

**SUPPLIER SUSTAINABILITY
CODE OF CONDUCT**

TVS MOTOR COMPANY LIMITED

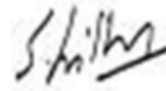


**PROCEDURE FOR
SUPPLIER
SUSTAINABILITY CODE OF
CONDUCT**

APPROVED & SIGNED BY

**Doc No: SS CoC
Rev. No: 01
Rev. Date: 06.09.2024**

HOD: Central Purchase

A handwritten signature in black ink, appearing to read 'S. Pillay'.

Contents

Background	3
Social Responsibility	5
Health and Safety in the Workplace	6
Conflict Minerals	8
Rights of communities	8
Environment	8
Implementation of Suppliers Code of Conduct	10
Supplier's Audit	11
Other obligations	11
Grievance Redressal System	12
Consequence management framework.....	12
Consent declaration	14

Note: Supplier to notify violation to Code of Conduct to following email: ethics@tvsmotor.com

Supplier Sustainability Code of Conduct

Background

We, at TVS Motor Company Limited (TVSM), a leading mobility solution provider believe that our supplier partners play a pivotal role in realizing the company's vision *'To enhance the quality of life worldwide by delivering mobility solutions that are responsible, sustainable, and safe.'*

Aligned with foundational principles, vision, and values, the Supplier Sustainability Code of Conduct ("Code") outlines the fundamental expectations for companies with whom we collaborate, emphasizing environmental, social, and governance considerations.

Here are some of the key frameworks TVSM has embraced:

1. **Sustainable Development Goals (SDGs)**: The SDGs, established by the United Nations, are a set of 17 global goals aimed at addressing pressing social, economic, and environmental challenges.
2. **Science Based Targets Initiative (SBTi)** defines SBTs as specific, measurable targets that companies establish to reduce greenhouse gas emissions in alignment with climate science.
3. **10 Principles of United Nations Global Compact (UNGC)**: The UNGC is a voluntary initiative that encourages businesses to align their strategies and operations with ten universally accepted principles related to human rights, labor, environment, and anti-corruption.

By aligning to these standards, TVSM showcases its commitment to sustainable growth and positive societal impact.

This Code is applicable to all entities within TVSM's value chain, including but not limited to suppliers, consultants, vendors, dealers, contractors, and service providers, collectively referred to as '*Supplier*' herein.

The Supplier Sustainability Code of Conduct (SS-CoC) supplements the contractual relationship (**General Purchasing Agreement**) for the supply of goods and the provision of services between Supplier and TVSM. Supplier shall ensure compliance with requirements relating to environment, human rights, and occupational health & safety as well as other binding requirements as the basis of the joint business relationship. Suppliers shall also ensure compliance along their supply chains in the provision of the contractually owed service. Should the applicable law impose stricter legal requirements than those set out in this Code, the stricter legal requirements have priority.

Responsible Governance Practices

- **Obey the Laws of land:** TVSM expects its suppliers and their sub-suppliers to abide by all applicable laws and regulations, as applicable to its country or origin. This will include but not limited to the environment, employment, labour, health and safety, human rights, governance, etc. Suppliers will be responsible for highlighting and alerting TVSM for any non-compliances, penalties, fines, and warnings that may be received by them from the competent authorities.
- **Anti-Corruption & Anti Bribery:** Observe all laws and rules prohibiting bribery, corruption, and money laundering. Any issues that are found need to be reported immediately to TVSM
- **Financial Responsibility:** Suppliers shall respect the tax laws and rules of the nation in which it conducts business. Accounting records must adhere to proper accounting procedures, and financial reports must abide by all applicable laws and requirements.
- **Conflict of Interest:** TVSM expects its suppliers and their sub-suppliers to have a process to identify and manage conflicts of interest with their Directors/ Employees/ Key Management Personnel may have. Suppliers shall not engage in any transaction or work with an entity that creates conflict of interest for the business. Suppliers shall avoid any situation or activity in which their personal or financial interests could come into conflict with those of TVSM and reveal an actual or potential risk of conflict of interests in association with TVSM employees.
- **Transparency:** Supplier will share information regarding their ownership structure, consents, licenses, permissions and permits that are required for their operations. Suppliers will maintain transparency with TVSM about their operations, organizational structure, financial status, and performance in compliance with all applicable laws and standard industry procedures.
- **Data Privacy and Confidentiality:** Suppliers are expected to comply with all applicable laws concerning data protection and information security, ensuring that privacy is safeguarded, personal data is protected, and all business information is kept secure. They are expected to ensure that they cascade these principles in relation to information security and data privacy to their contractors or suppliers. Suppliers must ensure that any confidential business information or trade secrets obtained under business activities from TVSM are held in strict confidence and not disclosed or revealed to third parties.
- **Product Safety:** Compliance with all applicable laws and standards to ensure product safety.
- **Risk Management:** Supplier are expected to establish a risk management system which shall include the development and implementation of appropriate preventive measures to protect & respect human rights, health & safety and related environmental standards.
- **Grievance Redressal:** TVSM expects its suppliers and their sub-suppliers to have established a grievance redressal mechanism for reporting grievances to the management

