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Apollo Tyres Sustainable Procurement Policy (ATSPP)

Version no 4 dated 27th May 2022

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1. Introduction

Driven by its pillars of sustainability and its vision, ATL has committed to associate with supply chain partners who act responsibly towards environment and society. It works towards a sustainable growth and has sustainable sourcing to minimize its impact on environment and society while making its procurement decisions.

2. About Apollo Tyres Ltd.

The Company is in the business of manufacturing and sale of tyres since the year 1972. The Apollo Tyres Sustainable Procurement Policy (ATSP) extends to ATL and to any of its subsidiaries, affiliates, joint venture companies and associates (collectively referred to as 'Apollo Tyres Limited').

3. Scope

The Company expects its Raw Material (RM) supply chain partners (referred to as 'Partners') to comply with the requirements defined in this ATSP and adopt best practices to reduce its environment footprint. It expects its Partners to communicate and cascade these requirements as required in their respective organisations and suitably enforce the same to the next tier level of their respective supply chain. Partners need to ensure adherence and continual improvement in their sustainability parameters to help contribute towards the welfare of the society and environment.

ATSP is applicable to all workers and employees of the Partners (including permanent, temporary, contract agency and migrant workers). Each Partner must provide commitment to the ATSP by signing it.

4. Sustainable Procurement and Sustainability

Sustainable procurement is procurement that has the most positive with minimum adverse impact on environmental, social, and economic across the entire life cycle and the supply chain. In line with the the Company's sustainability statement and roadmap, it integrates principles of sustainable procurement into its Sustainable Procurement Vision, Sustainable Procurement Policy, Sustainable Procurement Guiding Principles and Guidelines for RM Supply Chain Partners. Sustainability in procurement is achieved by ensuring resource efficiency, improved product and service quality and ultimately optimizing costs in its upstream supply chain as a component of the social responsibility.

Apollo Tyres' Sustainable Procurement components are made up of three sections:

- a) Sustainable Procurement Vision,
- b) Sustainable Procurement Policy, and
- c) Sustainable Procurement Guiding Principles

a) Sustainable Procurement Vision

Apollo Tyres shall work towards minimizing the environmental, economic, and social impacts to its business, in a compliant and responsible manner, by adopting sustainable procurement policies and practices.

In this regard, it ensures the Partners' participation in promoting sustainable practices in the RM supply chain. It endeavours to ensure strong sustainability governance framework that provides foundation for identification of material issues, risks and opportunities arising in the raw material supply chain and strategies to address them.

In line with the Sustainable Procurement vision, the Company continuously works towards achieving sustainability across its operations and its value chain by using the resources responsibly.

b) Sustainable Procurement Policy

The Company considers its vendors as long-term business partners and is committed to conducting its business affairs in a fair and ethical manner that promotes open and fair competition in its best interests and those of its business partners. It shall strive to continuously enhance customer satisfaction by providing cost effective and quality materials on a timely basis, while working together with its supply chain partners on environmental, economic, and social aspects to enable sustainable business practices.

c) Sustainable Procurement Guiding Principles

The Company's guiding principles for sustainable procurement are as follows:

1. Driving through **governance, transparency, and accountability**
2. Enhanced usage of **recycled, reclaimed, and renewable raw materials** in its products including encouraging its Partners in increasing the content of the recycled, reclaimed and renewable raw materials in their manufacturing processes
3. Striving towards **highest environment, health and safety standard in the Partner's manufacturing processes** and operations and to work towards applicable certifications in their respective industries
4. Integrating **international and domestic standards** on Human Rights as applicable within the Partner's operations
5. Ensuring compliance of national and international norms on decent work agenda and protect the rights of workers, local vendors, and other relevant stakeholders
6. Encouraging its 'One Family' culture in the RM supply chain
7. Work on **Natural Rubber Sustainability** in line with the GPSNR (Global Platform for Sustainable Natural Rubber) guidelines to drive improvements in the social, economic, and environmental performance of Natural Rubber supply chain
8. Driving **continual improvement, in collaboration with the Partners, in the sustainable procurement** agenda throughout the RM supply chain

5. Partner Compliance:

Based on the Company's Sustainable Procurement vision, policy and guidelines, the 'minimum requirements' and 'preferred requirements' from its Partners are defined in this ATSP. Partners are expected to co-own and comply with ATSP and integrate sustainability into their business and decision-making processes.

