws and regulations, concerning conflict minerals, such as tantalum, tin and tungsten etc..

### **Conflict-Free Sourcing:**

Suppliers shall strive to source minerals only from responsible and conflict-free suppliers.

## D. Supplier Engagement

### **Supplier Assessment:**

We may conduct assessments to evaluate supplier's adherence to this Sustainable Supply Chain Policy and their sustainability performance.

### **Training and Capacity Building:**

We encourage our suppliers to provide training and capacity-building opportunities to their employees to enhance sustainability awareness and skills.

## G. Conclusion

Varroc is dedicated to fostering a sustainable and responsible supply chain that aligns with our core values and contributes to a better future. We encourage our suppliers to embrace these principles, commit to sustainable business practices, and work collaboratively with us to achieve our shared sustainability goals.

This policy is subject to periodic review and updates as needed to reflect changes in sustainability standards, regulations, and industry best practices. Thank you for your commitment to sustainability and for being a valued partner in our journey toward a more sustainable future.



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