while ensuring anonymity and confidentiality. Suppliers shall clearly communicate the availability of such a grievance redressal mechanism to all concerned employees and sub-suppliers. Suppliers shall also protect the complainants from any retributive actions.

- **Export/Import controls and Economic Sanctions:** Suppliers shall ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the import/ export of parts, components and technical data. Suppliers shall provide accurate information for reporting purposes when requested and obtain import and/or export licenses and/or consent, where necessary. Suppliers shall comply with applicable restrictions on the export or import of goods, equipment/tools, software, services and technology, as well as with all applicable economic sanctions and restrictions on doing business with and trade involving certain countries, regions, companies or entities and individuals.
- **Insider Trading:** Suppliers cannot purchase, sell or trade TVSM and/or its group company securities while in possession of non-public information. Supplier and their employees should not directly or indirectly disclose non-public information acquired by conducting business with TVSM.

Social Responsibility

Human Rights: Supplier are expected to comply with internationally recognized human rights standards based on the United Nations Declarations, Organization for Economic Co-operation and Development - OECD Guidelines International Labour Organization (ILO) and other national regulations, as applicable to the said country.

Child Labor: TVSM does not tolerate any form of child labor and is strictly prohibited. Suppliers shall ensure that child labor is prevented in its own business area and at its own suppliers, and will ensure adherence to the requirements:

- Prevention of any form of child labor
- The minimum age for employment to be defined as the law of land of Suppliers

Modern Slavery: Suppliers shall not directly or indirectly contribute to traffic in person or use any form of slave, forced, bonded, indentured, or prison labor. This includes the transportation, harboring, recruitment, transfer, or receipt of person by means of threat, force, coercion, abduction, fraud or payments having control over another person for the purpose of exploitation.

Freedom of Association & Collective Bargaining: Suppliers and their sub-suppliers shall respect the right of employees to associate freely with, form, and join employees' organizations of their own choosing, seek representation, and bargain collectively, as permitted by and in accordance with applicable laws and regulations. These rights are exercised without fear of discrimination, violence, or harassment, whether physical or psychological

Anti-Discrimination and Equal Opportunity: TVSM believes in giving equal opportunity and

does not discriminate individuals based on gender, ethnicity, national origin, pregnancy, age, religion, political affiliation, marital status, disability, sexual orientation, or gender identification. The company expects its suppliers to promote social inclusiveness by ensuring equal access to opportunities for all, thereby advancing their growth and development and improving their ability and opportunity.

Wages and Benefits: A transparent and reliable system for records of working hours and wages for all workers is to be maintained by Suppliers in compliance with all applicable regulatory requirements of the land of operation. Suppliers will ensure that the employees have access to all social benefits as per the applicable law. Suppliers must not discriminate against any worker under any circumstances.

Working Hours: Supplier shall adhere to working hours, overtime wages, breaks and public holidays complying with the local / applicable laws.

Harassment: TVSM expects its suppliers and their sub-suppliers to treat its employees with respect and dignity. Suppliers and their sub-suppliers will work towards establishing a harassment-free workplace, which can take many forms.