Besides, Partners need to ensure their operations and the products supplied to Apollo Tyres comply with all national and other applicable laws and regulations. Further, it is essential that the Partners operate their business in a way that supports the Company's commitment to the highest environmental and ethical standards.

6. **Preferred Partner:** Partners who meet the ATSP minimum requirements and preferred requirements shall be accorded the status of Preferred Partner while selecting and retaining approved Partners.

7. **ATSP – Guidelines for deployment in Apollo RM Supply Chain**

ATSP plays an important role and efforts, to make Apollo Tyres, a leading responsible corporate.

The purpose of ATSP is to provide guidelines on requirements (minimum and preferred) to Partners who have or may have business activities and commercial interactions with it. It has been developed with an intention to set environment, social and governance standards, to which the Company expects all its Partners to adhere. The laid down standards are in line with the national and international standards and compliance of various sustainability aspects.

Apollo Tyres commits to ensure that the products and services it procures, comes from Partners acting in responsible way and in accordance with this ATSP. The Company's commitment to its CO2 emission reduction targets and targets for increasing the recycled raw material content, will ensure to on-board and promote those partners who help it to achieve sustainability goals.

The objective is to work collaboratively with the Partners for effective implementation of ATSP. Partners include all current or future vendors, their subsidiaries, and the employees of their subsidiaries. It encourages all its Partners to implement ATSP not only in their businesses but also to promote and encourage such initiatives / sustainability requirements further into their respective their supply chains.

Apollo Tyres' Global R&D Centres are responsible for providing specifications to ensure procurement of sustainable products considering their life cycle cost and assessment of their potential impacts on people and the planet. It encourages use of products or services which adopt the cradle-to-cradle approach and design for environment principles which are essential for long-term sustainability.

The Company is committed towards preference to sustainable materials while selecting new materials, use of recycled or reclaimed materials and emission reduction. Partners need to demonstrate compliance with this ATSP throughout their engagement and report it to the Company, as and when required.

The guidelines for deployment in its RM Supply Chain are made up of eight sections, namely

- Section I: Organizational Governance,
- Section II: Human Rights,
- Section III: Labour Practices,
- Section IV: Environment,
- Section V: Fair operating practices,
- Section VI: Consumer Issues,

- Section VII: Community Involvement and development, and
- Section VIII: Sustainable Procurement.

SECTION I: Organisational Governance

Apollo Tyres seeks to understand how its Partners' organization makes and implements decisions in pursuit of its sustainability objectives, as it conducts its business. Fulfilling these requirements indicates that the Partner takes responsibility for the impacts of its decision and activities and integrates sustainability throughout their organisation.

MINIMUM REQUIREMENT:

- The Partners need to demonstrate their leadership and commitment towards sustainability by offering sustainable products produced using sustainable methods of RM sourcing, production, and supply of finished products to the Company. Further they need to demonstrate and promote sustainability in their organizations and in the next level of their RM supply chains.
- Partners to ensure that there is a sustainability governance framework in their respective organisations that supports in identification and assessment of key sustainability issues, risks and opportunities arising in their upstream raw material supply chain; and strategies to address them.
- Partners to comply with applicable laws and regulations of respective country and region and will not be involved in any complicit behaviour. The Partners need to comply to all the applicable legislations and reporting requirements set out by regulatory authorities e.g., Business Responsibility & Sustainability Reporting by SEBI mandate for top 1000 listed companies as per market capitalization in India and likewise in other respective countries and regions, as applicable to their operations.
- Partners are required to comply with the sustainability disclosure requirements including Annual Sustainability Reports, etc as warranted by the local and international reporting requirements applicable in their respective countries and regions across the globe.
- Partners to establish and implement policies around sustainability including a code of conduct.
- Partners are required to have knowledge of the source of the RM sourced to produce their finished product(s).
- Partners to use financial, natural, and human resources efficiently.

Partners are required to timely respond to the Company regarding any information asked related to the product and its origin.

PREFERRED REQUIREMENTS

- Partners should promote culture and environment in which various aspects of sustainability and social responsibility is practiced.

- Partners should lay down a clear sustainability vision and policy for the organization and their supply chains, a well-defined objective, KPIs, and targets on sustainability.
- Partners to undertake third-party external assessment(s), assurance, and certification, where possible with respect to sustainability aspect in their organisations.
- Partners to install a grievance redressal mechanism that allow for raising comments and/or feedbacks in a anonymous way, establish procedures to take appropriate remediation actions, and maintain record along with current disposal status for any issue or grievance identified through this mechanism.
- Partners not only actively collaborate with Apollo Tyres on enhancing traceability, but also explore options for, and participate in, programs that enhance traceability
- Partners to provide evidence of a complete understanding of who their vendors are and from where they source their products and services to the point of origin.
- Partners to demonstrate contribution to United Nations Sustainable Development Goals (SDGs) such as SDG 12 – Responsible Consumption and Production.

SECTION II: Human Rights

Human rights comprise of civil and political rights and economic, social cultural rights. Compliance to these requirements would indicate recognition, respect, protection, and fulfilment of human rights, regarded essential as the rule of law and to have fair systems in place.

MINIMUM REQUIREMENTS

- Forced, bonded, or indentured or involuntary prison labour shall not to be practiced in any manner. A Policy pertaining to the same should be available with the Partners.
- Employment shall be voluntary, and all employees should be free to leave upon reasonable notice. Partners to keep records of all employees' employment details and documents.
- There shall not be any unlawful discrimination in hiring and employment practices based on race, colour, age, gender, language, religion, caste, economic grounds, disability, sexual orientation, ethnicity, nationality, marital status, pregnancy, political affiliation, or as is prohibited under local law.
- Child labour to be prohibited. The term 'Child' refers to any person under the age of 15 (or 14 where the law of country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is applicable.
- Working hours of employment to comply with national laws. Workers should not be required to work more than the mandated hours per week as per regulations applicable, including overtime, except in extraordinary business circumstances with their consent, subject to local laws. Employees should be allowed at least one day off per week and

there should not be any unfair labour practices. Working hours of employees within the Partner organization and their supply chain should be as per the applicable law of the region / state / country. No employee should be encouraged or allowed to work beyond the working hours mentioned in the law, leaving aside the exceptional circumstances, where the consent from employee shall be taken. The Partner organization should not encourage any means of unfair operating practices and should conduct checks to ensure the same.

- All employees at the Partner organization shall be treated with respect and dignity. There shall be no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse.
- Partners shall respect the legal rights of employees as is permissible under applicable law; and shall encourage employees to form such associations which undertake the overall welfare of the employees, provides freedom of opinion and expression and are non-discriminatory in nature.
- Partners are required to comply with all laws and regulations regarding human rights in their countries and/or regions of operation and shall not follow any kind of complicit behaviour.
- Partners are required to carry out due diligence in their organization and supply chain to identify source or human rights risk situations and monitor the impacts of risks with respect to Human Rights.
- Partners are required to provide support and facilities for community development and respect of economic, social, and cultural rights.
- Partners shall have a mechanism to address the issues related to the human rights and help in redressal.

PREFERRED REQUIREMENTS

- Partners to develop training programs and enhance employees' knowledge on human rights and other social issues.
- Partners must conduct legitimate workplace apprenticeship programmes which comply with local laws and regulations applicable to such apprenticeship programmes.
- Partners to work towards complying with international standards and best practices regarding human rights, working conditions or other related issues at their organization and promote and support the same within their supply chains.
- Partners should encourage participation and inclusion of all society groups, including vulnerable groups.

SECTION III: Labour Practices

Fulfilment to the requirements of the Labour practices indicates how the Partners encompass all policies, procedures, code of conduct and practices relating to the activities performed within, by or on behalf of the organization, including sub-contracted work. It will include checking of recruitment and promotion of workers, disciplinary and grievance procedures, transfer and relocation of workers, termination of employment, training and skill development, health, safety and industrial hygiene, and other conditions of work.

MINIMUM REQUIREMENTS

- Partners are required to have a policy and procedures established regarding labour practices, along with adequate resources to implement such a system.
- Partners shall ensure equal employment opportunities and benefits to all workers and not discriminate either directly or indirectly
- Partners shall promote gender equality and women empowerment.
- Worker exposure to potential safety hazards is to be controlled through proper design, engineering, and hierarchy of controls (elimination, substitution, engineering controls, administrative controls, work procedures and Personal Protective Equipment and preventive maintenance.
- Workers of Partners shall not be disciplined for raising safety concerns.
- Partners shall comply to all the health and safety, international, national, regional, and local labour laws / codes and regulations applicable, working hours, health and safety, disaster prevention and the control, use and reporting of chemical substances.
- Emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures, including emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.
- Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours, piece rates and other elements of compensation, and provide legally mandated benefits stipulated under local or international laws.
- Partners shall assess the health and safety risks and communicate the safe practices to all workers. Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled. When hazards cannot be adequately controlled by engineering and administrative means, workers are to be provided with appropriate personal protective equipment.
- Worker exposure to physically demanding tasks, including manual material handling and heavy lifting, prolonged standing and highly repetitive or forceful assembly tasks is to be

identified, evaluated, and controlled. Physical guards, interlocks and barriers are to be provided and properly maintained for machinery used by workers.