Security Forces: Prohibition on engaging or deploying private or public security forces for the protection of a business project, if doing so violates applicable local laws as defined by their respective governments ¹.

Health and Safety in the Workplace

At TVSM, ensuring the health and safety of employees and their partners is of utmost priority. The company expects its suppliers to comply with all national and international standards and laws on occupational safety (safety at work, health protection) that apply to its location of business. Suppliers are expected to develop their Occupational Health and Safety framework as per the ISO 45001 and provide evidence of the same by way of a corresponding valid certificate.

Workplace risk assessment: Suppliers are expected to undertake a workplace risk assessment at significant sites and workplaces. The workplace risk assessment is updated in case there is a change in its operation. Suppliers are expected to take proactive steps to encourage the adoption of personal protective equipment (PPE) by reducing risks at the source. This can include measures such as reducing noise levels, improving machine safety, implementing safe work routines, and enhancing air quality

Personal protective equipment (PPE): Suppliers will ensure that appropriate *PPE* and protective clothing are available, maintained, used and provided for its workers and visitors in any harmful or potentially risky work areas. Areas where *PPE* is needed are clearly marked.

¹ Reference example for Indian suppliers (a)The **Private Security Agencies (Regulation) Act, 2005** (PSARA) is legislation enacted in India to regulate private security agencies. Its primary goal is to monitor these agencies' activities and ensure they operate within a legal framework. The Act covers matters related to licensing, eligibility criteria, and the functioning of private security services.

(b) As per Regulation 4 of PSARA 2005, Persons or Private Security Agency not to engage or provide private security guard without license. -No person shall carry on or commence the business of private security agency, unless he holds a license issued under this Act

Safety hazards: Suppliers will ensure that all risks and other occupational hazards in the workplace that can cause an *accident/injury* are acted on and minimized.

Reporting of Incidents and accidents: Suppliers are expected to establish a process for reporting, analyzing, following up and acting on incidents and accidents is documented.

Health & safety training: Suppliers will ensure that its workers are given the necessary and adequate safety training before operating machines, equipment or carrying out potentially hazardous operations. The training provided will be renewed according to legislation and/or identified needs. Descriptions and records of the training shall be made available to TVSM representatives for inspection/audit.

Machinery and other equipment: Suppliers will ensure that all machinery and other equipment like forklifts, escalators, automatic doors/gates, cranes/ lifts etc. are inspected and certified by technical inspection authorities or other certified or authorized persons according to legal requirements. Records of inspection shall be made available to TVSM representatives for inspection/audit.

Safety information: Suppliers will ensure that safety information and/or warning signs are clearly visibly at-risk areas within its premise. The information describing the risk or hazard and how to minimize exposure is in a form that is understandable to the workers.

Safe working routines: Suppliers will ensure that safe working routines are implemented to minimize risk of injuries and ill-health associated with hazardous work tasks like working in confined spaces, working at heights, working with mobile elevated platforms or cranes etc.

First aid trained people: Suppliers will ensure that an adequate number of first aid trained people are present during working hours covering all shifts. First aid trainers are certified trainers, doctors, or nurses. Certificates of first aid people will be renewed at least once every 36 months or according to legal requirements. Records of the training are kept by the suppliers. Descriptions and records of the training shall be made available to TVSM representatives for inspection/audit.

First aid equipment: Suppliers will ensure that first aid equipment is adequately stocked and available to the workers during all shifts in all buildings and on each floor and in all trucks, and locomotives. The extent of the first aid equipment will be based upon the size of the facility, the extent of the activities performed as well as the potential risk of injury. The equipment will be placed in a clearly marked, designated area in a location that ensures easy and quick access in case of emergency, maintained in good condition, and inspected regularly to secure its completeness and utility.

Workplace conditions and ergonomics: Suppliers are expected to provide good working conditions for their workers. Monitoring of these working conditions includes, but is not limited to, noise, temperature, light, air quality. Protocols from required measurements are maintained. Suppliers may consider undertaking ergonomic assessment of its premises and work area. A documented plan on how to reduce monotonous repetitive work and work positions etc. that can cause long-term injuries.