- Provide decent conditions of work. Workers are to be provided with clean toilet facilities, access to portable water and sanitary food preparation and storage facilities. Worker dormitories provided are to be clean, safe, and provide emergency egress, adequate heat and ventilation and reasonable personal space. Also, the workers employed in the canteen should undergo regular periodic health check-up.
- Workers who are exposed to chemical and biological hazards should undergo regular periodic health check-up.
- Partners shall have an established incident investigation mechanism, to work towards minimizing or eliminating the source of risks or incident.
- Partners are required to respect freedom of association and collective bargaining in accordance with applicable national, regional, and local laws and regulations.
- Partners shall not benefit from unfair, exploitative, or abusive labor practices of its partners, vendors, or subcontractors, including home workers.

PREFERRED REQUIREMENTS

- Those Partners who have established higher levels of safety than what is a minimum requirement shall be given preference.
- Partners should organise physical and mental wellbeing of its workforce by organising relevant seminars, webinars, or workshops for the same.
- Partners offer their employees fair, market-competitive pay, and benefits along with reasonable notice.
- Partners should conduct skill development programs, trainings, workshops, or other educational programs to educate management and employees on non-discrimination and best labour practices.
- Partners' operations are certified to meet internationally recognized standards for decent work conditions, such as SA8000, relative ILO Conventions, ILO Decent Work Indicators, Fair Trade International Standards, or others.
- Partner's operations are certified to meet internationally recognized standards for good health and safety management practices

SECTION IV: Environment

Compliance to the below mentioned requirements will ensure Partners' commitment towards environmental protection, judicious usage of resources and creating minimal or no impact on the natural habitats and the biodiversity.

MINIMUM REQUIREMENTS:

- Partner shall function in a manner to protect environment, conserve natural resources, restore and prevent pollution. In manufacturing operations, adverse effects on the community, environment and natural resources are to be minimized while safeguarding the health and safety of the public.
- Partner shall respect and promote environmental principles i.e. environmental responsibility, proactive approach, managing risk, and polluter pays principle
- To support a sustainable relationship between society and our planet, establish an Environmental Management System such as ISO 14001 that will carry out environment impact assessment with a life cycle perspective and comply with the applicable environmental laws and regulations of region and country and to implement continual improvement initiatives to maximize environmental performance.
- Partners shall have a well-established mechanism to assess environmental (air, water, soil pollution, etc.) risks and impacts with a life cycle perspective. The Partner should be able to mitigate the environmental risks and impacts through effective management plans and community engagement.
- Partners to contribute towards an establishment of a recycling-based society and systems. When designing and developing products, reduce consumption of resources and utilize reclaimed materials, considering their appropriate disposal measures and/or recyclability. In addition, take initiatives to reduce and recycle waste at your operations and in logistics.
- Partners shall comply with the applicable environmental laws and regulations of respective country and region, manage chemical substances (i.e., elimination, reduction in use) as well as especially ensure that prohibited substances are not used in products and production processes etc. In addition, partners to ensure environmental performance reporting to governmental agencies as required by laws and regulations.
- Partners are prohibited from converting natural forests to farm crops or other non-forest uses.
- Partners shall support the long-term protection of natural forests and other ecosystems and their conservation values, including mitigation/remediation plans for damaged or disturbed areas.
- Partners are required to protect wildlife, including rare, threatened, endangered and critically endangered species from poaching, over-hunting, and habitat loss in areas under company management, while supporting wildlife protection activities in areas of influence.
- Partner organization should reduce chemical substance emissions. Partners share information to educate the supply chain regarding the control, use and reporting of chemical substances.