Drinking water: Clean drinking water (as per IS 10500:2012) is provided to all workers free of

cost. Water dispensers are appropriately maintained and within a reasonable distance of the work area(s) away from washrooms & toilets.

Housekeeping and hygiene: Good housekeeping to ensure a hygienic and safe environment for the workers is implemented. All facilities are regularly cleaned and maintained in good condition. An appropriate number of adequately equipped washing and toilet facilities are available.

Break areas: Suppliers will develop an adequate number of places where workers can rest and eat during their breaks. Such areas are clean, in good condition, separated from the production environment such as noise, dust etc. and are equipped at least with chairs/benches and tables.

Disaster Management Planning: Suppliers are expected to develop clear plans for management of any natural (e.g., earthquakes) or man-made disasters (e.g., fire accidents, gas leaks etc). The plans are to be clearly communicated to employees; safe assembly zones are to be clearly marked and communicated to all personnel. The supplier shall also conduct regular/adequate fire drills and other such programs to educate all employees on do's/don'ts.

Conflict Minerals

Every material used in products that are given to TVSM must be sourced ethically and in accordance with all applicable laws. Suppliers must involve sub-tier Suppliers in their efforts to demonstrate transparency and must fully support and cooperate with TVSM to secure complete transparency and traceability of their raw material supply chain.

Suppliers will ensure that, all necessary precautions are taken to ensure that there is no risk of directly or indirectly contributing to armed conflicts, human rights violations, war crimes, grave transgressions of international humanitarian law, crimes against humanity or genocide, unethical business practices, or environmental harm.

Rights of communities

The rights and title to land and property of the individual, indigenous people and local communities shall be respected. All negotiations regarding land or property, including the use of and transfers of it, shall adhere to the principles of free, prior, and informed consent, contract transparency and disclosure. Upon TVSM request, the suppliers will be expected to demonstrate their legal right to use the land.

Environment

Suppliers are expected to demonstrate a proactive approach towards protecting the environment, conserving natural resources, and reducing environmental footprint covering manufacturing and supply chain operations. Suppliers are advised to implement an Environmental Management System, appropriate to scale and nature of their operations and certified under ISO 14001:2015 standard by an accredited agency. Suppliers shall comply with applicable state and central environmental regulations proactively through appropriate governance mechanisms.

Water management: Suppliers shall implement water conservation measures and minimize

water pollution by appropriate process controls, technologies, effluent treatment, and recycling. Suppliers are encouraged to use surface water, rainwater, and conserve groundwater. Suppliers shall secure and maintain current any consents under Air Act, Water Act and other application rules, regulations and notifications of the respective governments

Pollution: Suppliers shall work towards preventing and abate air pollution due to emissions from their operations to a maximum possible extent.

Energy Consumption & Gas Emissions

- Suppliers are expected to track and document energy consumption and greenhouse gas emissions.
- Suppliers are also looking for cost effective methods of improving energy efficiency by minimizing their energy consumption and greenhouse gas emissions, considering a life cycle perspective.

Climate change: Suppliers are encouraged to inventorize their carbon footprint and share scope 1 and 2 emissions data with TVSM. TVSM hopes to partner in its transition towards a low carbon business model and support the suppliers to set their reduction target.

Decarbonization: Strengthen energy efficiency, encourage the adoption of renewable energy sources, monitor greenhouse gas (GHG) emissions throughout the value chain, and endeavours to transition to a low-carbon business model to aid in the fight against climate change.

Waste management: Suppliers are expected to minimize waste by adopting a waste minimization hierarchy viz., Refuse, Reduce, Reuse and Recycle and handle them in accordance with respective Rules/Laws for their government. Management Programs shall be undertaken towards reducing hazardous waste footprint. Inventory of wastes shall be maintained, and returns shall be submitted on time.

Circularity: Suppliers shall strive to integrate circularity as the fundamental concept that guides every step of the product development process, beginning with design, where the number of components and materials is reduced to a minimum.

Biodiversity: TVSM expects its suppliers to ensure that no business activities are conducted in High Conservation Value Areas, unless the area is certified according to a system recognized, which is nationally or internationally accepted.