PREFERRED REQUIREMENTS

- Partners to develop products that will reduce Green House Gas (GHG) and reduce GHG emissions. Aiming to achieve carbon neutrality, not only strive to identify the details of challenges in operations and materials etc. in addition to tracking GHG emissions, but also develop and promote proposals of all possible reduction measures, including energy savings, equipment improvement, material replacement and the introduction of renewable energy under a united effort with vendors. Have mechanism to measure, record and report its emissions. The team(s) at partners end should be capable of implementing optimized measures to reduce the direct and indirect GHG emissions.
- Based on the recognition that biodiversity is the premise of continuation of business operations, partners should take initiatives that will help realize a sustainable society in harmony with the nature. Partners should be able to identify its impact on the surrounding flora and fauna. Where the impact is there, partner should be able to implement protective and restoration measures.
- Partners to demonstrate contribution to United Nations Sustainable Development Goals (SDGs) such as SDG 6 – Clean Water and Sanitation, SDG 12 – Responsible Consumption and Production, SDG 15 – Life on Land.
- Partners are required to make disclosures on their environmental performance at relevant national or international platforms like EcoVadis, CDP etc.
- Partners to develop remediation plans for damaged or disturbed areas.

Partners to adopt best practices and technologies to conserve natural resources (e.g., water harvesting etc.) and / or using alternative sustainable methodologies and equipment (e.g., solar panels)

- Partners should reduce packaging or adopt sustainable packaging while preserving the material properties and taking care of the transportation and handling requirements
- Partners to share its sustainability related knowledge on technologies and best practices adopted.
- Partners to ensure continuous increase in their share of usage of renewables (energy) and recycling (material) in their operations
- Partners should have emission reduction targets and identify opportunities to avoid and minimize climate change.
- Where possible, Partners need to consider complementing or replacing non-renewable resources with alternative sustainable, renewable, and low impact resources.

SECTION V: Fair Operating Practices

To ensure ethical conduct of the partner while dealing with Apollo Tyres, following requirements need to be fulfilled by the Partners. These include relationship between organisations and government agencies as well as between organisations and their partners, vendors, contractors, customers, competitors, and the associations of which they are members.

Apollo Tyres is committed to protecting the privacy of personal data and maintaining the principles of integrity and trust in the course of its business and expects its Partners to have similar obligations and commitments.

MINIMUM REQUIREMENTS

- The highest standards of integrity are expected in all business transactions from the Partners. All forms of corruption, extortion and embezzlement are strictly prohibited and may result in immediate termination of dealings. This will be applicable while dealing with Apollo Tyres as well as while sourcing the raw materials from the next tier level of the supply chain.
- Partners shall behave ethically to establish and sustain legitimate and productive relationships between organizations.
- No bribes or other means to be adopted for obtaining undue or improper advantage. Eliminate abusive situations in operations.
- Partners shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations, or comparable benefits that are intended to, or perceived to obtain business or uncompetitive favours for the conduct of its business.
- Information regarding business activities, structure, financial position performance and other relevant information is to be disclosed in accordance with applicable regulations and best industry practices that provides insight and surety towards fair operating practices.
- Intellectual Property Rights are to be respected; transfer of technology and know-how is to be done in a manner that protects Intellectual Property Rights and traditional knowledge.
- Standards of fair business, advertising and competition are to be upheld. Means to safeguard customer information should be available.
- Partners to ensure compliance to competition marketing laws and regulations of relevant country and region, and not to engage in illegal acts including private monopolies, unreasonable restraint of trade (cartel, collusive bidding, etc.) or unfair trade practices.
- Avoid political contributions that could control or perceive as exerting undue influence on politicians or policymakers in favour of specific causes.
- Partners to promote fair operating practices by providing awareness and training to the employees on anti-corruption, fair competition and responsible political involvement

and contributions.

- Partners shall practice non-discrimination, fairness and equality in their business operations, advertising, and business relationships.
- In addition to prohibiting and preventing discrimination, partners are expected to take steps to promote equity based on gender, race, and ethnicity, to expand employment opportunities for traditionally under-represented groups. Partners shall comply with all the relevant Data Privacy Law or regulations of the respective countries of their operations
- Partners shall identify risks of corruption and implement and maintain practices that counter corruption and extortion.