Soil Quality: TVSM expects suppliers to actively reduce harmful emissions, discharge and disposal that can negatively impact soil quality by minimizing air pollutants. Suppliers are also required to prevent water contamination that could harm soil ecosystems by following essential practices, such as proper disposal of hazardous chemicals and wastewater treatment. Responsible waste management is crucial for maintaining soil quality. Hence suppliers should minimize waste generation, recycle materials, and properly dispose of any waste to prevent soil pollution as per applicable local laws as defined by their respective governments. Suppliers set targets for waste reduction and establish a waste management hierarchy in the following order of priority: prevention, reduction, reuse, recovery, recycling and finally waste disposal.

Implementation of Suppliers Code of Conduct

The Supplier Sustainability Code of Conduct shall supplement any other rules and regulations documenting the conduct of suppliers and shall extend to their supply chain including their sub-suppliers and contractors. It shall be the obligation of the Supplier to ensure compliance of this Code of Conduct by their suppliers and contractors including conformity with the local laws, rules and regulations, as applicable and amended, from time to time.

Where the Suppliers are outside India, the compliance will be in addition to the aforesaid, the laws of their respective country regulations, as applicable to the supplies made in respect of EXIM policy, Air, Water, Emission norms, Hazardous waste management and other Environmental protection / related laws.

Suppliers Obligation

- The supplier agrees to carry out their operations in accordance with the standards outlined in the code.
- TVSM Suppliers themselves must comply with this requirement, as must every link in their supply chain.
- TVSM may conduct routine and as-needed risk assessments pertaining to Suppliers in compliance with regulatory regulations and industry best practices. Such a study may be carried out using third-party evaluation or the TVSM Supplier rating system. Suppliers agree' s to respond to all requests in a timely manner that is both necessary and reasonable.
- If the analyses results in additional expectations of Suppliers, due to an increased risk situation, TVSM shall notify the Supplier in writing. The supplier shall then meet these additional expectations within a reasonable period from receipt of the notification and provide evidence of its implementation.
- The Suppliers shall implement and communicate the TVSM Supplier Sustainability Code of Conduct throughout their supply chain, including to their own suppliers and service providers.
- Through routine and ad hoc risk studies, the Supplier is expected to identify risks within the supply chain that are in breach of the TVSM Supplier Code of Conduct. In such cases, the Supplier is expected to take the necessary action to prevent or mitigate these risks as well as potential violations of the code.
- In such scenario, the Supplier will notify TVSM representative of the risks and violations that have been found, as well as the actions that have been taken. Together with TVSM, Suppliers will also identify the steps that will be taken to immediately and permanently remove any possibility of protected resource violations across the supply chain.
- The supplier shall provide TVSM with written notice of the execution of its obligations under this Code during the preceding reporting period.
- As soon as Suppliers learns of any major incidents, including violations, verified

suspicious, or challenges in adhering to and addressing the TVSM Supplier Code of Conduct throughout the supply chain, Suppliers will notify TVSM in writing. This can be done in confidence through the designated channels for complaints and whistleblowers, or directly with the accountable buyer. The notification must uphold Supplier's legal interests as well as employee rights, particularly those related to data privacy and trade secret protection. This also holds true for infractions committed by third parties that Suppliers uses.

- To verify compliance with the TVSM Supplier Code of Conduct throughout the supply chain and to verify compliance with Suppliers' obligations arising therefrom, Supplier shall furnish TVSM with all information in writing that TVSM reasonably requires or justifiably demands.
- The Supplier shall cooperate with TVSM to remedy violations of the TVSM Supplier Code of Conduct and shall ensure fulfilment of its obligation to comply with the same in its own business area and to ensure compliance along its supply chain with due diligence.

Supplier's Audit

- TVSM may, if and to the extent required, may conduct periodic audits of Suppliers to ensure that it is complying with this Code's requirements. These audits may take place more frequently than once a year, if necessary.
- To maintain effective control, the audit must take place within the Suppliers' regular business hours; TVSM is not required to provide advance notice.
- During the audit, Suppliers will work as closely as feasible with TVSM and provide access to all records, locations, and business spaces that are pertinent.
- TVSM will consider the Suppliers legitimate business interests and data protection measures throughout the audit. Furthermore, within the parameters of the relevant Supply Agreement, the relevant Terms and Conditions of Purchase, and any other contractual documents as agreed upon between Suppliers and TVSM, TVSM is required to keep the subject matter and audit findings confidential with respect to third parties.
- TVSM has the right to conduct a third-party audit. The third-party is ensured to sign into a suitable confidentiality agreement with TVSM in order to safeguard the Suppliers' legitimate business interests and data protection concerns.

Other obligations

- At TVSM's request, Supplier shall yearly or on occasion, together with an appropriate number and group of employees, take part in training sessions offered by TVSM or by other parties, with the aim of preventing infractions of the TVSM Supplier Sustainability Code of Conduct.
- This requirement is waived if Suppliers can demonstrate, by the submission of the required paperwork, that it has suitably trained enough people in a suitable group, with training that is on par with that provided by TVSM.

Grievance Redressal System

- Suppliers must report any suspected violations of the TVSM Supplier Code of Conduct and cooperate fully. TVSM retains the right to request information about relevant circumstances in the event of suspected noncompliance.
- Suppliers must notify any violations of the Code by a third party, employee, or representative of TVSM relating to the company's business or supply chain. This can also be done anonymously, if desired. Such violations can be reported within 30 days after their occurrence.
- Supplier shall inform its employees and Supplier of the availability and anonymous usability of the TVSM complaint mechanism and request that they pass on the information to the whistleblower system along the supply chain.
- Supplier warrants that it shall not take any adverse action or disciplinary action against the whistleblower in connection with the handling of such information. TVSM assures confidentiality and protection to the whistle blower and in furtherance, any attempts to intimidate the whistle blower would be treated as a violation of this code.

Consequence management framework

- If Supplier breaches its obligations under this Code or a breach is imminent, reasonable remedial action must be taken immediately to ensure the performance of its contractual obligations and to prevent, terminate or minimize the extent of the breach.
- If possible, TVSM may in its sole discretion give Suppliers the opportunity to establish a Corrective action plan together with TVSM immediately to avert, terminate or minimize the violation or risk.
- If a deadline plan is unsuitable for preventing, terminating, or minimizing a violation or risk, or if Suppliers fail to establish or implement the plan, TVSM may suspend the business relationship until the violation is resolved. The right to suspend the contractual relationship under the aforementioned conditions applies regardless of any other contractual obligations with Suppliers. Suppliers shall have no right to allege any damages or other claims originating from or in connection with the suspension of the contractual relationship as a result of its violation of the Code.
- TVSM has the right to terminate the contract immediately for good cause if legal criteria are not met. In such instances, suppliers are not entitled to make claims for damages or other claims related to the termination of the contractual relationship. A valid cause from TVSM's perspective includes situations where a supplier breaches its obligations under this Code, fails to take appropriate remedial action despite warnings and within the time period stipulated by TVSM, and the breach is substantial or involves a significant number of cases
- Despite TVSM's warning and a reasonable time frame, suppliers have refused to

cooperate in preparing a deadline schedule. Additionally, they have failed to comply with the time schedule even after reminders from TVSM and a sufficient amount of time has passed. Given these material breaches of duty, including repeated or intentional violations, as well as breaches committed by direct or indirect subcontractors that remain unaddressed within a reasonable timeframe, continuing the contractual relationship with these suppliers is unreasonable for TVSM.

- Suppliers must indemnify and hold harmless TVSM for all consequences resulting from violations of the Code, including fines, penalties, and claims from third parties or authorities.

Consent declaration

I on behalf of.....hereby confirm and acknowledge that I am an authorized representative of the company referenced below, have received, carefully reviewed, understood the substance and confirm that this company is in full compliance with TVSM Supplier Code of Conduct.

As a representative, I further confirm that this company will comply with the principles and requirements of this Supplier Code of Conduct in addition to the obligations stipulated in the Supply Agreements signed with TVSM.

Supplier company name:	
Name of the Chairman/MD/CEO:	
Designation of Supplier:	
Place and Date:	

Signature, Name, Designation and Company seal:

Please send the Declaration of Consent by e-mail and the original by mail to the TVSM employee responsible for your company