PREFERRED REQUIREMENTS

- Partners to conduct trainings, workshops, or other educational programs to educate management and employees on non-discrimination.
- Partners to enable employees to report any instance of harassment, without fear of retaliation, intimidation, or harassment.
- Partners should encourage other organizations in its value chain to adopt similar policies, without indulging in anti-competitive behaviour.
- Partners should carry out due diligence & monitoring of fair practices in organizations it is working with.
- Partners should provide support to SMOs (Small and medium organisations) in raising awareness on social responsibility issues and best practices to be adopted.
- Partners adhere to international standards and principles for non-discrimination and equal treatment, such as ILO Convention 111 – Discrimination (Employment and Occupation), the Fair Labor Association Principles, Fair Trade International standards or other relative international standards or principles.

SECTION VI: Consumer Issues

Engagement with the Partners who understand their responsibilities towards their customers or consumers is of prime importance to Apollo Tyres. It includes providing accurate information, using fair, transparent, and helpful marketing information and contractual processes, promoting sustainable consumption, and designing products and services that provide access to all. It will also include minimizing risks from the use of product and services, through design, manufacture, distribution, information provision, support services and withdrawal and recall procedures.

MINIMUM REQUIREMENTS:

- Partners shall not engage in any practice that is deceptive, misleading, fraudulent, or unfair, unclear, or ambiguous including omission of critical information.

- Partners shall offer high quality, socially and environmentally beneficial products and services considering cradle-to-cradle cycle, thereby contributing to sustainable development.
- Partners shall fulfil the compliances related to the health and safety.
- A mechanism for capturing, monitoring, and resolution of active consumer grievances or issues, and analysis and evaluation of trends is encouraged specifically for any complaints related to misleading or fraudulent information, unclear information causing harm to health & safety or lack of data protection or privacy.
- To reflect on the customer feedback and continuously improve the systems and processes, it is recommended to deploy a mechanism of periodic Customer satisfaction surveys to capture the voice of the customer.
- System to address the issues with respect to handling and usage experience of the consumers for your finished product supplied to customer to be ensured.
- Encourage sustainable consumption by educating the consumers on impacts of their choices regarding products or services and offering them a sustainable product.
- Partners shall have an established consumer grievance redressal mechanism to address the concerns of them and provide timely resolution.
- Partners shall prevent the collection of personal or sensitive data (eg: name, mobile number, address, health, genetic , biometric data etc.) from consumers or any third party by unlawful or unfair means. Where collected, Partners are required to implement appropriate safeguards to protect confidential information and/or intellectual property of their business partners, as well as personal data and/or personal information including, but not limited to, individual's (Consumer's) Privacy.
- Partners to ensure fair marketing and transparent communication regarding sustainability impacts of their products to consumers. Timely response should be ensured on inquiry of data related to the product, such as, information on health and safety, laws and regulations, weights and measures, environment protection etc.
- Partners to encourage and educate consumers on sustainable consumption so as to understand the impacts of the partners' choices.
- Partners shall provide products and services that are safe for users, their property and environment.

PREFERRED REQUIREMENTS

- Partners taking extra efforts to understand the requirements of consumers and bringing those modifications into their systems. Partners should go beyond the minimum safety requirements to ensure better protection.

- Partners to adopt best practices available to enhance its sustainability performance and satisfy customer requirements
- Partners should promote effective education, empowering consumers to understand the impacts of their choices of products and services.
- Partners should assist vulnerable groups and government in providing basic needs particularly in areas where the state does not adequately satisfy people's basic needs.
- Partners should minimize the risk in the design phase of the product

SECTION VII: Community Involvement and Development

It is important that Partners comply to the below mentioned requirements in its endeavour to better their relationship and engagements and upliftment of the community.

MINIMUM REQUIREMENTS

- Participation in local associations and community engagement is encouraged to help foster environmental, social, and economic development. Standards of fair business, advertising and competition are to be upheld.
- Strive to pay attention to the societal challenges of each community to promote its prosperity and development, and to conduct social contribution activities leading to the solution of such challenges in cooperation with the local communities.
- Partners should analyse the impacts of investment and procurement decisions on employment creation and capacity building, and on alleviation of poverty. Partners should consider helping to develop or improve skills development programs in the communities where these are inadequate.
- Partners shall encourage and support people to be volunteers for community service.

PREFERRED REQUIREMENTS:

- Partners should collaborate with experts, such as NGOs or other organizations, to identify community development areas.
- Partners should go beyond the legal requirement and should consider carry out community development activities, especially at the time of crisis or natural calamities such as earthquakes, floods, droughts, tsunamis etc.
- Partners should consider contributing to the development of low-cost technologies that are easily replicable.
- Partners should consider supporting related public policies when engaging with the community. Where possible, should join partnerships and associate with other stakeholders in the community.

SECTION VIII: Sustainable Procurement

Sustainable procurement allows organizations to acquire goods and services in a way that not only benefits the organisation but also contributes to the improvement of wider society. Complying with the below requirements indicate that the Partner procures sustainable goods and promotes sustainability aspects in their next tier level of supply chains too.

MINIMUM REQUIREMENTS

- Partners to procure materials after due diligence and care to avoid the procurement or usage of materials which are unlawful, or which are obtained through unethical or otherwise unacceptable means (such as conflicts minerals, 3TG, etc.). It is expected from partners to take appropriate steps to discontinue procurement of their raw materials from these sources if non-compliance is detected.
- Partners shall ensure compliance of laws and regulations in their supply chain(s).
- Partners are required to comply with all applicable environmental and social laws and regulations in their country and/or region of operation.
- Partners continually identify, monitor, and have an action plan to reduce negative sustainability impacts in their supply chains.

PREFERRED REQUIREMENTS

- Partners and their supply chains shall continually work to enhance its product or services with respect to sustainability.
- Partners to consider sustainability initiatives with their business partners in the next tier level of the supply chain(s) by developing and deploying individual sustainability policies and guidelines incorporating the guidelines for their business partners. Partners to promote the above activities in consideration of the whole supply chain and conduct the necessary countermeasures for follow-up and improvement of their business partners.
- Partners to ensure traceability in their next tier level of supply chain(s) to identify potential sustainability impacts.
- Partners to develop training or other initiatives to enhance their employee knowledge on sustainability issues and on sustainable procurement practices.
- Partners to work towards complying with international standards and best practices on sustainable procurement.
- Partners are encouraged to have their operations assessed and obtain assurance to internationally recognized standards for sustainable procurement practices, such as ISO20400.

8. **Contact Us**

In case of any queries / grievances on ATSP, please feel free to contact us on compliance.officer@apolloyres.com

9. **Changes to the ATSP**

Please note that the ATSP may be subject to change from time to time. The revised ATSP will be published in this page. The changes will be communicated to the Partner on a regular basis.

ANNEXURE 1

APOLLO - PARTNER MoU

This MoU on Guidelines for deployment of Apollo Tyres Sustainable Procurement Policy (ATSP) in Apollo RM Supply Chain is dated this [day] of [month], [year] by and between Apollo Tyres Ltd, 7 Institutional Area, Sector 32, Gurgaon 122001, Haryana, India and

[name & corporate address of Business Partner] (Partner).

Recitals

1. This MoU is intended to supplement any and all understandings between Apollo Tyres and Partner for the supply of goods or services.
2. The Parties wish to place on record in the MoU their endeavour to work jointly to achieve the objectives of ATSP.

Now, therefore, the Parties, agree as follows.

1.0 Partner Responsibility

- 1.1 Partner confirms that it has gone through and understood ATSP and the guidelines.
- 1.2 Partners shall identify non-conformance areas to ATSP and shall endeavour to draw action plan for implementing and monitoring the guidelines defined herein.
- 1.3 Upon request by Apollo Tyres, Partners shall submit a report to the former describing actions taken and progress made to meet the requirements of ATSP.
- 1.4 Partners will provide Apollo Tyres, or its nominated representative, on reasonable notice, access to their relevant records in so far as they relate to supply contracts, to verify information provided in Partner's report.

2.0 Apollo Tyres' Responsibility

Apollo Tyres agrees that the report and records referred to will only be used for the purposes of assessing the Partner's progress in accordance with ATSP and will not be disclosed to any third party without prior intimation to them.

3.0 Scope of MoU

- 3.1 This MoU applies to all existing purchase agreements/ contracts/ orders for Apollo plants in India and overseas.
- 3.2 This MoU will remain in force so long as there are any purchase agreements/ contracts/ orders in force and act as an Addendum or Annexure thereto. This MoU will terminate when and if no purchase agreements/ contracts/ orders is in force.

4.0 Change to the ATSP guidelines

In case there are any changes to the ATSP guidelines, the same shall be communicated to the Partners from time to time

Parties
Signed

For and on behalf of Apollo Tyres
Signature
Name
Position
Date:

For and on behalf of Partner
Signature
Name
Position
Date: